

FOR IMMEDIATE RELEASE, Tuesday, February 12, 2008

Stockholm – Tuesday, February 12, 2008 – t2 AB ("t2") (OMX Nordic Exchange: TEL2 A and TEL2 B), today announced its consolidated results for the fourth quarter and full year 2007.



## FULL YEAR REPORT 2007

In Q4 2007, t2's EBITDA less divested operations<sup>1)</sup> increased by 4 percent to SEK 1,564 million. Mobile telephony EBITDA less divested operations increased by 30 percent to SEK 1,305 (1,001) million.

- › Operating revenue less divested operations in Q4 2007 amounted to SEK 10,447 (9,731) million, an increase of 7 percent
- › EBITDA less divested operations in Q4 2007 increased by 4 percent to SEK 1,564 (1,506) million
- › EBIT less divested operations in Q4 2007 amounted to SEK 247 (708) million including one-off items of SEK -328 (50) million (see note 1 and 2)
- › Operating revenue less divested operations for the full year 2007 grew by 9 percent to SEK 40,313 (37,113) million. Operating revenue from continuing operations<sup>2)</sup> for the full year 2007 grew by 1 percent to SEK 43,420 (43,098) million
- › Net profit/loss from continuing operations for the full year 2007 amounted to SEK -302 (-1,003) million
- › Earnings per share from continuing operations after dilution for the full year 2007 amounted to SEK -0.45 (-1.98)
- › t2's net debt amounted to SEK 5,198 (15,311) million at the end of 2007, a decrease by 66 percent
- › The Board of Directors proposes an ordinary dividend of SEK 3.15 (1.83) per share. The Board of Directors also proposes a special dividend of SEK 4.70 per share together with the authorisation to purchase up to 10 percent of shares in the company

<sup>1)</sup> The figures presented correspond to Q4 2007 unless else stated. The figures shown in parentheses correspond to the comparable periods in 2006. All figures relate to t2's operations less discontinued operations and other divested operations including operations held for sale. Discontinued operations comprise operations in Italy and Spain, and the fixed and broadband operations in France (see note 9). Other divested operations are Hungary, Belgium, Portugal, Irkutsk, Denmark, 3C, UNI2 Denmark, Alpha/C<sup>3</sup>, Datamatrix Norway/Denmark and Czech. Operations held for sale comprises MVNO operations in Austria (see Note 8).

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

## PRESIDENT'S MESSAGE

"2007 was an exciting year dominated by the successful realignment of t2 and the strong operational development in our core mobile businesses. Eastern Europe and Sweden have continuously been highlighted as superior performers and we are pleased to notice that t2's operations in these countries have ended the year on a high note.

**Looking into 2008, we see more of the same positive development.**


Looking into 2008, we see more of the same positive development. The realignment process is set to continue. There is still a need to further align the scale and scope of our organization to support the areas where we have the best profitability.


In Q4 2007, t2 was awarded 17 new regional GSM 1800 licenses in Russia. With progress comes challenge – we need to find qualified personnel, establish a local presence in all regions and expand commercially viable mobile networks. On the other hand our historic performance in mobile operations proves we have a successful business model in place.

We have said it before, but it is important to emphasize that our core business is mobile services on our own infrastructure. At the end of 2007 mobile services represented 56 percent of revenue and 84 percent of EBITDA. We know that we are world class in operating cost efficient mobile networks and we will continue to focus our management and financial resources in this area. Hence, it is important that we continue to develop mobile services, through investing and expanding in areas where we see extraordinary opportunities, so that we can stay best in class.

In earlier reports we mentioned the promising development of mobile broadband. The Q4 2007 performance strengthens our belief that mobile broadband is the long awaited blockbuster data service. In 2008, we will make sure that we lead this new market and based on the strong acceleration in new customers, we believe that the coming years will be key for our success.

 **MOBILE TELEPHONY** revenue and profitability continued to grow strongly in the quarter. Revenues less divested operations grew by 19 percent and EBITDA improved by 30 percent compared to Q4 2006 with a net customer intake of 706,000. Russia continued to be the main growth driver and t2 is now the largest operator in 6 of the regions where we operate. The Swedish operations dominated the mobile broadband market in the quarter, adding 48,000 new customers. At the end of Q4 2007 we had 93,000 mobile broadband customers in Sweden.

 t2 offers **BROADBAND** services in nine countries. Our broadband operations less divested operations generated a revenue growth of 18 percent, driven mainly by our services on our own infrastructure. We see the broadband product as a good complement to our core mobile operations and it is important that profitability in this area improves in 2008 and contributes to the operations as a whole.

 **FIXED TELEPHONY** operations less divested operations, continued to deliver robust results and we strove to maximise value by being costs conscious. Our EBITDA margin within fixed telephony was a strong 18 percent in the quarter, despite a revenue decline of 17 percent year-on-year as the market is in a structural decline."



*Lars-Johan Jarnheimer  
President and CEO of t2 AB*

## FINANCIAL OVERVIEW

*The following definitions have been used in the full year 2007 report:*

*Continuing operations – less discontinued operations (see note 9)*

*Discontinued operations – operations in Italy and Spain as well as fixed and broadband operations in France (see note 9)*

*Less divested operations – less discontinued operations (see note 9) and other divested operations including operations held for sale (see note 8)*

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

### FINANCIAL OVERVIEW, LESS DIVESTED OPERATIONS

**Customer net intake** amounted to 579,000 (972,000) in Q4 2007. t2 experienced robust growth in mobile telephony and continued customer outflow from fixed telephony. Fixed telephony services continued to be affected negatively by increased competition from mobile services as well as alternative services such as VoIP (Voice over IP). In the full year of 2007, the customer base increased by 6 percent to 24,605,000 (23,198,000).

**Operating revenue** in Q4 2007 amounted to SEK 10,447 (9,731) million, an increase by 7 percent. For the full year of 2007, operating revenue increased by 9 percent to SEK 40,313 (37,113) million.

**EBITDA** in Q4 2007 amounted to SEK 1,564 (1,506) million, equivalent to an EBITDA margin of 15 (15) percent. The EBITDA development was influenced by an improved revenue mix, with a larger contribution from mobile telephony on own infrastructure. In the full year of 2007, EBITDA amounted to SEK 6,636 (5,782) million, an increase by 15 percent.

**EBIT** in Q4 2007 amounted to SEK 247 (708) million including one-off items of SEK –328 (50) million (see note 1 and 2).

### FINANCIAL OVERVIEW, CONTINUING OPERATIONS

**Profit/loss before tax** in Q4 2007 amounted to SEK -25 (515) million including one-off items. In the full year of 2007 profit before tax amounted to SEK 759 (–668) million including one-off items.

**Net profit/loss** for Q4 2007 amounted to SEK –168 (250) million. In the full year 2007 net profit/loss amounted to SEK -302 (–1,003) million affected by a write-down of tax assets and reduced corporate tax rate in Germany, which amounted to SEK -793 million.

**Cash flow after CAPEX** amounted to SEK –373 (–314) million in Q4 2007. In the full year 2007, cash flow after CAPEX amounted to SEK 263 (–508) million.

CAPEX amounted to SEK 1,220 (1,210) million for Q4 2007 and SEK 4,269 (4,316) million for the full year of 2007.

### FINANCIAL COMMENTS

t2's net debt decreased during 2007 and amounted to SEK 5,198 (15,311) million at year end, or 0.8 times full year 2007 EBITDA.

As a step in aligning the capital structure, the Board of Directors has proposed an ordinary dividend of SEK 3.15 (1.83), a special dividend of SEK 4.70 and the authorisation to purchase up to 10 percent of t2's own shares. It is important to emphasise that t2 will evaluate the total shareholder remuneration on a continued basis to make sure that the financial position of the company is being utilized in the most efficient way.

## FINANCIAL OVERVIEW cont.

SEK million	Less divested operations				Continuing operations			
	2007 full year	2006 full year	2007 Q4	2006 Q4	2007 full year	2006 full year	2007 Q4	2006 Q4
<b>Mobile Telephony</b>								
Net customer intake (thousands)	3,202	3,723	714	1,081	3,249	4,017	706	1,146
ARPU							116	120
Operating revenue	22,503	18,159	5,981	5,022	22,982	19,052	5,966	5,245
EBITDA	5,260	3,829	1,305	1,001	5,225	3,856	1,256	1,009
<b>Direct Access &amp; LLUB</b>								
Net customer intake (thousands)	234	119	77	47	292	186	77	70
ARPU							529	609
Operating revenue	4,459	3,714	1,266	1,027	5,043	4,313	1,267	1,201
EBITDA	-179	191	-134	53	-260	44	-134	11
<b>Broadband resale</b>								
Net customer intake (thousands)	46	160	-8	53	23	126	-8	41
ARPU							223	253
Operating revenue	1,344	1,139	324	316	1,479	1,465	325	385
EBITDA	-460	-565	-80	-159	-460	-546	-81	-148
<b>Fixed telephony</b>								
Net customer intake (thousands)	-1,419	-1,009	-204	-209	-1,707	-1,372	-214	-292
ARPU							132	133
Operating revenue	10,365	12,751	2,472	2,971	11,997	16,357	2,491	3,782
EBITDA	1,725	2,037	457	552	1,823	2,107	442	601
<b>All segments</b>								
Net customer intake (thousands)	2,063	2,993	579	972	1,857	2,957	561	965
Operating revenue	40,313	37,113	10,447	9,731	43,420	43,098	10,453	11,152
EBITDA	6,636	5,782	1,564	1,506	6,647	5,776	1,500	1,556
EBIT	1,285	299	247	708	1,485	-106	78	675
EBT					759	-668	-25	515
Net profit/loss					-302	-1,003	-168	250
Cash flow from operating activities					4,491	3,964	805	795
Cash flow after Capex					263	-508	-373	-314

### Significant events in the quarter

- › t2 increased its ownership in t2 Netherlands Holding N.V. (former Versatel) to 99 percent
- › t2 Croatia was awarded 900 MHz EGSM frequency
- › 3G license allocated to t2's network company in Norway
- › t2 completed the divestment of t2 Italy and t2 Spain to Vodafone
- › t2 Russia was awarded an additional 17 new regional licenses
- › t2 Croatia signed a national roaming agreement with T-Mobile
- › t2 completed the divestment of its operations in Hungary to HTCC
- › t2 announced the divestment of its Austrian MVNO operations to Telekom Austria Group
- › t2 Russia completed the acquisition of Telecom Eurasia in Krasnodar from ZAO SMARTS
- › t2's subsidiary t2 Netherlands Holding N.V. (former Versatel) completed the divestment of its Belgian operations to KPN

## FINANCIAL OVERVIEW BY MARKET AREA

Comments below relate to t2's operations less divested companies

### NORDIC

(Sweden and Norway)

SEK Million	Q4 2007	Q4 2006	Change
Operating revenue*	3,745	3,484	7%
EBITDA	682	726	-6%
EBIT**	388	461	-16%

\*Excluding one-off item of SEK -200 (-) million (see note 1)

\*\*Excluding one-off item of SEK -200 (50) million (see note 1-2)

 **Mobile telephony** The Swedish and Norwegian operations continued to show a good development and added 93,000 (39,000) new mobile customers in Q4 2007, an increase in net intake of 138 percent compared to the same period last year.

Mobile telephony in Sweden increased sales by 10 percent to SEK 1,914 (1,745) million and added 92,000 new customers. The growth was driven by a solid intake of post-paid, pre-paid and mobile broadband subscriptions as well as handset sales. The high customer intake in Sweden in combination with more customers choosing post-paid subscription, had a slight negative impact on profitability during the quarter.

Mobile broadband subscriptions in the Swedish market continued to develop well and the demand from the consumer segment is promising. The customer base grew by 48,000 new customers. The total mobile broadband customer base was 93,000 in Q4 2007 and ARPU was SEK 167 in the quarter, boosted by revenue from start-up and administrative fees. In 2008, we expect to see continued growth of mobile broadband subscriptions driven mainly by a strong demand from the consumer segment. The increased intake of mobile broadband customers will however be associated with higher acquisition costs and also higher fees to the Svenska UMTS Nät AB joint venture (see note 10), which will impact margins in 2008.

The mobile operations in Sweden reported an ARPU of SEK 207 (200) in Q4 2007, including pre-paid, post-paid and mobile broadband subscriptions. Minutes of use for the Swedish operations were 194 (180) in Q4 2007. EBITDA was SEK 669 (672) million with an EBITDA margin of 35 percent.

t2 Norway Mobile experienced a slower quarter, adding 1,000 (28,000) new mobile customers mainly affected by higher churn caused by the migration process to the new Netcom MVNO agreement. In Q4 2007, t2 Norway had a market share of 8,0 percent in terms of subscriptions and 8.6 percent in terms of mobile revenue, according to the national regulator.

Mobile revenue for the operation in Norway grew by 19 percent to SEK 684 (576) million during Q4 2007 and EBITDA amounted to SEK 41 (44) million. The EBITDA margin was 6 (8) percent. The decreasing profitability in Norway was mainly an effect of price increases in the current Telenor MVNO agreement due to volume hurdles being passed by t2. However, the new MVNO agreement with Netcom ASA will have a significant positive effect on profitability from Q2 2008 onwards. The Joint Venture (JV) between t2 and Network Norway, Mobile

Norway, was allocated a new 3G licence in the quarter. The new 3G license will enable Mobile Norway to increase the efficiency of the network expansion by rolling out both GSM and 3G already in phase one.



