Interim Report January–June 2012

Q2 2012 Highlights

Group net sales growth of 10 percent

- Net sales amounted to SEK 11,064 (10,078) million corresponding to a growth of 10 percent in the quarter. EBITDA in Q2 2012 amounted to SEK 2,715 (2,809) million, equivalent to an EBITDA margin of 25 (28) percent.

Strong customer intake in market area Russia

- In Q2 2012, t2 Russia added 693,000 (720,000) customers leading to a total customer base of 21.6 (19.7) million. EBITDA amounted to SEK 1,199 (1,115) million, equivalent to an EBITDA margin of 37 (39) percent.

Sustained mobile revenue growth in market area Nordic

- Mobile revenue in Sweden grew by 6 percent, as customer demand for smartphones and data services increased further during the quarter. This trend was enhanced by a temporary marketing campaign during the months of March and April. As a result of increased marketing spend, the EBITDA margin was negatively affected. t2 Norway performed well during the quarter, with increased focus on moving traffic on to its own network, leading to robust EBITDA margin development.

Significant operational progress in market area Central Europe & Eurasia

- During the quarter, t2 Kazakhstan completed the roll-out and commercial launch in the country, resulting in a customer intake of 759,000 (355,000). The total customer base amounted to 2.5 (0.7) million. The Baltic countries drove further cost cutting in the quarter, maintaining their firm EBITDA margin development.

Robust margin development in market area Western Europe

- t2 Netherlands maintained a stable EBITDA margin compared to same period last year, despite tough market conditions in the consumer and business segments. Both t2 Austria and t2 Germany continued their stable operational development thanks to a combination of innovative product offers and tight cost control.

Net sales Q2 2012

11,064

SEK million

EBITDA Q2 2012

2,715

SEK million

Key Financial Data

	Q2			H1		
SEK million	**2012**	**2011**	**%**	**2012**	**2011**	**%**
Net Sales	11,064	10,078	10	21,545	19,720	9
Net Sales excluding exchange rate differences	11,064	10,065	10	21,545	19,747	9
EBITDA	2,715	2,809	–3	5,286	5,353	–1
EBITDA excluding exchange rate differences	2,715	2,794	–3	5,286	5,347	–1
EBIT	1,427	1,737	–18	2,810	3,410	–18
EBIT excluding one-off items	1,447	1,794	–19	2,829	3,368	–16
Net Profit	849	1,108	–23	1,718	2,334	–26
Earnings per share, after dilution (SEK)	1.90	2.49	–24	3.85	5.24	–27

The figures presented in this report refer to Q2 2012 and continuing operations unless otherwise stated. The figures shown in parentheses refer to the comparable periods in 2011.

TELE2

CEO comment

We noted promising financial indications during Q2 in what remain challenging market conditions. This quarter's record customer intake of 1,511,000 again reflects sustainable interest in our services and provides a good basis for earnings growth in the second half of the year.

It also demonstrates that our company enjoys diversied growth: t2 Kazakhstan has now surpassed t2 Russia when it comes to the rate of increase of customers. Our strong financial position means that we are able to pursue our growth strategies without compromising service. We continue to exploit the opportunities in the widespread move from voice to data in a profitable manner. Maintaining our focus on developing an ever more valuable business model for data services is central to strategy. Consequently, we will manage the migration from prepaid to postpaid services with innovative pricing models designed to keep and develop our loyal customer base.

"Our strong financial position means that we are able to pursue our growth strategies without compromising service."

Customer intake continued to grow signicantly in Russia; t2 is perceived as a trusted brand, offering best deals with a satisfactory range of data services in a highly competitive market. We are definitely progressing, particularly in our newcomer and challenger regions, reaching the critical levels to realise significant operational leverage. ARPU growth was accounted for by increased usage, proving again that we are delivering much sought-after services. Notably on the regulatory side, the official report of the Radio Research and Development Institute (NIIR) submitted to the State Commission for Radio Frequency (GKRCh) in May expressed strong support for the application of technology neutrality on spectrum use. GKRCh has confirmed that it will make a ruling on technology neutrality by year end 2012.

The environment for telecommunications in the Nordic countries remains competitive but attractive. In Sweden, more diversified and targeted offers together with sophisticated pricing and continuous efforts to drive costs down have helped improve margin trends within our mobile services. As long as we keep focused, we expect to meet our full-year EBITDA guidance. We can see early signs of the adoption of 4G services, with t2 now servicing more than 70,000 users. Innovative offerings such as WyWallet (mobile payments), +46 (VoIP when travelling abroad) and roaming packages support us in our established ambition to provide our customers with what they need for less. The level of competition in Norway appeared more normalized during the second quarter and we are encouraged by the company's current run rate of building market share both in numbers of customers and revenue. We are building out our own network and moving traffic away from our MVNO hosts.

Our operations in the Netherlands performed satisfactorily during the quarter: customer intake progressed well, particularly in the business and mobile segments. t2 Austria eXecuted its strategy well, dominating its niche residential and SME markets. In Germany, we managed to keep delivering stable EBITDA margins and have also profitably developed fixed services by means of mobile backhaul-based solutions.

I am particularly proud of t2 Kazakhstan's solid performance during this quarter, which established our Kazakh operation as another growth engine of the t2 group. The company beneted from a strong customer momentum and the acknowledgement that it offers the best prices in the market combined with a strong data proposition. t2 Kazakhstan now covers the whole country and will continue to work on improving network capabilities in the course of the year. Our operations in Estonia, Latvia and Lithuania pursue their steady course, managing to uphold great results and gain further market share under sustained competitive pressure.

We keep challenging costs and ourselves to stay ahead of the game; it is safe to say that today's results lay a good foundation for t2's future growth.

Mats Granryd
President and CEO, t2 AB

Financial Overview

t2's nancial performance is driven by its relentless focus on developing mobile services on its own infrastructure, complemented in certain countries by fixed broadband services and business-to-business offerings. Mobile sales, which grew compared to the same period last year, and greater efforts to develop mobile services on own infrastructure have further improved t2's EBITDA contribution. The group will concentrate on maximizing the return from fixed-line operations, as their customer base continues to decline.

Net customer intake amounted to 1,511,000 (1,052,000) in Q2 2012. The customer intake in mobile services amounted to 1,659,000 (1,220,000). This trend was mainly driven by a good customer intake in t2 Kazakhstan, complemented by solid customer intake in t2 Russia, whose customer bases grew by 759,000 (355,000) and 693,000 (720,000) customers respectively. The fixed broadband customer base lost –7,000 (–15,000) customers in Q2 2012, primarily attributable to t2's operations in Netherlands and in Germany. As expected, the number of fixed telephony customers fell in Q2 2012. On June 30, 2012 the total customer base amounted to 36,270,000 (32,290,000) thanks to a continued growth in mobile services.

Net sales in Q2 2012 amounted to SEK 11,064 (10,078) million corresponding to a growth excluding exchange rate differences and one-off items of 10 percent. The revenue development was mainly a result of sustained success in mobile services and the integration of Network Norway.

EBITDA in Q2 2012 amounted to SEK 2,715 (2,809) million, equivalent to an EBITDA margin of 25 (28) percent. The EBITDA development was negatively affected by significant marketing efforts in t2 Sweden and supported by improved EBITDA contribution in t2 Russia thanks to a more favourable market environment. EBITDA in t2 Sweden was negatively affected by SEK 25 million due to a new method for calculation of bad debt reserves, of which SEK 20 million related to mobile (Note 2).

EBIT in Q2 2012 amounted to SEK 1,447 (1,794) million excluding one-off items[1]. Including one-off items, EBIT amounted to SEK 1,427 (1,737) million. The EBIT development was negatively impacted by SEK 72 million (Note 2) as a result of an accelerated depreciation of network equipment in the Baltic region in preparation for a network replacement.

Profit before tax in Q2 2012 amounted to SEK 1,106 (1,507) million.

Net profit in Q2 2012 amounted to SEK 849 (1,108) million. Reported tax for Q2 2012 amounted to SEK –257 (–399) million. Tax payment affecting cash flow amounted to SEK –112 (–325) million.

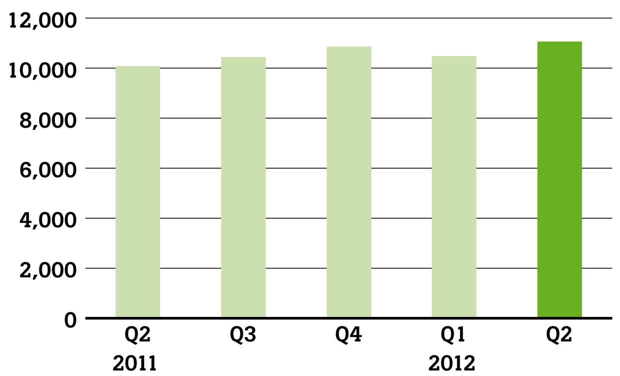
Cash flow after CAPEX in Q2 2012 amounted to SEK 773 (693) million.

CAPEX in Q2 2012 amounted to SEK 1,586 (1,651) million, driven mainly by further network expansion in Sweden, Norway, Russia and Kazakhstan.

Net debt amounted to SEK 17,611 (13,574) million at June 30, 2012, or 1.58 times 12-month rolling EBITDA. t2's available liquidity amounted to SEK 12,945 (10,609) million (Note 10 for further information on financial debt).

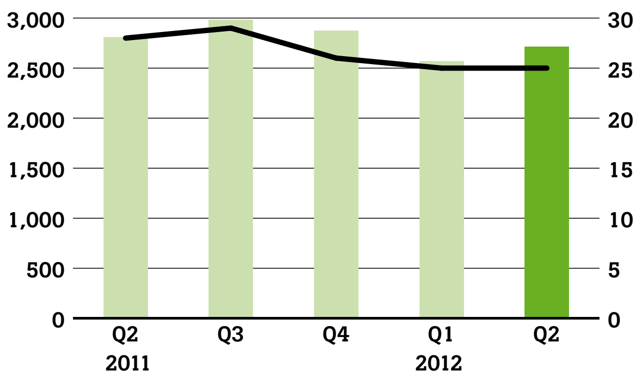
Net sales

MSEK



EBITDA and EBITDA margin

MSEK/Percent



[1] See section EBIT on page 20.

FINANCIAL GUIDANCE

t2's objective is to maintain a healthy balance between growth regions and more mature markets and to be established in Europe and Eurasia. The group will secure licences through strong local connections within the business and political communities in all its markets. t2's core markets are characterized by:

- An established Best Deal position.
- The capability to reach a top 2 position in terms of customer market share, in an individual country or region.
- A mobile operation based on own infrastructure should return at least 35 percent EBITDA margin.
- All operations in the group should have at least 24 percent return on capital employed (ROCE).

t2 groUp forward Looking statement

The following assumptions should be taken into account when estimating 2012 results for the group:

- t2 forecasts a corporate taX rate of approXimately 24 percent excluding one-off items. The tax payment will affect cash flow by approximately SEK 1,000 (earlier 1,200) million.
- t2 forecasts a CAPEX level of approximately SEK 5,500 million.

t2 Sweden forward Looking statement

The following assumptions should be taken into account when estimating the operational performance of the Swedish mobile operations in 2012:

- t2 eXpects mobile service revenue to grow by approXimately 3–4 (earlier 3–5) percent.
- t2 eXpects an EBITDA margin of between 30–32 percent, assuming that the market environment will remain stable.

t2 NorwaY forward Looking statement

The following assumptions should be taken into account when estimating the operational performance of the total operations in Norway in 2012:

- t2 eXpects a total revenue of between SEK 4,800–5,000 (earlier SEK 5,000–5,200) million.
- t2 eXpects an EBITDA margin of between 2–3 percent.
- t2 eXpects CAPEX of between SEK 850–950 million.

t2 RUssia forward Looking statement

The following assumptions should be taken into account when estimating the operational performance of the total operations in Russia in 2012:

- t2 eXpects the subscriber base to reach approXimately 22 (earlier 21.5–22) million.
- t2 eXpects ARPU to grow by 3–5 (earlier in low single digits) percent in local currency.
- t2 eXpects an EBITDA margin of between 37–39 percent.
- t2 eXpects CAPEX of between SEK 1,300–1,500 million.

t2 Kazakhstan forward Looking statement

The following assumptions should be taken into account when estimating the operational performance of the total operations in Kazakhstan in 2012:

- t2 eXpects the subscriber base to reach approXimately 3.0 (earlier 2.5–2.7) million.
- t2 eXpects an EBITDA contribution of between SEK –350 to –400 million.
- t2 eXpects CAPEX of between SEK 550–600 million.
- t2 eXpects to reach EBITDA break-even by 2H 2013.
- t2 eXpects to reach a long-term mobile customer market share of 30 percent.

t2 Croatia forward Looking statement

The following assumptions should be taken into account when estimating the operational performance of the Croatian mobile operations in 2012:

- t2 eXpects Croatia to reach an EBITDA margin of between 4–6 percent (earlier 20 percent by Q3 2013).

