Interim Report
January - June 2011

Tele2 Russia Holding AB

corporate reg. no. 556469-7836

INTERIM REPORT JANUARY – JUNE 2011

The Board of Directors herewith presents the interim report for Tele2 Russia Holding AB, corporate reg. no. 556469-7836, and its subsidiaries for January 1 – June 30, 2011.

The figures presented in this report refer to Q2 2011. The figures shown in parentheses refer to the comparable periods in 2010.

Tele2 Russia Holding AB is the parent company of number of wholly owned companies incorporated in the Russian federation. Tele2 Russia Holding AB and its subsidiaries are referred to as "Tele2 Russia" in this interim report

Tele2 Russia Holding AB is owned by Tele2 Russia Telecom BV, Netherlands (99.9 percent) and Tele2 Russia Two AB, Sweden (0.1 percent). The shares of Tele2 Russia Telecom BV were previously owned by Tele2 Sverige AB. The ultimate parent company is Tele2 AB ("Tele2"), which indirectly owns 100 percent of the company.

TELE2 RUSSIA

The operations of Tele2 Russia include all Tele2's operations in Russia. Tele2 Russia offers mobile telephony services, mainly pre-paid services to the residential market and also services to the corporate market.

The company has GSM licences in 43 regions after having been awarded licences in additional 6 regions in the Far East during the quarter. Today, Tele2 Russia covers approximately 62 million inhabitants with own licences. Tele2 Russia's strategy is to have a balanced approach to rolling out new regions, while maintaining a stable profitability in the more mature regions.

The overall operational development in the quarter has been above Tele2's expectations, and Tele2 Russia continued to deliver a solid financial performance. The EBITDA margin development was robust, driven by improving operational trends in the more mature regions and scale benefits in the new regions. EBITDA amounted to SEK 1,116 (942) million, equivalent to a margin of 39 (36) percent. The investment level is expected to increase in the second half of 2011.

The regions formerly known as "new regions" broke even on EBITDA for the first time during Q2 2011, as expected. The total customer base grew by 720,000 (1,113,000). Over the last 12 months, Tele2 Russia's customer base has grown by 3.2 million new users, proving that there is a continued solid demand for Tele2 Russia's services despite lower customer activity in the market and competitors' introduction of 3G services.

The total customer base amounted to 19,705,000 (16,513,000) at the end of Q2 2011. The turnover of the total customer base was stable during the quarter. The competitive pressure remained high. Tele2 Russia will maintain its effort to be best in class in customer retention and continue to work with a commission structure to the retail channels in order to further enhance the quality of the customer intake.

Despite an impact from customer base growth with lower initial service usage in new regions, and generally high competitive pressure throughout Tele2 Russia's footprint, MoU for the total operations increased by 5 percent compared with the previous year, amounting to 243 (232). ARPU was SEK 49 (54) or RUB 220 (217).

Tele2 Russia will keep looking for possibilities to carefully expand its operations through new licences as well as by complementary acquisitions.

In Q2 2011, Tele2 Russia issued a 13 billion rouble bond (with 3 tranches). The bonds have a final maturity of 10 years and a put option providing for an effective tenor of 5 years. The coupon rate for the 5-year period was set at 8.40 percent per annum with semi-annual coupon payments. The reported value of the bond amounted to SEK 2.9 billion at June 30 2011.

In Q2 2011, the Tele2 group made a shareholder contribution of SEK 6 billion to Tele2 Russia Holding by waiving redemption of receivables.

FINANCIAL GUIDANCE

Tele2 Russia has GSM licences in 43 regions in Russia covering approximately 62 million inhabitants. The following assumptions should be taken into account when estimating the operational performance of the total operations in Russia in 2011:

- Tele2 Russia expects the subscriber base to reach 21 million by year-end 2011.
- Tele2 Russia expects ARPU to remain stable in local currency.
- Tele2 Russia expects the total EBITDA margin to evolve in the range of 38-40 percent.
- Tele2 Russia expects CAPEX to be approximately SEK 2,000 million by year-end 2011.

OTHER ITEMS

Risks and uncertainty factors

Tele2 Russia's operations are affected by a number of external factors. The risk factors considered to be most significant to Tele2 Russia's future development are operating risks such as the availability of frequencies and telecom licences, the political and economic environment in Russia, integration of new business models, changes in regulatory legislation, legal proceedings and financial risks such as currency risk, interest risk, liquidity risk and credit risk. In addition to the risks described in Tele2 Russia's annual report for 2010 (see Directors' report and Note 2 of the report for a detailed description of Tele2 Russia's risk exposure and risk management), no additional significant risks are estimated to have developed.

