

FOR IMMEDIATE RELEASE, Wednesday, July 23, 2008

Stockholm – Wednesday, July 23, 2008 – Tele2 AB ("Tele2") (OMX Nordic Exchange: TEL2 A and TEL2 B), today announced its consolidated results for the second quarter 2008.



INTERIM REPORT JANUARY–JUNE 2008

In Q2 2008, Tele2's EBITDA¹⁾ increased by 29 percent to SEK 2,069 million. Mobile EBITDA¹⁾ increased by 20 percent to SEK 1,594 million.

- › Net sales¹⁾ in Q2 2008 amounted to SEK 10,150 (9,507) million, an increase of 7 percent.
- › EBITDA¹⁾ in Q2 2008 increased by 29 percent to SEK 2,069 (1,603) million.
- › EBIT¹⁾ in Q2 2008 increased by 52 percent to SEK 1,117 (736) million excluding one-off items of SEK -738 (0) million related to impairment loss in Germany. Including one-off items EBIT amounted to SEK 379 (736) million.
- › Net profit/loss²⁾ in Q2 2008 amounted to SEK 114 (-331) million.
- › Earnings per share²⁾ in Q2 2008, after dilution, amounted to SEK 0.27 (-0.67).
- › Net sales¹⁾ for H1 2008 amounted to SEK 20,007 (18,622) million, an increase of 7 percent.
- › Net profit/loss²⁾ for H1 2008 amounted to SEK 815 (-62) million.
- › Earnings per share²⁾ for H1 2008 amounted to SEK 1.82 (0.03).
- › Tele2's net debt at the end of H1 2008 amounted to SEK 8,157 (17,258) million, a decrease of 53 percent.

The figures presented correspond to Q2 2008 unless otherwise stated. The figures shown in parentheses correspond to the comparable periods in 2007.

¹⁾ Less divested operations (see note 9)

²⁾ From continuing operations (see note 10)

ALL TIME HIGH OPERATING RESULT


Tele2 has developed dramatically over the years, as a result of a focused strategy and a strong commitment. Today we are experiencing the fruits of the hard work undertaken by Tele2 and its employees – with an all time high operating result.


Despite a new record in absolute EBITDA contribution, we will not relax in any sense – there is still much to be accomplished and a lot of things we can do better.


The realignment of the group will continue, making sure that unprofitable entities sharpen up or else be released from the organization. However, this realignment process also includes the development of the well performing majority of the group. Hence we will look for complementary assets, built on mobile services, especially in our emerging market footprint.

We will further investigate the possibility of moving into green-field mobile operations in the CIS (Commonwealth of Independent States). Our proven track-record of running efficient and successful mobile operations underlines that this is the right way forward for Tele2.

Despite a new record in absolute EBITDA contribution, we will not relax in any sense – there is still much to be accomplished and a lot of things we can do better.

 The **MOBILE** operations of Tele2 continue to show good and robust operational performance, despite a very competitive environment. Russia, Sweden, Croatia and the Baltic all showed strong customer intake. Tele2 Russia once again managed to improve profitability and delivered an EBITDA margin of 36 percent. This should be seen in the light of increasing operational and capital expenditures related to the roll-out of operations in the Krasnodar region as well as in the 17 new regions recently awarded. The Baltic region was to some extent negatively affected by the poor economic environment. However, the operations managed to maintain a stable EBITDA margin at 33 percent. Croatia once again had good traction in the consumer segment adding 37,000 new mobile users. The migration to the new roaming agreement went smoothly and Tele2 Croatia continues to focus on improvement of its own network. The Swedish mobile operations recovered from a somewhat slower Q1 2008 and added 85,000 customers in Q2 2008, of which 24,000 were mobile broadband users.

 Our **FIXED BROADBAND** operations developed slower and added 4,000 customers during the quarter. Revenue grew by 15 percent and the EBITDA margin was -1 percent in the quarter. We have promised improved profitability in fixed broadband, so that the service can meet the hurdles set by management. Q2 2008 showed a significant uptick in EBITDA performance, both sequentially as well as compared to the same period last year. We still have some way to go and we see improvement to come as we focus more on fixed broadband as a complement to mobile services and less on market share on a standalone basis.

 **FIXED TELEPHONY** operations continued to deliver very robust results and profitability. The EBITDA margin was a solid 25 percent in the quarter. Even though we are well aware of the deteriorating long term prospects for fixed line services, good cash flows remain to be generated in this area.



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

FINANCIAL OVERVIEW

Tele2's financial performance reflects the ongoing realignment process and continued focus on mobile services on own infrastructure complemented by fixed broadband services. Mobile and fixed broadband sales continued to grow, compared with the same period last year. A smaller scale and scope of the total operations and a greater focus on mobile services on own infrastructure has led to a continued expansion of the EBITDA margin. The decline in fixed line services is expected to continue.

FINANCIAL OVERVIEW, LESS DIVESTED OPERATIONS

Customer net intake amounted to 340,000 (592,000) in Q2 2008. Mobile services continue the positive trend with good customer intake in Russia, Sweden, Croatia and the Baltic region. Swedish mobile continued to see robust intake of mobile broadband customers, adding 24,000. Fixed telephony continued to see an outflow of customers and Tele2 lost -415,000 (-380,000) users in the quarter. Tele2 Germany continued to represent the largest reduction in fixed telephony customers and lost -304,000 (-158,000) in the quarter. In Q2 2008, the total customer base increased to 23,963,000 (22,432,000).

Net sales in Q2 2008 amounted to SEK 10,150 (9,507) million, an increase of 7 percent. The positive revenue development was mainly driven by mobile but also by fixed broadband services.

EBITDA in Q2 2008 amounted to SEK 2,069 (1,603) million, equivalent to an EBITDA margin of 20 (17) percent. The EBITDA development was influenced by an improved revenue mix, with a larger contribution from mobile services on own infrastructure in combination with the result of the realignment process. Tele2 in Russia, the Netherlands and France showed the greatest sequential performance in Q2 2008. Tele2 also continued to focus on maximizing profits from its mature fixed telephony operations, which contributed to the overall operational development.

EBIT in Q2 2008 increased by 52 percent to SEK 1,117 (736) million excluding one-off items of SEK -738 (0) million related to impairment loss in Germany. Including one-off items EBIT amounted to SEK 379 (736) million. The capital gain of approximately SEK 1 billion from the disposal of operations in Luxembourg and Liechtenstein will be reported when cleared by relevant regulatory authorities.

FINANCIAL OVERVIEW, CONTINUING OPERATIONS¹⁾

Profit/loss before tax amounted to SEK 278 (-1) million.

Net profit/loss amounted to SEK 114 (-331) million.

Cash flow after CAPEX²⁾ amounted to SEK 412 (-340) million.

CAPEX amounted to SEK 1,409 (1,094) million, including SEK 549 million attributable to the payment for 20 MHz of 4G/LTE (Long Term Evolution) 2.6 GHz spectrum in Sweden.

Net debt²⁾ amounted to SEK 8,157 (17,258) million at June 30, 2008, or 1.29 times full year 2007 EBITDA. Tele2's credit facility decreased by SEK 5,430 million to SEK 23,896 million due to disposals of operations, which is in accordance with the agreement between Tele2 and its banks.

FINANCIAL COMMENTS

Tele2's longer term financial leverage should reflect both the status of its operations and the future strategic opportunities and obligations. Tele2 is still pursuing its realignment process, focusing the scope of its current geographic footprint. The company will also continue to invest in its core operations and consider potential acquisitions.

Tele2's view on a longer term target for financial leverage, defined as net debt/EBITDA ratio, is that it should be in line with the industry and the markets in which it operates.

Toward the end of 2007, Tele2 Russia was awarded mobile telephony licenses for GSM in 17 new regions in Russia. In total, Tele2 now has licenses in 34 regions covering 60 million inhabitants. However, it should still be emphasized that the process for awarding the new licenses has been challenged in court. The following points are still valid when estimating the financial impact of the 17 new licenses:

- In 2008 operational expenditures are estimated at SEK 50–75 million and capital expenditures are estimated at SEK 500–600 million.
- In 2009 operational expenditures are estimated at SEK 175–200 million and capital expenditures are estimated at SEK 800–1,000 million.
- Four regions will have been launched as of H1 2009 and five regions as of H2 2009. The base plan of the infrastructure based operation should be able to reach an EBITDA break-even three years after commercial launch date. However, there might be regional differences, moving the break-even date either forward or backwards.
- The longer term market share in the 17 new regions should not deviate significantly from the historic market share of Tele2 Russia.

The following additional points should also be considered when estimating 2008:

- In 2008 Tele2 forecast a corporate tax rate of approximately 15 percent excluding one-off items. The tax payment will affect 2008 cash flow by approximately SEK 500 million.
- In 2008 Tele2 forecast a CAPEX level in the range of SEK 4,800-5,000 million, including SEK 549 million attributable to the payment for 20 MHz of 4G/LTE (Long Term Evolution) 2.6 GHz spectrum in Sweden.

¹⁾ Less discontinued operations (see note 10)

²⁾ Including discontinued operations

FINANCIAL OVERVIEW cont.

SEK million	2008 Q2	2007 Q2	2008 H1	2007 H1	2007 full year
Mobile¹⁾					
Net customer intake (thousands)	751	906	1,165	1,627	3,194
Net sales	6,098	5,361	11,786	10,114	21,513
EBITDA	1,594	1,327	2,932	2,350	5,023
EBIT	1,203	958	2,155	1,627	3,516
CAPEX	1,177	726	1,741	1,351	2,702
Fixed broadband¹⁾					
Net customer intake (thousands)	4	66	61	150	268
Net sales	1,573	1,368	3,094	2,750	5,749
EBITDA	-21	-210	-181	-280	-586
EBIT	-432	-568	-1,000	-996	-2,059
CAPEX	158	209	384	441	969
Fixed telephony¹⁾					
Net customer intake (thousands)	-415	-380	-858	-714	-1,246
Net sales	1,945	2,324	4,013	4,866	9,274
EBITDA	487	409	930	894	1,698
EBIT	390	323	734	718	1,310
CAPEX	23	52	74	92	193
Total¹⁾					
Net customer intake (thousands)	340	592	368	1,063	2,216
Net sales	10,150	9,507	20,007	18,622	38,626
EBITDA	2,069	1,603	3,752	3,097	6,322
EBIT	1,117	736	1,856	1,378	2,744
CAPEX	1,408	1,038	2,287	1,973	4,054
Continuing operations					
Net customer intake (thousands)	340	520	358	915	2,010
Net sales ²⁾	10,156	10,682	20,037	21,172	41,533
EBITDA	2,068	1,648	3,745	3,175	6,333
EBIT ³⁾	380	164	1,195	734	1,297
CAPEX	1,409	1,094	2,288	2,084	4,200
EBT	278	-1	1,065	290	566
Net profit/loss	114	-331	815	-62	-433
Cash flow from operating activities ⁴⁾	1,858	1,153	3,365	1,555	4,350
Cash flow after CAPEX ⁴⁾	412	-340	920	-1,111	-819

The figures exclude one-off items except for figures presented for continuing operations

¹⁾ Less divested operations (see note 9)

²⁾ Net sales for FY 2007 include negative one-off items of SEK 200 million

³⁾ EBIT include result from sale of operations, impairment of goodwill and other one-off items stated under the segment reporting section of EBIT in the interim report Januari-June 2008

⁴⁾ Include discontinued operations (see note 10)

Significant events in the quarter

- > Tele2 announced the sale of Tele2 Poland to Netia.
- > Tele2 announced the sale of Tele2 Luxembourg and Tele2 Liechtenstein to Belgacom.
- > Harri Koponen was appointed new President and CEO of Tele2, effective from 18 August 2008.
- > Tele2 Sweden was awarded frequencies for 4G/LTE services.