Shareholder remuneration

t2 will seek to pay a progressive ordinary dividend of 50 percent or more of net income excluding one-off items. Extraordinary dividends and the authority to purchase t2's own shares will be sought when the anticipated total return to shareholders is deemed to be greater than the achievable returns from the deployment of the capital within the group's operating segments or the acquisition of assets within t2's economic requirements.

Balance sheet

t2 has a target net debt to EBITDA ratio of between 1.25 and 1.75 times over the medium term. The group's longer term financial leverage should be in line with the industry and the markets in which it operates, and reflect the status of its operations, future strategic opportunities and contingent liabilities.

SIGNIFICANT EVENTS IN THE QUARTER

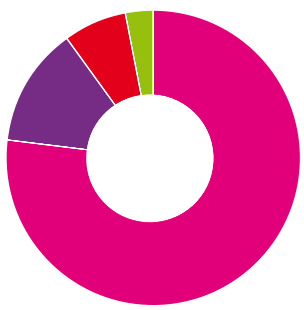
- t2 Kazakhstan reached 2 million customers and completed the commercial launch in the country.
- t2 Sweden introduced innovative services such as WyWallet and +46 VoIP.
- t2 Russia issued a 10-year RUB 6 billion bond issue.
- t2 established an EMTN programme.
- t2 issued a 5-year SEK 2.3 billion bond in the Swedish bond market.
- t2 entered into a 5-year revolving credit facility agreement of EUR 1.2 billion with a syndicate of 12 banks.
- Fitch afrmed t2 Russia Holding AB's rating of BB+ with a stable outlook.

SEK million	Q2 2012	Q2 2011	H1 2012	H1 2011	FY 2011
Mobile[1]					
Net customer intake (thousands)	1,659	1,220	2,338	1,742	3,413
Net sales	8,527	7,206	16,388	13,936	29,668
EBITDA	2,082	2,125	4,001	4,032	8,440
EBIT	1,115	1,459	2,139	2,730	5,625
CAPEX	1,222	1,320	2,008	2,250	4,727
Fixed broadband[1]					
Net customer intake (thousands)	–7	–15	–29	–19	–70
Net sales	1,432	1,517	2,894	3,027	6,022
EBITDA	329	361	690	693	1,475
EBIT	92	120	225	227	535
CAPEX	201	162	319	325	643
Fixed telephony[1]					
Net customer intake (thousands)	–141	–153	–239	–272	–573
Net sales	744	937	1,528	1,911	3,655
EBITDA	257	279	505	544	1,090
EBIT	233	233	453	453	911
CAPEX	11	13	21	30	70
Total					
Net customer intake (thousands)	1,511	1,052	2,070	1,451	2,770
Net sales	11,064	10,078	21,545	19,720	41,001
EBITDA	2,715	2,809	5,286	5,353	11,212
EBIT[2]	1,427	1,737	2,810	3,410	7,050
CAPEX	1,586	1,651	2,629	2,964	6,105
EBT	1,106	1,507	2,311	3,106	6,376
Net profit	849	1,108	1,718	2,334	4,904
Cash flow from operating activities	2,190	2,354	4,086	4,536	9,690
Cash flow after CAPEX	773	693	1,839	1,859	4,118

[1] Exluding one-off items (see sections Net sales and EBIT on pages 16 and 20).
[2] Total EBIT includes result from sale of operations and other one-off items stated under the segment reporting section of EBIT (page 20).

Net sales per product area, Q2 2012

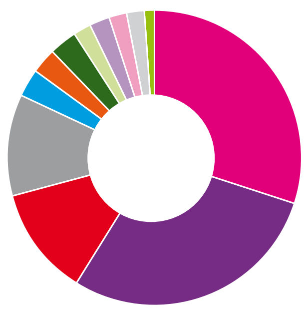
Percent



Mobile	77%
Fixed broadband	13%
Fixed telephony	7%
Other	3%

Net sales per country, Q2 2012

Percent



Russia	30%
Sweden	29%
Netherlands	12%
Norway	11%
Austria	3%
Lithuania	3%
Croatia	3%
Latvia	2%
Germany	2%
Estonia	2%
Kazakhstan	2%
Other	1%

Overview by region

EXTERNAL SALES LESS EXCHANGE RATE FLUCTUATIONS

	2012 Q2	2011 Q2[1]	Growth	2012 YTD	2011 YTD[1]	Growth
Sweden	3,209	3,164	1%	6,280	6,233	1%
Norway	1,208	717	68%	2,343	1,420	65%
Russia	3,277	2,865	14%	6,325	5,490	15%
Estonia	225	207	9%	433	396	9%
Lithuania	308	300	3%	598	582	3%
Latvia	256	274	–7%	494	536	–8%
Croatia	337	314	7%	604	585	3%
Kazakhstan	228	44	418%	393	74	431%
Netherlands	1,344	1,446	–7%	2,694	2,919	–8%
Germany	244	265	–8%	498	555	–10%
Austria	343	340	1%	697	683	2%
Other	85	129	–34%	186	274	–32%
	11,064	**10,065**	**10%**	**21,545**	**19,747**	**9%**
FX effects		13	0%		–27	0%
Total	**11,064**	**10,078**	**10%**	**21,545**	**19,720**	**9%**

[1] Adjusted for fluctuations in exchange rates including acquisitions.

EBITDA LESS EXCHANGE RATE FLUCTUATIONS

	2012 Q2	2011 Q2[1]	Growth	2012 YTD	2011 YTD[1]	Growth
Sweden	766	977	–22%	1,540	1,817	–15%
Norway	93	38	145%	118	78	51%
Russia	1,199	1,117	7%	2,262	2,069	9%
Estonia	65	56	16%	122	107	14%
Lithuania	118	91	30%	239	204	17%
Latvia	91	104	–13%	179	190	–6%
Croatia	10	10	–	17	11	55%
Kazakhstan	–105	–129	19%	–202	–202	–
Netherlands	393	419	–6%	802	834	–4%
Germany	80	77	4%	171	161	6%
Austria	78	71	10%	160	152	5%
Other	–73	–37	–97%	–122	–74	–65%
	2,715	**2,794**	**–3%**	**5,286**	**5,347**	**–1%**
FX effects		15	0%		6	0%
Total	**2,715**	**2,809**	**–3%**	**5,286**	**5,353**	**–1%**

NORDIC

The Nordic market area delivers strong cash ow to the t2 group and is the test bed for new services.

Sweden

In Q2 2012, EBITDA in t2 Sweden was negatively affected by SEK 25 million due to a new method for calculation of bad debt reserves, of which SEK 20 million related to mobile (Note 2).

Mobile Competition in the market persisted throughout the quarter in the form of marketing campaigns with a focus on bundle offers rather than on unit pricing. The temporary campaign that ran from the 8th of March to the 11th of April generated 148,000 customers in gross intake, of which 83,000 were accounted for in the second quarter, thus increasing sales cost. In Q2 2012, strong demand for handsets continued to support the shift from prepaid to postpaid in the market. During the quarter, t2 Sweden kept launching innovative smartphone offerings targeted at the prepaid segment in order to contribute to modifying the prepaid to postpaid migration trend. The smartphone installed base continued to grow, due to the increased sales of low-end smartphones.

The mobile EBITDA margin reached 25 (35) percent in the quarter. The margin was affected by increased sales cost mainly for subsidized smartphones during the temporary campaign. After the end of the campaign the operational performance started improving significantly on a monthly basis with April, May and June delivering an EBITDA margin of 16, 29 and 34 (excluding negative impact from calculation of bad debt reserves, Note 2) percent respectively.

MoU for the mobile operations in Sweden was 249 (253) and a blended ARPU of SEK 191 (192) was reported in the quarter.

t2 Sweden continued the roll-out of the combined 2G and 4G networks in the joint venture Net4Mobililty, covering at the end of Q2 2012 186 municipalities and 6.7 million people, with what will become the most extensive 4G network in the country.

In the Business segment, Q2 2012 showed continued improved intake in the Communication as a Service area, as well as a growth in customer base and overall EBITDA above expectations.

During the quarter, t2 Sweden launched a number of innovative products and packages where the company finds a clear leverage on its strong position within mobile access. WyWallet is the first mobile payment solution where customers can easily pay and transfer money. +46, a mobile VoiP app available for smartphones, was also launched during the quarter. Furthermore, roaming buckets were introduced for better cost control when using data services abroad.

Fixed Broadband t2 Sweden eXperienced further growth in the fixed broadband customer base, mainly driven by success in the LAN segment and triple play offerings. The EBITDA margin for the fixed broadband segment was 3 (11) percent, affected by marketing campaigns in the quarter.

Fixed Telephony t2 Sweden reported an EBITDA margin of 31 (26) percent during the second quarter and saw, as expected, a continued decrease in demand for fixed telephony.

Norway

Mobile In the quarter, t2 Norway reported revenues of SEK 1,137 (617) million, positively impacted by the acquisition of Network Norway. t2 Norway eXperienced a successful quarter with a good net intake and better-than-expected profitability. In the residential market, sales campaigns focused on smartphones bundled with bucket-price subscriptions. All brands have been aiming to increase the share of bucket-price subscriptions in order to secure revenue streams.

t2 Norway reached an EBITDA contribution of SEK 81 (19) million in Q2 2012. The operational performance was helped by the fact that more traffic volume was moved on to the company's own network. On the first of July 2012, the interconnect level was lowered from NOK 0.40 to NOK 0.25 for t2 Norway and from NOK 0.70 to NOK 0.60 for Network Norway, which has been accounted for in the full-year guidance.

The roll-out is progressing according to plan with SEK 176 (67) million in CAPEX in Q2 2012. The scope of the roll-out is dependent on the regulatory decision on interconnect.

Fixed Telephony Fixed telephony showed a stable development of revenue and profitability during Q2 2012 compared with the previous quarter. Fixed telephony had an EBITDA contribution of SEK 11 (18) million in the second quarter.

RUSSIA

The Russian operation is t2's most signicant growth engine. The company has GSM licences in 43 regions covering approximately 62 million inhabitants. t2 Russia's strategy is to have a balanced approach to rolling out new regions, while maintaining a stable profitability in the more mature regions.

Mobile The overall operational development in the quarter was characterized by a more balanced marketing spend compared to Q1 2012 in combination with a solid customer intake. t2 Russia continued to pursue market share during the quarter, especially in regions that have not yet reached critical mass. By maintaining its focus on eXpanding market share in the second quarter, t2 Russia will benefit from additional operational leverage throughout the rest of the year. EBITDA amounted to SEK 1,199 (1,115) million, equivalent to a margin of 37 (39) percent.

The total customer base grew by 693,000 (720,000) in Q2 2012 divided into 201,000, 222,000 and 270,000 customers for the month of April, May and June respectively. During the last 12 months, t2 Russia's customer base has grown by 1,928,000 new users, proving that there is a continued solid demand for the company's services despite competitors' introduction of 3G services. The total customer base amounted to 21.6 (19.7) million at the end of Q2 2012. The churn level of the total customer base was stable during the quarter in spite of sustained high competitive pressure. t2 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 customer intake.

Despite an impact from customer base growth in new regions with lower initial service usage, and generally high competitive pressure throughout t2 Russia's footprint, MoU for the total operations increased by 8 percent compared to the year-earlier period, amounting to 262 (243). ARPU was SEK 51 (49) or RUB 229 (220).

On the regulatory side, t2 continued to hold a close dialogue with the authorities. The results of the trials in Omsk and Pskov held by the Radio Research and Development Institute (NIIR) clearly demonstrated the possibility to use effectively both LTE and GSM on the frequencies without loss of quality. NIIR's official report was handed over to the State Commission for Radio Frequency (GKRCh) in May, showing strong support in favour of technology neutrality. t2 believes that the regulatory authorities will maintain their established support to the regional operators and enable them to provide essential future-proof data services.

t2 Russia will keep looking for possibilities to carefully eXpand its operations through new licences as well as by complementary acquisitions.