Income statement

SEK million	Note	2011 Jan 1-Jun 30	2010 Jan 1-Jun 30	2010 Full year	2011 Q2	2010 Q2
Net sales		5 460	4 818	10 142	2 862	2 599
Operating expenses		-3 839	-3 577	-7 383	-1 968	-1 892
Other operating income		5	25	24	2	12
Other operating expenses		-7	-11	-18	-3	-
Operating profit, EBIT		**1 619**	**1 255**	**2 765**	**893**	**719**
Interest income/costs		-312	-244	-597	-120	-111
Exchange rate differences, external		7	-2	17	-	-1
Exchange rate differences, Tele2 group	2	-102	-12	20	-106	2
Exchange rate differences, Tele2 Russia group	2	114	-	-	119	-
Other financial items		4	116	115	1	116
Profit after financial items, EBT		**1 330**	**1 113**	**2 320**	**787**	**725**
Tax on profit		-261	-180	-424	-158	-123
NET PROFIT		**1 069**	**933**	**1 896**	**629**	**602**
ATTRIBUTABLE TO						
Equity holders of the parent company		1 069	930	1 893	629	599
Minority interest		-	3	3	-	3
NET PROFIT		**1 069**	**933**	**1 896**	**629**	**602**

Comprehensive income

SEK million	2011 Jan 1-Jun 30	2010 Jan 1-Jun 30	2010 Full year	2011 Q2	2010 Q2
Net profit	**1 069**	**933**	**1 896**	**629**	**602**
OTHER COMPREHENSIVE INCOME					
Exchange rate differences	-2	141	-356	-102	19
Exchange rate differences, tax effect	34	-	-	-	-
Withholding tax	-161	-	-12	-	-
Other comprehensive income for the period, net of tax	**-129**	**141**	**-368**	**-102**	**19**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**940**	**1 074**	**1 528**	**527**	**621**
ATTRIBUTABLE TO					
Equity holders of the parent company	940	1 067	1 521	527	614
Minority interest	-	7	7	-	7
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**940**	**1 074**	**1 528**	**527**	**621**

Change in shareholders' equity

	Jun 30, 2011			Jun 30, 2010			Dec 31, 2010		
	Attributable to			Attributable to			Attributable to		
SEK million	equity holders of the parent company	minority interests	Total share-holders' equity	equity holders of the parent company	minority interests	Total share-holders' equity	equity holders of the parent company	minority interests	Total share-holders' equity
Shareholders' equity, January 1	-5 739	-	-5 739	-6 960	59	-6 901	-6 960	59	-6 901
Costs for stock options	4	-	4	3	-	3	6	-	6
Shareholders' contribution	6 000	-	6 000	-	-	-	-	-	-
Purchase of minority	-	-	-	-306	-66	-372	-306	-66	-372
Comprehensive income for the period	940	-	940	1 067	7	1 074	1 521	7	1 528
SHAREHOLDERS' EQUITY, END OF PERIOD	**1 205**	**-**	**1 205**	**-6 196**	**-**	**-6 196**	**-5 739**	**-**	**-5 739**

Balance sheet

SEK million	Note	Jun 30, 2011	Jun 30, 2010	Dec 31, 2010
ASSETS				
FIXED ASSETS				
Goodwill		854	939	842
Other intangible assets		874	776	782
Intangible assets		**1 728**	**1 715**	**1 624**
Tangible assets		6 172	6 075	5 986
Receivables, Tele2 group	2	-	867	1 330
Other financial assets		5	7	6
Deferred tax assets		721	630	650
FIXED ASSETS		**8 626**	**9 294**	**9 596**
CURRENT ASSETS				
Materials and supplies		44	33	44
Current receivables		1 199	718	652
Cash and cash equivalents		196	115	153
CURRENT ASSETS		**1 439**	**866**	**849**
ASSETS		**10 065**	**10 160**	**10 445**
EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Attributable to equity holders of the parent company		1 205	-6 196	-5 739
SHAREHOLDERS' EQUITY		**1 205**	**-6 196**	**-5 739**
LONG-TERM LIABILITIES				
Interest-bearing liabilities, Tele2 group	2	2 887	13 907	13 627
Other interest-bearing liabilities	5	3 012	112	104
Deferred tax liability		283	212	248
LONG-TERM LIABILITIES		**6 182**	**14 231**	**13 979**
SHORT-TERM LIABILITIES				
Interest-bearing liabilities, Tele2 group		638	650	679
Other interest-bearing liabilities		8	30	8
Non-interest-bearing liabilities		2 032	1 445	1 518
SHORT-TERM LIABILITIES		**2 678**	**2 125**	**2 205**
EQUITY AND LIABILITIES		**10 065**	**10 160**	**10 445**