OVERVIEW BY PRODUCT

Comments below relate to selected Tele2 operations less divested companies.

MOBILE



Tele2 currently offers mobile services in ten countries. In most of these Tele2 sells mobile telephony to both consumers and companies. Tele2 has its own network in seven countries. In the other countries Tele2 leases network capacity from other operators under MVNO agreements.

The core mobile operations of Tele2 continued to develop strongly. Net intake amounted to 751,000 (906,000), driven mainly by Russia, Sweden and Croatia but also by the Baltic Region. Mobile revenue grew by 14 percent to SEK 6,098 (5,361) million and the EBITDA margin amounted to 26 (25) percent.

Sweden The customer growth in Q2 2008 was driven both by strong intake of mobile telephony customers as well as by mobile broadband, adding in total 85,000 (46,000) customers. The total mobile broadband customer base was 135,000 in Q2 2008 and ARPU was SEK 111, to some extent boosted by revenue from start-up and administrative fees. Despite a negative EBITDA contribution of more than SEK -80 million from mobile broadband, the Swedish mobile operation was able to deliver an EBITDA margin of 35 (37) percent in Q2 2008.

Tele2 continues to expect a strong demand for mobile broadband services, especially from the consumer segment and in Q2 2008 pre-paid mobile broadband was introduced. However, competition in mobile broadband services is also expected to increase, driven by campaigns introduced by the competition in the quarter, offering several months of free usage. The increased intake of mobile broadband customers will be associated with higher acquisition costs as well as higher fees to the Svenska UMTS Nät AB joint venture (SUNAB), which will continue to impact margins. However, Tele2 expects the EBITDA margin for FY 2008 to be within the range of 35-40 percent.

The mobile operations in Sweden reported an ARPU of SEK 206 (211) in Q2 2008, including post-paid, pre-paid and mobile broadband subscriptions. Minutes of use per customer for the Swedish operations were 210 (199) in Q2 2008.

In Q2 2008 Tele2 Sweden was awarded 20 MHz of 4G/LTE (Long Term Evolution) 2.6 GHz spectrum. The payment for the license affected CAPEX by SEK 549 million in the quarter.

Norway Q2 2008 was influenced by the remaining migration of the customer base to the new MVNO host, leading to increased churn. As a result, Tele2's customer base decreased by -4,000 (down from -7,000 in Q1 2008). However, towards the end of the quarter the company experienced reduced churn compared to the earlier period of the quarter. Competition on price was still tough in Q2 2008, and is expected to continue. In Q2 2008 Tele2 launched mobile broadband services with a good response in the market.

In the quarter, payments associated with the MVNO operation were only paid to the new MVNO host. Together with lower sales cost, EBITDA developed positively in the quarter. EBIT was negatively affected by Tele2's share of the result from the operations of Mobile Norway with SEK -17 million in Q2 2008.

The Norwegian regulatory authority (NPT) has indicated changes to mobile termination prices. Tele2 has started a process wherein the issue will be handled.

14%

MOBILE REVENUE
GROWTH IN Q2 2008



We offer mobile telephony in Croatia, Estonia, France, Latvia, Lithuania, Netherlands, Norway, Russia, Sweden and Switzerland.

Russia The EBITDA margin improved to 36 (33) percent during the quarter, mainly driven by further scale benefits in the 17 operational regions. During the quarter, Tele2 continued to invest in both the Krasnodar region as well as in the 17 new regions, which were awarded in Q4 2007 (the process for awarding the new licenses has been challenged in court). Competition continued to be tough in Russia, but Tele2 was able to improve its market position due to improved network quality and continued price leadership. ARPU amounted to SEK 58 (51) driven by improved quality of service together with strong economic development. Customer net intake amounted to 606,000 (778,000) in Q2 2008. Tele2 Russia will continue to look for possibilities to expand its operations in Russia and CIS-countries through new licenses as well as by complementary acquisitions.

Estonia The economic environment in the country continued to be challenging with slowing GDP growth in the quarter. As a result, the mobile market in Estonia has become more price sensitive. Tele2, as the price leader, has been able to take advantage of the current market conditions and added market share in both the corporate as well as the consumer segment in Q2 2008.

Churn was stable during the quarter and Tele2 continued its effort to expand its network and improve quality of service. Mobile interconnect rate, which was lowered significantly in Q4 2007, is expected to be lowered an additional 18 percent as of Q3 2008.

Lithuania Tele2 continued its inroad into the post-paid and corporate segment, adding 32,000 (18,000) customers in Q2 2008. Despite the good market response, acquisition cost increased slightly during the quarter due to more market activities from competitors. Higher level of competition also led to lower tariffs as a result of promotional pricing offerings. Tele2 customer churn remained stable through effective retention activities and high customer satisfaction.

Latvia The economic situation in Latvia continued to be difficult, affecting the activity in the mobile segment. Competition increased in the quarter with lower prices both in the pre-paid as well as post-paid segment. As a result, marketing costs and churn increased during the period leading to lower EBITDA margin. Tele2 Latvia continues to see a good opportunity in the corporate segment due to a slower economy, making business customers more price sensitive.

OVERVIEW BY PRODUCT cont.

MOBILE cont.

Croatia The operations in Croatia continued to develop according to plan, adding 37,000 (16,000) customer in Q2 2008. Price competition increased during the quarter, however Tele2 maintained its price leadership. In Q2 2008, Tele2 Croatia started to roll-out a new shop concept on franchise basis, an initiative which was welcomed by the market. The migration to the new national roaming agreement was executed as planned on June 1 without any disturbances.

Switzerland Tele2 stopped marketing its mobile services and halted its mobile network roll-out in the quarter. The company is currently evaluating different options available for its mobile operation. However, the existing mobile telephony operation continued its positive development during the quarter with revenues and subscriber base increasing and churn rate improving. EBITDA development was negatively affected by increased marketing expenses in the beginning of Q2 2008.

Netherlands Tele2's mobile operation in the Netherlands was developing above plan for both revenue as well as EBITDA in the quarter. Tele2 continued to move its customer base towards higher ARPU post-paid subscriptions. Pre-paid usage increased during the quarter due to the launch of more convenient top up methods. As a result Tele2 was able to retain good financial performance in the mobile segment, despite a slight decline in the customer base.

France Tele2's customer base was stable in the quarter at 465,000. The pricing environment for post-paid services in the French mobile market was stable in Q2 2008, with more focus on fixed pricing plans. Thanks to the new MVNO agreement together with lower marketing expenses in general, Tele2 was able to show its first positive EBITDA quarter, within 3 years of launch. EBITDA improved sequentially to SEK 30 million in Q2 2008 compared to SEK -42 million in Q2 2007.

OVERVIEW BY PRODUCT cont.

FIXED BROADBAND



Tele2 currently offers fixed broadband solutions to consumers and companies in seven countries. Tele2 operate its own or jointly owned network in six countries and is a reseller of network capacity in one country. Fixed broadband services are seen as a good complement to Tele2's core mobile services on own infrastructure.

The total fixed broadband customer base grew by 4,000 (66,000) users. Revenue increased by 15 percent to SEK 1,573 (1,368) million. EBITDA improved to SEK -21 (-210) million, due to a larger focus on cost control and less emphasis on market share. In 2008 it is important that profitability in fixed broadband services continues to improve and contributes to the operations as a whole.

Sweden The fixed broadband market developed more slowly in the quarter, partially affected by promotional offerings in the mobile broadband market. Tele2's customer base was also negatively affected by a clean up of inactive customers in the cable TV network. In total, Tele2 Sweden added 2,000 (18,000) customers in the quarter. Net sales grew by 11 percent and EBITDA margin amounted to -15 (-14) percent in Q2 2008.

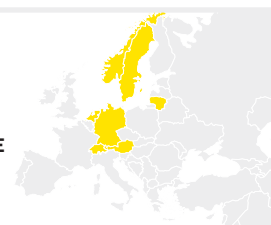
Norway Tele2 Norway continued to move its marketing efforts away from resold broadband and focused on migrating customers onto its own infrastructure. Competition from fiber-based services and cable TV operators increased during the quarter. Churn rate in the wholesale base trended downwards in Q2 2008. Hence, Tele2 Norway will continue to focus its marketing efforts where Tele2 owns infrastructure on Local Loop Unbundling (LLUB). The ARPU development was stable in the quarter. Tele2 will continue to focus on cost control and improved customer care as main areas for its broadband operations.

Switzerland ARPU continued to show stable development in the quarter and churn rate in the customer base trended slightly downwards in the quarter. Competition from LLUB based operators increased, driven by aggressive bundled offerings. Tele2 Switzerland's cost saving program continued to deliver during the quarter and EBITDA improved to SEK -3 (-12) million in Q2 2008.

Netherlands Tele2 continued to gain market share in the fixed broadband market and introduced new price leading offerings for both single, double and triple play services in Q2 2008. Acquisition cost remained stable and churn level improved due to a successful retention campaign aimed at the double play customer base. Tele2's business division showed its strongest quarter ever, mainly due to increased sales efforts of its on-net services. Competition in the Netherlands will remain high due to the fibre-to-the-home initiative and mobile broadband offerings, especially driven by the incumbent.

15%

FIXED BROADBAND REVENUE GROWTH IN Q2 2008



We offer fixed broadband services in Austria, Germany, Lithuania, Netherlands, Norway, Sweden and Switzerland.

Germany The fixed broadband market continued to be highly competitive in Q2 2008, despite market consolidation. However, the price environment during the quarter was relatively stable, with most operators maintaining existing offerings. In the quarter the market was more focused on direct access products rather than resold services.

Tele2 Germany continued with a reactive customer acquisition strategy. This led to a sequential improvement in profitability in fixed broadband services. Churn rate continues to develop according to plan, with higher levels of customer turnover in the wholesale compared to the direct access base.