CENTRAL EUROPE AND EURASIA

t2's Baltic operations will remain focused on generating a strong cash flow contribution as the economies in the region stabilize. t2 Croatia is a challenger offering the Best Deal in both mobile telephony and mobile broadband. t2 Kazakhstan's operation is the latest growth opportunity for the group.

Kazakhstan

Mobile In Q2 2012, t2 Kazakhstan launched the remaining two regions, thereby creating the country's third mobile network. The milestone of 2 million customers was passed in May; however the momentum continued throughout the quarter and t2 Kazakhstan's total customer base reached 2.5 (0.7) million by the end of June.

In Q2 2012, t2 Kazakhstan introduced business offers targeted at small and medium enterprises. Further network expansion, quality and coverage improvement, especially in small towns and rural areas, will allow the company to increase its commercial activity and attract new customers in the different regions of the country.

t2 Kazakhstan will continue to strengthen its price leadership position by further developing marketing and sales activities. At the same time, the company will keep working on developing data network quality, a major focus of attention considering that in Q2 2012 data traffic increased up to nearly 75 percent. At the end of the quarter, t2 was awarded best 3G provider in "price/quality" ratio in Kazakhstan by an independent eXpert. t2 Kazakhstan will pursue network deployment throughout the year to have a geographic coverage comparable to that of its competitors.

Estonia

Mobile Despite increasing pressure on prices in the market t2 Estonia kept its position on price perception, which resulted in positive net intake in the postpaid segment.

To better control churn within the prepaid segment, t2 Estonia introduced new features aiming to strengthen its position in an aggressively competitive market. For instance, the company introduced price plans based on buckets with weekly or monthly fees that allow customers to get a certain amount of units such as SMS, Minutes, MB or a combination of those.

In Q2 2012, important projects of technical and IT integration contributed to an improved invoice process leading to lower bad debt, also supporting the positive EBITDA margin trend.

The integration of Televõrgu AS continued to proceed at full speed while planned synergies started being visible during the quarter. t2 Estonia will keep developing infrastructure in terms of coverage, capacity and data capabilities through a network upgrade.

Lithuania

Mobile t2 Lithuania kept demonstrating stable nancial perfor - mance during the quarter, in spite of an increased pressure from competitors.

Thanks to successful sales and marketing activities, t2 Lithuania achieved a positive customer intake during the quarter. More particularly, t2 Lithuania was successful in attracting business customers and in managing postpaid churn in a satisfactory way. As a result, the quarterly churn decreased compared to the same quarter last year.

Besides, t2 Lithuania managed to defend its prepaid customer base amid increased price competition in the market.

Revenue increased compared to the same period last year despite a negative impact derived from lower interconnect rates.

In Q2 2012, EBITDA grew compared to last year, helped by better cost control and higher revenue generation.

t2 Lithuania will keep focusing on growing its market share in the business segment, benefiting from general price sensitivity among private companies and state-owned organizations. Furthermore, t2 will continue to capitalize on the mobile broadband sales growth momentum and further develop infrastructure in terms of coverage, capacity and data capabilities through a network upgrade.

Latvia

Mobile Although operating in a highly competitive market, t2 Latvia delivered solid financial performance in Q2 2012. Increased operational efficiency, mobile data sales and a high level of customer satisfaction leading to lower churn resulted in a strong EBITDA contribution.

t2 Latvia focused on the development of customer loyalty and sales performance, while further developing infrastructure in terms of coverage, capacity and data capabilities through a network upgrade.

The company will continue to strengthen its market position by maintaining its price leadership and concentrating its efforts on the postpaid and business customer segments.

Croatia

Mobile t2 Croatia worked intensely to improve its performance in Q2 2012 and achieved increased revenue, driven by growth in customer base.

The customer base reached 765,000 (782,000) at the end of the quarter, amounting to a net customer growth of 43,000 (27,000).

Higher net customer intake was mainly due to successful campaigns in the residential and business postpaid voice segments.

t2 Croatia reached an EBITDA of SEK 10 (10) million. Going forward, t2 Croatia will continue to focus on increasing market share and on improving EBITDA margin to reach its set target by 2012.

WESTERN EUROPE

Netherlands

t2 Netherlands was able to further grow its total customer base, which led to a solid performance in Q2 2012. The growth was mainly driven by high mobile intake and successful broadband contracts in the business market. EBITDA levels were stable, while revenue and cash flow performance was in line with the previous quarters.

Mobile t2 Netherlands has shown a steadily growing mobile intake during the last six months. In Q2 2012, the mobile customer base grew mainly due to intake in the high value postpaid segment. Prepaid intake remained stable during the quarter.

Fixed Broadband Despite fierce competition in the residential broadband market, t2 Netherlands managed to maintain its intake levels. In the business segment, t2 Netherlands won several large tenders amongst which a fixed telephony contract with the Dutch government, resulting in more than 300,000 civil servants using t2's network on a daily basis.

Germany

During Q2 2012, t2 Germany continued to focus on protability throughout all segments. The voice-only customer segment remained the target segment. The company successfully addressed the market with traditional fixed telephony products and home telephony via mobile network products.

Mobile The mobile segment kept growing in line with expectations. t2 Germany followed an optimized intake strategy that resulted in a controlled growing customer base with stable profitability. Home telephony products are complemented with combined internet and telephony packages to better meet customer demands.

Fixed Broadband t2 Germany focused on retention and prota -bility, which resulted in a stable performance within the broadband segment that still experiences intense competition in a context of aggressive promotional offers.

Fixed Telephony t2 Germany held its solid position in the Xed telephony market during the quarter, still facing the general decline of the market segment and a relevant shift of the fixed telephony customer base over to the home telephony via mobile network offerings. Once again, t2 Germany achieved a very satisfying prota -bility level in the fixed telephony segment.

Austria

t2 Austria demonstrated steady nancial performance as a con -sequence of strong sales focus and further emphasis on cost control. The further integration of Silver Server is on track and will remain a top priority in the coming months.

Fixed Broadband With stable order intake, t2 performed according to plan in the business segment. Silver Server continued to contribute to further growth in data revenues.

Fixed Telephony Cross- and upselling voice packages with additional binding prolongation remained the primary activity on voice packages during the second quarter, offsetting the lower minutes of use and stabilizing the voice revenues.

OTHER ITEMS

Risks and uncertainty factors

t2's operations are affected by a number of eXternal factors. The risk factors considered to be most signicant to t2 's future development are operating risks such as the availability of frequencies and telecom licences, operations in Russia and Kazakhstan, network sharing with other parties, integration of new business models, destructive price competition, changes in regulatory legislation, and financial risks such as currency risk, interest risk, liquidity risk and credit risk. In addition to the risks described in t2's annual report for 2011 (see Directors' report and Note 2 of the report for a detailed description of t2's risk eXposure and risk management), no additional significant risks are estimated to have developed.

COMPANY DISCLOSURE

Other

t2 will release the nancial and operating results for the period ending September 30, 2012 on October 18, 2012.

The Board of Directors and CEO declare that the 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 19, 2012

t2 AB

Mike Parton
Chairman

Lars Berg

Mia Brunell Livfors

Jere Calmes

John Hepburn

Erik Mitteregger

John Shakeshaft

Cristina Stenbeck

Mats Granryd
President and CEO

REVIEW REPORT

Introduction

We have reviewed the interim report for t2 AB (publ.) for the period January 1–June 30, 2012. 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 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 19, 2012
Deloitte AB

Thomas Strömberg
Authorized Public Accountant

TELEPHONE CONFERENCE

t2 will host a conference call, with an interactive presentation, for the global nancial community at 10.00 am CET (09.00 am UK time/04.00 am NY time) on Thursday, July 19, 2012. The conference call will be held in English and also made available as an audiocast on t2's dedicated Q2 2012 website, reports.t2.com/2012/Q2.

Dial-in information

To ensure that you are connected to the conference call, please dial in a few minutes before the start of the conference call to register your attendance.

Dial-in numbers

Sweden: +46 8 505 598 53
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APPENDICES

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t2 IS ONE OF EUROPE 'S LEADING TELECOM OPERATORS, ALWAYS PROVIDING THE BEST DEAL. We have 36 million customers in 11 countries. t2 offers mobile services, Xed 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. t2 has been listed on the NASDAQ OMX Stockholm since 1996. In 2011, we had net sales of SEK 41 billion and reported an operating profit (EBITDA) of SEK 11.2 billion.

Income statement

SEK million	Note	2012 Jan 1–Jun 30	2011 Jan 1–Jun 30	2011 Full year	2012 Q2	2011 Q2
CONTINUING OPERATIONS						
Net sales		21,545	19,720	41,001	11,064	10,078
Operating expenses	2	–18,799	–16,474	–34,178	–9,657	–8,371
Other operating income	3	112	257	392	56	53
Other operating expenses		–48	–93	–165	–36	–23
Operating profit, EBIT		**2,810**	**3,410**	**7,050**	**1,427**	**1,737**
Interest income/costs	10	–446	–128	–483	–268	–87
Exchange rate differences, external		–7	–42	–24	6	–33
Exchange rate differences, intragroup		42	–39	13	–11	–56
Other financial items		–88	–95	–180	–48	–54
Profit after financial items, EBT		**2,311**	**3,106**	**6,376**	**1,106**	**1,507**
Tax on profit	4	–593	–772	–1,472	–257	–399
NET PROFIT FROM CONTINUING OPERATIONS		**1,718**	**2,334**	**4,904**	**849**	**1,108**
DISCONTINUED OPERATIONS						
Net profit/loss from discontinued operations	9	1	–8	–7	1	5
NET PROFIT		**1,719**	**2,326**	**4,897**	**850**	**1,113**
ATTRIBUTABLE TO						
Equity holders of the parent company		1,719	2,326	4,897	850	1,113
Earnings per share (SEK)	8	3.87	5.24	11.03	1.91	2.51
Earnings per share, after dilution (SEK)	8	3.85	5.22	10.98	1.90	2.50
FROM CONTINUING OPERATIONS						
Earnings per share (SEK)	8	3.87	5.26	11.05	1.91	2.50
Earnings per share, after dilution (SEK)	8	3.85	5.24	11.00	1.90	2.49

Comprehensive income

SEK million	2012 Jan 1–Jun 30	2011 Jan 1–Jun 30	2011 Full year	2012 Q2	2011 Q2
Net profit	**1,719**	**2,326**	**4,897**	**850**	**1,113**
OTHER COMPREHENSIVE INCOME					
Components not to be reclassified to net profit:					
Withholding taxes on dividends	–	–161	–153	–	–161
Actuarial losses on defined benefit pension plans	–	–	–59	–	–
Actuarial losses on defined benefit pension plans, tax effect	–	–	15	–	–
Total components not to be reclassified to net profit	**–**	**–161**	**–197**	**–**	**–161**
Components to be reclassified to net profit:					
Exchange rate differences	–97	403	–163	–144	592
Exchange rate differences, tax effect	–364	302	17	–219	261
Reclassification to net profit of cumulative exchange rate differences from divested companies	16	4	11	16	3
Gain/loss on cash flow hedges	19	–	–133	–27	–9
Gain/loss on cash flow hedges, tax effect	–5	–	35	7	2
Total components to be reclassified to net profit	**–431**	**709**	**–233**	**–367**	**849**
Other comprehensive income for the period, net of tax	**–431**	**548**	**–430**	**–367**	**688**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**1,288**	**2,874**	**4,467**	**483**	**1,801**
ATTRIBUTABLE TO					
Equity holders of the parent company	1,288	2,874	4,467	483	1,801

Change in shareholders' equity

		Jun 30, 2012			Jun 30, 2011			Dec 31, 2011		
		Attributable to			Attributable to			Attributable to		
SEK million	Note	equity holders of the parent company	non-controlling interests	Total share-holders' equity	equity holders of the parent company	non-controlling interests	Total share-holders' equity	equity holders of the parent company	non-controlling interests	Total share-holders' equity
Shareholders' equity, January 1		21,449	3	21,452	28,872	3	28,875	28,872	3	28,875
Effect of restatement	11	–	–	–	–	–	–	–	–	–
Adjusted shareholders' equity, January 1		21,449	3	21,452	28,872	3	28,875	28,872	3	28,875
Costs for stock options	8	21	–	21	19	–	19	44	–	44
New share issues		–	–	–	11	–	11	13	–	13
Sale of own shares	8	6	–	6	42	–	42	46	–	46
Repurchase of own shares		–	–	–	–	–	–	–2	–	–2
Dividends	8	–5,781	–	–5,781	–11,991	–	–11,991	–11,991	–	–11,991
Comprehensive income for the period		1,288	–	1,288	2,874	–	2,874	4,467	–	4,467
SHAREHOLDERS' EQUITY, END OF PERIOD		**16,983**	**3**	**16,986**	**19,827**	**3**	**19,830**	**21,449**	**3**	**21,452**