Cash flow statement

SEK million	Note	2011 Jan 1-Jun 30	2010 Jan 1-Jun 30	2010 Full year	2011 Q2	2011 Q1	2010 Q4	2010 Q3	2010 Q2	2010 Q1
OPERATING ACTIVITIES										
Cash flow from operations, less paid taxes		1 753	1 419	2 977	999	754	725	833	832	587
Taxes paid		-429	-186	-420	-293	-136	-112	-122	-103	-83
Changes in working capital		17	278	370	-49	66	-15	107	47	231
CASH FLOW FROM OPERATING ACTIVITIES		**1 341**	**1 511**	**2 927**	**657**	**684**	**598**	**818**	**776**	**735**
INVESTING ACTIVITIES										
Capital expenditure in intangible and tangible assets, CAPEX		-688	-584	-1 556	-370	-318	-621	-351	-453	-131
Cash flow after CAPEX		***653***	***927***	***1 371***	***287***	***366***	***-23***	***467***	***323***	***604***
Acquisition of shares and participations		-	-289	-307	-	-	5	-23	-16	-273
Sale of shares and participations	4	1	-	-	1	-	-	-	-	-
Changes of long-term receivables and short-term investments		-	-	1	-	-	1	-	-	-
Cash flow from investing activities		-687	-873	-1 862	-369	-318	-615	-374	-469	-404
CASH FLOW AFTER INVESTING ACTIVITIES		**654**	**638**	**1 065**	**288**	**366**	**-17**	**444**	**307**	**331**
FINANCING ACTIVITIES										
Change in net borrowings from Tele2 group		-5 001	-270	-152	-4 876	-125	344	-226	35	-305
Change in net lending to Tele2 group		1 439	-371	-944	1 737	-298	-340	-233	-372	1
Other change of loans	5	2 885	-16	-17	2 896	-11	6	-7	3	-19
Cash flow from financing activities		**-677**	**-657**	**-1 113**	**-243**	**-434**	**10**	**-466**	**-334**	**-323**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**-23**	**-19**	**-48**	**45**	**-68**	**-7**	**-22**	**-27**	**8**
Cash and cash equivalents at beginning of period		153	163	163	82	153	103	115	154	163
Exchange rate differences in cash		66	-29	38	69	-3	57	10	-12	-17
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**196**	**115**	**153**	**196**	**82**	**153**	**103**	**115**	**154**

Number of customers

by thousands	Number of customers 2011 Jun 30	2010 Jun 30	Net intake 2011 Jan 1-Jun 30	2010 Jan 1-Jun 30	2010 Full year	2011 Q2	2011 Q1	2010 Q4	2010 Q3	2010 Q2	2010 Q1
Mobile	19 705	16 513	1 267	2 062	3 987	720	547	755	1 170	1 113	949
TOTAL	**19 705**	**16 513**	**1 267**	**2 062**	**3 987**	**720**	**547**	**755**	**1 170**	**1 113**	**949**

Net sales

SEK million	2011 Jan 1-Jun 30	2010 Jan 1-Jun 30	2010 Full year	2011 Q2	2011 Q1	2010 Q4	2010 Q3	2010 Q2	2010 Q1
Net sales	5 551	4 891	10 296	2 922	2 629	2 685	2 720	2 654	2 237
Internal sales, elimination	-91	-73	-154	-60	-31	-39	-42	-55	-18
	5 460	**4 818**	**10 142**	**2 862**	**2 598**	**2 646**	**2 678**	**2 599**	**2 219**

EBITDA

SEK million	2011 Jan 1-Jun 30	2010 Jan 1-Jun 30	2010 Full year	2011 Q2	2011 Q1	2010 Q4	2010 Q3	2010 Q2	2010 Q1
EBITDA	**2 057**	**1 655**	**3 560**	**1 116**	**941**	**896**	**1 009**	**942**	**713**
Depreciation/amortization and other impairment	-438	-400	-795	-223	-215	-209	-186	-223	-177
EBIT	**1 619**	**1 255**	**2 765**	**893**	**726**	**687**	**823**	**719**	**536**