**Broadband resale and Direct access & LLUB** Broadband resale and Direct access & LLUB added 17,000 (30,000) new customers in the Nordic market. Sales increased by 16 percent to SEK 437 (378) million. EBITDA added up to SEK -69 (-48) million. t2 continued its efforts during the quarter to migrate customers from resold services to services based on own infrastructure.

t2 Sweden added 21,000 (25,000) broadband customers of which 1,500 (300) Cable-TV in the quarter. Broadband revenue increased by 16 percent to SEK 325 (281) million. The broadband operations saw an EBITDA result of SEK -55 (-29) million.

t2 Sweden continued to strengthen its position in Cable-TV in the quarter, adding approximately 16,000 new households (in the cities of Norrköping and Växjö). In Q4 2007, t2 had 166,500 digital TV customers.

t2 Norway relaxed its marketing efforts for resold broadband during the quarter and continued to migrate customers onto its own infrastructure. The broadband customer base decreased by -4,000 (5,000) customers in Q4 2007. t2 Norway will continue to focus its marketing efforts where t2 owns infrastructure on LLUB. t2's population coverage with own infrastructure was 55 percent in the quarter. Broadband revenue in Norway increased by 15 percent to SEK 112 (97) million and EBITDA amounted to SEK -14 (-19) million in Q4 2007.



**Fixed telephony resale** Both the Swedish and the Norwegian operations continued to gain market shares, despite an overall declining xed telephony market. t2 Sweden experienced good demand for bundled fixed and mobile services within the SME segment. Fixed telephony sales in the Nordic operations declined by 16 percent to SEK 701 (835) million in Q4 2007, due to a deteriorating market. Combined, Sweden and Norway lost net 55,000 customers in Q4 2007.


t2 Sweden xed line telephony saw a decline of -45,000 (-22,000) customers in the quarter and revenue dropped by 16 percent to SEK 528 (631) million, to some extent helped by a more stabilizing trend in xed line pricing. EBITDA contribution in t2 Sweden stayed flat at SEK 60 (60) million, corresponding to an EBITDA margin of 11 percent.

The declining revenue trend in xed telephony affected t2 Norway's profitability and EBITDA declined to SEK 27 (40) million in Q4 2007. t2 Norway continued to experience a volume shift from fixed to mobile services and revenue declined by 19 percent to SEK 168 (207) million in the quarter. t2 Norway lost -10,000 (-7,000) customers during the quarter.

## BALTIC & RUSSIA

(Russia, Estonia, Latvia, Lithuania and Croatia)

SEK Million	Q4 2007	Q4 2006	Change
Operating revenue	2,614	1,956	34%
EBITDA	679	462	47%
EBIT	453	287	58%

 **Mobile telephony** t2 Russia continued to combine solid customer intake with good profitability in Q4 2007. The customer base grew by 554,000 (859,000) and operating revenue reached SEK 1,418 (920) million, an increase of 54 percent. ARPU was SEK 58 (55) in Q4 2007. EBITDA reached SEK 440 (243) million, which corresponds to an EBITDA margin of 31 (26) percent.

In Q4 2007, t2 Russia was awarded 17 new regional GSM 1800 licenses. The population in the new regions added up to 19.1 million. However the licence process has been challenged in court. t2's ambition, going forward, is to develop the existing footprint, but also to opportunistically expand into new regions in Russia, both through licences and through acquisitions.

Of the three Baltic countries, Lithuania continued to outperform the others by adding 43,000 (82,000) customers followed by Estonia gaining 3,000 (2,000) customers and Latvia shedding -6,000

(16,000) customers.

Estonia saw mobile revenue increase by 16 percent to SEK 282 (244) million. Lithuania revenue increased by 15 percent to SEK 336 (292) million and Latvia by 8 percent to SEK 420 (390) million. t2 Estonia's EBITDA increased by 35 percent to SEK 96 (71) million. t2 Lithuania saw EBITDA decrease by 23 percent to SEK 66 (86) million mainly due to a high intake of corporate customers. Latvia decreased EBITDA by 8 percent to SEK 157 (170) million.

During Q4 2007 the economic development in the Baltic region started to slow, which impacted the development of t2's operations.

t2 Croatia added 15,000 customers in Q4 2007, compared with 39,000 in Q4 2006. The total customer base amounted to 470,000 at the end of the quarter. Revenue increased by 56 percent to SEK 156 (100) million. EBITDA amounted to SEK -83 (-114) million in Q4 2007.

In Q4 2007 t2 Croatia announced a new roaming agreement with T-Mobile, that will be effective as of 1 of June, 2008. t2 Croatia was also awarded a 900 MHz EGSM frequency during the quarter. The new frequency will enable the company to enhance its network coverage and reduce capital expenditure.


Going forward, t2 will continue its push into the corporate end in the Baltic region as well as in Russia. The focus will be on the SME segment.


## CENTRAL EUROPE

(Germany, Austria and Poland)

SEK Million	Q4 2007	Q4 2006	Change
Operating revenue	1,689	1,841	-8%
EBITDA	-6	194	
EBIT*	-139	141	

\*Excluding one-off item of SEK -3 (-) million (see note 2)


 **Mobile telephony** The MVNO operation in Austria continued to experience tough competition from the network operators in the country, leading to overall lower mobile tariffs. The Austrian operations lost -8,000 (-10,000) customers during the quarter and reported a revenue of SEK -12 (40) million, due to a correction charge of SEK -33 million. EBITDA was SEK -50 (-4) million in Q4 2007, including a correction charge of SEK -36 million. The sale of the MVNO operations in Austria is still pending approval from the local competition authority.

 **Broadband resale and Direct access & LLUB** In Germany, t2 relaxed its marketing and sales activities on broadband services. The market conditions are still difficult with tough competition from both cable and telecom operators, leading to deteriorating prices on broadband services. t2 Germany increased broadband resale revenue by 11 percent to SEK 84 (76) million shedding 2,000 (43,000) customers. Direct access & LLUB revenue amounted to SEK 13 (0) million with 15,000 (0) new customers in Q4 2007. Due to the shift in marketing, Broadband resale EBITDA improved to SEK -6 (-75) million while Direct access & LLUB EBITDA decreased to SEK -159 (-30) million. The loss in the quarter was a result of higher subscriber intake together with fixed fees associated with the Plusnet Joint Venture (see note 10).

t2 Austria continued to deliver stable customer growth in Direct access & LLUB, adding 13,000 (13,000) new users in the quarter. The customer development in Broadband resale was -2,000 (2,000) in the quarter. Broadband resale revenue decreased by 9 percent to SEK 30 (33) million in Q4 2007. Direct access & LLUB revenue increased by

11 percent to SEK 248 (223) million. Broadband resale EBITDA was stable at SEK -13 (-12) million, hampered by a correction charge of SEK 2 million. Direct access & LLUB EBITDA fell to SEK -60 (-5) million in the quarter, negatively affected by a correction charge of SEK 10 million.

t2 Poland continued to push its new resold ADSL offer with full national coverage. The customer base grew by 7,000 (0) new customers in the quarter and revenue amounted to SEK 2 (0) million. EBITDA amounted to SEK -13 million, a sequential improvement by SEK 12 million.

 **Fixed telephony resale** The fixed telephony market in Germany and Austria continued to be a challenge in Q4 2007, with lower mobile prices leading to fixed-to-mobile substitution. However, t2 was better at managing its existing customer base, leading to lower churn compared to Q3 2007. Consequently, the number of t2's fixed telephony customers in the market area fell by -87,000 (-56,000) compared to -277,000 in Q3 2007. Revenue continued to decline by 17 percent to SEK 1,102 (1,329) million. Due to a combination of lower marketing spend and better churn management, the EBITDA margin stayed fairly flat at 21 (22) percent.


Germany lost 36,000 (71,000) customers in the quarter with a revenue decline of 22 percent to SEK 668 (855) million. EBITDA contribution was SEK 169 (200) million in Q4 2007. t2 Austria lost a net of -34,000 (-56,000) customers in the quarter and reported a 33 percent decline in revenue to SEK 180 (268) million, impacted by a correction charge of SEK 9 million. EBITDA decreased by 70 percent to SEK 26 (88) million in Q4 2007 affected by a correction charge of SEK 21 million.

t2 Poland has continued to successfully cross-sell the wholesale line rental product to its customer base. Together with reduced costs this has had a positive effect on both sales and profitability during the quarter. Customer loss in the quarter recovered to -17,000 (-71,000) and fixed telephony revenue increased by 23 percent to SEK 254 (206) million as an effect of successful cross-selling. EBITDA contribution amounted to SEK 42 (7) million, corresponding to an EBITDA margin of 17 percent.


## SOUTHERN EUROPE


(France and Switzerland)

SEK Million	Q4 2007	Q4 2006	Change
Operating revenue	626	751	-17%
EBITDA	-90	-159	
EBIT	-105	-171	

 **Mobile telephony** t2 France increased its marketing activities in Q4 2007. Consequently, the operation had once again a positive customer intake of 26,000 (41,000) in the quarter. t2 France saw a negative revenue development at SEK 275 (289) million due to lower prices, while EBITDA continued to improve to SEK -72 (-202) million in the quarter. Sequentially EBITDA fell as an effect of higher marketing spend related to customer intake and acquisition cost. t2 has renegotiated its existing MVNO agreement in France, implying improved underlying profitability as of Q1 2008.

t2 Switzerland continued to roll-out its GSM network during the quarter and the operation saw continued market traction for its products. However, during the quarter the mobile operations was negatively effected by higher marketing costs following the expansion of t2's GSM network, which led to lower EBITDA. Net additions during the quarter amounted to 7,000 (3,000) new customers. Revenue increased by 58 percent to SEK 38 (24) million and EBITDA dropped to SEK -80 (-23) million.

 **Broadband resale and Direct access & LLUB** Net intake of Broadband resale customers in Switzerland was -3,000 (0). Revenue amounted to SEK 59 (62) million and EBITDA contribution was SEK -11 (-11) million during Q4 2007.

 **Fixed telephony resale** t2 Switzerland had a customer decline of 21,000 (-21,000) in Q4 2007. Fixed telephony revenue dropped by 30 percent to SEK 227 (326) million. EBITDA contribution was SEK 73 (76) million in Q4 2007,


## BENELUX

(Netherlands, Luxembourg and Liechtenstein)


SEK Million	Q4 2007	Q4 2006	Change
Operating revenue	1,909	1,666	15%
EBITDA	312	279	12%
EBIT*	-2	-60	

\*Excluding one-off item of SEK -125 (-) million (see note 2)

In Q4 2007, t2 increased its ownership in t2 Netherlands Holding N.V. (former Versatel) to 99 percent.

 **Mobile telephony Within the mobile segment,** t2 Netherlands continued marketing efforts towards high value postpaid subscriptions in the fourth quarter of 2007. Overall mobile revenues benefited from higher postpaid usage and increasing terminating minutes. However, the total base of postpaid subscriptions declined slightly due to an increase in churn.

In Luxembourg, mobile telephony net intake in Q4 2007 was 1,000 (1,000) customers. Revenue declined by 6 percent to SEK 201 (213) million. The EBITDA margin was 37 (38) percent, negatively affected by new roaming tariffs in September and a larger focus on post-paid net additions.

 **Broadband resale and Direct Access & LLUB** In the residential market t2 Netherlands continued to experience strong broadband customer growth. The broadband customer base increased

by 22,000 (9,000) subscribers in Q4 2007. Following the success of the first dual play offering, including a free laptop in Q3 2007, t2 launched a second offering in Q4 2007, which provided an order intake of approximately 15,000 subscribers. These customers will be provisioned during Q1 2008. On the business side t2 continued closing corporate deals. t2 has been selected as preferred partner for the delivery of voice services to the Dutch police, and signed the agreement at the beginning of December. In addition, t2 renewed its IP VPN contract with DHL, providing data services for 150 locations.

t2 Luxembourg added approximately 1,000 (1,000) new broadband resale customer in Q4 2007. Revenue amounted to SEK 6 (2) million and EBITDA contribution was SEK 1 (-4) million.

 **Fixed telephony resale** The carrier preselect (CPS) subscriber base in the Netherlands declined with approximately 35,000 customers, to a total of approximately 465,000 subscribers at Q4 2007. The intake of the wholesale line rental product continued in Q4 2007, enabling higher ARPU and extended customer lifetime of the residential CPS customer base

t2 Luxembourg fixed telephony revenue amounted to SEK 22 (23) million and EBITDA contribution was SEK 1 (1) million in Q4 2007.

## SERVICES

(Datamatrix, Procure IT right and Radio Components)

SEK Million	Q4 2007	Q4 2006	Change
Operating revenue	64	33	94%
EBITDA	-13	4	
EBIT	-20	-	

## OTHER ITEMS

### RISKS AND UNCERTAINTY FACTORS

t2's operations are affected by a number of external factors. The risk factors considered to be most significant to t2's future development are operating risks such as changes in regulatory legislation in telecommunication services, increased competition, introduction of new services, ability to attract and retain customers and legal proceedings, and financial risks such as currency risk, interest risk, liquidity risk and credit risk. In addition to the risks described in t2's annual report (see Directors' report and Note 38 of the report for a detailed description of the Group's risk exposure and risk management), no additional significant risks are estimated to have developed.

### COMPANY DISCLOSURE

#### Dividend

The Board of Directors will propose to the Annual General Meeting that the dividend is increased to SEK 3.15 (1.83) per share. The Board of Directors also proposes an extra dividend of SEK 4.70 per share together with the authorisation to purchase up to 10 percent of shares in the company.

#### t2 Annual General Meeting 2008

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

Shareholders wishing to have a matter considered at the Annual General Meeting should submit their proposals in writing to [agm@t2.se](mailto:agm@t2.se) or to The Company Secretary, t2 AB, Box 2094, SE-103 13 Stockholm, Sweden, at least seven weeks before the Annual General Meeting in order to guarantee that the proposal may be included in the notice to the meeting.