Balance sheet

SEK million	Note	Jun 30, 2012	Jun 30, 2011	Dec 31, 2011	Dec 31, 2010 (see Note 11)
ASSETS					
NON-CURRENT ASSETS					
Goodwill	9	10,433	10,236	10,510	10,154
Other intangible assets	9	4,979	3,653	5,131	3,223
Intangible assets		**15,412**	**13,889**	**15,641**	**13,377**
Tangible assets		18,676	17,888	18,422	17,442
Financial assets		93	99	163	73
Deferred tax assets	4	2,509	3,287	2,977	3,296
NON-CURRENT ASSETS		**36,690**	**35,163**	**37,203**	**34,188**
CURRENT ASSETS					
Materials and supplies		546	344	486	273
Current receivables		8,726	7,424	8,084	6,642
Short-term investments		58	111	65	112
Cash and cash equivalents	7	1,147	1,978	1,026	870
CURRENT ASSETS		**10,477**	**9,857**	**9,661**	**7,897**
ASSETS		**47,167**	**45,020**	**46,864**	**42,085**
EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY					
Attributable to equity holders of the parent company		16,983	19,827	21,449	28,872
Non-controlling interests		3	3	3	3
SHAREHOLDERS' EQUITY	8	**16,986**	**19,830**	**21,452**	**28,875**
LONG-TERM LIABILITIES					
Interest-bearing liabilities	10	11,050	13,046	12,968	1,908
Non-interest-bearing liabilities		1,331	968	1,114	851
LONG-TERM LIABILITIES		**12,381**	**14,014**	**14,082**	**2,759**
SHORT-TERM LIABILITIES					
Interest-bearing liabilities	10	7,802	2,630	1,696	2,516
Non-interest-bearing liabilities		9,998	8,546	9,634	7,935
SHORT-TERM LIABILITIES		**17,800**	**11,176**	**11,330**	**10,451**
EQUITY AND LIABILITIES		**47,167**	**45,020**	**46,864**	**42,085**

Cash flow statement

SEK million	Note	2012 Jan 1–Jun 30	2011 Jan 1–Jun 30	2011 Full year	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1
OPERATING ACTIVITIES										
Cash flow from operations, excluding paid taxes		5,065	5,350	10,895	2,548	2,517	2,643	2,902	2,686	2,664
Taxes paid		–314	–550	–948	–112	–202	–163	–235	–325	–225
Changes in working capital		–665	–264	–257	–246	–419	–52	59	–7	–257
CASH FLOW FROM OPERATING ACTIVITIES		**4,086**	**4,536**	**9,690**	**2,190**	**1,896**	**2,428**	**2,726**	**2,354**	**2,182**
INVESTING ACTIVITIES										
Capital expenditure in intangible and tangible assets, CAPEX	6	–2,247	–2,677	–5,572	–1,417	–830	–1,753	–1,142	–1,661	–1,016
Cash flow after CAPEX		***1,839***	***1,859***	***4,118***	***773***	***1,066***	***675***	***1,584***	***693***	***1,166***
Acquisition of shares and participations	9	–230	–37	–1,589	–6	–224	–1,553	1	–37	–
Sale of shares and participations	9	–1	–21	8	–1	–	–7	36	–21	–
Other financial assets		28	4	18	2	26	–	14	1	3
Cash flow from investing activities		**–2,450**	**–2,731**	**–7,135**	**–1,422**	**–1,028**	**–3,313**	**–1,091**	**–1,718**	**–1,013**
CASH FLOW AFTER INVESTING ACTIVITIES		**1,636**	**1,805**	**2,555**	**768**	**868**	**–885**	**1,635**	**636**	**1,169**
FINANCING ACTIVITIES										
Change of loans, net	10	4,243	11,072	9,351	5,594	–1,351	–925	–796	11,739	–667
Dividends	8	–5,781	–11,991	–11,991	–5,781	–	–	–	–11,991	–
New share issues		–	11	13	–	–	2	–	–	11
Sale of own shares	8	6	42	46	2	4	4	–	20	22
Repurchase of own shares		–	–	–2	–	–	–2	–	–	–
Shareholders contribution from non-controlling interests		–	104	105	–	–	1	–	–2	106
Cash flow from financing activities		**–1,532**	**–762**	**–2,478**	**–185**	**–1,347**	**–920**	**–796**	**–234**	**–528**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**104**	**1,043**	**77**	**583**	**–479**	**–1,805**	**839**	**402**	**641**
Cash and cash equivalents at beginning of period		1,026	870	870	546	1,026	2,812	1,978	1,504	870
Exchange rate differences in cash and cash equivalents		17	65	79	18	–1	19	–5	72	–7
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	7	**1,147**	**1,978**	**1,026**	**1,147**	**546**	**1,026**	**2,812**	**1,978**	**1,504**

For additional cash flow information please refer to Note 7.

Number of customers

		Number of customers		Net intake								
by thousands	Note	2012 Jun 30	2011 Jun 30	2012 Jan 1– Jun 30	2011 Jan 1– Jun 30	2011 Full year	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1
Sweden												
Mobile		3,761	3,654	37	47	117	58	–21	–25	95	39	8
Fixed broadband		483	483	9	–3	–12	4	5	2	–11	–7	4
Fixed telephony		481	597	–63	–54	–107	–29	–34	–27	–26	–26	–28
		4,725	**4,734**	**–17**	**–10**	**–2**	**33**	**–50**	**–50**	**58**	**6**	**–16**
Norway												
Mobile		1,105	513	39	16	3	23	16	–12	–1	8	8
Fixed telephony		86	97	–6	–6	–11	–3	–3	–2	–3	–3	–3
		1,191	**610**	**33**	**10**	**–8**	**20**	**13**	**–14**	**–4**	**5**	**5**
Russia												
Mobile	1	21,633	19,705	997	1,267	2,198	693	304	250	681	720	547
		21,633	**19,705**	**997**	**1,267**	**2,198**	**693**	**304**	**250**	**681**	**720**	**547**
Estonia												
Mobile		509	488	5	20	22	3	2	1	1	21	–1
Fixed telephony		5	10	–3	–1	–3	–1	–2	–1	–1	–	–1
		514	**498**	**2**	**19**	**19**	**2**	**–**	**–**	**–**	**21**	**–2**
Lithuania												
Mobile		1,750	1,701	29	16	36	20	9	–2	22	34	–18
Fixed telephony		2	2	–	–	–	–	–	–	–	–	–
		1,752	**1,703**	**29**	**16**	**36**	**20**	**9**	**–2**	**22**	**34**	**–18**
Latvia												
Mobile		1,021	1,036	2	9	–8	11	–9	–31	14	20	–11
		1,021	**1,036**	**2**	**9**	**–8**	**11**	**–9**	**–31**	**14**	**20**	**–11**
Croatia												
Mobile	1	765	782	55	44	–28	43	12	–117	45	27	17
		765	**782**	**55**	**44**	**–28**	**43**	**12**	**–117**	**45**	**27**	**17**
Kazakhstan												
Mobile		2,462	663	1,091	331	1,039	759	332	249	459	355	–24
		2,462	**663**	**1,091**	**331**	**1,039**	**759**	**332**	**249**	**459**	**355**	**–24**
Netherlands												
Mobile		372	330	45	–8	–11	32	13	2	–5	–4	–4
Fixed broadband		451	503	–24	–7	–35	–6	–18	–12	–16	–4	–3
Fixed telephony		157	208	–25	–25	–51	–12	–13	–11	–15	–13	–12
		980	**1,041**	**–4**	**–40**	**–97**	**14**	**–18**	**–21**	**–36**	**–21**	**–19**
Germany												
Mobile		83	–	38	–	45	17	21	31	14	–	–
Fixed broadband		90	110	–10	–6	–16	–3	–7	–5	–5	–2	–4
Fixed telephony		721	1,025	–114	–157	–347	–87	–27	–174	–16	–101	–56
		894	**1,135**	**–86**	**–163**	**–318**	**–73**	**–13**	**–148**	**–7**	**–103**	**–60**
Austria												
Fixed broadband		130	127	–4	–3	–7	–2	–2	–2	–2	–2	–1
Fixed telephony		203	256	–28	–29	–54	–9	–19	–11	–14	–10	–19
		333	**383**	**–32**	**–32**	**–61**	**–11**	**–21**	**–13**	**–16**	**–12**	**–20**
TOTAL												
Mobile		**33,461**	**28,872**	**2,338**	**1,742**	**3,413**	**1,659**	**679**	**346**	**1,325**	**1,220**	**522**
Fixed broadband		**1,154**	**1,223**	**–29**	**–19**	**–70**	**–7**	**–22**	**–17**	**–34**	**–15**	**–4**
Fixed telephony		**1,655**	**2,195**	**–239**	**–272**	**–573**	**–141**	**–98**	**–226**	**–75**	**–153**	**–119**
TOTAL NET INTAKE		**36,270**	**32,290**	**2,070**	**1,451**	**2,770**	**1,511**	**559**	**103**	**1,216**	**1,052**	**399**
Acquired companies	9			14	–	577	–	14	577	–	–	–
Divested companies				–	–44	–44	–	–	–	–	–	–44
TOTAL NUMBER OF CUSTOMERS		**36,270**	**32,290**	**2,084**	**1,407**	**3,303**	**1,511**	**573**	**680**	**1,216**	**1,052**	**355**

Net sales

SEK million	2012 Jan 1–Jun 30	2011 Jan 1–Jun 30	2011 Full year	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1
Sweden									
Mobile	4,895	4,657	9,533	2,516	2,379	2,442	2,434	2,370	2,287
Fixed broadband	730	777	1,530	365	365	376	377	395	382
Fixed telephony	599	743	1,408	295	304	323	342	364	379
Other operations	59	60	110	33	26	17	33	38	22
	6,283	**6,237**	**12,581**	**3,209**	**3,074**	**3,158**	**3,186**	**3,167**	**3,070**
Norway									
Mobile	2,197	1,214	2,981	1,137	1,060	1,128	639	617	597
Fixed broadband	3	3	6	2	1	1	2	1	2
Fixed telephony	164	184	365	81	83	90	91	92	92
Other operations	1	–	9	–	1	9	–	–	–
	2,365	**1,401**	**3,361**	**1,220**	**1,145**	**1,228**	**732**	**710**	**691**
Russia									
Mobile	6,325	5,460	11,463	3,277	3,048	2,988	3,015	2,862	2,598
	6,325	**5,460**	**11,463**	**3,277**	**3,048**	**2,988**	**3,015**	**2,862**	**2,598**
Estonia									
Mobile	407	395	834	211	196	219	220	207	188
Fixed telephony	4	3	5	2	2	1	1	2	1
Other operations	22	21	28	12	10	–	7	10	11
	433	**419**	**867**	**225**	**208**	**220**	**228**	**219**	**200**
Lithuania									
Mobile	601	588	1,261	310	291	337	336	305	283
Fixed broadband	–	2	2	–	–	–	–	–	2
	601	**590**	**1,263**	**310**	**291**	**337**	**336**	**305**	**285**
Latvia									
Mobile	498	538	1,103	258	240	274	291	276	262
	498	**538**	**1,103**	**258**	**240**	**274**	**291**	**276**	**262**
Croatia									
Mobile	604	600	1,301	337	267	319	382	323	277
	604	**600**	**1,301**	**337**	**267**	**319**	**382**	**323**	**277**
Kazakhstan									
Mobile	393	70	346	228	165	161	115	41	29
	393	**70**	**346**	**228**	**165**	**161**	**115**	**41**	**29**
Netherlands									
Mobile	398	428	844	213	185	215	201	213	215
Fixed broadband	1,603	1,696	3,388	790	813	841	851	848	848
Fixed telephony	353	434	823	173	180	192	197	214	220
Other operations	341	383	771	169	172	207	181	189	194
	2,695	**2,941**	**5,826**	**1,345**	**1,350**	**1,455**	**1,430**	**1,464**	**1,477**
Germany									
Mobile	80	–	26	44	36	21	5	–	–
Fixed broadband	109	130	254	53	56	61	63	64	66
Fixed telephony	309	414	802	147	162	190	198	201	213
Other operations	–	15	14	–	–	–	–1	3	12
	498	**559**	**1,096**	**244**	**254**	**272**	**265**	**268**	**291**
Austria									
Fixed broadband	449	419	842	222	227	213	210	209	210
Fixed telephony	121	152	294	58	63	70	72	74	78
Other operations	127	117	241	63	64	60	64	61	56
	697	**688**	**1,377**	**343**	**354**	**343**	**346**	**344**	**344**
Other									
Other operations	186	351	662	85	101	154	157	166	185
	186	**351**	**662**	**85**	**101**	**154**	**157**	**166**	**185**
TOTAL									
Mobile	**16,398**	**13,950**	**29,692**	**8,531**	**7,867**	**8,104**	**7,638**	**7,214**	**6,736**
Fixed broadband	**2,894**	**3,027**	**6,022**	**1,432**	**1,462**	**1,492**	**1,503**	**1,517**	**1,510**
Fixed telephony	**1,550**	**1,930**	**3,697**	**756**	**794**	**866**	**901**	**947**	**983**
Other operations	**736**	**947**	**1,835**	**362**	**374**	**447**	**441**	**467**	**480**
	21,578	19,854	41,246	11,081	10,497	10,909	10,483	10,145	9,709
Internal sales, elimination	–33	–134	–245	–17	–16	–57	–54	–67	–67
TOTAL	**21,545**	**19,720**	**41,001**	**11,064**	**10,481**	**10,852**	**10,429**	**10,078**	**9,642**