Due to the deteriorating market conditions in fixed broadband, Tele2 booked an impairment loss of SEK -738 million in Q2 2008 mainly related to the Plusnet joint venture.

Austria Competition from bundled offerings together with new low pricing points on mobile broadband services continued to pressure Tele2's operations in Q2 2008. In the corporate segment, Tele2 continued to add new customers despite increased competition from the incumbent. Churn levels for direct access developed according to plan. Tele2 expects further price pressure, especially in the corporate segment, due to large differences against the consumer segment.

OVERVIEW BY PRODUCT cont.

FIXED TELEPHONY



Tele2 currently offers fixed telephony services in nine countries. Use of the traditional fixed telephone line declined in pace with growth in mobile and IP telephony. During the quarter, Tele2 focused on minimizing the need for investments and use of marketing to maintain the cash flow generation of the service.

In Q2 2008, churn stayed high leading to a net loss of –415,000 (–380,000) users. As a result, revenue declined by 16 percent to SEK 1,945 (2,324) million. However, EBITDA contribution was SEK 487 (409) million in Q2 2008, corresponding to a margin of 25 (18) percent.

Sweden The EBITDA margin was stable during the quarter and amounted to 18 (16) percent. Tele2 has continued to focus on cost control in the fixed telephony segment, to maximize the return. The margin was also positively affected by a 10 percent decrease in access and termination costs to the incumbent.

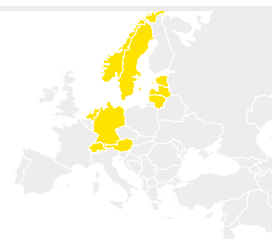
Norway Tele2's Norwegian operation continued to experience a decline in the fixed line market. The pricing environment in the fixed telephony market was stable during Q2 2008, with few marketing initiatives from the competitors. Tele2 Norway and the competitors continue to experience a volume shift from fixed to mobile services, but through improved cost control Tele2 was able to maintain the EBITDA margin.

Switzerland The market is being dominated by aggressive bundles, combining fixed and broadband services. However, due to the lower costs of providing services, the EBITDA margin for the fixed telephony service improved to 32 (24) percent in Q2 2008.

Netherlands The CPS (Carrier Pre-Select) business in the Netherlands declined by –27,000 (–88,000) customers. The intake of WLR (Wholesale Line Rental) customers continued in Q2 2008 and Tele2 pushed several retention programs during the quarter to maintain the customer base fairly stable and sustain profitability. The EBITDA contribution from the fixed telephony base is still good, but is expected to decline over time.

25%

**FIXED TELEPHONY
EBITDA MARGIN IN Q2 2008**



We offer fixed telephony in Austria, Estonia, Germany, Latvia, Lithuania, Netherlands, Norway, Sweden and Switzerland.

Germany The pricing environment in the fixed telephony market continued to be stable during Q2 2008, with few marketing initiatives from the competition. The majority of the operators were, during the quarter, more focused on unbundled broadband services, leading to relatively less competition and hence better profitability. Tele2's market share for CPS (Carrier Pre-Select) services was 40 percent in Q2 2008. As for fixed broadband services, no active marketing initiatives were used in the quarter for Tele2's fixed telephony segment. Instead the company focused solely on retention and potential reactive cross selling opportunities. As a result, the EBITDA margin for fixed telephony improved to 35 (17) percent in Q2 2008.

The overall customer turnover in fixed telephony was high. However, the churn rate in the CPS customer base improved slightly in Q2 2008, mainly due to the introduction of flat fee products with binding periods.

Austria Fixed telephony was, during the quarter, only promoted as part of bundled offerings together with fixed broadband. In the consumer market Tele2 continued to experience fixed to mobile substitution. However, in the business market fixed telephony services had stable development. Customer turnover developed according to plan during Q2 2008.

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 40 of the report for a detailed description of Tele2's risk exposure and risk management), no additional significant risks are estimated to have developed.

COMPANY DISCLOSURE

Other

Tele2 will release the financial and operating results for the period ending September 30, 2008 on October 22, 2008.

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

Stockholm, July 23, 2008
Tele2 AB

Vigo Carlund Chairman	Mia Brunell Livfors	Jere Calmes
John Hepburn	Mike Parton	John Shakeshaft
Cristina Stenbeck	Pelle Törnberg	Lars-Johan Jarnheimer President and CEO, Tele2 AB

REPORT REVIEW

Introduction

We have reviewed the interim report for Tele2 AB (publ.) for the period January 1, 2008, to June 30, 2008. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company, in accordance with the Annual Accounts Act.

Stockholm, July 23, 2008
Deloitte AB

Jan Berntsson
Authorized Public Accountant

Presentation Details

A presentation to discuss the result will be held at 07.45 (CET) / 06.45 (UK time) / 01.45 am (New York time) at SalénHuset, Norrlandsgatan 15, Stockholm, on July 23, 2008. The presentation will be webcast on Tele2's website at 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) / 09.00 am (New York time), on July 23, 2008. To register for the conference call and receive a dial-in number together with an access code, please visit the Tele2 corporate website www.tele2.com. The conference call will also be available as a link on the Tele2 corporate website, both live and as an archived version.

Please dial in 10 minutes prior to the start of the conference call to allow time for registration.



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APPENDICES

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- Balance sheet
- Cash flow statement
- Change in shareholders' equity
- Number of customers
- Net sales
- Internal sales
- EBITDA
- EBIT
- CAPEX
- Key ratios
- Parent company
- Notes

TELE2 IS ONE OF EUROPE'S LEADING ALTERNATIVE TELECOM OPERATORS. Tele2's mission is to provide price leading and easy to use communication services. Tele2 always strives to offer the market's best prices. We have 24 million customers in 12 countries. Tele2 offers mobile services, fixed broadband and telephony, 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 2007, we had net sales of SEK 41.5 billion and reported an operating profit (EBITDA) of SEK 6.3 billion.

INCOME STATEMENT

SEK million	Note	2008 Jan 1–Jun 30	2007 Jan 1–Jun 30	2007 Full year	2008 Q2	2007 Q2
CONTINUING OPERATIONS						
Net sales		20,037	21,172	41,533	10,156	10,682
Operating expenses		-18,092	-19,803	-39,444	-8,979	-9,937
Impairment of goodwill	2	-183	-	-1,315	-183	-
Sale of operations, profit	3	86	-	1,562	-	-
Sale of operations, loss	4	-2	-525	-823	1	-520
Result from shares in associated companies and joint ventures	5	-143	-119	-234	-79	-62
Impairment of shares in joint ventures	2	-555	-	-	-555	-
Other operating income	6	214	30	115	95	9
Other operating expenses	6	-167	-21	-97	-76	-8
Operating profit/loss, EBIT		1,195	734	1,297	380	164
Net interest expenses		-182	-404	-765	-94	-200
Other financial items		52	-40	34	-8	35
Profit/loss after financial items, EBT		1,065	290	566	278	-1
Tax on profit/loss	7	-250	-352	-999	-164	-330
NET PROFIT/LOSS FROM CONTINUING OPERATIONS		815	-62	-433	114	-331
DISCONTINUED OPERATIONS						
Net profit/loss from discontinued operations	10	-124	-445	-1,336	-173	-170
NET PROFIT/LOSS		691	-507	-1,769	-59	-501
ATTRIBUTABLE TO						
Equity holders of the parent company		684	-430	-1,669	-54	-467
Minority interest		7	-77	-100	-5	-34
NET PROFIT/LOSS		691	-507	-1,769	-59	-501
Earnings per share (SEK)		1.54	-0.97	-3.75	-0.12	-1.05
Earnings per share, after dilution (SEK)		1.54	-0.97	-3.75	-0.12	-1.05
FROM CONTINUING OPERATIONS						
Earnings per share (SEK)		1.82	0.03	-0.75	0.27	-0.67
Earnings per share, after dilution (SEK)		1.82	0.03	-0.75	0.27	-0.67
Number of outstanding shares, basic	8	444,851,339	444,764,021	444,851,339		
Number of shares in own custody	8	4,098,000	-	4,098,000		
Number of shares, weighted average	8	444,851,339	444,632,005	444,727,119		
Number of shares after dilution	8	445,580,532	445,099,668	445,235,120		
Number of shares after dilution, weighted average	8	445,286,033	445,035,910	445,220,904		

BALANCE SHEET

SEK million	Note	Jun 30, 2008	Jun 30, 2007	Dec 31, 2007
Assets				
FIXED ASSETS				
Goodwill		11,308	18,611	12,603
Other intangible assets		2,327	2,990	2,089
Intangible assets		13,635	21,601	14,692
Tangible assets		14,176	16,900	14,388
Financial assets		511	798	1,007
Deferred tax assets		3,178	5,032	3,258
FIXED ASSETS		31,500	44,331	33,345
CURRENT ASSETS				
Materials and supplies		351	372	435
Current receivables		8,760	13,021	9,816
Short-term investments		2,511	2,097	2,593
Cash and cash equivalents		2,524	2,668	2,459
CURRENT ASSETS		14,146	18,158	15,303
ASSETS CLASSIFIED AS HELD FOR SALE	10	1,540	4,398	-
ASSETS		47,186	66,887	48,648
Equity and liabilities				
SHAREHOLDERS' EQUITY				
Attributable to equity holders of the parent company		23,855	28,441	26,821
Minority interests		35	554	28
SHAREHOLDERS' EQUITY		23,890	28,995	26,849
LONG-TERM LIABILITIES				
Interest-bearing liabilities		6,656	14,961	5,670
Non-interest-bearing liabilities		984	1,331	927
LONG-TERM LIABILITIES		7,640	16,292	6,597
SHORT-TERM LIABILITIES				
Interest-bearing liabilities		6,705	7,068	4,602
Non-interest-bearing liabilities		8,562	12,772	10,600
SHORT-TERM LIABILITIES		15,267	19,840	15,202
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	10	389	1,760	-
EQUITY AND LIABILITIES		47,186	66,887	48,648