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

#### Nomination committee for the 2008 Annual General Meeting

A Nomination Committee of major shareholders in t2 has been convened in accordance with the resolution of the 2007 Annual General Meeting. The Nomination Committee is comprised of Cristina Stenbeck on behalf of Investment AB Kinnevik and Emesco AB, Åsa Nisell on behalf of Swedbank Robur, Ramsay Brufer on behalf of Alecta and Björn Lind on behalf of SEB Fonder and SEB Trygg Liv, who together represent more than 50% of the voting rights in t2. The composition of the Nomination Committee may be changed to reflect any changes in the shareholding of the major shareholders during the nomination process. Information about the work of the Nomination Committee can be found on t2's corporate website at [www.t2.com](http://www.t2.com).

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

Shareholders wishing to propose candidates for election to the Board of Directors of t2 should submit their proposal in writing to [agm@t2.se](mailto:agm@t2.se) or to the Company Secretary, t2 AB, Box 2094, SE 103 13, Stockholm, Sweden.

#### Other

t2 will release the financial and operating results for the period ending March 31, 2008 on April 23, 2008.

Stockholm, February 12, 2008

Vigo Carlund  
Chairman

Mia Brunell Livfors

John Hepburn

Mike Parton

John Shakeshaft

Cristina Stenbeck

Pelle Törnberg

Lars-Johan Jarnheimer  
President and CEO



**REPORT REVIEW****Introduction**

We have reviewed the year-end report (interim report) for the period January 1, 2007 to December 31, 2007, for t2 AB (publ). The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

**Scope of Review**

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

**Conclusion**

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

Stockholm, February 12, 2008  
Deloitte AB

Jan Berntsson  
Authorized Public Accountant

**Conference call details**

A conference call, with an interactive presentation, to discuss the results will be held at 08.00 (CET) / 07.00 (UK time) / 02.00 am (New York time), on February 12, 2008.

The dial-in numbers are:

UK: +44 (0)20 7162 0025,

US: +1 334 323 6201,

France: +33 (0)1 7099 3208,

Germany: +49 (0)695 8999 0507,

The Netherlands: +31 (0)20 7965 008 and

Sweden: +46 (0)8 5052 0110

Please dial in 10 minutes prior to the start of the conference call to allow time for registration. The conference call will also be available as a link on the t2 corporate website [www.t2.com](http://www.t2.com), both live and as an archived version.



**VISIT OUR WEBSITE:**

[www.T2.c0m](http://www.T2.c0m)

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**APPENDICES**

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EBITDA

EBIT

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Key Ratios

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Notes

**T2** **EUROPE'S LEADING TELECOM OPERATOR.** t2's mission is to provide cheap and simple telecoms. t2 always strives to offer the market's best prices. We have 25 million customers in 15 countries. t2 offers fixed and mobile telephony, broadband, data network services, cable TV and content services. Ever since Jan Stenbeck founded the company in 1993, it has been a tough challenger to the former government monopolies and other established providers. t2 has been listed on the OMX Nordic Exchange since 1996. In 2007, we had an operating revenue of SEK 43.4 billion and reported an operating profit (EBITDA) of SEK 6.6 billion.

## INCOME STATEMENT

SEK million	Note	2007 Full year	2006 Full year	2007 Q4	2006 Q 4
<b>CONTINUING OPERATIONS</b>					
Operating revenue	1	43,420	43,098	10,453	11,152
Operating expenses	2	-41,150	-40,636	-10,229	-10,418
Impairment of goodwill	2	-1,315	-2,457	-5	-
Sale of operations, profit	3	1,562	50	40	-
Sale of operations, loss	4	-823	-20	-128	-17
Result from shares in associated companies and joint ventures	10	-234	-135	-60	-42
Other operating revenues		125	42	67	8
Other operating expenses		-100	-48	-60	-8
<b>Operating profit/loss, EBIT</b>		<b>1,485</b>	<b>-106</b>	<b>78</b>	<b>675</b>
Net interest expenses		-760	-598	-186	-192
Other financial items		34	36	83	32
<b>Profit/loss after financial items, EBT</b>		<b>759</b>	<b>-668</b>	<b>-25</b>	<b>515</b>
Tax on profit/loss	5	-1,061	-335	-143	-265
<b>NET PROFIT/LOSS FROM CONTINUING OPERATIONS</b>		<b>-302</b>	<b>-1,003</b>	<b>-168</b>	<b>250</b>
<b>DISCONTINUED OPERATIONS</b>					
Net profit/loss from discontinued operations	9	-1,467	-2,737	139	-310
<b>NET PROFIT/LOSS</b>		<b>-1,769</b>	<b>-3,740</b>	<b>-29</b>	<b>-60</b>
ATTRIBUTABLE TO:					
Equity holders of the parent company		-1,669	-3,615	-31	-42
Minority interest		-100	-125	2	-18
<b>NET PROFIT/LOSS</b>		<b>-1,769</b>	<b>-3,740</b>	<b>-29</b>	<b>-60</b>
Earnings per share (SEK)		-3.75	-8.14	-0.07	-0.09
Earnings per share, after dilution (SEK)		-3.75	-8.14	-0.07	-0.10
FROM CONTINUING OPERATIONS					
Earnings per share (SEK)	9	-0.45	-1.98	-0.38	0.60
Earnings per share, after dilution (SEK)		-0.45	-1.98	-0.38	0.60
Number of outstanding shares, basic	7	444,851,339	444,489,593		
Number of shares in own custody	7	4,098,000	-		
Number of shares, weighted average	7	444,727,119	444,129,836		
Number of shares after dilution	7	445,235,120	444,614,065		
Number of shares after dilution, weighted average	7	445,220,904	444,353,295		

## BALANCE SHEET

SEK million	Note	Dec 31, 2007	Dec 31, 2006
<b>Assets</b>			
<b>FIXED ASSETS</b>			
Goodwill	2-4	12,603	18,491
Other intangible assets		2,089	3,353
<b>Intangible assets</b>		<b>14,692</b>	<b>21,844</b>
Tangible assets		14,388	16,059
Financial assets		1,007	876
Deferred tax assets		3,258	4,986
<b>FIXED ASSETS</b>		<b>33,345</b>	<b>43,765</b>
<b>CURRENT ASSETS</b>			
Materials and supplies		435	424
Current receivables		9,816	12,980
Short-term investments		2,593	1,988
Cash and cash equivalents		2,459	2,619
<b>CURRENT ASSETS</b>		<b>15,303</b>	<b>18,011</b>
<b>ASSETS CLASSIFIED AS HELD FOR SALE</b>	9	–	4,388
<b>ASSETS</b>		<b>48,648</b>	<b>66,164</b>
<b>Equity and liabilities</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Attributable to equity holders of the parent company		26,821	28,800
Minority interests		28	323
<b>SHAREHOLDERS' EQUITY</b>		<b>26,849</b>	<b>29,123</b>
<b>LONG-TERM LIABILITIES</b>			
Interest-bearing liabilities		5,670	13,050
Non-interest-bearing liabilities		927	1,343
<b>LONG-TERM LIABILITIES</b>		<b>6,597</b>	<b>14,393</b>
<b>SHORT-TERM LIABILITIES</b>			
Interest-bearing liabilities		4,602	6,907
Non-interest-bearing liabilities		10,600	14,224
<b>SHORT-TERM LIABILITIES</b>		<b>15,202</b>	<b>21,131</b>
<b>LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE</b>	9	–	1,517
<b>EQUITY AND LIABILITIES</b>		<b>48,648</b>	<b>66,164</b>

## CASH FLOW STATEMENT\*

SEK million	Note	2007 Full year	2006 Full year	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3
<b>OPERATING ACTIVITIES</b>									
Cash flow from operation		4,488	4,979	1,339	1,208	1,289	652	1,048	1,511
Change in working capital		-138	-1,132	-367	615	-136	-250	-452	67
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>4,350</b>	<b>3,847</b>	<b>972</b>	<b>1,823</b>	<b>1,153</b>	<b>402</b>	<b>596</b>	<b>1,578</b>
<b>INVESTING ACTIVITIES</b>									
Capital expenditure in intangible and tangible assets, CAPEX		-5,169	-5,520	-1,315	-1,188	-1,493	-1,173	-1,422	-1,420
<b>Cash flow after CAPEX</b>		<b>-819</b>	<b>-1,673</b>	<b>-343</b>	<b>635</b>	<b>-340</b>	<b>-771</b>	<b>-826</b>	<b>158</b>
Acquisition of shares and participations	8	-1,438	-1,346	-1,225	-27	-166	-20	-44	-1,181
Sale of shares and participations	8	13,215	31	7,576	5,505	26	108	-5	-
Change of long-term receivables		-6	-101	161	-356	122	67	-260	17
<b>Cash flow from investing activities</b>		<b>6,602</b>	<b>-6,936</b>	<b>5,197</b>	<b>3,934</b>	<b>-1,511</b>	<b>-1,018</b>	<b>-1,731</b>	<b>-2,584</b>
<b>CASH FLOW AFTER INVESTING ACTIVITIES</b>		<b>10,952</b>	<b>-3,089</b>	<b>6,169</b>	<b>5,757</b>	<b>-358</b>	<b>-616</b>	<b>-1,135</b>	<b>-1,006</b>
<b>FINANCING ACTIVITIES</b>									
Change of loans, net		-10,798	3,775	-6,729	-5,518	1,065	384	1,083	1,380
Dividend	7	-814	-777	-	-	-814	-	-	-
New share issue	7	27	58	5	5	5	12	17	-
Repurchase of own shares	7	-5	-	-5	-	-	-	-	-
Other financing activities		351	-	-	1	-2	352	-	-
<b>Cash flow from financing activities</b>		<b>-11,239</b>	<b>3,056</b>	<b>-6,729</b>	<b>-5,512</b>	<b>254</b>	<b>748</b>	<b>1,100</b>	<b>1,380</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>-287</b>	<b>-33</b>	<b>-560</b>	<b>245</b>	<b>-104</b>	<b>132</b>	<b>-35</b>	<b>374</b>
Cash and cash equivalents at beginning of period		2,619	2,773	2,931	2,668	2,769	2,619	2,705	2,277
Exchange rate differences in cash		127	-121	88	18	3	18	-51	54
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		<b>2,459</b>	<b>2,619</b>	<b>2,459</b>	<b>2,931</b>	<b>2,668</b>	<b>2,769</b>	<b>2,619</b>	<b>2,705</b>
* Including discontinued operations									
Taxes paid included in cash flow from operation		-1,570	-562	-189	-489	-210	-682	-231	-149
Cash flow for discontinued operations	9								

## CHANGE IN SHAREHOLDERS' EQUITY

SEK million	Note	Dec 31, 2007			Dec 31, 2006		
		Attributable to		Total shareholders' equity	Attributable to		Total shareholders' equity
		equity holders of the parent company	minority interests		equity holders of the parent company	minority interests	
Shareholders' equity, January 1		28,800	323	29,123	34,965	403	35,368
ITEMS RECOGNIZED DIRECTLY IN SHAREHOLDERS' EQUITY							
Exchange rate differences		1,478	9	1,487	-1,829	-2	-1,831
Reversed cumulative exchange rate differences from divested companies		-1,053	-	-1,053	-	-	-
Cash flow hedges		49	-	49	-5	-	-5
<b>Items recognized directly in shareholders' equity</b>		<b>474</b>	<b>9</b>	<b>483</b>	<b>-1,834</b>	<b>-2</b>	<b>-1,836</b>
Net profit/loss for the period		-1,669	-100	-1,769	-3,615	-125	-3,740
<b>Total for the period</b>		<b>-1,195</b>	<b>-91</b>	<b>-1,286</b>	<b>-5,449</b>	<b>-127</b>	<b>-5,576</b>
OTHER CHANGES IN SHAREHOLDERS' EQUITY							
Issue of warrants		-	-	-	7	-	7
Costs for stock options		8	-	8	4	-	4
New share issue	7	27	-	27	51	-	51
Dividend	7	-814	-4	-818	-777	-	-777
Repurchase of own shares	7	-5	-	-5	-	-	-
Minority's share in acquired companies		-	-	-	-	61	61
Shareholders contribution from minority		-	395	395	-	-	-
Purchase of minority		-	-595	-595	-	-14	-14
Round off		-	-	-	-1	-	-1
<b>SHAREHOLDERS' EQUITY, END OF PERIOD</b>		<b>26,821</b>	<b>28</b>	<b>26,849</b>	<b>28,800</b>	<b>323</b>	<b>29,123</b>