Internal sales

SEK million	2012 Jan 1–Jun 30	2011 Jan 1–Jun 30	2011 Full year	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1
Sweden									
Mobile	3	4	6	–	3	2	–	3	1
	3	**4**	**6**	**–**	**3**	**2**	**–**	**3**	**1**
Norway									
Fixed telephony	22	19	42	12	10	12	11	10	9
	22	**19**	**42**	**12**	**10**	**12**	**11**	**10**	**9**
Estonia									
Other operations	–	21	28	–	–	–	7	10	11
	–	**21**	**28**	**–**	**–**	**–**	**7**	**10**	**11**
Lithuania									
Mobile	3	5	9	2	1	1	3	2	3
	3	**5**	**9**	**2**	**1**	**1**	**3**	**2**	**3**
Latvia									
Mobile	4	5	9	2	2	1	3	3	2
	4	**5**	**9**	**2**	**2**	**1**	**3**	**3**	**2**
Netherlands									
Other operations	1	3	3	1	–	–	–	2	1
	1	**3**	**3**	**1**	**–**	**–**	**–**	**2**	**1**
Other									
Other operations	–	77	148	–	–	41	30	37	40
	–	**77**	**148**	**–**	**–**	**41**	**30**	**37**	**40**
TOTAL									
Mobile	**10**	**14**	**24**	**4**	**6**	**4**	**6**	**8**	**6**
Fixed telephony	**22**	**19**	**42**	**12**	**10**	**12**	**11**	**10**	**9**
Other operations	**1**	**101**	**179**	**1**	**–**	**41**	**37**	**49**	**52**
TOTAL	**33**	**134**	**245**	**17**	**16**	**57**	**54**	**67**	**67**

EBITDA

SEK million	Note	2012 Jan 1–Jun 30	2011 Jan 1–Jun 30	2011 Full year	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1
Sweden										
Mobile	2	1,293	1,563	3,160	637	656	798	799	819	744
Fixed broadband	2	44	54	111	12	32	14	43	43	11
Fixed telephony	2	166	179	348	90	76	89	80	96	83
Other operations		37	21	46	27	10	10	15	19	2
		1,540	**1,817**	**3,665**	**766**	**774**	**911**	**937**	**977**	**840**
Norway										
Mobile	2	96	40	–47	81	15	–67	–20	19	21
Fixed broadband		1	–	3	1	–	1	2	–	–
Fixed telephony		21	36	67	11	10	15	16	18	18
Other operations		–	–	–3	–	–	–3	–	–	–
		118	**76**	**20**	**93**	**25**	**–54**	**–2**	**37**	**39**
Russia										
Mobile		2,262	2,057	4,480	1,199	1,063	1,209	1,214	1,115	942
		2,262	**2,057**	**4,480**	**1,199**	**1,063**	**1,209**	**1,214**	**1,115**	**942**
Estonia										
Mobile		109	108	234	55	54	58	68	57	51
Other operations		13	–	–	10	3	–	–	–	–
		122	**108**	**234**	**65**	**57**	**58**	**68**	**57**	**51**
Lithuania										
Mobile		239	205	451	118	121	123	123	92	113
		239	**205**	**451**	**118**	**121**	**123**	**123**	**92**	**113**
Latvia										
Mobile		179	188	380	91	88	94	98	103	85
		179	**188**	**380**	**91**	**88**	**94**	**98**	**103**	**85**
Croatia										
Mobile		17	11	78	10	7	24	43	10	1
		17	**11**	**78**	**10**	**7**	**24**	**43**	**10**	**1**
Kazakhstan										
Mobile		–202	–190	–401	–105	–97	–110	–101	–119	–71
		–202	**–190**	**–401**	**–105**	**–97**	**–110**	**–101**	**–119**	**–71**
Netherlands										
Mobile	2	–11	57	115	–11	–	21	37	36	21
Fixed broadband	2	538	531	1,131	265	273	305	295	270	261
Fixed telephony	2	117	117	229	59	58	57	55	56	61
Other operations	2	158	135	331	80	78	118	78	62	73
		802	**840**	**1,806**	**393**	**409**	**501**	**465**	**424**	**416**
Germany										
Mobile		19	–7	–10	7	12	9	–12	–7	–
Fixed broadband		16	20	45	8	8	13	12	7	13
Fixed telephony		137	149	317	65	72	82	86	78	71
Other operations		–1	–	–	–	–1	–	–	–	–
		171	**162**	**352**	**80**	**91**	**104**	**86**	**78**	**84**
Austria										
Fixed broadband		91	88	185	43	48	54	43	41	47
Fixed telephony		64	63	129	32	32	33	33	31	32
Other operations		5	2	11	3	2	5	4	–	2
		160	**153**	**325**	**78**	**82**	**92**	**80**	**72**	**81**
Other										
Other operations		–122	–74	–178	–73	–49	–79	–25	–37	–37
		–122	**–74**	**–178**	**–73**	**–49**	**–79**	**–25**	**–37**	**–37**
TOTAL										
Mobile		**4,001**	**4,032**	**8,440**	**2,082**	**1,919**	**2,159**	**2,249**	**2,125**	**1,907**
Fixed broadband		**690**	**693**	**1,475**	**329**	**361**	**387**	**395**	**361**	**332**
Fixed telephony		**505**	**544**	**1,090**	**257**	**248**	**276**	**270**	**279**	**265**
Other operations		**90**	**84**	**207**	**47**	**43**	**51**	**72**	**44**	**40**
TOTAL		**5,286**	**5,353**	**11,212**	**2,715**	**2,571**	**2,873**	**2,986**	**2,809**	**2,544**

EBIT

SEK million	Note	2012 Jan 1–Jun 30	2011 Jan 1–Jun 30	2011 Full year	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1
Sweden										
Mobile	2	672	1,022	2,050	320	352	507	521	541	481
Fixed broadband	2	–110	–113	–239	–67	–43	–90	–36	–51	–62
Fixed telephony	2	146	156	301	80	66	78	67	84	72
Other operations		15	3	8	15	–	1	4	10	–7
		723	**1,068**	**2,120**	**348**	**375**	**496**	**556**	**584**	**484**
Norway										
Mobile	2	–114	14	–147	–25	–89	–127	–34	6	8
Fixed broadband		1	–	3	1	–	1	2	–	–
Fixed telephony		19	33	62	10	9	13	16	15	18
Other operations		–	–	–3	–	–	–3	–	–	–
		–94	**47**	**–85**	**–14**	**–80**	**–116**	**–16**	**21**	**26**
Russia										
Mobile		1,748	1,624	3,584	917	831	966	994	894	730
		1,748	**1,624**	**3,584**	**917**	**831**	**966**	**994**	**894**	**730**
Estonia										
Mobile	2	44	77	166	21	23	40	49	41	36
Other operations		8	–	–	6	2	–	–	–	–
		52	**77**	**166**	**27**	**25**	**40**	**49**	**41**	**36**
Lithuania										
Mobile	2	154	163	366	76	78	101	102	71	92
		154	**163**	**366**	**76**	**78**	**101**	**102**	**71**	**92**
Latvia										
Mobile	2	62	147	286	30	32	62	77	82	65
		62	**147**	**286**	**30**	**32**	**62**	**77**	**82**	**65**
Croatia										
Mobile		–45	–47	–42	–22	–23	–7	12	–20	–27
		–45	**–47**	**–42**	**–22**	**–23**	**–7**	**12**	**–20**	**–27**
Kazakhstan										
Mobile	2	–366	–313	–720	–189	–177	–239	–168	–181	–132
		–366	**–313**	**–720**	**–189**	**–177**	**–239**	**–168**	**–181**	**–132**
Netherlands										
Mobile	2	–26	50	97	–15	–11	15	32	32	18
Fixed broadband	2	282	280	630	133	149	180	170	147	133
Fixed telephony	2	108	91	173	55	53	41	41	43	48
Other operations	2	121	83	228	61	60	90	55	37	46
		485	**504**	**1,128**	**234**	**251**	**326**	**298**	**259**	**245**
Germany										
Mobile		10	–7	–15	2	8	4	–12	–7	–
Fixed broadband		9	14	35	5	4	12	9	4	10
Fixed telephony		132	128	282	63	69	78	76	68	60
Other operations		–1	–	–	–	–1	–	–	–	–
		150	**135**	**302**	**70**	**80**	**94**	**73**	**65**	**70**
Austria										
Fixed broadband		43	46	106	20	23	35	25	20	26
Fixed telephony		48	45	93	25	23	25	23	23	22
Other operations		–5	–11	–14	–2	–3	–1	–2	–6	–5
		86	**80**	**185**	**43**	**43**	**59**	**46**	**37**	**43**
Other										
Other operations		–126	–117	–236	–73	–53	–93	–26	–59	–58
		–126	**–117**	**–236**	**–73**	**–53**	**–93**	**–26**	**–59**	**–58**
TOTAL										
Mobile		**2,139**	**2,730**	**5,625**	**1,115**	**1,024**	**1,322**	**1,573**	**1,459**	**1,271**
Fixed broadband		**225**	**227**	**535**	**92**	**133**	**138**	**170**	**120**	**107**
Fixed telephony		**453**	**453**	**911**	**233**	**220**	**235**	**223**	**233**	**220**
Other operations		**12**	**–42**	**–17**	**7**	**5**	**–6**	**31**	**–18**	**–24**
		2,829	**3,368**	**7,054**	**1,447**	**1,382**	**1,689**	**1,997**	**1,794**	**1,574**
One-off items		–19	42	–4	–20	1	–26	–20	–57	99
TOTAL		**2,810**	**3,410**	**7,050**	**1,427**	**1,383**	**1,663**	**1,977**	**1,737**	**1,673**

EBIT, cont.