CASH FLOW STATEMENT*

SEK million	Note	2008 Jan 1–Jun 30	2007 Jan 1–Jun 30	2007 Full year	2008 Q2	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1
OPERATING ACTIVITIES										
Cash flow from operation		3,664	1,941	4,488	2,239	1,425	1,339	1,208	1,289	652
Change in working capital	1	-299	-386	-138	-381	82	-367	615	-136	-250
CASH FLOW FROM OPERATING ACTIVITIES		3,365	1,555	4,350	1,858	1,507	972	1,823	1,153	402
INVESTING ACTIVITIES										
Capital expenditure in intangible and tangible assets, CAPEX	13	-2,445	-2,666	-5,169	-1,446	-999	-1,315	-1,188	-1,493	-1,173
Cash flow after CAPEX		920	-1,111	-819	412	508	-343	635	-340	-771
Acquisition of shares and participations	9	-488	-186	-1,438	-90	-398	-1,225	-27	-166	-20
Sale of shares and participations	9	-146	134	13,215	-78	-68	7,576	5,505	26	108
Change of long-term receivables	5	314	189	-6	158	156	161	-356	122	67
Cash flow from investing activities		-2,765	-2,529	6,602	-1,456	-1,309	5,197	3,934	-1,511	-1,018
CASH FLOW AFTER INVESTING ACTIVITIES		600	-974	10,952	402	198	6,169	5,757	-358	-616
FINANCING ACTIVITIES										
Change of loans, net		2,975	1,449	-10,798	2,273	702	-6,729	-5,518	1,065	384
Dividend	8	-3,492	-814	-814	-3,492	-	-	-	-814	-
New share issue		-	17	27	-	-	5	5	5	12
Repurchase of own shares		-	-	-5	-	-	-5	-	-	-
Other financing activities		7	350	351	7	-	-	1	-2	352
Cash flow from financing activities		-510	1,002	-11,239	-1,212	702	-6,729	-5,512	254	748
NET CHANGE IN CASH AND CASH EQUIVALENTS		90	28	-287	-810	900	-560	245	-104	132
Cash and cash equivalents at beginning of period		2,459	2,619	2,619	3,343	2,459	2,931	2,668	2,769	2,619
Exchange rate differences in cash		-25	21	127	-9	-16	88	18	3	18
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		2,524	2,668	2,459	2,524	3,343	2,459	2,931	2,668	2,769
Taxes paid included in cash flow from operation		-167	-892	-1,570	153	-320	-189	-489	-210	-682

* Including discontinued operations (Note 10)

CHANGE IN SHAREHOLDERS' EQUITY

SEK million	Note	Jun 30, 2008			Jun 30, 2007			Dec 31, 2007		
		Attributable to equity holders of the parent company		Total share-holders' equity	Attributable to equity holders of the parent company		Total share-holders' equity	Attributable to equity holders of the parent company		Total share-holders' equity
		minority interests			minority interests			minority interests		
Shareholders' equity, January 1		26 821	28	26 849	28 800	323	29 123	28 800	323	29 123
ITEMS RECOGNIZED DIRECTLY IN SHAREHOLDERS' EQUITY										
Exchange rate differences		-219	-	-219	804	5	809	1 478	9	1 487
Reversed cumulative exchange rate differences from divested companies		-	-	-	-8	-	-8	-1 053	-	-1 053
Cash flow hedges		50	-	50	69	-	69	49	-	49
Items recognized directly in shareholders' equity		-169	-	-169	865	5	870	474	9	483
Net profit/loss for the period		684	7	691	-430	-77	-507	-1 669	-100	-1 769
Total for the period		515	7	522	435	-72	363	-1 195	-91	-1 286
OTHER CHANGES IN SHAREHOLDERS' EQUITY										
Costs for stock options		11	-	11	3	-	3	8	-	8
New share issue		-	-	-	17	-	17	27	-	27
Dividend	8	-3 492	-	-3 492	-814	-4	-818	-814	-4	-818
Repurchase of own shares		-	-	-	-	-	-	-5	-	-5
Shareholders contribution from minority		-	7	7	-	386	386	-	395	395
Purchase of minority		-	-7	-7	-	-79	-79	-	-595	-595
SHAREHOLDERS' EQUITY, END OF PERIOD		23 855	35	23 890	28 441	554	28 995	26 821	28	26 849

NUMBER OF CUSTOMERS

Thousands	Note	Number of customers:			Net intake					
		2008 Jun 30	2007 Jun 30	Change	2008 Q2	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1
Sweden										
Mobile	12	3,203	2,907	10%	85	19	92	100	46	17
Fixed telephony		862	983	-12%	-21	-35	-45	-20	-41	-56
Fixed broadband		418	345	21%	2	30	21	20	18	18
		4,483	4,235	6%	66	14	68	100	23	-21
Norway										
Mobile	12	437	427	2%	-4	-7	1	20	14	16
Fixed telephony		145	182	-20%	-8	-10	-10	-9	-9	-17
Fixed broadband		104	114	-9%	-3	-5	-4	2	7	15
		686	723	-5%	-15	-22	-13	13	12	14
Russia										
Mobile		9,485	7,365	29%	606	319	554	631	778	578
		9,485	7,365	29%	606	319	554	631	778	578
Estonia										
Mobile		503	495	2%	8	3	3	-6	-2	-13
Fixed telephony		18	23	-22%	-1	-1	-2	-1	-1	-2
		521	518	1%	7	2	1	-7	-3	-15
Lithuania										
Mobile		1,863	1,710	9%	32	35	43	43	18	37
Fixed telephony		5	7	-29%	-1	-	-	-1	-1	-
Fixed broadband		39	34	15%	1	2	1	1	1	1
		1,907	1,751	9%	32	37	44	43	18	38
Latvia										
Mobile		1,126	1,110	1%	-1	5	-6	18	38	15
Fixed telephony		3	4	-25%	-	-1	-	-	-1	-2
		1,129	1,114	1%	-1	4	-6	18	37	13
Croatia										
Mobile		553	406	36%	37	46	15	49	16	33
		553	406	36%	37	46	15	49	16	33
Switzerland										
Mobile		105	49	114%	14	26	7	9	5	7
Fixed telephony		305	382	-20%	-16	-19	-21	-21	-33	-23
Fixed broadband		81	89	-9%	-1	-3	-3	-1	-	1
		491	520	-6%	-3	4	-17	-13	-28	-15
France										
Mobile		465	436	7%	-	12	26	-9	-8	37
		465	436	7%	-	12	26	-9	-8	37
Netherlands										
Mobile		500	593	-16%	-26	-44	-22	-1	1	-6
Fixed telephony		442	587	-25%	-27	-25	-39	-54	-88	-100
Fixed broadband		338	286	18%	7	7	22	16	11	7
		1,280	1,466	-13%	-46	-62	-39	-39	-76	-99
Germany										
Fixed telephony		2,103	2,961	-29%	-304	-318	-36	-200	-158	-84
Fixed broadband		198	153	29%	6	19	13	7	16	28
		2,301	3,114	-26%	-298	-299	-23	-193	-142	-56
Austria										
Fixed telephony		491	635	-23%	-37	-34	-34	-39	-48	-50
Fixed broadband		171	149	15%	-8	7	11	12	13	14
		662	784	-16%	-45	-27	-23	-27	-35	-36
TOTAL										
Mobile	12	18,240	15,498	18%	751	414	713	854	906	721
Fixed telephony		4,374	5,764	-24%	-415	-443	-187	-345	-380	-334
Fixed broadband		1,349	1,170	15%	4	57	61	57	66	84
		23,963	22,432	7%	340	28	587	566	592	471
Divested operations	9, 12	-	2,312		-	-10	-18	-40	-72	-76
NET CUSTOMER INTAKE					340	18	569	526	520	395

NUMBER OF CUSTOMERS, cont.

Thousands	Note	Number of customers:			Net intake					
		2008 Jun 30	2007 Jun 30	Change	2008 Q2	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1
Acquired companies					-	-	10	-	-	-
Divested companies					-	-106	-762	-1,376	-	-
Changed method of calculation	12				-	-	-	-	-759	-
TOTAL CONTINUING OPERATIONS		23,963	24,744	-3%	340	-88	-183	-850	-239	395
Discontinued operations										
Net intake	10				5	-5	-55	-176	-289	-298
Divested companies	10	1,010	6,928		-	-	-2,969	-2,718	-	-
TOTAL OPERATIONS		24,973	31,672	-21%	345	-93	-3,207	-3,744	-528	97

NET SALES

SEK million	Note	2008	2007	2008	2008	2007	2007	2007	2007
		Jan 1–Jun 30	Jan 1–Jun 30	Q2	Q1	Q4	Q3	Q2	Q1
Sweden									
Mobile		3,819	3,502	1,999	1,820	1,890	1,898	1,839	1,663
Fixed telephony		1,095	1,304	543	552	528	603	637	667
Fixed broadband		636	591	323	313	325	303	294	297
Other operations		281	358	128	153	187	195	183	175
		5,831	5,755	2,993	2,838	2,930	2,999	2,953	2,802
Norway									
Mobile		1,285	1,220	647	638	684	681	630	590
Fixed telephony		296	387	143	153	168	178	188	199
Fixed broadband		215	211	107	108	112	113	109	102
		1,796	1,818	897	899	964	972	927	891
Russia									
Mobile		3,112	2,130	1,624	1,488	1,418	1,289	1,161	969
		3,112	2,130	1,624	1,488	1,418	1,289	1,161	969
Estonia									
Mobile		521	521	264	257	282	276	279	242
Fixed telephony		8	10	4	4	4	4	5	5
Other operations		27	22	15	12	13	13	12	10
		556	553	283	273	299	293	296	257
Lithuania									
Mobile		740	617	380	360	336	352	327	290
Fixed telephony		3	3	2	1	1	2	1	2
Fixed broadband		10	9	5	5	5	5	5	4
		753	629	387	366	342	359	333	296
Latvia									
Mobile		902	796	466	436	420	445	421	375
Fixed telephony		1	2	1	-	-	-	1	1
		903	798	467	436	420	445	422	376
Croatia									
Mobile		344	234	194	150	156	153	129	105
		344	234	194	150	156	153	129	105
Switzerland									
Mobile		104	52	56	48	38	33	29	23
Fixed telephony		422	540	198	224	227	233	254	286
Fixed broadband		123	125	61	62	59	61	62	63
Other operations		47	81	19	28	35	34	38	43
		696	798	334	362	359	361	383	415
France									
Mobile		593	578	309	284	275	273	293	285
		593	578	309	284	275	273	293	285
Netherlands									
Mobile		532	527	274	258	272	288	276	251
Fixed telephony		778	771	392	386	412	381	371	400
Fixed broadband		1,411	1,148	697	714	706	598	558	590
Other operations		409	317	209	200	186	168	166	151
		3,130	2,763	1,572	1,558	1,576	1,435	1,371	1,392
Germany									
Fixed telephony		1,115	1,443	524	591	668	657	674	769
Fixed broadband		240	170	124	116	97	91	88	82
Other operations		227	220	115	112	106	122	111	109
		1,582	1,833	763	819	871	870	873	960
Austria									
Fixed telephony	1	316	457	149	167	180	196	215	242
Fixed broadband	1	469	516	261	208	278	259	260	256
Other operations		335	286	167	168	158	159	135	151
		1,120	1,259	577	543	616	614	610	649
Other									
Other operations		616	459	291	325	285	241	211	248
		616	459	291	325	285	241	211	248

NET SALES, cont.