## NUMBER OF CUSTOMERS

Thousands	Note	Number of customers			Net intake					
		2007 Dec 31	2006 Dec31	Change	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3
<b>Nordic</b>										
Mobile telephony	6	3,547	4,249	-17%	93	120	36	19	41	51
Indirect access		1,214	1,694	-28%	-62	-31	-63	-84	-37	-60
<i>of which fixed telephony resale</i>		1,081	1,534	-30%	-55	-29	-67	-95	-42	-62
<i>of which broadband resale</i>		133	160	-17%	-7	-2	4	11	5	2
Direct access & LLUB		365	311	17%	24	24	18	21	25	19
		<b>5,126</b>	<b>6,254</b>	<b>-18%</b>	<b>55</b>	<b>113</b>	<b>-9</b>	<b>-44</b>	<b>29</b>	<b>10</b>
<b>Baltic &amp; Russia</b>										
Mobile telephony		12,440	10,032	24%	609	751	909	716	1,072	876
Indirect access		30	41	-27%	-2	-2	-3	-4	-4	-5
<i>of which fixed telephony resale</i>		30	41	-27%	-2	-2	-3	-4	-4	-5
Direct access & LLUB		36	32	13%	1	1	1	1	2	1
		<b>12,506</b>	<b>10,105</b>	<b>24%</b>	<b>608</b>	<b>750</b>	<b>907</b>	<b>713</b>	<b>1,070</b>	<b>872</b>
<b>Central Europe</b>										
Mobile telephony		116	174	-33%	-8	-7	-13	-30	-10	-1
Indirect access		4,221	5,544	-24%	-93	-299	-271	-208	-38	-43
<i>of which fixed telephony resale</i>		4,019	5,383	-25%	-96	-299	-285	-232	-83	-67
<i>of which broadband resale</i>		202	161	25%	3	-	14	24	45	24
Direct access & LLUB		150	70	114%	28	19	15	18	13	11
		<b>4,487</b>	<b>5,788</b>	<b>-22%</b>	<b>-73</b>	<b>-287</b>	<b>-269</b>	<b>-220</b>	<b>-35</b>	<b>-33</b>
<b>Southern Europe</b>										
Mobile telephony		518	444	17%	33	-	-3	44	44	69
Indirect access		425	887	-52%	-25	-41	-73	-43	-39	-59
<i>of which fixed telephony resale</i>		340	799	-57%	-22	-40	-73	-44	-39	-61
<i>of which broadband resale</i>		85	88	-3%	-3	-1	-	1	-	2
Direct access & LLUB		-	-	-	-	8	12	4	-	-
		<b>943</b>	<b>1,331</b>	<b>-29%</b>	<b>8</b>	<b>-33</b>	<b>-64</b>	<b>5</b>	<b>5</b>	<b>10</b>
<b>Benelux</b>										
Mobile telephony		806	827	-3%	-21	1	2	-2	-1	-19
Indirect access		574	1,170	-51%	-40	-78	-118	-144	-133	-161
<i>of which fixed telephony resale</i>		520	1,063	-51%	-39	-71	-115	-134	-124	-153
<i>of which broadband resale</i>		54	107	-50%	-1	-7	-3	-10	-9	-8
Direct access & LLUB		279	276	1%	24	25	21	27	30	23
		<b>1,659</b>	<b>2,273</b>	<b>-27%</b>	<b>-37</b>	<b>-52</b>	<b>-95</b>	<b>-119</b>	<b>-104</b>	<b>-157</b>
<b>NET CUSTOMER INTAKE</b>					<b>561</b>	<b>491</b>	<b>470</b>	<b>335</b>	<b>965</b>	<b>702</b>
Acquired companies					10	-	-	-	-	182
Divested companies					-762	-1,376	-	-	-	-
Changed method of calculation	6				-	-	-759	-	-	-
<b>TOTAL CONTINUING OPERATIONS</b>		<b>24,721</b>	<b>25,751</b>	<b>-4%</b>	<b>-191</b>	<b>-885</b>	<b>-289</b>	<b>335</b>	<b>965</b>	<b>884</b>
Discontinued operations	9	-	6,352	-	-47	-141	-239	-238	-213	-267
Divested companies					-2,969	-2,718	-	-	-	-
<b>TOTAL OPERATIONS</b>		<b>24,721</b>	<b>32,103</b>	<b>-23%</b>	<b>-3,207</b>	<b>-3,744</b>	<b>-528</b>	<b>97</b>	<b>752</b>	<b>617</b>
Mobile telephony	6	17,427	15,726	11%	706	865	931	747	1,146	976
<i>of which prepaid</i>		13,633	12,261	11%	571	664	857	615	991	809
Indirect access		6,464	9,336	-31%	-222	-451	-528	-483	-251	-328
<i>of which fixed telephony resale</i>		5,990	8,820	-32%	-214	-441	-543	-509	-292	-348
<i>of which broadband resale</i>		474	516	-8%	-8	-10	15	26	41	20
Direct access & LLUB		830	689	20%	77	77	67	71	70	54
Acquired companies					10	-	-	-	-	182
Divested companies					-762	-1,376	-	-	-	-
Changed method of calculation	6				-	-	-759	-	-	-
<b>Total continuing operations</b>		<b>24,721</b>	<b>25,751</b>	<b>-4%</b>	<b>-191</b>	<b>-885</b>	<b>-289</b>	<b>335</b>	<b>965</b>	<b>884</b>

## OPERATING REVENUE

SEK million	Note	2007 Full year	2006 Full year	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3
<b>Nordic</b>									
Mobile telephony		10,105	9,342	2,580	2,582	2,576	2,367	2,404	2,426
Indirect access		4,131	5,083	819	913	1,172	1,227	1,202	1,247
<i>of which fixed telephony resale</i>		3,570	4,497	702	786	1,014	1,068	1,054	1,100
<i>of which broadband resale</i>		561	586	117	127	158	159	148	147
Direct access & LLUB		1,240	1,084	320	289	316	315	305	287
Other operations		740	691	187	195	183	175	178	180
One-off items	1	-200	-	-200	-	-	-	-	-
Adjustments for internal sales		-751	-798	-160	-196	-185	-210	-208	-179
		<b>15,265</b>	<b>15,402</b>	<b>3,546</b>	<b>3,783</b>	<b>4,062</b>	<b>3,874</b>	<b>3,881</b>	<b>3,961</b>
<b>Baltic &amp; Russia</b>									
Mobile telephony		9,639	6,725	2,608	2,550	2,417	2,064	2,014	1,875
Indirect access		27	37	6	6	7	8	8	8
<i>of which fixed telephony resale</i>		27	37	6	6	7	8	8	8
Direct access & LLUB		19	17	5	5	5	4	5	4
Other operations		48	40	13	13	12	10	10	11
Adjustments for internal sales		-77	-50	-22	-23	-18	-14	-13	-14
		<b>9,656</b>	<b>6,769</b>	<b>2,610</b>	<b>2,551</b>	<b>2,423</b>	<b>2,072</b>	<b>2,024</b>	<b>1,884</b>
<b>Central Europe</b>									
Mobile telephony		45	168	-12	20	22	15	40	39
Indirect access		5,197	6,520	1,231	1,271	1,295	1,400	1,518	1,532
<i>of which fixed telephony resale</i>		4,720	6,179	1,115	1,151	1,170	1,284	1,409	1,438
<i>of which broadband resale</i>		477	341	116	120	125	116	109	94
Direct access & LLUB		936	849	261	230	223	222	223	234
Other operations		1,132	1,090	289	308	262	273	311	246
Adjustments for internal sales		-422	-506	-78	-127	-110	-107	-131	-118
		<b>6,888</b>	<b>8,121</b>	<b>1,691</b>	<b>1,702</b>	<b>1,692</b>	<b>1,803</b>	<b>1,961</b>	<b>1,933</b>
<b>Southern Europe</b>									
Mobile telephony		1,249	930	313	306	322	308	313	292
Indirect access		1,569	2,001	287	371	438	473	505	477
<i>of which fixed telephony resale</i>		1,324	1,754	228	310	376	410	443	414
<i>of which broadband resale</i>		245	247	59	61	62	63	62	63
Direct access & LLUB		21	-	-	10	9	2	-	-
Other operations		179	325	34	41	50	54	76	83
Adjustments for internal sales		-67	-112	-8	-16	-22	-21	-25	-26
		<b>2,951</b>	<b>3,144</b>	<b>626</b>	<b>712</b>	<b>797</b>	<b>816</b>	<b>869</b>	<b>826</b>
<b>Benelux</b>									
Mobile telephony		1,944	1,887	477	513	489	465	474	493
Indirect access		2,552	4,174	473	560	694	825	933	994
<i>of which fixed telephony resale</i>	1	2,356	3,883	440	507	643	766	867	923
<i>of which broadband resale</i>		196	291	33	53	51	59	66	71
Direct access & LLUB		2,827	2,363	681	741	696	709	668	611
Other operations	1	1,428	1,469	339	394	349	346	361	364
Adjustments for internal sales	1	-484	-838	-54	-109	-146	-175	-166	-210
		<b>8,267</b>	<b>9,055</b>	<b>1,916</b>	<b>2,099</b>	<b>2,082</b>	<b>2,170</b>	<b>2,270</b>	<b>2,252</b>
<b>Services</b>									
Indirect access		-	7	-	-	-	-	1	-
<i>of which fixed telephony resale</i>		-	7	-	-	-	-	1	-
Other operations		760	961	147	127	161	325	288	226
Adjustments for internal sales		-367	-361	-83	-65	-85	-134	-142	-68
		<b>393</b>	<b>607</b>	<b>64</b>	<b>62</b>	<b>76</b>	<b>191</b>	<b>147</b>	<b>158</b>
<b>OPERATING REVENUE FROM CONTINUING OPERATIONS</b>		<b>43,420</b>	<b>43,098</b>	<b>10,453</b>	<b>10,909</b>	<b>11,132</b>	<b>10,926</b>	<b>11,152</b>	<b>11,014</b>
Discontinued operations	9	9,213	11,533	1,369	1,918	3,023	2,903	2,795	2,735
<b>TOTAL OPERATIONS</b>		<b>52,633</b>	<b>54,631</b>	<b>11,822</b>	<b>12,827</b>	<b>14,155</b>	<b>13,829</b>	<b>13,947</b>	<b>13,749</b>
Mobile telephony		22,982	19,052	5,966	5,971	5,826	5,219	5,245	5,125
Indirect access		13,476	17,822	2,816	3,121	3,606	3,933	4,167	4,258
<i>of which fixed telephony resale</i>	1	11,997	16,357	2,491	2,760	3,210	3,536	3,782	3,883
<i>of which broadband resale</i>		1,479	1,465	325	361	396	397	385	375
Direct access & LLUB		5,043	4,313	1,267	1,275	1,249	1,252	1,201	1,136
Other operations	1	4,287	4,576	1,009	1,078	1,017	1,183	1,224	1,110
One-off items	1	-200	-	-200	-	-	-	-	-
Adjustments for internal sales	1	-2,168	-2,665	-405	-536	-566	-661	-685	-615
<b>Operating revenue from continuing operations</b>		<b>43,420</b>	<b>43,098</b>	<b>10,453</b>	<b>10,909</b>	<b>11,132</b>	<b>10,926</b>	<b>11,152</b>	<b>11,014</b>



## EBITDA

SEK million	Note	2007 Full year	2006 Full year	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3
<b>Nordic</b>									
Mobile telephony		2,681	2,912	673	695	695	618	674	771
Indirect access		437	454	42	101	138	156	102	102
<i>of which fixed telephony resale</i>		554	556	74	120	170	190	130	131
<i>of which broadband resale</i>		-117	-102	-32	-19	-32	-34	-28	-29
Direct access & LLUB		-59	36	-37	-16	-25	19	-12	19
Other operations		44	28	4	24	6	10	-4	5
		<b>3,103</b>	<b>3,430</b>	<b>682</b>	<b>804</b>	<b>814</b>	<b>803</b>	<b>760</b>	<b>897</b>
<b>Baltic &amp; Russia</b>									
Mobile telephony		2,732	1,488	675	768	726	563	479	478
Indirect access		4	13	13	-15	3	3	5	3
<i>of which fixed telephony resale</i>		4	13	13	-15	3	3	5	3
Direct access & LLUB		4	3	1	1	1	1	1	1
Other operations		3	2	-11	16	-2	-	-	-
		<b>2,743</b>	<b>1,506</b>	<b>678</b>	<b>770</b>	<b>728</b>	<b>567</b>	<b>485</b>	<b>482</b>
<b>Central Europe</b>									
Mobile telephony		-94	-28	-50	-14	-13	-17	-4	1
Indirect access		576	693	206	137	89	144	195	154
<i>of which fixed telephony resale</i>		823	1,013	238	183	188	214	282	255
<i>of which broadband resale</i>		-247	-320	-32	-46	-99	-70	-87	-101
Direct access & LLUB		-569	-57	-220	-173	-115	-61	-33	-11
Other operations		93	103	11	28	29	25	19	19
		<b>6</b>	<b>711</b>	<b>-53</b>	<b>-22</b>	<b>-10</b>	<b>91</b>	<b>177</b>	<b>163</b>
<b>Southern Europe</b>									
Mobile telephony		-483	-848	-152	-63	-98	-170	-225	-205
Indirect access		247	148	61	74	49	63	62	34
<i>of which fixed telephony resale</i>		299	182	72	87	61	79	73	30
<i>of which broadband resale</i>		-52	-34	-11	-13	-12	-16	-11	4
Direct access & LLUB		-70	-21	-	-10	-29	-31	-14	-4
Other operations		11	18	-	2	5	4	3	6
		<b>-295</b>	<b>-703</b>	<b>-91</b>	<b>3</b>	<b>-73</b>	<b>-134</b>	<b>-174</b>	<b>-169</b>
<b>Benelux</b>									
Mobile telephony		389	332	110	94	91	94	85	103
Indirect access		102	263	39	-7	32	38	96	101
<i>of which fixed telephony resale</i>		146	353	45	2	47	52	118	127
<i>of which broadband resale</i>		-44	-90	-6	-9	-15	-14	-22	-26
Direct access & LLUB		434	83	122	150	72	90	69	49
Other operations		133	111	26	45	35	27	48	9
		<b>1,058</b>	<b>789</b>	<b>297</b>	<b>282</b>	<b>230</b>	<b>249</b>	<b>298</b>	<b>262</b>
<b>Services</b>									
Indirect access		-3	-10	-	-1	-1	-1	-7	3
<i>of which fixed telephony resale</i>		-3	-10	-	-1	-1	-1	-7	3
Other operations		35	53	-13	8	24	16	17	19
		<b>32</b>	<b>43</b>	<b>-13</b>	<b>7</b>	<b>23</b>	<b>15</b>	<b>10</b>	<b>22</b>
<b>EBITDA FROM CONTINUING OPERATIONS</b>		<b>6,647</b>	<b>5,776</b>	<b>1,500</b>	<b>1,844</b>	<b>1,712</b>	<b>1,591</b>	<b>1,556</b>	<b>1,657</b>
Discontinued operations	9	302	169	304	148	-11	-139	-77	86
<b>TOTAL OPERATIONS</b>		<b>6,949</b>	<b>5,945</b>	<b>1,804</b>	<b>1,992</b>	<b>1,701</b>	<b>1,452</b>	<b>1,479</b>	<b>1,743</b>
Mobile telephony		5,225	3,856	1,256	1,480	1,401	1,088	1,009	1,148
Indirect access		1,363	1,561	361	289	310	403	453	397
<i>of which fixed telephony resale</i>		1,823	2,107	442	376	468	537	601	549
<i>of which broadband resale</i>		-460	-546	-81	-87	-158	-134	-148	-152
Direct access & LLUB		-260	44	-134	-48	-96	18	11	54
Other operations		319	315	17	123	97	82	83	58
<b>EBITDA from continuing operations</b>		<b>6,647</b>	<b>5,776</b>	<b>1,500</b>	<b>1,844</b>	<b>1,712</b>	<b>1,591</b>	<b>1,556</b>	<b>1,657</b>
<b>EBITDA MARGIN</b>									
Nordic		20%	22%	18%	21%	20%	21%	20%	23%
Baltic & Russia		28%	22%	26%	30%	30%	27%	24%	26%
Central Europe		0%	9%	-3%	-1%	-1%	5%	9%	8%
Southern Europe		-10%	-22%	-15%	0%	-9%	-16%	-20%	-20%
Benelux		13%	9%	16%	13%	11%	11%	13%	12%
Services		8%	7%	-20%	11%	30%	8%	7%	14%
<b>EBITDA margin from continuing operations</b>		<b>15%</b>	<b>13%</b>	<b>14%</b>	<b>17%</b>	<b>15%</b>	<b>15%</b>	<b>14%</b>	<b>15%</b>
Mobile telephony		23%	20%	21%	25%	24%	21%	19%	22%
Indirect access		10%	9%	13%	9%	9%	10%	11%	9%
<i>of which fixed telephony resale</i>		15%	13%	18%	14%	15%	15%	16%	14%
<i>of which broadband resale</i>		-31%	-37%	-25%	-24%	-40%	-34%	-38%	-41%
Direct access & LLUB		-5%	1%	-11%	-4%	-8%	1%	1%	5%
Other operations		7%	7%	2%	11%	10%	7%	7%	5%
<b>EBITDA margin from continuing operations</b>		<b>15%</b>	<b>13%</b>	<b>14%</b>	<b>17%</b>	<b>15%</b>	<b>15%</b>	<b>14%</b>	<b>15%</b>