		SPECIFICATION OF ITEMS BETWEEN EBITDA AND EBIT								
SEK million	Note	2012 Jan 1–Jun 30	2011 Jan 1–Jun 30	2011 Full year	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1
EBITDA		**5,286**	**5,353**	**11,212**	**2,715**	**2,571**	**2,873**	**2,986**	**2,809**	**2,544**
Sale of operations		–17	–40	–43	–18	1	–1	–2	–2	–38
Acquisition costs	9	–2	–3	–46	–2	–	–25	–18	–1	–2
Other one-off items	2, 3	–	85	85	–	–	–	–	–54	139
Total one-off items		**–19**	**42**	**–4**	**–20**	**1**	**–26**	**–20**	**–57**	**99**
Depreciation/amortization and other impairment		–2,458	–1,986	–4,159	–1,270	–1,188	–1,184	–989	–1,016	–970
Result from shares in associated companies		1	1	1	2	–1	–	–	1	–
EBIT		**2,810**	**3,410**	**7,050**	**1,427**	**1,383**	**1,663**	**1,977**	**1,737**	**1,673**

CAPEX

SEK million	Note	2012 Jan 1–Jun 30	2011 Jan 1–Jun 30	2011 Full year	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1
Sweden										
Mobile		459	576	1,096	236	223	404	116	178	398
Fixed broadband		116	135	245	87	29	67	43	67	68
Fixed telephony		3	–	2	1	2	–	2	–	–
Other operations		20	11	24	14	6	7	6	–1	12
		598	**722**	**1,367**	**338**	**260**	**478**	**167**	**244**	**478**
Norway										
Mobile		275	102	282	176	99	139	41	67	35
Fixed telephony		7	3	6	5	2	2	1	1	2
		282	**105**	**288**	**181**	**101**	**141**	**42**	**68**	**37**
Russia										
Mobile		858	773	2,010	577	281	575	662	511	262
		858	**773**	**2,010**	**577**	**281**	**575**	**662**	**511**	**262**
Estonia										
Mobile		35	45	83	22	13	17	21	18	27
Other operations		2	–	–	2	–	–	–	–	–
		37	**45**	**83**	**24**	**13**	**17**	**21**	**18**	**27**
Lithuania										
Mobile		40	44	114	24	16	39	31	24	20
		40	**44**	**114**	**24**	**16**	**39**	**31**	**24**	**20**
Latvia										
Mobile		32	51	91	14	18	20	20	21	30
		32	**51**	**91**	**14**	**18**	**20**	**20**	**21**	**30**
Croatia										
Mobile		11	59	102	6	5	19	24	28	31
		11	**59**	**102**	**6**	**5**	**19**	**24**	**28**	**31**
Kazakhstan										
Mobile	6	278	588	902	158	120	262	52	463	125
		278	**588**	**902**	**158**	**120**	**262**	**52**	**463**	**125**
Netherlands										
Mobile		5	3	9	3	2	4	2	1	2
Fixed broadband		187	178	360	105	82	92	90	89	89
Fixed telephony		2	19	41	–	2	13	9	9	10
Other operations		12	24	44	6	6	11	9	11	13
		206	**224**	**454**	**114**	**92**	**120**	**110**	**110**	**114**
Germany										
Mobile		15	9	38	6	9	9	20	9	–
Fixed broadband		1	1	1	1	–	–	–	1	–
Fixed telephony		1	–	–	–	1	–	–	–	–
		17	**10**	**39**	**7**	**10**	**9**	**20**	**10**	**–**
Austria										
Fixed broadband		15	11	37	8	7	18	8	5	6
Fixed telephony		8	8	21	5	3	8	5	3	5
Other operations		4	4	13	2	2	6	3	2	2
		27	**23**	**71**	**15**	**12**	**32**	**16**	**10**	**13**
Other										
Other operations		243	320	584	128	115	138	126	144	176
		243	**320**	**584**	**128**	**115**	**138**	**126**	**144**	**176**
TOTAL										
Mobile		**2,008**	**2,250**	**4,727**	**1,222**	**786**	**1,488**	**989**	**1,320**	**930**
Fixed broadband		**319**	**325**	**643**	**201**	**118**	**177**	**141**	**162**	**163**
Fixed telephony		**21**	**30**	**70**	**11**	**10**	**23**	**17**	**13**	**17**
Other operations		**281**	**359**	**665**	**152**	**129**	**162**	**144**	**156**	**203**
TOTAL		**2,629**	**2,964**	**6,105**	**1,586**	**1,043**	**1,850**	**1,291**	**1,651**	**1,313**

CAPEX, cont.

SEK million	2012 Jan 1–Jun 30	2011 Jan 1–Jun 30	2011 Full year	2012 Q2	2012 Q1	2011 Q4	2011 Q3	2011 Q2	2011 Q1
	ADDITIONAL CASH FLOW INFORMATION								
CAPEX according to cash flow statement	**2,247**	**2,677**	**5,572**	**1,417**	**830**	**1,753**	**1,142**	**1,661**	**1,016**
This year's unpaid CAPEX and paid CAPEX from previous year	348	122	294	155	193	98	74	−170	292
Sales price in cash flow statement	34	165	239	14	20	−1	75	160	5
CAPEX according to balance sheet	**2,629**	**2,964**	**6,105**	**1,586**	**1,043**	**1,850**	**1,291**	**1,651**	**1,313**

Key ratios

SEK million	2012 Jan 1–Jun 30	2011 Jan 1–Jun 30	2011	2010	2009	2008
CONTINUING OPERATIONS						
Net sales	21,545	19,720	41,001	40,585	39,836	38,630
Number of customers (by thousands)	36,270	32,290	34,186	30,883	26,579	24,018
EBITDA	5,286	5,353	11,212	10,643	9,621	8,452
EBIT	2,810	3,410	7,050	7,022	5,781	3,026
EBT	2,311	3,106	6,376	6,639	5,236	1,893
Net profit	1,718	2,334	4,904	6,481	4,755	1,758
Key ratios						
EBITDA margin, %	24.5	27.1	27.3	26.6	24.2	21.8
EBIT margin, %	13.0	17.3	17.2	17.3	14.5	7.8
Value per share (SEK)						
Earnings	3.87	5.26	11.05	14.69	10.72	3.91
Earnings after dilution	3.85	5.24	11.00	14.63	10.70	3.91
TOTAL						
Shareholders' equity	16,986	19,830	21,452	28,875	28,823	28,405
Shareholders' equity after dilution	16,986	19,835	21,455	28,894	28,823	28,415
Total assets	47,167	45,020	46,864	42,085	43,005	49,697
Cash flow from operating activities	4,086	4,536	9,690	9,966	9,427	8,088
Cash flow after CAPEX	1,839	1,859	4,118	6,008	4,635	3,037
Available liquidity	12,945	10,609	9,986	13,254	12,520	17,248
Net debt	17,611	13,574	13,518	3,417	4,013	7,012
Investments in intangible and tangible assets, CAPEX	2,629	2,964	6,105	4,095	4,891	5,066
Investments in shares, short-term investments etc	203	54	1,563	1,424	–3,709	–2,342
Key ratios						
Equity/assets ratio, %	36	44	46	69	67	57
Debt/equity ratio, multiple	1.04	0.68	0.63	0.12	0.14	0.25
Return on shareholders' equity, %	17.9	19.1	19.5	24.0	16.4	8.9
Return on shareholders' equity after dilution, %	17.9	19.1	19.5	24.0	16.4	8.9
Return on capital employed, %	15.7	19.9	20.4	22.2	16.7	12.8
Average interest rate, %	7.0	6.7	6.2	7.3	5.9	6.2
Value per share (SEK)						
Earnings	3.87	5.24	11.03	15.70	10.61	5.53
Earnings after dilution	3.85	5.22	10.98	15.64	10.59	5.53
Shareholders' equity	38.22	44.70	48.33	65.44	65.31	63.93
Shareholders' equity after dilution	38.03	44.53	48.09	65.23	65.18	63.90
Cash flow from operating activities	9.20	10.23	21.83	22.59	21.41	18.23
Dividend, ordinary			6.50	6.00	3.85	3.50
Extraordinary dividend			6.50	21.00	2.00	1.50
Market price at closing day	106.80	125.00	133.90	139.60	110.20	69.00

Parent company

INCOME STATEMENT

SEK million	2012 Jan 1–Jun 30	2011 Jan 1–Jun 30
Net sales	25	27
Administrative expenses	–63	–56
Operating loss, EBIT	**–38**	**–29**
Exchange rate difference on financial items	22	2
Net interest expenses and other financial items	–35	31
Profit/loss after financial items, EBT	**–51**	**4**
Tax on profit/loss	13	–2
NET PROFIT/LOSS	**–38**	**2**

BALANCE SHEET

SEK million	Note	Jun 30, 2012	Dec 31, 2011
ASSETS			
FIXED ASSETS			
Financial assets		34,095	33,908
FIXED ASSETS		**34,095**	**33,908**
CURRENT ASSETS			
Current receivables		10	4,512
Cash and cash equivalents		34	3
CURRENT ASSETS		**44**	**4,515**
ASSETS		**34,139**	**38,423**
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Restricted equity	8	5,546	17,546
Unrestricted equity	8	18,629	12,428
SHAREHOLDERS' EQUITY		**24,175**	**29,974**
LONG-TERM LIABILITIES			
Interest-bearing liabilities	10	3,757	8,221
LONG-TERM LIABILITIES		**3,757**	**8,221**
SHORT-TERM LIABILITIES			
Interest-bearing liabilities	10	6,120	172
Non-interest-bearing liabilities		87	56
SHORT-TERM LIABILITIES		**6,207**	**228**
EQUITY AND LIABILITIES		**34,139**	**38,423**

Notes

ACCOUNTING PRINCIPLES AND DEFINITIONS

The interim report for the group was prepared in accordance with IAS 34 and the Swedish Annual Accounts Act, and the interim report for the parent company was 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.

New and amended IFRS standards and IFRIC interpretations

The amended IFRS standards and IFRIC interpretations, which became effective January 1, 2012, have had no material effect on the consolidated financial statements.

At January 1, 2012 t2 changed the accounting principles for joint ventures from the equity method to proportionate consolidation, with retrospective application. The effects on the financial statements are stated in Note 11.

From January 1, 2012 internal sales within segments (countries) are not reported in net sales and internal sales for the respective segment. The comparable periods are restated. The effects on the financial statements are stated in Note 12.

In all other respects, t2 has presented its interim report in accordance with the accounting principles and calculation methods used in the 2011 Annual Report. The description of these principles and definitions is to be found in the 2011 Annual Report.

NOTE 1 CUSTOMERS

In Q4 2011, number of customers in Russia and Croatia decreased by 96,000 and 60,000 customers respectively, as a one-time adjustment, due to changes in IT systems.

NOTE 2 OPERATING EXPENSES

In Q2 2012, Sweden was negatively affected by SEK 25 million due to a new method for calculation of bad debt reserves, of which SEK 20 million related to mobile, SEK 3 million to fixed broadband and SEK 2 million to fixed telephony.

During 2012 and 2013, the Baltic countries will upgrade/replace their existing networks. To reflect the shorter remaining useful life of related equipment accelerated depreciations of SEK 72 million are reported from Q1 2012 and onwards, of which SEK 13 million in Estonia, 22 million in Lithuania and 37 million in Latvia.

In Q4 2011, Kazakhstan was negatively affected by SEK 59 million due to impairment loss of obsolete equipment.

In Q3 and Q4 2011, the mobile operation in Norway was negatively affected by SEK 7 and 53 million respectively, due to restructuring costs in connection with the acquisition of Network Norway.

In Q3 2011, Sweden was negatively affected by SEK 45 million due to restructuring costs, of which SEK 34 million related to mobile, SEK 6 million to fixed broadband and SEK 5 million to fixed telephony.

In Q2 2011, Sweden was negatively affected by SEK 54 million in relation to future rental costs for mobile sites to be dismantled. The negative effect has been reported as a one-off item.

In Q2 2011, Netherlands was negatively affected by SEK 48 million due to restructuring costs related to the acquisition of BBned in 2010.

NOTE 3 OTHER OPERATING INCOME

In Q1 2011, other operating income in Sweden increased by SEK 139 million relating to compensations in connection with the transferring and disposal of assets related to the 4G net co-operation. The positive effect has been reported as a one-off item.

NOTE 4 TAXES

In Q4 2011, net taxes were positively affected by SEK 108 million as a result of a valuation of deferred tax assets related to BBned in Netherlands.

In Q1 2011, net taxes were positively affected by a revaluation of the deferred tax assets in Netherlands of SEK 62 million, and negatively affected by SEK 35 million as a result of a reassessment of the deferred tax liability in Estonia.

NOTE 5 CONTINGENT LIABILITIES

SEK million	Jun 30, 2012	Dec 31, 2011
Disputes	391	263
Total contingent liabilities	**391**	**263**

Network Norway is the defendant in a dispute before the District Court of Asker and Bærum regarding alleged exclusivity undertakings in its national roaming agreement with Telenor Mobil, where Telenor Mobil claims that Network Norway is in breach of this alleged undertaking since t2 Norway has a national roaming agreement with Telia-Sonera Norge. Network Norway has disputed Telenor Mobil's claim in its entirety and based on current information, our assessment is that it is more likely than not that Network Norway will win. In Q2 2012, Telenor Mobil has reduced its claim and at June 30, 2012 the disputed amount was SEK 126 million. No dates have yet been set and we estimate that the District Court will give its ruling in H1 2013.

t2 is the defendant in an arbitration regarding a dispute relating to a Share Option Agreement and related issues where the claimant has put forward claims of SEK 265 million. We estimate that the arbitration award will be announced before the end of July 2012. Based on current information, our assessment is that it is more likely than not that we will win.

Additional contractual commitments and liabilities related to joint ventures are stated in Note 30 in the Annual Report for 2011.

NOTE 6 CAPEX

In Q2 2011, Kazakhstan acquired additional frequencies in the 2100 MHz band which affected CAPEX and the cash flow statement by SEK 218 million.