Key ratios

SEK million	2011 Jan 1-Jun 30	2010 Jan 1-Jun 30	2010	2009	2008
Number of customers (by thousands)	19 705	16 513	18 438	14 451	10 422
Net sales	5 460	4 818	10 142	7 540	6 809
Net sales growth	13%		35%	11%	
EBITDA	2 057	1 655	3 560	2 463	2 364
EBIT	1 619	1 255	2 765	1 827	1 834
EBT	1 330	1 113	2 320	751	526
Net profit	1 069	933	1 896	531	328
Key ratios					
EBITDA margin, %	37,7	34,4	35,1	32,7	34,7
EBIT margin, %	29,7	26,0	27,3	24,2	26,9
Shareholders' equity	1 205	-6 196	-5 739	-6 960	-7 234
Total assets	10 065	10 160	10 445	9 369	7 906
Cash flow from operating activities	1 341	1 511	2 927	1 499	1 378
Paid CAPEX	688	584	1 556	2 109	1 619
Cash flow after CAPEX	653	927	1 371	-610	-241
Net debt	6 349	13 715	12 934	13 809	13 127

Parent company

INCOME STATEMENT

SEK million	2011 Jan 1-Jun 30	2010 Jan 1-Jun 30
Administrative expenses	-1	-
Operating profit/loss, EBIT	**-1**	**-**
Dividend from group companies	3 082	297
Result from shares in group companies, other	-269	-233
Net interest expenses and other financial items	-345	-98
Profit/loss after financial items, EBT	**2 467**	**-34**
Tax on profit/loss	91	26
NET PROFIT/LOSS	**2 558**	**-8**

BALANCE SHEET

SEK million	Note	Jun 30, 2011	Dec 31, 2010
ASSETS			
FIXED ASSETS			
Shares in group companies		13 336	13 451
Receivables, Tele2 group		1 796	-
Receivables, Tele2 Russia group		-	69
Deferred tax assets		422	331
Other financial assets		5	5
ASSETS		**15 559**	**13 856**
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Unrestricted equity		11 139	2 581
SHAREHOLDERS' EQUITY		**11 139**	**2 581**
LONG-TERM LIABILITIES			
Interest-bearing liabilities, Tele2 group		-	10 504
Interest-bearing liabilities, Tele2 Russia group	2	4 333	-
Other interest-bearing liabilities	2	87	92
LONG-TERM LIABILITIES		**4 420**	**10 596**
SHORT-TERM LIABILITIES			
Interest-bearing liabilities, Tele2 group		-	679
SHORT-TERM LIABILITIES		**-**	**679**
EQUITY AND LIABILITIES		**15 559**	**13 856**

NOTES

ACCOUNTING PRINCIPLES AND DEFINITIONS

The interim report for the group has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act, and the interim report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 Reporting for legal entities and its statements (June 2011).

New and amended IFRS standards and IFRIC interpretations

The new or amended IFRS standards and IFRIC interpretations, which became effective January 1, 2011, have had no material effect on the consolidated financial statements.

In all other respects, Tele2 Russia has presented its interim report in accordance with the accounting principles and calculation methods used in the 2010 Annual Report. Definitions are found in the 2010 Annual Report.

NOTE 1 CONTINGENT LIABILITIES

SEK million	Jun 30, 2011	Dec 31, 2010
Disputes	-	258
Total contingent liabilities	**-**	**258**

The parent company Tele2 Russia Holding AB and the group company Tele2 Financial Services AB have provided irrevocable undertakings for the group company OJSC Saint-Petersburg Telecoms obligations related to the bond (for additional information please refer to Note 5).

NOTE 2 TRANSACTIONS WITH RELATED PARTIES

In preparation for and following the bond issue in Russia the legal company structure was changed in Q2 2011, and a new treasury company within the Russia group was formed, affecting the internal financing structure. In addition, the issued bond in Russia was used for repaying loans to the Tele2-group.

In Q2 2011, the Tele2 group made a shareholder contribution of SEK 6 billion to Tele2 Russia Holding by waiving redemption of receivables.

Tele2 Sweden provides management and technical services to Tele2 Russia group. For additional information please refer to Note 32 of the 2010 Annual Report.