SEK million	Note	2008	2007	2008	2008	2007	2007	2007	2007
		Jan 1–Jun 30	Jan 1–Jun 30	Q2	Q1	Q4	Q3	Q2	Q1
TOTAL									
Mobile		11,952	10,177	6,213	5,739	5,771	5,688	5,384	4,793
Fixed telephony		4,034	4,917	1,956	2,078	2,188	2,254	2,346	2,571
Fixed broadband		3,104	2,770	1,578	1,526	1,582	1,430	1,376	1,394
Other operations		1,942	1,743	944	998	970	932	856	887
		21,032	19,607	10,691	10,341	10,511	10,304	9,962	9,645
Internal sales, elimination		-1,025	-985	-541	-484	-367	-444	-455	-530
		20,007	18,622	10,150	9,857	10,144	9,860	9,507	9,115
One-off items	1	-	-	-	-	-200	-	-	-
Divested operations	9	30	2,550	6	24	6	551	1,175	1,375
TOTAL CONTINUING OPERATIONS		20,037	21,172	10,156	9,881	9,950	10,411	10,682	10,490
Discontinued operations	10	1,062	6,812	541	521	1,872	2,416	3,473	3,339
TOTAL OPERATIONS		21,099	27,984	10,697	10,402	11,822	12,827	14,155	13,829

INTERNAL SALES

SEK million	Note	2008	2007	2008	2008	2007	2007	2007	2007
		Jan 1–Jun 30	Jan 1–Jun 30	Q2	Q1	Q4	Q3	Q2	Q1
Sweden									
Mobile		71	51	46	25	19	21	17	34
Fixed telephony		-	7	-	-	-3	-	1	6
Fixed broadband		-	8	-	-	1	-	2	6
Other operations		194	276	90	104	120	152	139	137
		265	342	136	129	137	173	159	183
Norway									
Mobile		4	3	1	3	1	3	1	2
Fixed telephony		19	25	10	9	11	14	12	13
		23	28	11	12	12	17	13	15
Russia									
Mobile		32	4	17	15	3	5	2	2
		32	4	17	15	3	5	2	2
Estonia									
Other operations		27	22	15	12	13	13	12	10
		27	22	15	12	13	13	12	10
Lithuania									
Mobile		4	5	2	2	2	3	3	2
Fixed telephony		2	1	1	1	1	2	1	-
		6	6	3	3	3	5	4	2
Latvia									
Mobile		55	-	49	6	3	-	-	-
		55	-	49	6	3	-	-	-
Switzerland									
Other operations		18	23	10	8	8	10	11	12
		18	23	10	8	8	10	11	12
Netherlands									
Fixed telephony		-	18	-	-	2	7	8	10
Fixed broadband		10	12	5	5	6	6	6	6
Other operations		39	9	25	14	6	3	5	4
		49	39	30	19	14	16	19	20
Germany									
Other operations		127	165	64	63	59	97	85	80
		127	165	64	63	59	97	85	80
Austria									
Other operations		66	36	34	32	15	23	18	18
		66	36	34	32	15	23	18	18
Other									
Other operations		357	320	172	185	100	85	132	188
		357	320	172	185	100	85	132	188
TOTAL									
Mobile		166	63	115	51	28	32	23	40
Fixed telephony		21	51	11	10	11	23	22	29
Fixed broadband		10	20	5	5	7	6	8	12
Other operations		828	851	410	418	321	383	402	449
		1,025	985	541	484	367	444	455	530
Divested operations	9	1	175	-	1	1	58	79	96
TOTAL CONTINUING OPERATIONS		1,026	1,160	541	485	368	502	534	626
Discontinued operations	10	55	353	29	26	48	94	174	179
TOTAL OPERATIONS		1,081	1,513	570	511	416	596	708	805

EBITDA

SEK million	Note	2008	2007	2008	2008	2007	2007	2007	2007
		Jan 1–Jun 30	Jan 1–Jun 30	Q2	Q1	Q4	Q3	Q2	Q1
Sweden									
Mobile		1,324	1,255	692	632	645	700	678	577
Fixed telephony		182	236	97	85	60	106	99	137
Fixed broadband		-105	-35	-48	-57	-55	-21	-42	7
Other operations		17	16	-5	22	4	24	6	10
		1,418	1,472	736	682	654	809	741	731
Norway									
Mobile		53	81	65	-12	41	10	29	52
Fixed telephony		53	58	26	27	27	28	28	30
Fixed broadband		-31	-49	-11	-20	-14	-14	-21	-28
		75	90	80	-5	54	24	36	54
Russia									
Mobile		1,095	658	577	518	440	428	382	276
		1,095	658	577	518	440	428	382	276
Estonia									
Mobile		175	169	87	88	96	83	89	80
Fixed telephony		1	3	-	1	-	-4	2	1
Other operations		3	-2	2	1	1	4	-2	-
		179	170	89	90	97	83	89	81
Lithuania									
Mobile		243	210	121	122	66	111	112	98
Fixed telephony		2	1	1	1	1	1	-	1
Fixed broadband		2	2	1	1	1	1	1	1
		247	213	123	124	68	113	113	100
Latvia									
Mobile		323	370	160	163	157	211	202	168
		323	370	160	163	157	211	202	168
Croatia									
Mobile		-178	-171	-83	-95	-83	-77	-91	-80
		-178	-171	-83	-95	-83	-77	-91	-80
Switzerland									
Mobile		-163	-97	-95	-68	-80	-57	-56	-41
Fixed telephony		150	140	64	86	73	81	61	79
Fixed broadband		-5	-28	-3	-2	-11	-13	-12	-16
Other operations		2	5	1	1	-	-	3	2
		-16	20	-33	17	-18	11	-4	24
France									
Mobile		-6	-171	30	-36	-72	-6	-42	-129
		-6	-171	30	-36	-72	-6	-42	-129
Netherlands									
Mobile		66	46	40	26	33	27	24	22
Fixed telephony		139	102	77	62	73	23	46	56
Fixed broadband		252	167	145	107	116	136	72	95
Other operations		59	64	43	16	24	32	33	31
		516	379	305	211	246	218	175	204
Germany									
Fixed telephony	2	333	225	185	148	169	93	114	111
Fixed broadband		-162	-242	-75	-87	-165	-147	-146	-96
Other operations		13	15	4	9	3	11	6	9
		184	-2	114	70	7	-43	-26	24
Austria									
Fixed telephony	1-2	70	129	37	33	26	47	59	70
Fixed broadband	1-2	-132	-95	-30	-102	-73	-47	-62	-33
Other operations		14	37	8	6	12	6	22	15
		-48	71	15	-63	-35	6	19	52
Other									
Other operations		-37	-2	-44	7	-51	-16	9	-11
		-37	-2	-44	7	-51	-16	9	-11

EBITDA, cont.

SEK million	Note	2008 Jan 1–Jun 30	2007 Jan 1–Jun 30	2008 Q2	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1
TOTAL									
Mobile		2,932	2,350	1,594	1,338	1,243	1,430	1,327	1,023
Fixed telephony		930	894	487	443	429	375	409	485
Fixed broadband		-181	-280	-21	-160	-201	-105	-210	-70
Other operations		71	133	9	62	-7	61	77	56
		3,752	3,097	2,069	1,683	1,464	1,761	1,603	1,494
Divested operations	9	-7	78	-1	-6	-64	-3	45	33
TOTAL CONTINUING OPERATIONS		3,745	3,175	2,068	1,677	1,400	1,758	1,648	1,527
Discontinued operations	10	200	-22	119	81	404	234	53	-75
TOTAL OPERATIONS		3,945	3,153	2,187	1,758	1,804	1,992	1,701	1,452

EBIT

SEK million	Note	2008	2007	2008	2008	2007	2007	2007	2007
		Jan 1–Jun 30	Jan 1–Jun 30	Q2	Q1	Q4	Q3	Q2	Q1
Sweden									
Mobile		1,004	918	535	469	481	537	508	410
Fixed telephony		140	196	77	63	38	87	80	116
Fixed broadband		-256	-157	-125	-131	-128	-86	-105	-52
Other operations		-24	-18	-26	2	-17	7	-11	-7
		864	939	461	403	374	545	472	467
Norway									
Mobile		28	76	45	-17	35	9	25	51
Fixed telephony		49	54	23	26	24	25	26	28
Fixed broadband		-47	-58	-19	-28	-19	-21	-26	-32
		30	72	49	-19	40	13	25	47
Russia									
Mobile		841	420	457	384	290	280	258	162
		841	420	457	384	290	280	258	162
Estonia									
Mobile		135	141	63	72	77	67	76	65
Fixed telephony		1	3	-	1	-	-4	2	1
Other operations		3	-2	3	-	-	4	-2	-
		139	142	66	73	77	67	76	66
Lithuania									
Mobile		203	174	101	102	47	93	94	80
Fixed telephony		2	2	1	1	-	-	1	1
Fixed broadband		1	1	1	-	-	1	-	-
		206	176	103	103	47	94	95	81
Latvia									
Mobile		281	325	139	142	136	191	179	146
		281	325	139	142	136	191	179	146
Croatia									
Mobile		-217	-198	-103	-114	-98	-92	-105	-93
		-217	-198	-103	-114	-98	-92	-105	-93
Switzerland									
Mobile		-171	-99	-100	-71	-82	-60	-56	-43
Fixed telephony		130	121	54	76	62	72	52	69
Fixed broadband		-9	-31	-5	-4	-13	-16	-14	-17
Other operations		2	4	1	1	1	1	2	2
		-48	-5	-50	2	-32	-3	-16	11
France									
Mobile		-7	-172	29	-36	-73	-6	-43	-129
		-7	-172	29	-36	-73	-6	-43	-129
Netherlands									
Mobile		58	42	37	21	31	26	22	20
Fixed telephony		98	63	58	40	33	1	27	36
Fixed broadband		-235	-301	-98	-137	-112	-100	-161	-140
Other operations		33	35	30	3	9	18	18	17
		-46	-161	27	-73	-39	-55	-94	-67
Germany									
Fixed telephony	2	301	200	170	131	152	81	101	99
Fixed broadband		-232	-265	-112	-120	-192	-166	-158	-107
Other operations		13	15	4	9	3	11	6	9
		82	-50	62	20	-37	-74	-51	1
Austria									
Fixed telephony	1-2	13	79	7	6	-3	24	34	45
Fixed broadband	1-2	-222	-184	-74	-148	-118	-93	-105	-79
Other operations		-	19	2	-2	4	-4	13	6
		-209	-86	-65	-144	-117	-73	-58	-28
Other									
Other operations		-60	-24	-58	-2	-62	-27	-2	-22
		-60	-24	-58	-2	-62	-27	-2	-22

EBIT, cont.