NOTE 7 TRANSACTIONS WITH RELATED PARTIES

t2's share of liquid funds in joint ventures, for which t2 has limited disposal rights, amounted at each closing date to the amounts stated below and was included in the group's cash and cash equivalents.

SEK million	2012 Jun 30	2012 Mar 31	2011 Dec 31	2011 Sep 30	2011 Jun 30	2011 Mar 31
Cash and cash equivalents at end of the period in joint ventures	33	31	50	26	58	61

Apart from transactions with joint ventures, no other significant related party transactions were carried out during 2012. Related parties are presented in Note 38 of the 2011 Annual Report.

NOTE 8 SHARES AND INCENTIVE PROGRAMS (LTI)

	Jun 30, 2012	Dec 31, 2011
Number of shares		
– outstanding, basic	444,661,211	444,149,959
– in own custody	4,122,128	4,633,380
– weighted average	444,347,154	443,851,976
– after dilution	447,744,179	446,492,847
– after dilution, weighted average	446,615,930	446,136,419

DIVIDEND

In Q2 2012, t2 paid to its shareholders a dividend of SEK 13.00 (27.00) per share for 2011, of which the ordinary dividend amounted to SEK 6.50 (6.00) per share and the extraordinary dividend amounted to SEK 6.50 (21.00) per share. This corresponded to a total of SEK 5,781 (11,991) million, of which an ordinary dividend of SEK 2,890 (2,665) million and an extraordinary dividend SEK 2,890 (9,326) million.

SALE OF SHARES

As a result of share rights in the LTI 2009 being exercised during Q2 2012, t2 sold B-shares in own custody of 466,252.

As a result of stock options in the LTI 2007 being exercised during Q1 and Q2 2012, t2 sold B-shares in own custody of 37,000 and 8,000 respectively, resulting in an increase of shareholders' equity of SEK 4 and 2 million.

RECLASSIFICATION

In Q2 2012, the Annual General Meeting decided to reduce the restricted reserves in the parent company with SEK 12,000 million for transfer to unrestricted equity.

In Q1 2012, 1,194 class A shares were reclassified into class B shares in t2.

INCENTIVE PROGRAM (LTI)

Additional information related to LTI programs are presented in Note 34 of the 2011 Annual Report.

LTI 2012

Number of share rights	2012 Jun 15–Jun 30
Allocated June 15, 2012	1,141,176
Total outstanding share rights	**1,141,176**

During the Annual General Meeting held on May 7, 2012, the shareholders approved a performance-based incentive programme (the Plan) for senior executives and other key employees in the t2 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 t2 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 t2 AB. 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 group. 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 t2 group and thus be benecial to both the company and its shareholders.

The incentive program included a total of 304 senior executives and other key employees within the t2 group. In general, the participants in the Plan are required to own shares in t2. 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 and Kazakhstan were offered to participate in the Plan without being required to hold shares in t2. 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, 2012 - March 31, 2015 (the measure period), the participant maintaining employment within the t2 group at the release of the interim report January – March 2015 and subject to the participant maintaining the invested shares (where applicable) during the vesting period ending at the release of the interim report for the period January – March 2015, 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 t2's total shareholder return on the t2 shares (TSR) during the measure period exceeding 0 percent as entry level.

Series B t2's average normalized return of capital employed (ROCE) during the measurement period being at least 19 percent as entry level and at least 23 percent as the stretch target.

Series C t2's total shareholder return on the t2 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 299,419 shares, of which 234,419 related to employees who invested in t2 shares and 65,000 related to employees in Russia and Kazakhstan who choose not to invest in t2 shares. In total this resulted in an allotment of 1,141,176 share rights, of which 258,794 retention rights and 882,382 performance rights. The participants were divided into different categories and were granted the following number of share rights for the different categories:

At grant date	No of partici-pants	Maximum no of shares	Share right per Series A	B	C	Total	Total allotment
CEO	1	8,000	1	3	3	7	56,000
Other senior executives and other key employees	11	4,000	1	2.5	2.5	6	246,000
Category 1	29	2,000	1	1.5	1.5	4	231,344
Category 1, no investment	2	2,000	0.375	0.5625	0.5625	1.5	6,000
Category 2	28	1,500	1	1.5	1.5	4	142,420
Category 2, no investment	11	1,500	0.375	0.5625	0.5625	1.5	24,750
Category 3	56	1,000	1	1.5	1.5	4	197,160
Category 3, no investment	17	1,000	0.375	0.5625	0.5625	1.5	25,500
Category 4	93	500	1	1.5	1.5	4	170,752
Category 4, no investment	56	500	0.375	0.5625	0.5625	1.5	41,250
Total	**304**						**1,141,176**

CONT. NOTE 8

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 60 million, of which social security costs amount to SEK 16 million.

The participant's maximum profit per share right in the Plan is limited to SEK 590, ve times the average closing share price of the t2 Class B shares during February 2012 with deduction for the dividend paid in May 2012.

The estimated average fair value of the granted rights was SEK 64 on the grant date, June 15, 2012. The calculation of the fair value 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	105.05	105.05	105.05
Expected life	2.84 years	2.84 years	2.84 years
Expected value reduction parameter market condition	55%	–	25%

To ensure the delivery of Class B shares under the Plan, the Annual General Meeting decided to authorise the Board of Directors to resolve on a directed issue of a maximum of 500,000 Class C shares and subsequently to repurchase the Class C shares. The Class C shares will then be held by the company during the vesting period, after which the appropriate number of Class C shares will be reclassified into Class B shares and delivered to the participants under the Plan.

LTI 2011

Number of share rights	2012 Jan 1–Jun 30	Cumulative from start
Allocated June 17, 2011		1,053,936
Outstanding as of January 1, 2012	992,936	
Allocated, compensation for dividend	77,622	77,622
Forfeited	–25,202	–86,202
Total outstanding share rights	**1,045,356**	**1,045,356**

LTI 2010

Number of share rights	2012 Jan 1–Jun 30	Cumulative from start
Allocated June 9, 2010		873,120
Outstanding as of January 1, 2012	858,057	
Allocated, compensation for dividend	66,606	189,695
Forfeited	–29,192	–167,344
Total outstanding share rights	**895,471**	**895,471**

LTI 2009

Number of share rights	2012 Jan 1–Jun 30	Cumulative from start
Allocated June 1, 2009		656,160
Outstanding as of January 1, 2012	484,196	
Allocated, compensation for dividend	–	92,096
Forfeited	–17,944	–282,004
Exercised	–466,252	–466,252
Total outstanding share rights	**–**	**–**

The exercise of the share rights in LTI 2009 was conditional upon the fulfilment of certain retention and performance based conditions, measured from April 1, 2009 until March 31, 2012. The outcome of these decided performance conditions was in accordance with below:

	Retention and performance based conditions	Minimum hurdle (20%)	Stretch target (100%)	Performance outcome	Allotment
Series A	Total Shareholder Return t2 (TSR)		≥ 0%	156.2%	100%
Series B	Average normalised Return on Capital Employed (ROCE)	14%	17%	22.0%	100%
Series C	Total Shareholder Return t2 (TSR) compared to a peer group	> 0%	≥ 10%	65.2%	100%

Weighted average share price for share rights at date of exercise amounted to SEK 124.00 during 2012.

LTI 2007

Number of options	2012 Jan 1–Jun 30	Cumulative from start
Allocated August 28, 2007		3,552,000
Outstanding as of January 1, 2012	59,000	
Forfeited	–	–1,023,000
Exercised	–45,000	–2,515,000
Total outstanding stock options	**14,000**	**14,000**

Weighted average share price for stock options at date of exercise amounted to SEK 130.70 (149.19) during 2012.

Stock options in LTI 2007 can be exercised until August 2012. The exercise price is SEK 116.60.

SEK 1 million was paid to the programme participants in connection with the exercise during 2012, as a compensation for the extraordinary dividend of SEK 21.00 and 6.50 paid during 2011 and 2012 respectively.

NOTE 9 BUSINESS ACQUISITIONS AND DIVESTMENTS

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

SEK million	2012 Jan 1–Jun 30
Acquisitions	
Televõrgu, Estonia	–222
Total group companies	**–222**
Capital contribution to associated companies	–8
Total associated companies	**–8**
Total acquisition of shares and participations	**–230**
Divestments	
Officer, Norway	1
Settlements of previous years' divestments	–2
Total sale of shares and participations	**–1**
TOTAL CASH FLOW EFFECT, NET	**–231**

ACQUISITIONS

Televõrgu, Estonia

On February 17, 2012 t2 acquired 100 percent of the Estonian telecommunication service provider Televõrgu AS for SEK 223 million.

Televõrgu is a provider of transmission and mobile internet services based on a fibre optical network and a CDMA based 3G wireless network. The acquisition of Televõrgu will give t2 Estonia a stronger presence among business customers in the Estonian market, and full control over its transmission network until 2025.

Goodwill in connection with the acquisition is related to t2's expectation to benefit from cost savings and cost control, since Televõrgu is a provider of leased lines and transmission services to t2. In addition, the acquisition expects to give t2 a stronger presence among business customers and expand data transmission services in the Estonian market.

Televõrgu has affected net sales of SEK 32 million and EBITDA of SEK 16 million in 2012, of which SEK 19 and 12 million respectively refer to Q2 2012. Total acquisition costs of SEK 2 million have been reported in the income statement.

Net assets at the time of acquisition
Fair value of assets, liabilities and contingent liabilities included in the operations acquired before June 30, 2012, are stated below:

SEK million	Televõrgu, Estonia
Customer agreements	20
Beneficial and renting rights	78
Tangible assets	63
Material and supplies	1
Current receivables	18
Cash and cash equivalents	3
Deferred tax liabilities	–17
Short-term liabilities	–35
Acquired net assets	**131**
Goodwill	66
Purchase price shares	**197**
Payment for debt in acquired companies	26
	223
Exchange rate differences	2
Less: cash in acqired companies	–3
NET EFFECT ON GROUP CASH ASSETS	**222**

The information above and the pro forma below are to be viewed as preliminary.

DIVESTMENTS
Officer, Norway
In 2012, stores in Officer, Norway, were divested for SEK 1 million.

Other divestments
Other cash flow changes include settlements of price adjustments in the amount of SEK –2 million for divestments which have not been classified as discontinued operations.

PRO FORMA
The table below shows how the acquired companies and operations on June 30, 2012 would have affected t2's net sales and result if they had been acquired on January 1, 2012.

	January 1 – June 30 2012		
		Acquired operations	
SEK million	t2 group [1]	Televõrgu, Estonia	t2 group, proforma
Net sales	21,545	19	21,564
EBITDA	5,270	8	5,278
Net profit	1,718	2	1,720

[1] Continuing operation

DISCONTINUED OPERATIONS
Discontinued operations include settlements of sales costs and price adjustments for discontinued operations sold during the past years.

NOTE 10 FINANCING

	Interest-bearing liabilities			
	Jun 30, 2012		Dec 31, 2011	
	Short-term	Long-term	Short-term	Long-term
Bonds RUB, Russia	–	5,477	–	2,780
Bonds NOK, Sweden	–	1,505	–	–
Bonds EUR, Sweden	–	2,293	–	–
Commercial papers, Sweden	1,969	–	–	–
Financial institutions	4,212	947	210	9,305
Put option, Kazakhstan	1,220	–	1,136	–
Other liabilities	401	828	350	883
	7,802	**11,050**	**1,696**	**12,968**
Total interest-bearing liabilities		**18,852**		**14,664**

In Q2, 2012, t2 AB signed a new EUR 1.2 billion 5 year revolving credit facility with participation from twelve banks. The facility was used to repay four credit facilities that would have matured in 2013. In addition, t2 entered into a 4.5 month term loan agreement of SEK 4 billion in May 2012. The term loan is a complement to t2's core funding.

In Q2, 2012, t2 AB signed a Euro Medium-Term Note Program (bonds) that will form the basis for t2's future medium and long term debt issuance in both international and domestic markets. The program enables t2 to issue bonds and notes up to a total aggregate amount of EUR 3 billion. On May 8, 2012 t2 issued a SEK 2.3 billion 5 year bond on the Swedish bond market under this program. The amount is split between a fixed rate tranche of SEK 800 million with a coupon of 4.875 percent and a floating rate tranche of SEK 1.5 billion with a coupon of three months STIBOR +2.85 percent.

In Q2, 2012, t2 Russia issued a 6 billion Rouble bond. The bond has a final maturity of 10 years and a put option providing for an effective tenor of 3 years. The coupon rate is 9.10 percent per annum with semi-annual coupon payments. In Q1, 2012 t2 Russia issued a 7 billion rouble bond with 2 tranches. The bond has a final maturity of 10 years and a put option providing for an effective tenor of 2 years. The coupon rate for the period is 8.90 percent per annum with semi-annual coupon payments.