Apart from above stated transactions with other companies within Tele2 group no other significant related party transactions have been carried out during 2011. Related parties are presented in Note 32 of the 2010 Annual Report.

NOTE 3 INCENTIVE PROGRAMS (LTI)

The parent company of the Tele2 group, Tele2 AB (publ), has issued long-term incentive programmes (LTI) to a number of employees in the Tele2 Russia group.

LTI 2011

	2011
Number of share rights	Jun 17– Jun 30
Allocated June 17, 2011	20,500
Total outstanding share rights	**202,500**

During the Annual General Meeting held on May 16, 2011, the shareholders of Tele2 AB (publ) ("the company") approved a performance-based incentive programme for senior executives and other key employees in the Tele2 group. The Plan has the same structure as last year's incentive program.

The objective of the Plan is to create conditions for retaining competent employees in the Tele2 group. The Plan has been designed based on the view that it is desirable that senior executives and other key employees within the group are shareholders in the company. By offering an allotment of retention rights and performance rights which are based on profits and other retention and performance-based conditions, the participants are rewarded for increasing shareholder value. Furthermore, the Plan rewards employees' loyalty and long-term growth in the company. In that context, the Board of Directors is of the opinion that the Plan will have a positive effect on the future development of the Tele2 group and thus be beneficial to both the company and its shareholders.

The incentive program (the Plan) included a total of 99 senior executives and other key employees within the Tele2 Russia-group. In general, the participants in the Plan are required to own shares in Tele2. These shares could either be shares already held or shares purchased on the market in connection with the notification to participate in the Plan. Thereafter, the participants were granted retention rights and performance rights free of charge. As a consequence of market conditions, employees in Russia were offered to participate in the Plan without being required to hold shares in Tele2. In such cases, the number of allotted rights has been reduced, and corresponds to 37.5 percent of the number of rights allotted for participation with a personal investment.

Subject to the fulfilment of certain retention and performance-based conditions during the period April 1, 2011 - March 31, 2014 (the measure period), the participant maintaining employment within the Tele2 group at the release of the Tele2's interim report January - March 2014 and subject to the participant maintaining the invested shares (where applicable) during the vesting period ending at the release of the Tele2's interim report for the period January - March 2014, each right entitles the employee to receive one Class B share in the company. Dividends paid on the underlying share will increase the number of shares that each retention and performance right entitles to in order to treat the shareholders and the participants equally.

The rights are divided into Series A retention rights, and Series B and C performance rights. The number of shares the participant will receive depends on which category the participant belongs to and on the fulfilment of the following defined retention and performance-based conditions:

Series A Tele2's total shareholder return on the Tele2 shares (TSR) during the measure period exceeding 0 percent as entry level.

Series B Tele2's average normalized return of capital employed (ROCE) during the measurement period being at least 20 percent as entry level and at least 24 percent as the stretch target.

Series C Tele2's total shareholder return on the Tele2 shares (TSR) during the measure period being equal to the average TSR for a peer group including Elisa, KPN, Millicom, Mobistar, MTS – Mobile Telesystems, Telenor, TeliaSonera, Turkcell and Vodafone as entry level, and exceeding the average TSR for the peer group with 10 percentage points as the stretch target.

The determined levels of the conditions include an entry level and a stretch target with a linear interpolation applied between those levels as regards the number of rights that vests. The entry level constitutes the minimum level which must be reached in order to enable the vesting of the rights in that series. If the entry level is reached, the number of rights that vests is proposed to be 100 percent for Series A and 20 percent for Series B and C. If the entry level is not reached, all rights to retention and performance shares (as applicable) in that series lapse. If a stretch target is met, all retention rights or performance rights (as applicable) vest in that series.

The Plan comprised a total number of 80,500 shares, of which 29,500 related to employees in Russia who invested in Tele2 shares and 51,000 related to employees in Russia who choose not to invest in Tele2-shares. In total this resulted in an allotment of 202,500 share rights, of which 48,624 retention rights and 153,876 performance rights. The participants were divided into different categories and were granted the following number of share rights for the different categories:

	No of partici-	Maximum no of	Share right				Total
			per Series				
At grant date	pants	shares	A	B	C	Tot	allotment
Other senior executives and other key employees	1	4,000	1	2.5	2.5	6	24,000
Category 1	3	2,000	1	1.5	1.5	4	24,000
Category 1, no investment	2	2,000	0.375	0.5625	0.5625	1.5	6,000
Category 2	6	1,500	1	1.5	1.5	4	34,000
Category 2, no investment	4	1,500	0.375	0.5625	0.5625	1.5	9,000
Category 3	7	1,000	1	1.5	1.5	4	28,000
Category 3, no investment	14	1,000	0.375	0.5625	0.5625	1.5	21,000
Category 4	8	500	1	1.5	1.5	4	16,000
Category 4, no investment	54	500	0.375	0.5625	0.5625	1.5	40,500
Total	**99**						**202,500**

Total costs before 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 14 million, of which social security costs amount to SEK 4 million.