SEK million	Note	2008	2007	2008	2008	2007	2007	2007	2007
		Jan 1–Jun 30	Jan 1–Jun 30	Q2	Q1	Q4	Q3	Q2	Q1
TOTAL									
Mobile		2,155	1,627	1,203	952	844	1,045	958	669
Fixed telephony		734	718	390	344	306	286	323	395
Fixed broadband		-1,000	-996	-432	-568	-582	-481	-569	-427
Other operations		-33	29	-44	11	-62	10	24	5
		1,856	1,378	1,117	739	506	860	736	642
One-off items	1-2	-738		-738	-	-328	-1,319	-	-
Divested operations	9	77	-644	1	76	-169	1,013	-572	-72
TOTAL CONTINUING OPERATIONS		1,195	734	380	815	9	554	164	570
Discontinued operations	10	-131	-501	-178	47	546	-949	-190	-311
TOTAL OPERATIONS		1,064	233	202	862	555	-395	-26	259

SPECIFICATION OF ITEMS BETWEEN EBITDA AND EBIT

EBITDA		3,745	3,175	2,068	1,677	1,400	1,758	1,648	1,527
Impairment of goodwill	2	-183		-183	-	-5	-1,310	-	-
Sale of operations	3-4	84	-525	1	83	-88	1,352	-520	-5
Other one-off items	1-2	-555		-555	-	-324	-284	-	-
Total one-off items		-654	-525	-737	83	-417	-242	-520	-5
Depreciation/amortization and other impairment		-1,753	-1,797	-872	-881	-914	-907	-902	-895
Result from shares in associated companies and joint ventures	5	-143	-119	-79	-64	-60	-55	-62	-57
EBIT		1,195	734	380	815	9	554	164	570

CAPEX

SEK million	Note	2008 Jan 1–Jun 30	2007 Jan 1–Jun 30	2008 Q2	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1
Sweden									
Mobile	13	761	244	649	112	132	107	134	110
Fixed telephony		38	52	11	27	19	31	31	21
Fixed broadband		150	133	48	102	127	75	73	60
Other operations		45	17	30	15	39	13	12	5
		994	446	738	256	317	226	250	196
Norway									
Mobile		3	3	-6	9	2	1	3	-
Fixed broadband		8	22	3	5	20	15	9	13
		11	25	-3	14	22	16	12	13
Russia									
Mobile		588	858	342	246	352	327	459	399
		588	858	342	246	352	327	459	399
Estonia									
Mobile		83	32	44	39	43	33	22	10
		83	32	44	39	43	33	22	10
Lithuania									
Mobile		48	47	21	27	22	15	23	24
Fixed broadband		2	2	1	1	1	1	1	1
		50	49	22	28	23	16	24	25
Latvia									
Mobile		102	49	55	47	33	48	23	26
		102	49	55	47	33	48	23	26
Croatia									
Mobile		76	93	36	40	124	61	49	44
		76	93	36	40	124	61	49	44
Switzerland									
Mobile		75	24	33	42	30	18	13	11
Fixed telephony		1	1	1	-	1	1	1	-
Fixed broadband		-	5	-	-	-1	1	1	4
		76	30	34	42	30	20	15	15
France									
Mobile		1	1	1	-	3	-	-	1
		1	1	1	-	3	-	-	1
Netherlands									
Mobile		4	-	2	2	-	-	-	-
Fixed telephony		19	27	9	10	2	10	17	10
Fixed broadband		181	219	93	88	110	98	94	125
Other operations		14	15	7	7	7	6	7	8
		218	261	111	107	119	114	118	143
Germany									
Fixed telephony		1	2	-	1	-	-	1	1
Fixed broadband		10	18	-1	11	11	11	4	14
		11	20	-1	12	11	11	5	15
Austria									
Fixed telephony		15	10	2	13	32	5	2	8
Fixed broadband		33	42	14	19	29	30	27	15
Other operations		9	11	4	5	18	7	7	4
		57	63	20	37	79	42	36	27
Other									
Other operations		20	46	9	11	19	-8	25	21
		20	46	9	11	19	-8	25	21
TOTAL									
Mobile	13	1,741	1,351	1,177	564	741	610	726	625
Fixed telephony		74	92	23	51	54	47	52	40
Fixed broadband		384	441	158	226	297	231	209	232
Other operations		88	89	50	38	83	18	51	38
		2,287	1,973	1,408	879	1,175	906	1,038	935

CAPEX, cont.

SEK million	Note	2008	2007	2008	2008	2007	2007	2007	2007
		Jan 1–Jun 30	Jan 1–Jun 30	Q2	Q1	Q4	Q3	Q2	Q1
Divested operations	9	1	111	1	-	6	29	56	55
TOTAL CONTINUING OPERATIONS		2,288	2,084	1,409	879	1,181	935	1,094	990
Discontinued operations	10	21	489	12	9	249	260	267	222
TOTAL OPERATIONS		2,309	2,573	1,421	888	1,430	1,195	1,361	1,212

ADDITIONAL CASH FLOW INFORMATION

CAPEX according to cash flow statement		2,445	2,666	1,446	999	1,315	1,188	1,493	1,173
This year unpaid CAPEX and paid CAPEX from previous year									
Continuing operations		-120	-20	-29	-91	68	-	-60	40
Discontinued operations	10	-30	-85	-2	-28	45	3	-74	-11
Sales price in cash flow statement									
Continuing operations		14	12	6	8	1	4	2	10
Discontinued operations	10	-	-	-	-	1	-	-	-
CAPEX according to balance sheet		2,309	2,573	1,421	888	1,430	1,195	1,361	1,212

KEY RATIOS

SEK million	2008	2007	2007	2006	2005	2004
	Jan 1–Jun 30	Jan 1–Jun 30				
CONTINUING OPERATIONS						
Net sales	20,037	21,172	41,533	41,244	36,167	29,286
Number of customers (by thousands)	23,963	24,744	23,711	24,588	21,651	18,671
EBITDA	3,745	3,175	6,333	5,485	5,087	4,856
EBIT	1,195	734	1,297	150	2,528	2,828
EBT	1,065	290	566	-415	2,088	2,656
Net profit/loss	815	-62	-433	-741	1,518	2,003
KEY RATIOS						
EBITDA margin, %	18.7	15.0	15.2	13.3	14.1	16.6
EBIT margin, %	6.0	3.5	3.1	0.4	7.0	9.7
VALUE PER SHARE (SEK)						
Earnings	1.82	0.03	-0.75	-1.39	3.44	4.52
Earnings after dilution	1.82	0.03	-0.75	-1.39	3.44	4.51
TOTAL (INCLUDING DISCONTINUED OPERATIONS)						
Shareholders' equity	23,890	28,995	26,849	29,123	35,368	32,900
Shareholders' equity after dilution	23,925	29,029	26,893	29,137	35,401	32,965
Total assets	47,186	66,887	48,648	66,164	68,291	49,873
Cash flow from operating activities	3,365	1,555	4,350	3,847	5,487	5,876
Cash flow after CAPEX	920	-1,111	-819	-1,673	1,847	4,314
Available liquidity	17,713	14,798	25,901	5,963	8,627	5,113
Net debt	8,157	17,258	5,198	15,311	11,839	2,831
Investments in intangible and tangible assets, CAPEX	2,309	2,573	5,198	5,365	3,750	1,585
Investments in shares and long-term receivables	320	-137	-11,444	1,616	7,953	1,653
KEY RATIOS						
Equity/assets ratio, %	51	43	55	44	52	66
Debt/equity ratio, multiple	0.34	0.60	0.19	0.53	0.33	0.09
Return on shareholders' equity, %	5.4	-3.0	-6.0	-11.3	6.9	10.8
Return on shareholders' equity after dilution, %	5.4	-3.0	-6.0	-11.3	6.9	10.8
Return on capital employed, %	7.0	1.4	1.6	-5.5	8.3	11.6
Average interest rate, %	5.9	4.9	5.2	4.2	3.7	4.4
VALUE PER SHARE (SEK)						
Earnings	1.54	-0.97	-3.75	-8.14	5.30	7.74
Earnings after dilution	1.54	-0.97	-3.75	-8.14	5.29	7.73
Shareholders' equity	53.63	63.97	60.31	64.85	78.96	74.32
Shareholders' equity after dilution	53.65	63.98	60.34	64.84	78.93	74.29
Cash flow from operating activities	7.56	3.50	9.78	8.66	12.39	13.27
Dividend	-	-	7.85	1.83	1.75	1.67
Redemption	-	-	-	-	-	3.33
Market price at closing day	118.00	112.25	129.50	100.00	85.25	87.00

PARENT COMPANY

INCOME STATEMENT

SEK million	2008 Jan 1–Jun 30	2007 Jan 1–Jun 30
Net sales	16	13
Administrative expenses	-74	-46
Operating profit/loss, EBIT	-58	-33
Exchange rate difference on financial items	105	-287
Net interest expenses and other financial items	150	118
Profit/loss after financial items, EBT	197	-202
Tax on profit/loss	-60	57
NET PROFIT/LOSS	137	-145

BALANCE SHEET

SEK million	Note	Jun 30, 2008	Dec 31, 2007
Assets			
FIXED ASSETS			
Financial assets		27,232	27,192
FIXED ASSETS		27,232	27,192
CURRENT ASSETS			
Current receivables		13,169	13,139
Short-term investments		-	250
Cash and cash equivalents		13	15
CURRENT ASSETS		13,182	13,404
ASSETS		40,414	40,596
Equity and liabilities			
SHAREHOLDERS' EQUITY			
Restricted equity	8	17,459	17,459
Unrestricted equity	8	12,384	15,689
SHAREHOLDERS' EQUITY	8	29,843	33,148
PROVISIONS			
Deferred tax liability		21	-
PROVISIONS		21	-
LONG-TERM LIABILITIES			
Interest-bearing liabilities		6,209	5,152
LONG-TERM LIABILITIES		6,209	5,152
SHORT-TERM LIABILITIES			
Interest-bearing liabilities		4,153	2,154
Non-interest-bearing liabilities		188	142
SHORT-TERM LIABILITIES		4,341	2,296
EQUITY AND LIABILITIES		40,414	40,596

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.

As a result of the changed strategic focus and divestment of a number of operations in 2007, Tele2 has in Q1 2008 chosen to change the reporting of the primary segment from market area level to country level. This change corresponds with the internal reporting to the Board and management. Segment *Other* mainly includes the parent company Tele2 AB, operations in UK, Datamatrix, Radio Components and Procure IT Right.

Tele2 has in Q1 2008 chosen to change the definition of the following business areas (previous periods have been adjusted retrospectively). The *Fixed telephony* business area includes resold products within fixed telephony. The product portfolio within resold fixed telephony consists of prefix telephony, pre-selection (dialing the number without a prefix) and subscription. The *Fixed broadband* business area includes direct access & LLUB, i.e. our own services based on access via copper cable, and other forms of access, such as cable TV networks, DNS networks, wireless broadband and metropolitan area networks. Fixed broadband also includes resold broadband while mobile broadband is included in business area *Mobile*. The product portfolio within direct access & LLUB includes telephony services (including IP telephony), internet access services (including Tele2's own ADSL) and TV services.