## EBIT

SEK million	Note	2007 Full year	2006 Full year	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3
<b>Nordic</b>									
Mobile telephony		2,004	2,305	504	531	521	448	507	632
Indirect access		317	306	13	74	107	123	75	68
<i>of which fixed telephony resale</i>		457	418	50	97	146	164	105	97
<i>of which broadband resale</i>		-140	-112	-37	-23	-39	-41	-30	-29
Direct access & LLUB		-334	-167	-111	-84	-94	-45	-79	-38
Other operations		-28	-33	-17	7	-11	-7	-22	-10
One-off items	1-3	-166	50	-191	25	-	-	50	-
		<b>1,793</b>	<b>2,461</b>	<b>198</b>	<b>553</b>	<b>523</b>	<b>519</b>	<b>531</b>	<b>652</b>
<b>Baltic &amp; Russia</b>									
Mobile telephony		1,893	900	451	550	524	368	297	321
Indirect access		3	12	13	-16	3	3	7	-
<i>of which fixed telephony resale</i>		3	12	13	-16	3	3	7	-
Direct access & LLUB		1	1	-	1	-	-	-	1
Other operations		2	2	-12	16	-2	-	-	-
One-off items	3	1,179	-	11	1,168	-	-	-	-
		<b>3,078</b>	<b>915</b>	<b>463</b>	<b>1,719</b>	<b>525</b>	<b>371</b>	<b>304</b>	<b>322</b>
<b>Central Europe</b>									
Mobile telephony		-105	-40	-53	-16	-18	-18	-6	-3
Indirect access		368	514	146	85	41	96	159	102
<i>of which fixed telephony resale</i>		641	844	185	138	147	171	247	206
<i>of which broadband resale</i>		-273	-330	-39	-53	-106	-75	-88	-104
Direct access & LLUB		-794	-222	-286	-231	-165	-112	-56	-53
Other operations		57	78	2	19	20	16	23	10
One-off items	2-4	-862	-1,813	-2	-860	-	-	-	-1,865
		<b>-1,336</b>	<b>-1,483</b>	<b>-193</b>	<b>-1,003</b>	<b>-122</b>	<b>-18</b>	<b>120</b>	<b>-1,809</b>
<b>Southern Europe</b>									
Mobile telephony		-492	-852	-155	-66	-99	-172	-227	-205
Indirect access		198	102	49	62	35	52	52	22
<i>of which fixed telephony resale</i>		258	141	62	78	49	69	64	20
<i>of which broadband resale</i>		-60	-39	-13	-16	-14	-17	-12	2
Direct access & LLUB		-74	-21	-	-11	-31	-32	-14	-4
Other operations		11	14	1	1	5	4	3	6
One-off items	2-3	3	-94	-3	6	-	-	-	-94
		<b>-354</b>	<b>-851</b>	<b>-108</b>	<b>-8</b>	<b>-90</b>	<b>-148</b>	<b>-186</b>	<b>-275</b>
<b>Benelux</b>									
Mobile telephony		273	211	80	65	63	65	56	73
Indirect access		-137	-41	-6	-59	-36	-36	3	25
<i>of which fixed telephony resale</i>		-	155	7	-20	7	6	58	84
<i>of which broadband resale</i>		-137	-196	-13	-39	-43	-42	-55	-59
Direct access & LLUB		-525	-864	-112	-94	-169	-150	-173	-182
Other operations		45	15	5	23	13	4	20	-15
One-off items	2,4	-1,231	-457	-231	-480	-520	-	-	-457
		<b>-1,575</b>	<b>-1,136</b>	<b>-264</b>	<b>-545</b>	<b>-649</b>	<b>-117</b>	<b>-94</b>	<b>-556</b>
<b>Services</b>									
Indirect access		-3	-10	-	-1	-1	-1	-6	2
<i>of which fixed telephony resale</i>		-3	-10	-	-1	-1	-1	-6	2
Other operations		-11	-2	-17	-5	10	1	6	4
One-off items	3-4	-107	-	-1	-101	-	-5	-	-
		<b>-121</b>	<b>-12</b>	<b>-18</b>	<b>-107</b>	<b>9</b>	<b>-5</b>	<b>-</b>	<b>6</b>
<b>EBIT FROM CONTINUING OPERATIONS</b>		<b>1,485</b>	<b>-106</b>	<b>78</b>	<b>609</b>	<b>196</b>	<b>602</b>	<b>675</b>	<b>-1,660</b>
Discontinued operations	9	-1,092	-2,786	477	-1,004	-222	-343	-307	-2,395
<b>TOTAL OPERATIONS</b>		<b>393</b>	<b>-2,892</b>	<b>555</b>	<b>-395</b>	<b>-26</b>	<b>259</b>	<b>368</b>	<b>-4,055</b>

**EBIT, cont.**

SEK million	Note	2007 Full year	2006 Full year	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3
Mobile telephony		3,573	2,524	827	1,064	991	691	627	818
Indirect access		746	883	215	145	149	237	290	219
<i>of which fixed telephony resale</i>		1,356	1,560	317	276	351	412	475	409
<i>of which broadband resale</i>		-610	-677	-102	-131	-202	-175	-185	-190
Direct access & LLUB		-1,726	-1,273	-509	-419	-459	-339	-322	-276
Other operations		76	74	-38	61	35	18	30	-5
One-off items	1-4	-1,184	-2,314	-417	-242	-520	-5	50	-2,416
<b>EBIT from continuing operations</b>		<b>1,485</b>	<b>-106</b>	<b>78</b>	<b>609</b>	<b>196</b>	<b>602</b>	<b>675</b>	<b>-1,660</b>
<b>EBIT MARGIN</b>									
Nordic	1-3	12%	16%	6%	15%	13%	13%	14%	16%
Baltic & Russia	3	32%	14%	18%	67%	22%	18%	15%	17%
Central Europe	2-4	-19%	-18%	-11%	-59%	-7%	-1%	6%	-94%
Southern Europe	2-3	-12%	-27%	-17%	-1%	-11%	-18%	-21%	-33%
Benelux	2,4	-19%	-13%	-14%	-26%	-31%	-5%	-4%	-25%
Services	3-4	-31%	-2%	-28%	-173%	12%	-3%	0%	4%
<b>EBIT margin from continuing operations</b>		<b>3%</b>	<b>0%</b>	<b>1%</b>	<b>6%</b>	<b>2%</b>	<b>6%</b>	<b>6%</b>	<b>-15%</b>
Mobile telephony		16%	13%	14%	18%	17%	13%	12%	16%
Indirect access		6%	5%	8%	5%	4%	6%	7%	5%
<i>of which fixed telephony resale</i>		11%	10%	13%	10%	11%	12%	13%	11%
<i>of which broadband resale</i>		-41%	-46%	-31%	-36%	-51%	-44%	-48%	-51%
Direct access & LLUB		-34%	-30%	-40%	-33%	-37%	-27%	-27%	-24%
Other operations		2%	2%	-4%	6%	3%	2%	2%	0%
<b>EBIT margin from continuing operations</b>		<b>3%</b>	<b>0%</b>	<b>1%</b>	<b>6%</b>	<b>2%</b>	<b>6%</b>	<b>6%</b>	<b>-15%</b>
<b>SPECIFICATION OF ITEMS BETWEEN EBITDA AND EBIT</b>									
EBITDA		6,647	5,776	1,500	1,844	1,712	1,591	1,556	1,657
Impairment of goodwill	2	-1,315	-2,457	-5	-1,310	-	-	-	-2,457
Depreciation/amortization and other write-down	2	-4,028	-3,413	-945	-1,222	-934	-927	-872	-879
Sale of operations	3-4	739	30	-88	1,352	-520	-5	-17	-2
Other one-off items	1-2	-324	93	-324	-	-	-	50	43
Result from shares in associated companies and joint ventures	10	-234	-135	-60	-55	-62	-57	-42	-22
<b>EBIT from continuing operations</b>		<b>1,485</b>	<b>-106</b>	<b>78</b>	<b>609</b>	<b>196</b>	<b>602</b>	<b>675</b>	<b>-1,660</b>

## INVESTMENTS, CAPEX

SEK million	Note	2007 Full year	2006 Full year	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3
Nordic		1,058	957	339	224	276	219	399	175
Baltic & Russia		2,169	2,355	575	485	591	518	522	594
Central Europe		261	228	101	65	47	48	104	53
Southern Europe		93	77	33	22	20	18	21	18
Benelux		639	644	157	142	167	173	148	114
Services		49	55	15	5	11	18	16	10
<b>CAPEX for continuing operations</b>		<b>4,269</b>	<b>4,316</b>	<b>1,220</b>	<b>943</b>	<b>1,112</b>	<b>994</b>	<b>1,210</b>	<b>964</b>
Discontinued operations	9	929	1,049	210	252	249	218	354	238
<b>INVESTMENTS IN INTANGIBLE AND TANGIBLE ASSETS, CAPEX</b>		<b>5,198</b>	<b>5,365</b>	<b>1,430</b>	<b>1,195</b>	<b>1,361</b>	<b>1,212</b>	<b>1,564</b>	<b>1,202</b>
Mobile telephony		2,799	2,893	783	615	758	643	760	688
Indirect access		313	439	73	57	93	90	157	65
<i>of which fixed telephony resale</i>		215	278	60	32	70	53	95	44
<i>of which broadband resale</i>		98	161	13	25	23	37	62	21
Direct access & LLUB		960	830	285	232	219	224	227	189
Other operations		197	154	79	39	42	37	66	22
<b>CAPEX for continuing operations</b>		<b>4,269</b>	<b>4,316</b>	<b>1,220</b>	<b>943</b>	<b>1,112</b>	<b>994</b>	<b>1,210</b>	<b>964</b>
<b>ADDITIONAL CASH FLOW INFORMATION</b>									
CAPEX according to cash flow statement		5,169	5,520	1,315	1,188	1,493	1,173	1,422	1,420
Unpaid CAPEX for the period and paid CAPEX from previous year:									
Continuing operations		23	-188	40	-1	-54	38	73	-82
Discontinued operations	9	-12	1	73	4	-80	-9	41	-138
Sales price in cash flow statement		18	32	2	4	2	10	28	2
<b>CAPEX according to balance sheet, including discontinued operations</b>		<b>5,198</b>	<b>5,365</b>	<b>1,430</b>	<b>1,195</b>	<b>1,361</b>	<b>1,212</b>	<b>1,564</b>	<b>1,202</b>

## SWEDEN\*

Thousands	Note	Number of customers			Net intake					
		2007 Dec 31	2006 Dec31	Change	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3
Mobile telephony		3,099	3,508	-12%	92	100	46	17	11	3
Indirect access		977	1,125	-13%	-42	-19	-37	-50	-19	-37
<i>of which fixed telephony resale</i>		918	1,080	-15%	-45	-20	-41	-56	-22	-36
<i>of which broadband resale</i>		59	45	31%	3	1	4	6	3	-1
Direct access & LLUB		327	264	24%	18	19	14	12	22	13
<b>Net customer intake</b>					<b>68</b>	<b>100</b>	<b>23</b>	<b>-21</b>	<b>14</b>	<b>-21</b>
Changed method of calculation	6				-	-	-664	-	-	-
<b>TOTAL OPERATIONS</b>		<b>4,403</b>	<b>4,897</b>	<b>-10%</b>	<b>68</b>	<b>100</b>	<b>-641</b>	<b>-21</b>	<b>14</b>	<b>-21</b>