The participant's maximum profit per share right in the Plan is limited to SEK 591, five times the average closing share price of the Tele2 Class B shares during February 2011 with deduction for the dividend paid in May 2011.

The estimated average fair value of the granted rights was SEK 80.00 on the grant date, June 17, 2011. The calculation of the fair values was carried out by external analysts. The following variables were used:

	Serie A	Serie B	Serie C
Expected annual turnover of personnel	7,0%	7,0%	7,0%
Expected value reduction parameter fulfilment	-	50%	-
Weighted average share price	117.61	117.61	117.61
Expected life	2.84 years	2.84 years	2.84 years
Expected value reduction parameter market condition	70%	-	35%

LTI 2010

Number of share rights	2011 Jan 1– Jun 30	Cumulative from start
Allocated June 9, 2010		106,400
Outstanding as of January 1, 2011	106,400	
Allocated, compensation for dividend	14,876	14,876
Forfeited	-9,736	-9,736
Total outstanding share rights	**111,540**	**111,540**

LTI 2009

Number of share rights	2011 Jan 1– Jun 30	Cumulative from start
Allocated June 1, 2009		184,160
Outstanding as of January 1, 2011	157,908	
Allocated, compensation for dividend	20,896	26,752
Forfeited	-22,120	-54,228
Total outstanding share rights	**156,684**	**156,684**

LTI 2008

Number of share rights	2011 Jan 1– Jun 30	Cumulative from start
Allocated in 2008		194,872
Allocated Q2 2009, compensation for dividend		8,964
Allocated Q2 2010, compensation for dividend		5,896
		209,732
Outstanding as of January 1, 2011	153,664	
Forfeited	-6,500	-62,568
Exercised	-147,164	-147,164
Total outstanding share rights	**-**	**-**

The exercise of the share rights in LTI 2008 was conditional upon the fulfilment of certain retention and performance based conditions, measured from April 1, 2008 until March 31, 2011. The outcome of these decided performance conditions was in accordance with below:

	Retention and performance based conditions	Minimum hurdle (20%)	Stretch target (100%)	Perfor-mance outcome	Allotment
Series A	Total Shareholder Return Tele2 (TSR)		≥ 0%	53.5%	100%
Series B	Average normalised Return on Capital Employed (ROCE)	12%	15%	19.5%	100%
Series C	Total Shareholder Return Tele2 (TSR) compared to a peer group	> 0%	≥ 10%	51.1%	100%

Weighted average share price at date of exercise for share rights amounted to SEK 152.53 during 2011.

NOTE 4 ACQUISITIONS AND DIVESTMENTS

Acquisitions and divestments of shares and participations affecting cash flow were as follows.

SEK million	2011 Jan 1 – Jun 30
Divestments	
Tele2 Holding Russia VOL GmbH, Austria	2
TOTAL CASH FLOW EFFECT	**2**

On June 30, 2011 Tele2 Russia group sold an Austrian dormant company to Tele2 group.

NOTE 5 FINANCING

In Q2, 2011, Tele2 Russia issued a 13 billion rouble bond (with 3 tranches). The bond has a final maturity of 10 years and a put option providing for an effective tenor of 5 years. The coupon rate for the 5-year period is 8.40 percent per annum with semi-annual coupon payments. The reported value of the bond amounted at June 30, 2011 to SEK 2.9 billion.

Stockholm, July 20, 2011

Mats Granryd
Chairman

Lars Nilsson

Jonas Bengtsson

REVIEW REPORT

Introduction
We have reviewed the interim report for Tele2 Russia Holding AB for the period January 1 - June 30, 2011. The Board of Directors is 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 ISA and other generally accepted auditing practices. 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 20, 2011
Deloitte AB

Jan Berntsson
Authorized Public Accountant