Divestment of the total operations in a country will be reported as discontinued operations according to IFRS 5, from January 1, 2008. This is an effect of the transition from reporting at market area level to country level. Divestments up to 2007, which has not previously been reported as discontinued operations, do not amount to a material part of the respective market area and are reported as divested companies in a separate line within continuing operations.

Tele2 has, in all other respects, presented its interim report in accordance with the accounting principles and calculation methods used in the 2007 Annual Report. Definitions are found in the 2007 Annual Report.

NOTE 1 Net sales

In Q4 2007, net sales in Tele2 Sweden were reduced by SEK 200 million reported as a one-off item which is related to a number of disputes with TeliaSonera. The negative one-off item concerns the interconnect dispute between years 2000-2004. In Q1 2008, the Supreme Administrative Court decided to refuse appeal in one of the disputes. There is no need to record additional costs in excess of the SEK 200 million reported in Q4 2007. From a cash flow view Tele2 has paid SEK 533 million to TeliaSonera in Q2 2008 and a decision by the district court in the case of Tele2's claims on TeliaSonera is expected in 2009.

Net sales were negatively impacted in Q1 2008 by SEK 61 million in the Austrian fixed broadband operations, due to revaluation of reserves.

NOTE 2 Operating expenses

Tele2 Germany's EBITDA for fixed telephony was in Q1 2008 negatively affected by SEK 52 million of costs related to a lost court case against Deutsche Post.

In Q4 2007 EBITDA was effected negatively by SEK 34 million attributable to the fixed telephony and fixed broadband operation in Austria, due to revaluation of reserves.

The Supreme Court in The Hague ruled negatively on Tele2 Netherlands Holding N.V.'s (formerly Versatel) appeal regarding a dispute with the tax authorities about the valuation of stock options for tax purposes. As a result the costs for the Netherlands were increased by SEK 124 million reported as one-off items in Q4 2007.

DEPRECIATION/AMORTIZATION AND IMPAIRMENT

Due to the existing severe competitive market situation for broadband in Germany, in Q2 2008 Tele2 has performed an impairment test that resulted in reported impairment losses in the quarter related to goodwill SEK 183 million and in investment in joint venture Plusnet of SEK 555 million.

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.

SEK million	Q2 2008	Full year 2007	Q3 2007
Germany	183	572	570
Austria	–	291	290
Belgium	–	276	275
Netherlands	–	176	175
Total impairment of goodwill	183	1,315	1,310

NOTE 3 Sale of operations, profit

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

SEK million	Q1 2008	Q4 2007	Q3 2007
Belgium	49	–	–
MVNO operations Austria	39	–	–
Irkutsk, Russia	–	11	1,168
Denmark	–	9	309
Uni2 Denmark	–2	6	39
Hungary	–	17	–
Portugal	–	–3	6
Total	86	40	1,522

NOTE 4 Sale of operations, loss

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

SEK million	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Alpha Telecom/Calling Card company	–	–	–99	–10	–520	–
3C Communications	–	–	–3	–133	–	–
Belgium	–	–	–	–20	–	–
Datamatrix Norway	1	–3	–	–7	–	–5
Other	–	–	–26	–	–	–
Total	1	–3	–128	–170	–520	–5

NOTE 5 Contingent liabilities

SEK million	2008 Jun 30	2007 Dec 31
Guarantee related to joint ventures		
– Svenska UMTS-nät, Sweden	1,923	1,838
– Plusnet, Germany	–	47
– Mobile Norway, Norway	27	28
Other commitments	1	1
Total contingent liabilities	1,951	1,914

In Q2 2008, the guarantee for the benefit of Plusnet has been replaced by a deposit of SEK 95 million to a restricted bank account.

Additional contractual commitments and liabilities related to the joint venture Plusnet and Mobile Norway are stated in Note 35 in the Annual Report for 2007.

NOTE 6 Other operating income and other operating expenses

Service contracts and sales of capacity to sold operations are included in other operating income and in other operating expenses as set out below.

SEK million	Q2 2008	Q1 2008	Full year 2007
Other operating income	82	101	50
Other operating expense	–70	–80	–44
Net	12	21	6

NOTE 7 Taxes

In Q2 2007, a one-off adjustment of deferred tax assets was reported affecting the income statement by SEK –228 million, of which SEK –193 million was related to reduced income tax rate in Germany. In Q3 2007, in connection with the impairment of goodwill according to Note 2, an additional write-down of tax assets for Tele2 Germany was reported, affecting the income statement by SEK –599 million.

NOTE 8 Shares and convertibles

Tele2 has, in Q2 2008, paid a dividend of SEK 7.85 per share, corresponding to a total of SEK 3,492 million of which ordinary dividend SEK 1,401 million and extra ordinary dividend SEK 2,091 million.

INCENTIVE PROGRAM 2008-2011

The Annual General Meeting on May 14, 2008, approved an incentive programme for allocation to senior executives and other key employees in the Tele2 Group.

The incentive program (“the Plan”) includes in total approximately 80 senior executives and other key employees within the Tele2 Group. The participants in the Plan are required to own shares in Tele2. These shares can either be shares already held or shares purchased on the market in connection with notification to participate in the Plan. Thereafter the participants have been granted, free of charge, retention rights and performance rights on the terms stipulated below.

For each share held under the Plan, the participants will be granted retention rights and performance rights by the company. Subject to fulfilment of certain retention and performance based conditions during the period April 1, 2008 – March 31, 2011 (the “Measure Period”), the participant maintaining the employment within the Tele2 Group at the date of the release of the interim report January – March 2011 and subject to the participant maintaining the invested shares, each retention right and performance right entitles the employee to receive one Class B share in the company. Dividends paid on the underlying share will increase the number of retention and performance shares being allotted in order to treat the shareholders and the participants equally. The participant’s maximum profit per right in the Plan is limited to SEK 540, five times the average closing share price of the Tele2 Class B shares during March 2008 (SEK 108).

The Board of Directors was authorized during the period until the next Annual General Meeting, to increase the company’s share capital by not more than SEK 1,062,500 by the issue of not more than 850,000 Class C shares, each with a ratio value of SEK 1.25. With disapplication of the shareholders’ preferential rights, Nordea Bank AB (publ) shall be entitled to subscribe for the new Class C shares at a subscription price corresponding to the ratio value of the shares. The purpose of the authorisation and the reason for the disapplication of the shareholders’ preferential rights in connection with the issue of shares is to ensure delivery of Class B shares to participants under the Plan. Moreover, it was resolved to authorise the Board of Directors, during the period until the next Annual

General Meeting, to repurchase the new Class C shares. The repurchase may only be effected through a public offer directed to all holders of Class C shares and shall comprise all outstanding Class C shares. The purchase may be affected at a purchase price corresponding to not less than SEK 1.25 and not more than SEK 1.35. Payment for the Class C shares shall be made in cash. The purpose of the repurchase is to ensure the delivery of Class B shares under the Plan. Further, it was resolved that Class C shares that the Company purchases by virtue of the authorisation to repurchase its own shares, following reclassification into Class B shares, may be transferred to participants in accordance with the terms of the Plan.

In total, the Plan is estimated to comprise up to 164,000 shares and entitling up to 752,000 rights whereof 164,000 retention rights and 588,000 performance rights. The participants are divided into different groups and in accordance with the above, the Plan comprise, at allocation date, a total number of 80,100 shares and the following number of rights for the different groups: a) 8,000 shares and 7 rights per invested share for the CEO, b) 20,000 shares and 6 rights per invested share for other senior executives (5 persons) and c) 52,100 shares and 4 rights per invested share for other participants (31 persons). Allocation to key employees in Russia has not yet been done. Allocation is expected to be done in Q3 2008 and will be a maximum of 367,600 rights.

	May 30, 2008– Jun 30, 2008
Number of rights	
Allocated May 30, 2008	384,400
Total outstanding rights	384,400

Total costs after tax for outstanding rights in the incentive program are expensed as they arise over a three-year period, and these costs are expected to amount to SEK 34 million.

The estimated fair value of the granted rights was SEK 128.60 on the grant date, May 30, 2008. The calculation of the fair values has been carried out by external analysts. The following variables have been used where Serie A is based on total shareholder return (TSR), Serie B is based on the company's average normalised return on capital employed (ROCE) and Serie C is based on total shareholder return (TSR) compared to a peer group.

	Serie A	Serie B	Serie C
Weighted average share price	128.60	128.60	128.60
Expected life	2.91 years	2.91 years	2.91 years
Annual turnover of personnel	7.0%	7.0%	7.0%
Expected value reduction parameter market condition	90%	–	65%
Expected value reduction parameter fulfilment	–	50%	–

INCENTIVE PROGRAM 2007–2012

	Jan 1, 2008– Jun 30, 2008	Aug 2007– Jun 30, 2008
Number of options		
Allocated August 2007		3,552,000
Outstanding as of January 1, 2008	3,489,000	
Forfeited	–465,000	–528,000
Total outstanding	3,024,000	3,024,000

INCENTIVE PROGRAM 2006–2011

	Stock options		Warrants	
	Jan 1, 2008– Jun 30, 2008	Feb 2006– Jun 30, 2008	Jan 1, 2008– Jun 30, 2008	Feb 2006– Jun 30, 2008
Number of options				
Allocated February 2006		1,504,000		752,000
Outstanding as of January 1, 2008	1,164,000		717,000	
Forfeited	–180,000	–520,000	–55,000	–90,000
Total outstanding	984,000	984,000	662,000	662,000

NOTE 9 Business acquisitions and divestments

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

	2008 Jan 1–Jun 30
SEK million	
Acquisitions	
Netherlands, minority interest	–386
Adigeja, Russia	–13
	–399
Divestments	
Austria, MVNO	19
Other	
Capital contribution to joint venture companies	–89
Other cash flow changes in shares and participations	–165
	–254
TOTAL CASH FLOW EFFECT	–634

ACQUISITIONS

Netherlands

During the first half year of 2008 Tele2 increased its shares in Versatel by an additional 0.59 percent and is now holding 99.4 percent of the shares. The purchase price amounted to SEK 55 million. An additional SEK 331 million was paid during the first quarter 2008 as settlement for shares purchased in 2007.

Adigeja, Russia

On February 22, 2008 Tele2 acquired all shares in Adigeja Cellular Communications with an 1800 MHz GSM-license in the Russian region Adigeja for SEK 13 million. Adigeja is a small enclave inside Krasnodar.

DIVESTMENTS

MVNO operations in Austria

On October 8, 2007 Tele2 announced its divestment of the mobile operation in Tele2 Austria. The sale was completed on March 31, 2008 after receiving approval from the regulatory authorities. The sales price was SEK 19 million which affected the cash flow in Q2 2008. The operation has affected Tele2's net sales year-to-date by SEK 19 (37) million, EBITDA by SEK -6 (-30) million and net profit/loss by SEK -7 (-36) million in addition to a capital gain of SEK 39 million.