SEK million	Note	2007 Full year	2006 Full year	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3
<b>OPERATING REVENUE</b>									
Mobile telephony	1	7,386	6,843	1,914	1,922	1,863	1,687	1,745	1,770
Indirect access		2,581	2,751	566	640	672	703	662	680
<i>of which fixed telephony resale</i>		2,436	2,625	529	603	637	667	631	648
<i>of which broadband resale</i>		145	126	37	37	35	36	31	32
Direct access & LLUB		1,074	864	288	266	259	261	250	227
Other operations		740	691	187	195	183	175	178	180
One-off items	1	-200	-	-200	-	-	-	-	-
<b>Operating revenue</b>		<b>11,581</b>	<b>11,149</b>	<b>2,755</b>	<b>3,023</b>	<b>2,977</b>	<b>2,826</b>	<b>2,835</b>	<b>2,857</b>
<b>EBITDA</b>									
Mobile telephony		2,696	2,899	669	724	702	601	672	759
Indirect access		318	306	28	85	81	124	40	68
<i>of which fixed telephony resale</i>		402	352	60	106	99	137	60	88
<i>of which broadband resale</i>		-84	-46	-32	-21	-18	-13	-20	-20
Direct access & LLUB		-27	20	-23	-	-24	20	-9	9
Other operations		44	27	4	24	6	10	-5	5
<b>EBITDA</b>		<b>3,031</b>	<b>3,252</b>	<b>678</b>	<b>833</b>	<b>765</b>	<b>755</b>	<b>698</b>	<b>841</b>
<b>EBITDA MARGIN</b>									
Mobile telephony		37%	42%	35%	38%	38%	36%	39%	43%
Indirect access		12%	11%	5%	13%	12%	18%	6%	10%
<i>of which fixed telephony resale</i>		17%	13%	11%	18%	16%	21%	10%	14%
<i>of which broadband resale</i>		-58%	-37%	-86%	-57%	-51%	-36%	-65%	-63%
Direct access & LLUB		-3%	2%	-8%	0%	-9%	8%	-4%	4%
Other operations		6%	4%	2%	12%	3%	6%	-3%	3%
<b>EBITDA margin</b>		<b>26%</b>	<b>29%</b>	<b>23%</b>	<b>28%</b>	<b>26%</b>	<b>27%</b>	<b>25%</b>	<b>29%</b>
<b>EBIT</b>									
Mobile telephony		2,032	2,302	505	561	532	434	509	621
Indirect access		228	205	3	64	60	101	20	42
<i>of which fixed telephony resale</i>		321	253	38	87	80	116	41	63
<i>of which broadband resale</i>		-93	-48	-35	-23	-20	-15	-21	-21
Direct access & LLUB		-278	-155	-93	-63	-85	-37	-69	-32
Other operations		-28	-33	-17	7	-11	-7	-22	-11
One-off items	1-2	-484	50	-200	-284	-	-	50	-
<b>EBIT</b>		<b>1,470</b>	<b>2,369</b>	<b>198</b>	<b>285</b>	<b>496</b>	<b>491</b>	<b>488</b>	<b>620</b>
<b>EBIT MARGIN</b>									
Mobile telephony		28%	34%	26%	29%	29%	26%	29%	35%
Indirect access		9%	7%	1%	10%	9%	14%	3%	6%
<i>of which fixed telephony resale</i>		13%	10%	7%	14%	13%	17%	6%	10%
<i>of which broadband resale</i>		-64%	-38%	-95%	-62%	-57%	-42%	-68%	-66%
Direct access & LLUB		-26%	-18%	-32%	-24%	-33%	-14%	-28%	-14%
Other operations		-4%	-5%	-9%	4%	-6%	-4%	-12%	-6%
<b>EBIT margin</b>		<b>13%</b>	<b>21%</b>	<b>7%</b>	<b>9%</b>	<b>17%</b>	<b>17%</b>	<b>17%</b>	<b>22%</b>

\*t2 Sverige AB, Optimal Telecom AB, t2 Syd AB and results from shares in the joint ventures Svenska UMTS nät AB and Spring Mobil AB.

**RUSSIA**

Thousands	Note	2007 Dec 31	2006 Dec31	Change	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3
Net customer intake					554	647	839	644	933	711
Acquired companies					10	-	-	-	-	182
Divested companies					-	-587	-	-	-	-
<b>Total number of customers</b>		<b>8,560</b>	<b>6,453</b>	<b>33%</b>	<b>564</b>	<b>60</b>	<b>839</b>	<b>644</b>	<b>933</b>	<b>893</b>

SEK million	Note	2007 Full year	2006 Full year	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3
Operating revenue		5,051	2,819	1,414	1,324	1,261	1,052	988	815
EBITDA		1,590	566	439	440	414	297	266	205
EBITDA-margin		31%	20%	31%	33%	33%	28%	27%	25%
EBIT		2,209	244	300	1,459	280	170	153	112
EBIT-margin		44%	9%	21%	110%	22%	16%	15%	14%

## KEY RATIOS

SEK million	2007	2006	2005	2004
<b>CONTINUING OPERATIONS</b>				
Operating revenue	43,420	43,098	37,870	30,570
Number of customers, in thousand	24,721	25,751	23,023	19,998
EBITDA	6,647	5,776	5,293	4,996
EBIT	1,485	-106	2,607	2,858
EBT	759	-668	2,170	2,686
Net profit/loss	-302	-1,003	1,665	2,030
<b>KEY RATIO</b>				
EBITDA margin, %	15.2	13.4	14.0	16.3
EBIT margin, %	3.4	-0.2	6.9	9.3
<b>PER SHARE DATA (SEK)</b>				
Earnings	-0.45	-1.98	3.77	4.59
Earnings after dilution	-0.45	-1.98	3.77	4.57
<b>TOTAL (INCLUDING DISCONTINUED OPERATIONS)</b>				
Shareholders' equity	26,849	29,123	35,368	32,900
Shareholders' equity after dilution	26,893	29,137	35,401	32,965
Total assets	48,648	66,164	68,291	49,873
Cash flow from operating activities	4,350	3,847	5,487	5,876
Cash flow after CAPEX	-819	-1,673	1,847	4,314
Available liquidity	25,901	5,963	8,627	5,113
Net borrowing	5,198	15,311	11,839	2,831
Investments in intangible and tangible assets, CAPEX	5,198	5,365	3,750	1,585
Investments in shares and long-term receivables, net	-11,444	1,616	7,953	1,653
<b>KEY RATIO</b>				
Equity/assets ratio, %	55	44	52	66
Debt/equity ratio, multiple	0.19	0.53	0.33	0.09
Return on shareholders' equity, %	-6.0	-11.3	6.9	10.8
Return on shareholders' equity after dilution, %	-6.0	-11.3	6.9	10.8
Return on capital employed, %	1.5	-5.4	8.2	11.4
Average interest rate, %	5.2	4.2	3.7	4.4
<b>PER SHARE DATA (SEK)</b>				
Earnings	-3.75	-8.14	5.30	7.74
Earnings after dilution	-3.75	-8.14	5.29	7.73
Shareholders' equity	60.31	64.85	78.96	74.32
Shareholders' equity after dilution	60.34	64.84	78.93	74.29
Cash flow from operating activities	9.78	8.66	12.39	13.27
Dividend	7.85 <sup>1)</sup>	1.83	1.75	1.67
Redemption	-	-	-	3.33
Market value at closing day	129.50	100.00	85.25	87.00

<sup>1)</sup> Proposed dividend

## PARENT COMPANY

### INCOME STATEMENT

SEK million	Note	2007 Full year	2006 Full year
Operating revenue		30	20
Administrative expenses	12	-167	-84
Other operating revenues		-	1
<b>Operating profit/loss, EBIT</b>		<b>-137</b>	<b>-63</b>
Dividend	12	13,000	-
Exchange rate difference on financial items		-396	547
Net interest expenses and other financial items		265	299
<b>Profit/loss after financial items, EBT</b>		<b>12,732</b>	<b>783</b>
Tax on profit/loss for the year		100	-219
<b>NET PROFIT/LOSS</b>		<b>12,832</b>	<b>564</b>

### BALANCE SHEET

SEK million	Note	2007 Dec 31	2006 Dec 31
<b>Assets</b>			
<b>FIXED ASSETS</b>			
Financial assets		27,192	38,571
<b>FIXED ASSETS</b>		<b>27,192</b>	<b>38,571</b>
<b>CURRENT ASSETS</b>			
Current receivables		13,139	54
Short-term investments		250	-
Cash and cash equivalents		15	7
<b>CURRENT ASSETS</b>		<b>13,404</b>	<b>61</b>
<b>ASSETS</b>		<b>40,596</b>	<b>38,632</b>
<b>Equity and liabilities</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Restricted equity	7	17,459	17,432
Unrestricted equity	7	15,689	3,627
<b>SHAREHOLDERS' EQUITY</b>		<b>33,148</b>	<b>21,059</b>
<b>LONG-TERM LIABILITIES</b>			
Interest-bearing liabilities		5,152	12,417
<b>LONG-TERM LIABILITIES</b>		<b>5,152</b>	<b>12,417</b>
<b>SHORT-TERM LIABILITIES</b>			
Interest-bearing liabilities		2,154	4,688
Non-interest-bearing liabilities		142	468
<b>SHORT-TERM LIABILITIES</b>		<b>2,296</b>	<b>5,156</b>
<b>EQUITY AND LIABILITIES</b>		<b>40,596</b>	<b>38,632</b>



## NOTES

### ACCOUNTING PRINCIPLES AND DEFINITIONS

For the Group, the interim report has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act, and for the Parent Company in accordance with the Swedish Annual Accounts Act.

From January 1, 2007, IFRS 7, amendments to IAS 1 and IFRIC 7, 8, 9 and 10 are applied. These have had no effect on the reported income statement.

The definition for EBITDA has during 2007 been changed to exclude profit and loss from sale of operations and one off items. Previous periods have been adjusted retrospectively.

In connection with the acquisition of operations, goodwill is allocated to the cash generating units that expect to achieve future financial benefits and synergies as a result of the acquired operations. In the event that separate cash generating units cannot be identified, goodwill is allocated to the lowest level at which the operation and its assets is controlled and monitored internally. t2 has in Q3 2007, as a result of the changed strategic focus and divestments of a number of operations, changed allocation of goodwill from market area level to country level. Please refer to Note 2.

In Q2 2007, the definition for inactive mobile prepaid customers has been changed, please refer to Note 6.

t2 has, in all other respects presented its interim report in accordance with the accounting principles and calculation methods used in the 2006 Annual Report. Definitions are found in the 2006 Annual Report.

### NOTE 1 Operating revenue

In Q4 2007, the operating revenue in t2 Sweden was reduced by SEK 200 million which is related to a dispute with Telia Sonera. The negative one off item is related to the interconnect dispute between year 2000-2004. While awaiting decision on appeal from the Swedish Supreme Administrative Court, t2 has decided to book this as reduced revenue in Q4 2007.

From Q4 2007 onwards, the two operations in the Netherlands, i.e. t2 Netherlands and Versatel Netherlands, is reported as one operation. Internal sales between the companies have been eliminated in market area Benelux and previous periods have been adjusted retrospectively.

Operating revenue from Q4 2004 and onwards for t2 in Sweden includes SEK 24 million per quarter relating to mobile telephony according to the MVNO agreement with Telenor. The capacity swap in the agreement is viewed upon as exchange of capacity between t2 and Telenor on a group level, where revenues from the swap are offset against costs. The agreement runs up to and including Q1 2008.

### NOTE 2 Operating expenses

The Supreme Court in The Hague has ruled negatively on t2 Netherlands Holding N.V.'s, formerly Versatel, appeal regarding a dispute with the tax authorities about the valuation of stock options for tax purposes. As a result the costs for market area Benelux were increased by SEK 124 million in Q4 2007.

t2 continuously conducts price negotiations in all markets and retroactive adjustments are a natural part of t2's business.

The adjustments in Q3 and Q4 2006 were nevertheless out of the ordinary and concentrated to certain market areas. In Q4 2006, the costs were reduced by SEK 50 million for the market area Nordic as a result of price negotiations with another operator. In Q3 2006 the costs were reduced by SEK 43 million for the market area Benelux as a result of a settlement with another operator of SEK 95 million and estimated future unused part of leased premises of SEK 52 million.

### DEPRECIATION/AMORTIZATION AND IMPAIRMENT

In Q3 2007 t2 recognized goodwill impairment losses of SEK 1,310 million, related to operations stated below, and SEK 284 million attributable to t2's IT-systems.

SEK million	2007	Q3 2007
Germany, Central Europe	572	570
Austria, Central Europe	291	290
Belgium, Benelux	276	275
Netherlands, Benelux	176	175
<b>Total impairment of goodwill</b>	<b>1,315</b>	<b>1,310</b>

In connection with the changed strategic focus, the business and financial performance has started to be monitored to a larger extent on each country rather than on each market area. t2 has in line with its adjusted strategic focus divested a number of businesses that did not meet t2's long-term financial goals. In Q3 2007 t2 has consequently changed its allocation of goodwill from being allocated to each market area to be allocated to each country. The allocation of goodwill has been based on each country's relative value.

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

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

In Q3 2006, t2 recognized goodwill impairment losses of SEK 2,457 million, of which SEK 1,863 million related to Central Europe, SEK 94 million to Southern Europe and SEK 500 million to Benelux.

### NOTE 3 Sales of operations, profit

In 2007, t2 has reported the following capital gains from the divestment of operations.

