



## PRESS-RELEASE

### TELE2 FULL YEAR REPORT 2007

**Moscow, February 13, 2008 - TELE2 AB ("TELE2") (OMX Nordic Exchange: TEL2 A and TEL2 B), today announced its consolidated results for the fourth quarter and full year 2007.**

TELE2 Russia continued to combine solid customer intake with good profitability **in Q4 2007.**

The customer base grew by 554,000 (859,000<sup>1</sup>) and operating revenue reached USD 210 (136) million, an increase of 54 percent. ARPU was USD 8.58 (8.14) in Q4 2007. EBITDA reached USD 65 (36) million, which corresponds to an EBITDA margin of 31 (26) percent.

In Q4 2007, TELE2 Russia was awarded 17 new regional GSM 1800 licenses. The population in the new regions added up to 19.1 million. However the license process has been challenged in court. TELE2's ambition, going forward, is to develop the existing footprint, but also to opportunistically expand into new regions in Russia, both through licenses and through acquisitions. On October 5, 2007, TELE2 acquired all shares in Telecom Eurasia, with an 1800 MHz GSM-license in the Russian region Krasnodar. Krasnodar is the third biggest region in Russia as well as the second biggest roaming region.

**Lars-Johan Jarnheimer, President and CEO of TELE2 AB comments:** «With progress comes challenge - we need to find qualified personnel, establish a local presence in all regions and expand commercially viable mobile networks. On the other hand our historic performance in mobile operations proves we have a successful business model in place»

**The results of TELE2 Russia for the full year 2007 are the following:** operating revenue for this period is USD 747 million (USD 417 million for the same period in 2006), EBITDA is USD 235 million (USD 84 million for the same period in 2006), and EBITDA margin is 31% (20% for the same period in 2006). The customer base grew up by 33% up to 8 560 000 customers (as of December, 31, 2007) compared with 6 453 000 customers in 2006.

#### **The main results of TELE2 AB are following:**

- ➔ Operating revenue less divested operations in Q4 2007 amounted to USD 1 545 (1 439) million, an increase of 7 percent
- ➔ EBITDA less divested operations in Q4 2007 increased by 4 percent to USD 231 (223) million
- ➔ EBIT less divested operations in Q4 2007 amounted to USD 37 (105) million including one-off items of USD -49 (7) million (see note 1 and 2 of the Report)
- ➔ Operating revenue less divested operations for the full year 2007 grew by 9 percent to USD 5 963 (5 490) million. Operating revenue from continuing operations<sup>2</sup> for the full year 2007 grew by 1 percent to USD 6 422 (6 375) million
- ➔ Net profit/loss from continuing operations for the full year 2007 amounted to USD -45 (-148) million
- ➔ Earnings per share from continuing operations after dilution for the full year 2007 amounted to USD -0.067 (-0.293)
- ➔ TELE2's net debt amounted to USD 769 (2 265) million at the end of 2007, a decrease by 66 percent

<sup>1</sup> The figures shown in parentheses correspond to the comparable periods in 2006.

<sup>2</sup> Discontinued operations include the operations in Italy and Spain, and the fixed and broadband operations in France (see Note 9 of the Report). Other divested operations are included in historical figures up until the date of disposal.



- The Board of Directors proposes an ordinary dividend of USD 0.466 (0.271) per share. The Board of Directors also proposes a special dividend of USD 0.70 together with the authorization to purchase up to 10 percent of shares in the company

**Further information can be obtained from:**

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**TELE2 in brief**

**TELE2**

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 15 countries. TELE2 offers fixed and mobile telephony, broadband, data network services and cable TV. 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 OMX Nordic Exchange Stockholm since 1996. In 2007, we had operating revenue of SEK 43.4 billion and reported an operating profit (EBITDA) of SEK 6.6 billion.

The company has been operating in Russia since 2003. Now "TELE2 Russia" provides GSM mobile telecom services in 16 regions: Saint-Petersburg and Leningrad region, as well as in Arkhangelsk, Murmansk, Novgorod, Kemerovo, Rostov, Omsk, Nizhny Novgorod, Smolensk, Kursk, Voronezh, Belgorod, Lipetsk, Chelyabinsk regions, in Republic of Udmurtia and Republic of Komi, and also a cellular telecom network in Krasnodar Krai belongs to the company. Besides the company has licenses for GSM mobile telecom services in 17 regions of the RF. The total number of citizens on the territories where TELE2 has licenses exceeds 60 million people. At present TELE2 subscribers in Russia include 8 560 000 people (as of December 31, 2007).