Since the divested operation above, was not a significant part of Tele2's result and financial position, separate reporting in the income statement according to IFRS 5, has not been made.

Other

Other cash flow changes in shares and participations include settlements of sales costs in the amount of SEK -165 million, for divestments during 2007. For additional information on divested operations during 2007 please refer to the Q4 2007 Interim Report.

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	Austria MVNO
Tangible assets	9
Deferred tax receivables	21
Material and supplies	1
Current receivables	6
Exchange rate differences	2
Short-term liabilities	-59
Divested net assets	-20
Capital profit	39
TOTAL CASH FLOW EFFECT	19

Ongoing divestments

On June 30, 2008 Tele2 announced the sale of its operations in Poland. Completion is expected following approval from the relevant regulatory authorities. The divested operation has been reported as discontinued operations; please refer to Note 10 for additional information.

On June 26, 2008 Tele2 announced the sale of its operations in Luxembourg/Liechtenstein. Completion is expected following approval from the relevant regulatory authorities. The divested operation has been reported as discontinued operations; please refer to Note 10 for additional information.

PRO FORMA

The table below shows the effect of the acquired and divested companies and operations at June 30, 2008 on Tele2's net sales and result, had they been acquired or divested at January 1, 2008.

SEK million	Jan 1–Jun 30, 2008		
	Tele2 Group ¹	Excluding acquired and divested operations	Tele2 Group, pro forma
Net sales	20,037	-30	20,007
EBITDA	3,745	7	3,752
Net profit/loss	815	-77	738

¹ less Tele2 Poland and Luxembourg/Liechtenstein since these are reported as discontinued operations.

NOTE 10 Discontinued operations and assets classified as held for sale

THE OPERATION IN POLAND

On June 30, 2008 Tele2 announced the sale of its operations in Poland for approximately SEK 300 million on cash and debt free basis. Completion is expected following approval from the relevant regulatory authorities.

An impairment of goodwill regarding the operations in Poland has been reported during Q2 2008 amounting to SEK 263 million. The impairment reflects the difference between sales price and assets sold.

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 June 30, 2008 according to IFRS 5-*Non-current assets held for sale and discontinued operations*.

THE OPERATION IN LUXEMBOURG/LIECHTENSTEIN

On June 26, 2008 Tele2 announced the sale of its operations in Luxembourg/Liechtenstein for approximately SEK 2 billion on cash and debt free basis. Completion is expected following approval from the relevant regulatory authorities.

The transaction is expected to result in a gain of approximately SEK 1 billion.

Continuing Note 10

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 June 30, 2008 according to IFRS 5-*Non-current assets held for sale and discontinued operations*.

THE OPERATION IN FRANCE, ITALY AND SPAIN

The discontinued operations during 2007 comprised the fixed and broadband business in France as well as Tele2's operations in Italy and Spain.

INCOME STATEMENT

Income statement for discontinued operations is stated below.

SEK million	2008			2007			2007			2007	
	Jan 1–Jun 30	Jan 1–Jun 30	Full year	Q2	Q1	Q4	Q3	Q2	Q1	Q1	
Net sales	1,062	6,812	11,100	541	521	1,872	2,416	3,473	3,339		
Operating expenses	-934	-7,243	-11,191	-458	-476	-1,599	-2,349	-3,630	-3,613		
Impairment of goodwill	-263	-75	-1,370	-263	-	-5	-1,290	-35	-40		
Sale of operations, profit	-	-	542	-	-	273	269	-	-		
Other operating income	6	9	21	3	3	6	6	5	4		
Other operating expenses	-2	-4	-6	-1	-1	-1	-1	-3	-1		
EBIT	-131	-501	-904	-178	47	546	-949	-190	-311		
Net interest expenses	7	4	6	5	2	-	2	-2	6		
Other financial items	-	-	-1	-	-	-	-1	-	-		
EBT	-124	-497	-899	-173	49	546	-948	-192	-305		
Tax on profit/loss	-	52	-437	-	-	-398	-91	22	30		
NET PROFIT/LOSS	-124	-445	-1,336	-173	49	148	-1,039	-170	-275		
Earnings per share (SEK)	-0.28	-1.00	-3.00	-0.39	0.11	0.33	-2.33	-0.38	-0.62		
Earnings per share, after dilution (SEK)	-0.28	-1.00	-3.00	-0.39	0.11	0.33	-2.33	-0.38	-0.62		

BALANCE SHEET

Balance sheet for assets held for sale is stated below. June 30, 2008 include the operations in Luxembourg/Liechtenstein as well as in Poland, and the corresponding period last year include the fixed and broadband operations in France.

SEK million	2008			2007			SEK million	2008			2007		
	Jun 30	Jun 30	Dec 31	Jun 30	Jun 30	Dec 31		Jun 30	Jun 30	Dec 31	Jun 30	Jun 30	Dec 31
Assets							Liabilities						
FIXED ASSETS							SHORT-TERM LIABILITIES						
Goodwill	793	2,811	-				Interest-bearing liabilities	7	-	-			
Other intangible assets	90	468	-				Non-interest-bearing liabilities	382	1,760	-			
Intangible assets	883	3,279	-										
Tangible assets	299	246	-										
Financial assets	1	1	-										
Deferred tax assets	6	284	-										
FIXED ASSETS	1,189	3,810	-										
CURRENT ASSETS							LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	389	1,760	-			
Materials and supplies	11	80	-										
Current receivables	334	508	-										
Short-term investments	6	-	-										
Cash and cash equivalents	-	-	-										
CURRENT ASSETS	351	588	-										
ASSETS CLASSIFIED AS HELD FOR SALE	1,540	4,398	-										

Continuing Note 10

CASH FLOW STATEMENT

Cash flow statement for discontinued operations is stated below.

SEK million	2008 Jan 1–Jun 30	2007 Jan 1–Jun 30	2007 Full year	2008 Q2	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1
OPERATING ACTIVITIES									
Cash flow from operation	207	-16	611	125	82	467	160	71	-87
Change in working capital	14	-88	-187	-11	25	-91	-8	-	-88
CASH FLOW FROM OPERATING ACTIVITIES	221	-104	424	114	107	376	152	71	-175
INVESTING ACTIVITIES									
Capital expenditure in intangible and tangible assets, CAPEX	-51	-574	-1,034	-14	-37	-203	-257	-341	-233
Cash flow after CAPEX	170	-678	-610	100	70	173	-105	-270	-408
Sale of shares and participations	-	-	9,678	-	-	6,741	2,937	-	-
Change of long-term receivables	-	-1	10	-	-	-14	25	-1	-
Cash flow from investing activities	-51	-575	8,654	-14	-37	6,524	2,705	-342	-233
CASH FLOW AFTER INVESTING ACTIVITIES	170	-679	9,078	100	70	6,900	2,857	-271	-408
FINANCING ACTIVITIES									
Change of loans, net	-	30	29	-	-	4	-5	30	-
Cash flow from financing activities	-	30	29	-	-	4	-5	30	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	170	-649	9,107	100	70	6,904	2,852	-241	-408
Taxes paid included in cash flow from operation	-	-	-50	-	-	1	-51	-	-

NUMBER OF CUSTOMERS

Thousands	Number of customers			Net intake					
	2008 Jun 30	2007 Jun 30	2007 Dec 31	2008 Q2	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1
Mobile	244	233	236	6	2	1	2	1	4
Fixed telephony	732	5,451	758	-10	-16	-151	-263	-441	-481
Fixed broadband	34	1,244	16	9	9	95	85	151	179
	1,010	6,928	1,010	5	-5	-55	-176	-289	-298
Divested companies	-	-	-	-	-	-2,969	-2,718	-	-
Total customers/net intake	1,010	6,928	1,010	5	-5	-3,024	-2,894	-289	-298

NET SALES

SEK million	2008 Jan 1–Jun 30	2007 Jan 1–Jun 30	2007 Full year	2008 Q2	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1
Mobile	409	422	851	208	201	204	225	211	211
Fixed telephony	580	4,159	6,178	294	286	870	1,149	2,024	2,135
Fixed broadband	26	1,917	3,446	14	12	659	870	1,069	848
Other operations	102	667	1,120	54	48	187	266	343	324
	1,117	7,165	11,595	570	547	1,920	2,510	3,647	3,518
Internal sales, elimination	-55	-353	-495	-29	-26	-48	-94	-174	-179
Total net sales	1,062	6,812	11,100	541	521	1,872	2,416	3,473	3,339

EBITDA

SEK million	2008 Jan 1–Jun 30	2007 Jan 1–Jun 30	2007 Full year	2008 Q2	2008 Q1	2007 Q4	2007 Q3	2007 Q2	2007 Q1
Mobile	121	138	280	67	54	74	68	67	71
Fixed telephony	83	472	916	46	37	287	157	228	244
Fixed broadband	-15	-687	-681	1	-16	31	-25	-269	-418
Other operations	11	55	101	5	6	12	34	27	28
Total EBITDA	200	-22	616	119	81	404	234	53	-75

Continuing Note 10

EBIT

SEK million	2008			2007			2007		
	Jan 1–Jun 30	Jan 1–Jun 30	Full year	Q2	Q1	Q4	Q3	Q2	Q1
Mobile	66	85	171	40	26	47	39	40	45
Fixed telephony	72	329	684	41	31	248	107	153	176
Fixed broadband	-17	-895	-1,033	-1	-16	-29	-109	-376	-519
Other operations	11	55	102	5	6	12	35	28	27
	132	-426	-76	85	47	278	72	-155	-271
Impairment of goodwill	-263	-75	-1,370	-263	-	-5	-1,290	-35	-40
Sale of operations, profit	-	-	542	-	-	273	269	-	-
Total EBIT	-131	-501	-904	-178	47	546	-949	-190	-311

CAPEX

SEK million	2008			2007			2007		
	Jan 1–Jun 30	Jan 1–Jun 30	Full year	Q2	Q1	Q4	Q3	Q2	Q1
Mobile	11	17	57	4	7	37	3	15	2
Fixed telephony	2	53	100	1	1	28	19	32	21
Fixed broadband	8	419	841	7	1	184	238	220	199
Total CAPEX	21	489	998	12	9	249	260	267	222

NOTE 11 Transactions with related parties

Apart from transactions with Transcom no other significant related party transactions have been carried out during 2008. Related parties are presented in Note 42 of the 2007 Annual Report.

NOTE 12 Number of customers

As a way of standardizing reporting both internally and externally, Tele2 decided in 2007 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 664,000 in the reported customer base in Sweden, Norway a decrease of 2,000 customers and Denmark a decrease of 93,000 customers.

NOTE 13 CAPEX

In Q2 2008 Tele2 Sweden was awarded 4G/LTE (Long Term Evolution) 2.6 GHz spectrum. The payment for the license affected CAPEX by SEK 549 million in the quarter.