SEK million	Q4 2007	Q3 2007
Irkutsk, Baltic & Russia	11	1,168
Denmark, Nordic	9	309
Uni2 Denmark, Services	6	39
Hungary, Central Europe	17	-
Portugal, Southern Europe	-3	6
<b>Total capital gain, divested operations</b>	<b>40</b>	<b>1,522</b>

In Q2 2006, market area Central Europe reported a capital gain from the divestment of t2's operations in the Czech Republic, corresponding to SEK 50 million, after a minor adjustment in Q3 2006.

### NOTE 4 Sales of operations, loss

In 2007, t2 has reported the following capital losses from the divestment of operations.

SEK million	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Alpha Telecom/Calling Card company, Benelux	-99	-10	-520	-
3C Communications, Services	-3	-133	-	-
Belgium, Southern Europe	-	-20	-	-
Datamatrix Norway, Services	-	-7	-	-5
Other	-26	-	-	-
<b>Total capital loss, divested operations</b>	<b>-128</b>	<b>-170</b>	<b>-520</b>	<b>-5</b>

During the fourth quarter 2006 a capital loss of SEK -20 million was reported.

### NOTE 5 Taxes

In Q3 2007 an additional write-down of tax assets has been reported, in connection with the impairment of goodwill according to Note 2, for t2 Germany affecting the income statement with SEK -599 million.

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

### NOTE 6 Number of customers

As a way of standardizing reporting both internally and externally, t2 has decided to change its principles for calculating the number of inactive customers in its Nordic mobile prepaid base. As of Q2 2007, t2 considers a customer inactive if the customer has not used its mobile service in 6 months, instead of earlier 13 months. However, the customer will still be able to use their SIM card within the 13 months period, as before. In Q2 2007, the one-time effect was a decrease of 759,000 in the reported customer base in the market area Nordic.

### NOTE 7 Shares and convertibles

t2 has, in Q2 2007, paid a dividend of SEK 1.83 per share, corresponding to a total of SEK 814 million.

As a result of 361,746 warrants being exercised during 2007, t2 has issued new shares resulting in an increase of shareholders' equity of SEK 22 million.

t2 has, in Q4 2007, issued 4,098,000 Class C shares through a directed placement at a subscription price corresponding to a quota value of SEK 1.25 per share, a total of SEK 5 million. The Class C shares do not entitle to dividends and represent one vote each. t2 has immediately after the issue repurchased all Class C shares at a price corresponding to the subscription price.

#### INCENTIVE PROGRAM 2007-2012

The Extraordinary General Meeting on August 28, 2007 decided to adopt a performance based incentive programme for approximately 80 senior executives and other key employees within the t2 group. The incentive programme entails that the participants shall be granted stock options free of charge. Each option entitles the holder to purchase one Class B share at an exercise price of SEK 130.20 corresponding to 110 percent of the average closing price of the company's Class B share 10 trading days prior to the date of grant. The scope of the incentive programme amounts to a maximum of 4,098,000 options.

The options may only be exercised three to five years from the time of grant, provided that the holder is still employed within the t2 group and that certain performance conditions are fulfilled. Based on the outcome of these performance conditions, the employees will be able to exercise 0-100 percent of granted options, i.e. there will be no guaranteed exercise. The performance conditions for the options will be measured from 1 July 2007 until 30 June 2010 and are based on the company's average normalised return on capital employed and total shareholders return compared to a peer group.

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

The total costs after tax of the incentive programme are expensed as they arise, over a three-year period. These costs are expected to amount to SEK 46 million, of which SEK 5 million has been expensed during 2007.

Number of options	Aug 2007 - Dec 31, 2007
Allocated August 2007	3,552,000
Forfeited	-63,000
<b>Total outstanding stock options</b>	<b>3,489,000</b>

#### INCENTIVE PROGRAM 2006–2011

Number of options	Stock options		Warrants	
	Full year, 2007	Feb 2006– Dec 31, 2007	Full year, 2007	Feb 2006– Dec 31, 2007
Allocated February 2006		1,504,000		752,000
Outstanding as of January 1	1,504,000		752,000	
Forfeited	-340,000	-340,000	-35,000	-35,000
<b>Total outstanding</b>	<b>1,164,000</b>	<b>1,164,000</b>	<b>717,000</b>	<b>717,000</b>

#### INCENTIVE PROGRAM 2002–2007

Number of options	Outstanding		To wholly owned subsidiary	
	Full year, 2007	2002– Dec 31, 2007	Full year, 2007	2002– Dec 31, 2007
Allocated 2002		2,147,760		482,618
Outstanding as of January 1	273,180		166,620	
Forfeited	-	-381,510	-78,054	-78,054
Exercised	-273,180	-1,766,250	-88,566	-404,564
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Incentive program 2002–2007 ended in Q3 2007 and as of December 31, 2007, there are no outstanding stock options or held warrants.

### NOTE 8 Business acquisitions and divestments

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

SEK million	2007
<b>Acquisitions</b>	
Versatel, minority interest	-871
Telecom Eurasia, Russia	-105
Mobile Norway, joint venture	-203
t2 Syd (formerly E.ON Bredband), minority interest	-135
Radio Components, minority interest	-7
	<b>-1,321</b>
<b>Divestments</b>	
Italy/Spain	6,739
Belgium	862
Portugal	125
Irkutsk, Russia	1,570
France	2,874
Denmark	743
Hungary	36
3C Communications	75
UNI2 Denmark	65
Alpha Telecom och Calling Card Company <sup>1)</sup>	15
Datamatrix Norway	100
Other divestments	2
	<b>13,206</b>
<b>Other</b>	
Other cash flow changes in shares and participations	-108
<b>Cash flow effect of acquisitions and divestments in shares and participations</b>	<b>11,777</b>

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

#### ACQUISITIONS

##### Netherlands and Belgium

During December 2007 t2 increased its shares in Versatel with an additional 17.16 percent and is now holding 98.81 percent of the shares. The purchase price amounted to SEK 1,213 million, of which SEK 871 million affected the cash-flow for Q4 2007

On March 6, 2007 t2 sold the shares in t2 Netherlands and t2 Belgium to Versatel Telecom International N.V. The reorganization has been carried out as a part of the integration process of t2's and Versatel's operations in the Netherlands and Belgium. Versatel has nanced the acquisition by an issue of new shares. As a result of the issue t2 has increased its share hold ings in Versatel by 1.36 percent.

##### Telecom Eurasia, Russia

On October 5, 2007, t2 acquired all shares in Telecom Eurasia, with an 1800 MHz GSM-license in the Russian region Krasnodar and a customer base of 20,000, for SEK 129 million. The acquisition has affected t2's operating revenue in the market area Baltic & Russia year-to-date by SEK 3 million, EBITDA by SEK -5 million and net profit/loss by SEK -6 million.

Krasnodar is the third biggest region in Russia as well as the second biggest roaming region. Goodwill in connection with the acquisition is related to t2's expectations of a positive economic development in the region as well as economies of scale and synergies through integration in t2 Russia's existing operation with a successful brand and product strategies in the Russian market. Goodwill also arises from a deferred tax asset included in the acquisition that was not judged to meet the criteria for recognition.

##### Croatia

On October 3, 2007, t2 acquired 42 percent of the shares in t2 Croatia, for SEK 150 million. The holding in the company represents 93 percent. The acquisition, by an issue of new shares, has not effected t2s result, cash-ow or nancial position.

CONTINUING NOTE 8

#### Mobile Norway

On October 1, 2007, t2 acquired 50 percent of the shares in Mobile Norway AS (formerly AMI AS), the owner of a GSM 900 license, for SEK 161 million. At the same time t2 and Network Norway AS have entered into an agreement to build the third mobile network in Norway. Phase one of the joint venture build-out is ongoing and the new 3G-license that the company was awarded in December 2007 will further enhance the network. t2's total investment, after capital contribution, amounts to SEK 209 million at the balance sheet date.

#### Other acquisitions

On June 1, 2007 t2 acquired the remaining 24.9 percent in t2 Syd AB, former E.ON Bredband, for SEK 135 million. In June 2007, t2 also acquired 10.7 percent in Radio Components Sweden AB. The holding in the company represents 80.3 percent.

On February 1, 2007 t2 acquired the remaining 0.03 percent in Comunitel, Spain by issuing new share. During 2007 t2 has also contributed capital to its joint ventures Plusnet and Spring Mobil.

The assets, liabilities and contingent liabilities included in the acquisition are stated below:

SEK million	Telecom Eurasia		Fair value
	Reported value at the time of acquisition	Adjustment to fair value	
Customer contracts	-	1	1
Tangible assets	4	-	4
Materials and supplies	3	-	3
Current receivables	46	-	46
Cash and cash equivalents	24	-	24
Deferred tax liabilities	-	-1	-1
Short-term liabilities	-209	-	-209
<b>Acquired net assets</b>	<b>-132</b>	<b>0</b>	<b>-132</b>
Goodwill			154
<b>Purchase price for shares in subsidiary</b>			<b>22</b>
Payment of debts in acquired operations			107
<b>Acquisition value</b>			<b>129</b>
Less: cash in acquired operation			-24
<b>EFFECT ON GROUP CASH AND CASH EQUIVALENTS</b>			<b>105</b>

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

#### DIVESTMENTS

##### Italy/Spain

On October 6, 2007 t2 announced the sale of its operations in Italy and Spain. The sale was completed on December 3, 2007 after approval from the European Commission. The divested operation has been reported as discontinued operations; please refer to Note 9 for additional information.

##### Belgium

On October 1, 2007, t2 divested its Belgium operation for SEK 927 million. An impairment of goodwill regarding the Belgium operations has been reported during Q3 2007 amounting to SEK 275 million (please refer to Note 2). The operation has affected t2's operating revenue in the market area Benelux year-to-date by SEK 901 (1,381) million, EBITDA by SEK -40 (-56) million and net profit/loss by SEK -156 (-242) million in addition to a capital loss of SEK 20 million.

##### Portugal

On September 11, 2007, t2 divested its operation in t2 Portugal for SEK 133 million. t2 Portugal has affected t2's operating revenue in the market area Southern Europe year-to-date by SEK 349 (415) million, EBITDA by SEK -59 (-74) million and net profit/loss by SEK -67 (-77) million in addition to a recorded capital gain of SEK 3 million.

##### Irkutsk

On August 13, 2007, t2 divested its operation in t2 Irkutsk in Russia for SEK 1,595 million. t2 Irkutsk has affected t2's operating revenue in the market area Baltic & Russia year-to-date by SEK 214 (237) million, EBITDA by SEK 64 (79) million and net profit/loss by SEK 35 (44) million in addition to a recorded capital gain of SEK 1,179 million.

The disposal was done in connection with signing of a 10-year national roaming agreement in Russia with Vimpelcom, which enables t2 customers seamless roaming at low prices across Vimpelcom's network in Russia, where t2 has no mobile network presence. Both transactions are on commercial terms.

##### France fixed and broadband business

On October 3, 2006 t2 announced the sale of its fixed and broadband business in France. The divestment was finalized on July 18, 2007, after receiving approval from the EU competition authorities. The divested operation has been reported as discontinued operations; please refer to Note 9 for additional information.

##### Denmark

On July 12, 2007, t2 divested its operation in t2 Denmark for SEK 776 million. t2 Denmark has affected t2's operating revenue in the market area Nordic year-to-date by SEK 736 (1,668) million, EBITDA by SEK 89 (68) million and net profit/loss by SEK 44 (-14) million in addition to a recorded capital gain of SEK 318 million.

##### Other divestments

On July 9, 2007, t2 announced the divestment of its Hungarian operations for SEK 87 million. The divestment was finalized on October 18, 2007, after receiving approval from the Hungarian Competition Authorities. The operation has affected t2's operating

revenue in the market area Central Europe year-to-date by SEK 223 (353) million, EBITDA by SEK 50 (-31) million and net profit/loss by SEK 46 (-38) million in addition to a capital gain of SEK 17 million.

On September 19, 2007, t2 divested its operation 3C Communications for SEK 46 million. 3C has affected t2's operating revenue in the market area Services year-to-date by SEK 45 (73) million, EBITDA by SEK -14 (-6) million and net profit/loss by SEK -28 (-13) million in addition to a recorded capital loss of SEK 136 million.

On August 31, 2007, t2 divested its operation UNI2 Denmark for SEK 70 million. UNI2 Denmark has affected t2's operating revenue in the market area Services year-to-date by SEK 38 (53) million, EBITDA by SEK 12 (6) million and net profit/loss by SEK 3 (-8) million in addition to a recorded capital gain of SEK 45 million.

In May 2007, t2 divested its Alpha Telecom and Calling Card Company operation for SEK 82 million. The operation has affected t2's operating revenue in the market area Benelux year-to-date by SEK 379 (1,166) million, EBITDA by SEK 36 (40) million and net profit/loss by SEK 9 (-98) million in addition to a recorded capital loss of SEK 629 million.

On March 31, 2007, t2 divested its operation Datamatrix Norway for SEK 128 million. Datamatrix AS has affected t2's operating revenue in the market area Services year-to-date by SEK 119 (323) million, EBITDA by SEK 4 (5) million and net profit/loss by SEK 2 (2) million in addition to a recorded capital loss of SEK 12 million.