In Q1, 2012, t2 AB issued a NOK 1.3 billion bond in the Norwegian bond market. The amount is split between a 3 year bond of NOK 300 million priced at NIBOR +1.70 percent and a 5 year bond of NOK 1 billion priced at NIBOR +2.35 percent.

In Q1, 2012, t2 AB established a Swedish commercial paper program. The program enables t2 to issue commercial papers up to a total amount of SEK 3 billion. Commercial papers can be issued with tenors up to 12 months under the program. The commercial paper program is a complement to t2's core funding. The reported value of the commercial papers amounted at June 30, 2012 to SEK 2.0 billion.

NOTE 11 CHANGED ACCOUNTING PRINCIPLE FOR JOINT VENTURES

On January 1, 2012 t2 changed the accounting principles for joint ventures from the equity method to proportionate consolidation, with retrospective application.

The International Accounting Standards Board (IASB) has issued a new standard for joint arrangements, IFRS 11 (not yet adopted by the EU). IFRS 11 is focusing on the rights and obligations that exist between the parties. This is determinative when deciding which type of joint arrangement exists. A joint arrangement is a construction where two or more parties contractually agree on joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. It is not only the legal form of the arrangement that should be considered. There are two types of joint arrangements: joint operations and joint ventures. A joint operation arises when the joint control owners have rights to the assets and obligations for the liabilities that are connected to the investment. A joint venture applies to the case where the joint control parties have rights to the net assets of the investment. Depending on whether the arrangement is a joint operation or a joint venture, different accounting principles shall be applied. According to the new standard, only the equity method is allowed when consolidating joint ventures, i.e. proportionate consolidation is no longer allowed. The parties in a joint operation shall report their assets, liabilities, revenues and expenses and their share of joint assets, liabilities, revenues and expenses.

t2 reviewed in 2011 its joint ventures, and the major part of these was classified as joint operations according to IFRS 11. As a consequence, t2 changed accounting principle already from January 1,

CONT. NOTE 11

2012, within the current IAS 31 *Interests in Joint Ventures*, from the equity method to proportionate consolidation for joint ventures. The decision was additionally based on the fact that t2 Sweden is building its 3G and 4G networks in joint ventures and that proportionate consolidation was expected to give a more true and fair view. The change of accounting principle increased the net sales, EBITDA, assets and liabilities of the group and had a minor effect on operating profit and net cash flows. The change had no effect on net profit or shareholders' equity.

The effects from the change of accounting principle are stated below.

Income statement

SEK million	2011 Full year	2010 Full year	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4
CONTINUING OPERATIONS							
Net sales	251	421	13	89	80	69	70
Operating expenses	–215	–373	–22	–67	–65	–61	–59
Result from shares in associated companies and joint ventures	–16	–145	2	–	–8	–10	–99
Other operating income	62	31	30	5	11	16	7
Operating profit/loss, EBIT	**82**	**–66**	**23**	**27**	**18**	**14**	**–81**
Interest income/costs	–75	–30	–23	–24	–16	–12	–15
Profit/loss after financial items, EBT	**7**	**–96**	**–**	**3**	**2**	**2**	**–96**
Tax on profit/loss	–7	96	–	–3	–2	–2	96
NET PROFIT/LOSS	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Balance sheet

SEK million	Dec 31, 2011	Sep 30, 2011	Jun 30, 2011	Mar 31, 2011	Dec 31, 2010
ASSETS					
FIXED ASSETS					
Goodwill	–	147	147	142	144
Other intangible assets	450	264	265	265	32
Intangible assets	**450**	**411**	**412**	**407**	**176**
Tangible assets	2,189	2,550	2,518	2,384	2,312
Financial assets	–2,529	–2,516	–1,403	–1,126	–1,068
Deferred tax assets	91	91	91	92	96
FIXED ASSETS	**201**	**536**	**1,618**	**1,757**	**1,516**
CURRENT ASSETS					
Current receivables	104	134	134	155	164
Cash and cash equivalents	50	26	58	61	36
CURRENT ASSETS	**154**	**160**	**192**	**216**	**200**
ASSETS	**355**	**696**	**1,810**	**1,973**	**1,716**
EQUITY AND LIABILITIES					
LONG-TERM LIABILITIES					
Interest-bearing liabilities	–	332	287	247	216
LONG-TERM LIABILITIES	**–**	**332**	**287**	**247**	**216**
SHORT-TERM LIABILITIES					
Interest-bearing liabilities	–	–	1,171	1,187	1,260
Non-interest-bearing liabilities	355	364	352	539	240
SHORT-TERM LIABILITIES	**355**	**364**	**1,523**	**1,726**	**1,500**
EQUITY AND LIABILITIES	**355**	**696**	**1,810**	**1,973**	**1,716**

Cash flow statement

SEK million	2011 Full year	2010 Full year	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4
OPERATING ACTIVITIES							
Cash flow from operations, less paid taxes	285	314	59	69	82	75	64
Changes in working capital	157	42	54	–18	68	53	26
CASH FLOW FROM OPERATING ACTIVITIES	**442**	**356**	**113**	**51**	**150**	**128**	**90**
INVESTING ACTIVITIES							
Capital expenditure in intangible and tangible assets, CAPEX	–905	–355	–353	–69	–400	–83	–171
Cash flow after CAPEX	***–463***	***1***	***–240***	***–18***	***–250***	***45***	***–81***
Acquisition of shares and participations	–372	118	–12	–375	–	15	–
Changes of long-term receivables from joint ventures	1,999	200	276	1,487	234	2	200
Cash flow from investing activities	722	–37	–89	1,043	–166	–66	29
CASH FLOW AFTER INVESTING ACTIVITIES	**1,164**	**319**	**24**	**1,094**	**–16**	**62**	**119**
FINANCING ACTIVITIES							
Change of loans, net	–1,150	–393	–	–1,126	13	–37	–134
Cash flow from financing activities	**–1,150**	**–393**	**–**	**–1,126**	**13**	**–37**	**–134**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**14**	**–74**	**24**	**–32**	**–3**	**25**	**–15**
Cash and cash equivalents at beginning of period	36	110	26	58	61	36	51
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**50**	**36**	**50**	**26**	**58**	**61**	**36**

Net sales

SEK million	2011 Full year	2010 Full year	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4
Sweden							
Mobile	222	382	40	70	61	51	62
Other operations	–4	–11	2	–2	–3	–1	–4
	218	**371**	**42**	**68**	**58**	**50**	**58**
Norway							
Mobile	74	66	–	27	24	23	19
	74	**66**	**–**	**27**	**24**	**23**	**19**
TOTAL							
Mobile	**296**	**448**	**40**	**97**	**85**	**74**	**81**
Other operations	**–4**	**–11**	**2**	**–2**	**–3**	**–1**	**–4**
	292	437	42	95	82	73	77
Internal sales, elimination	–41	–16	–29	–6	–2	–4	–7
TOTAL	**251**	**421**	**13**	**89**	**80**	**69**	**70**

Internal sales

SEK million	2011 Full year	2010 Full year	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4
Sweden							
Mobile	16	12	8	4	2	2	5
Other operations	25	4	21	2	–	2	2
TOTAL	**41**	**16**	**29**	**6**	**2**	**4**	**7**

CONT. NOTE 11

EBITDA

SEK million	2011 Full year	2010 Full year	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4
Sweden							
Mobile	318	345	82	76	85	75	72
	318	**345**	**82**	**76**	**85**	**75**	**72**
Norway							
Mobile	42	14	–	17	13	12	6
	42	**14**	**–**	**17**	**13**	**12**	**6**
TOTAL	**360**	**359**	**82**	**93**	**98**	**87**	**78**

EBIT

SEK million	2011 Full year	2010 Full year	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4
Sweden							
Mobile	66	18	23	19	14	10	6
	66	**18**	**23**	**19**	**14**	**10**	**6**
Norway							
Mobile	16	12	–	8	4	4	9
	16	**12**	**–**	**8**	**4**	**4**	**9**
	82	**30**	**23**	**27**	**18**	**14**	**15**
One-off items	–	–96	–	–	–	–	–96
TOTAL	**82**	**–66**	**23**	**27**	**18**	**14**	**–81**

SPECIFICATION OF ITEMS BETWEEN EBITDA AND EBIT

SEK million	2011 Full year	2010 Full year	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4
EBITDA	**360**	**359**	**82**	**93**	**98**	**87**	**78**
One-off items in result from shares in joint ventures	–	–96	–	–	–	–	–96
Depreciation/amortization and other impairment	–262	–280	–61	–66	–72	–63	–60
Result from shares in associated companies and joint ventures	–16	–49	2	–	–8	–10	–3
EBIT	**82**	**–66**	**23**	**27**	**18**	**14**	**–81**

CAPEX

SEK million	2011 Full year	2010 Full year	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4
Sweden							
Mobile	882	254	356	56	127	343	155
	882	**254**	**356**	**56**	**127**	**343**	**155**
Norway							
Mobile	130	190	1	36	62	31	105
	130	**190**	**1**	**36**	**62**	**31**	**105**
TOTAL	**1,012**	**444**	**357**	**92**	**189**	**374**	**260**

ADDITIONAL CASH FLOW INFORMATION

SEK million	2011 Full year	2010 Full year	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Q4
CAPEX according to cash flow statement	**905**	**355**	**353**	**69**	**400**	**83**	**171**
This year unpaid CAPEX and paid CAPEX from previous year	107	89	4	23	–211	291	89
CAPEX according to balance sheet	**1,012**	**444**	**357**	**92**	**189**	**374**	**260**

KEY RATIOS

SEK million	2011	2010	2009	2008
Net sales	251	421	400	300
EBITDA	360	359	227	225
EBIT	82	–66	45	120
EBT	7	–96	–	–
Total assets	355	1,716	2,268	2,360
Cash flow from operating activities	442	356	309	192
Cash flow after CAPEX	–463	1	–143	–251
Available liquidity	50	440	110	35
Net debt	2,149	1,726	1,842	2,060
Investments in intangible and tangible assets, CAPEX	1,012	444	452	443
Investments in shares, short-term investments etc	–1,627	–318	–352	–87
Key ratios				
EBITDA margin, %	0.7	0.6	–0.4	0.4
EBIT margin, %	0.1	–0.3	–	0.2
Equity/assets ratio, %	–	–3	–4	–3
Debt/equity ratio, multiple	0.10	0.06	0.06	0.08
Return on capital employed, %	–0.4	–1.4	–0.9	–0.1
Average interest rate, %	–0.5	–2.7	–1.1	–
Value per share (SEK)				
Cash flow from operating activities	0.99	0.81	0.70	0.43

NOTE 12 CHANGED ACCOUNTING PRINCIPLE FOR INTERNAL SALE

From January 1, 2012 internal sales within the segments (countries) are not reported in net sales and internal sales for the respective segment.

The comparable periods are restated. The effects on the financial statements are stated below.

SEK million	2011 Full year	2011 Q4	2011 Q3	2011 Q2	2011 Q1	2010 Full year	2010 Q4
Internal net sales							
Sweden							
– mobile	–410	–148	–97	–86	–79	–235	–73
– fixed broadband	–14	–5	–4	–4	–1	–14	–2
– other operations	–31	–21	–3	–3	–4	–26	–2
	–455	**–174**	**–104**	**–93**	**–84**	**–275**	**–77**
Norway, mobile	**–32**	**–32**	**–**	**–**	**–**	**–**	**–**
Russia, mobile	**–206**	**–49**	**–66**	**–60**	**–31**	**–154**	**–39**
Netherlands							
– fixed broadband	–8	–2	–1	–3	–2	–12	–3
– other operations	–51	–17	–15	–10	–9	–3	–3
	–59	**–19**	**–16**	**–13**	**–11**	**–15**	**–6**
Other, other operations	**–4**	**–**	**–1**	**–**	**–3**	**–11**	**1**
TOTAL							
– mobile	**–648**	**–229**	**–163**	**–146**	**–110**	**–389**	**–112**
– fixed broadband	**–22**	**–7**	**–5**	**–7**	**–3**	**–26**	**–5**
– other operations	**–86**	**–38**	**–19**	**–13**	**–16**	**–40**	**–4**
	–756	**–274**	**–187**	**–166**	**–129**	**–455**	**–121**
Internal sales, elimination	756	274	187	166	129	455	121
Net sales	**–**	**–**	**–**	**–**	**–**	**–**	**–**