#### Net assets at the time of divestment

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

SEK million	Italy/Spain	Belgium	Portugal	Irkutsk	France	Denmark	Other	Total
Goodwill	4,079	216	119	99	2,737	-	396	7,646
Other intangible assets	389	130	1	1	468	28	83	1,100
Tangible assets	2,083	700	65	211	247	87	100	3,493
Deferred tax receivables	910	3	-	-	9	264	172	1,358
Long-term receivables	3	-	-	-	1	6	30	40
Material and supplies	3	-	1	2	80	-	26	112
Current receivables	1,787	309	119	36	610	362	549	3,772
Cash and cash equivalents	73	60	-	1	386	3	102	625
Exchange rate differences	-602	-28	-76	82	-428	9	-17	-1,060
Deferred tax liabilities	-153	-33	-	-	-	-	-16	-202
Provisions	-30	-22	-4	-	-	-18	-10	-84
Long-term liabilities	-253	-1	-	-	-1	-	-46	-301
Short-term liabilities	-1,971	-447	-131	-40	-1,186	-515	-375	-4,665
<b>Divested net assets</b>	<b>6,318</b>	<b>887</b>	<b>94</b>	<b>392</b>	<b>2,923</b>	<b>226</b>	<b>994</b>	<b>11,834</b>
Capital profit/loss	261	-20	3	1,179	281	318	-741	1,281
<b>Sales price, net sales costs</b>	<b>6,579</b>	<b>867</b>	<b>97</b>	<b>1,571</b>	<b>3,204</b>	<b>544</b>	<b>253</b>	<b>13,115</b>
Sales costs etc, non-cash	232	55	28	-	56	27	100	498
Payment for receivable in divested operation	-	-	-	-	-	175	43	218
Less: cash in divested operation	-72	-60	-	-1	-386	-3	-103	-625
<b>EFFECT ON GROUP CASH AND CASH EQUIVALENTS</b>	<b>6,739</b>	<b>862</b>	<b>125</b>	<b>1,570</b>	<b>2,874</b>	<b>743</b>	<b>293</b>	<b>13,206</b>

The divested operations in t2 Italy/Spain and t2 France have been reported as discontinued operations according to IFRS 5 Non-current assets held for sale and discontinued operations. Since the remaining divested operations above, were not a significant part of t2 's result and financial position, separate reporting in the income statement according to IFRS 5 has not been made.

#### Ongoing divestments

On October 8, 2007, t2 divested its mobile telephony operations in t2 Austria for approximately SEK 65 million. The capital gain is estimated at SEK 0 million. The operation has affected t2's operating revenue in the market area Central Europe year-to-date by SEK 45 (168) million, EBITDA by SEK -94 (-28) million and net profit/loss by SEK -104 (-40) million. Completion is expected following approval from the relevant regulatory authorities.

Since divested operation above, was not a significant part of t2 's result and nancial position, separate reporting in the income statement and balance sheet has not been made according to IFRS 5.

#### PRO FORMA

The table below shows the effect of the acquired and divested companies and operations at December 31, 2007 on t2's operating revenue and result, had they been acquired or divested at January 1, 2007.

SEK million	2007			t2 Group pro forma
	t2 Group <sup>1)</sup>	Acquired companies before the time of the acquisition	Excluding divested companies and operations	
Operating revenue	43,420	20	-3,009	40,431
EBITDA	6,679	19	-134	6,564
Net profit/loss	-270	2	-622	-890

<sup>1)</sup> less t2 Italy/Spain and the fixed and broadband business in France since these are reported as discontinued operations.

## NOTE 9 Discontinued operations and assets classified as held for sale

### THE OPERATION IN ITALY AND SPAIN

On October 6, 2007 t2 announced the sale of its operations in Italy and Spain for SEK 6,973 million. The sale was completed on December 3, 2007 after approval from the European Commission.

An impairment of goodwill amounting to SEK 1,295 million has been reported 2007 regarding the Italian and Spanish operations, whereof SEK 1,290 million was reported during Q3 2007. The impairment reflects the difference between sales price and assets sold. In Q3 2006 an impairment of goodwill on market area level was reported, of which SEK 843 million is estimated to be attributable to the operation in Italy and Spain. During the fourth quarter 2007, a capital gain of SEK 261 million has been reported as discontinued operations, whereof SEK 580 million is related to a reversal of exchange rate differences previously reported directly in equity.

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

### FRANCE FIXED AND BROADBAND BUSINESS

On October 3, 2006 t2 announced the sale of its fixed and broadband operations in France for SEK 3,301 million. t2's French mobile business is retained by t2. On July 18, 2007, t2 announced it has received approval from the EU competition authorities on the sale. The divestment was finalized in Q3 2007.

In Q3 2006, a goodwill impairment loss of SEK 1,500 million affected the results from the discontinued operations. This was attributable to the estimated capital loss due to the sale, excluding a reversal of exchange rate differences associated with the French operation recognized directly in equity. The first six months of 2007 includes additional goodwill impairment of SEK 75 million. A capital gain of total SEK 281 million has been reported in discontinued operations 2007, of which SEK 269 million in the third quarter. The capital gain includes SEK 443 million related to a reversal of exchange rate differences, previously reported directly in equity.

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

### INCOME STATEMENT

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

SEK million	2007 Full year	2006 Full year	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3
Operating revenue	9,213	11,533	1,369	1,918	3,023	2,903	2,795	2,735
Operating expenses	-9,485	-11,981	-1,164	-1,903	-3,210	-3,208	-3,103	-2,791
Impairment of goodwill	-1,370	-2,343	-5	-1,290	-35	-40	-	-2,343
Sale of operations, profit	542	-	273	269	-	-	-	-
Other operating revenues	11	8	3	3	2	3	2	4
Other operating expenses	-3	-3	1	-1	-2	-1	-1	-
<b>EBIT</b>	<b>-1,092</b>	<b>-2,786</b>	<b>477</b>	<b>-1,004</b>	<b>-222</b>	<b>-343</b>	<b>-307</b>	<b>-2,395</b>
Net interest expenses	1	39	-2	1	-4	6	10	5
Other financial items	-1	-1	-	-1	-	-	-1	-
<b>EBT</b>	<b>-1,092</b>	<b>-2,748</b>	<b>475</b>	<b>-1,004</b>	<b>-226</b>	<b>-337</b>	<b>-298</b>	<b>-2,390</b>
Tax on profit/loss	-375	11	-336	-91	22	30	-12	3
<b>NET PROFIT/LOSS, TOTAL IMPACT</b>	<b>-1,467</b>	<b>-2,737</b>	<b>139</b>	<b>-1,095</b>	<b>-204</b>	<b>-307</b>	<b>-310</b>	<b>-2,387</b>
Earnings per share (SEK)	-3.30	-6.16						
Earnings per share, after dilution (SEK)	-3.30	-6.16						

### CASH FLOW STATEMENT

SEK million	2007 Full year	2006 Full year	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3
Cash flow from operating activities	-141	-117	167	-8	-3	-297	-199	124
Cash flow from investing activities	8,749	-1,103	6,592	2,714	-330	-227	-327	-361
<i>of which sale of shares and participations</i>	9,678	-	6,741	2,937	-	-	-	-
<i>of which other investing activities</i>	-929	-1,103	-149	-223	-330	-227	-327	-361
Cash flow from financing activities	989	1,195	-8	173	222	602	553	239
<b>Net change in cash and cash equivalents</b>	<b>9,597</b>	<b>-25</b>	<b>6,751</b>	<b>2,879</b>	<b>-111</b>	<b>78</b>	<b>27</b>	<b>2</b>

### NUMBER OF CUSTOMERS

Thousands	Number of customers		Net intake					
	2007 Full year	2006 Full year	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3
Indirect access	-	6,051	-135	-222	-373	-377	-354	-326
<i>of which fixed telephony resale</i>	-	5,442	-134	-225	-389	-415	-380	-350
<i>of which broadband resale</i>	-	609	-1	3	16	38	26	24
Direct access & LLUB	-	301	88	81	134	139	141	59
<b>Number of customers</b>	<b>-</b>	<b>6,352</b>	<b>-47</b>	<b>-141</b>	<b>-239</b>	<b>-238</b>	<b>-213</b>	<b>-267</b>

CONTINUING NOTE 9

SEK million	2007 Full year	2006 Full year	2007 Q4	2007 Q3	2007 Q2	2007 Q1	2006 Q4	2006 Q3
<b>OPERATING REVENUE</b>								
Indirect access	6,245	10,241	694	1,054	2,184	2,313	2,339	2,406
<i>of which fixed telephony resale</i>	5,188	8,975	592	894	1,792	1,910	1,992	2,089
<i>of which broadband resale</i>	1,057	1,266	102	160	392	403	347	317
Direct access & LLUB	2,368	836	549	705	672	442	345	197
Other operations	987	1,134	148	225	314	300	311	315
Adjustments for internal sales	-387	-678	-22	-66	-147	-152	-200	-183
<b>Operating revenue</b>	<b>9,213</b>	<b>11,533</b>	<b>1,369</b>	<b>1,918</b>	<b>3,023</b>	<b>2,903</b>	<b>2,795</b>	<b>2,735</b>
<b>EBITDA</b>								
Indirect access	275	302	210	87	6	-28	-11	113
<i>of which fixed telephony resale</i>	839	1,108	243	125	224	247	246	308
<i>of which broadband resale</i>	-564	-806	-33	-38	-218	-275	-257	-195
Direct access & LLUB	-64	-219	77	39	-43	-137	-85	-58
Other operations	91	86	17	22	26	26	19	31
<b>EBITDA</b>	<b>302</b>	<b>169</b>	<b>304</b>	<b>148</b>	<b>-11</b>	<b>-139</b>	<b>-77</b>	<b>86</b>
<b>EBIT</b>								
Indirect access	26	6	172	36	-78	-104	-118	51
<i>of which fixed telephony resale</i>	623	838	208	78	153	184	154	251
<i>of which broadband resale</i>	-597	-832	-36	-42	-231	-288	-272	-200
Direct access & LLUB	-381	-488	21	-42	-135	-225	-160	-134
Other operations	91	86	16	23	26	26	18	31
One-off items	-828	-2,390	268	-1,021	-35	-40	-47	-2,343
<i>of which impairment of goodwill</i>	-1,370	-2,343	-5	-1,290	-35	-40	-	-2,343
<i>of which capital gain</i>	542	-	273	269	-	-	-	-
<i>of which settlements of disputes</i>	-	-47	-	-	-	-	-47	-
<b>EBIT</b>	<b>-1,092</b>	<b>-2,786</b>	<b>477</b>	<b>-1,004</b>	<b>-222</b>	<b>-343</b>	<b>-307</b>	<b>-2,395</b>
<b>INVESTMENTS, CAPEX</b>								
Indirect access	170	351	30	23	66	51	123	82
<i>of which fixed telephony resale</i>	98	234	27	19	31	21	54	43
<i>of which broadband resale</i>	72	117	3	4	35	30	69	39
Direct access & LLUB	759	698	180	229	183	167	231	156
<b>CAPEX</b>	<b>929</b>	<b>1,049</b>	<b>210</b>	<b>252</b>	<b>249</b>	<b>218</b>	<b>354</b>	<b>238</b>
<i>of which period's unpaid CAPEX</i>	-12	1	73	4	-80	-9	41	-138
<i>of which CAPEX according to cash flow</i>	941	1,048	137	248	329	227	313	376

## NOTE 10 Contingent liabilities and joint ventures

SEK million	Dec 31, 2007	Dec 31, 2006
Guarantee related to joint ventures	1,885	1,730
Future commitments	1	32
<b>Total contingent liabilities</b>	<b>1,886</b>	<b>1,762</b>

### 3G COMPANY IN SWEDEN

t2 and TeliaSonera each own 50 percent of Svenska UMTS-nät AB, which holds a 3G license in Sweden. Both companies have contributed capital to the 3G company. In addition to this, the build out has external financing through a loan facility of SEK 4.8 billion, which is 50 percent guaranteed by each party. t2 and TeliaSonera are technically MVNOs with the 3G company and hence act as capacity purchasers. The size of the fee is based on used capacity. At December 31, 2007 t2's guarantee amounted to SEK 1,838 million (December 31, 2006: SEK 1,685 million).

### PLUSNET IN GERMANY

t2 owns 32.5 percent of Plusnet GmbH & Co KG and QSC owns 67.5 percent, although both parties have joint control. t2 has paid in approximately SEK 0.5 billion and QSC has contributed Unbundled Local Loop (ULL) networks in Germany. t2 has provided a bank guarantee of SEK 47 million as security for Plusnet. Both companies act as purchasers of capacity. As the company is not a profit-seeking entity, its fixed costs are shared between t2 and QSC, and its variable costs are distributed proportionately in relation to use.

### BALANCE SHEET

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

SEK million	Dec 31, 2007		Dec 31, 2006	
	Svenska UMTS-nät	Plusnet GmbH	Svenska UMTS-nät	Plusnet GmbH
Fixed assets	3,740	906	3,688	213
Current assets	326	512	388	560
<b>Assets</b>	<b>4,066</b>	<b>1,418</b>	<b>4,076</b>	<b>773</b>
Shareholders equity	265	903	562	653
Long-term liabilities	3,677	45	3,372	5
Short-term liabilities	124	470	142	115
<b>Shareholders' equity and liabilities</b>	<b>4,066</b>	<b>1,418</b>	<b>4,076</b>	<b>773</b>

## NOTE 11 Transactions with related parties

The Invik Group is not included in the group of related parties from Q2 2007 due to Kinnevik no longer holding shares in Invik. Transcom WorldWide Group provides customer services, telemarketing and debt-collection services for t2. Apart from transactions with Transcom no other significant related party transactions have been carried out during 2007. Information concerning transactions with major joint ventures is presented in Note 10. Related parties with which the group has transactions with are presented in the 2006 Annual Report, Note 40.

## NOTE 12 Parent company

The parent company has in Q4 received an anticipated dividend of 13 billion from its subsidiary. In 2007 the parent company have reported a cost of SEK 66 million related to the incentive program 1997–2006. The cost is a result of a decision by the board to compensate the participants in the incentive program for the negative tax consequences connected with the program. The cost has previously been provided for on group level.



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### PLUSNET IN GERMANY

t2 owns 32.5 percent of Plusnet GmbH & Co KG and QSC owns 67.5 percent, although both parties have joint control. t2 has paid in approximately SEK 0.5 billion and QSC has contributed Unbundled Local Loop (ULL) networks in Germany. t2 has provided a bank guarantee of SEK 47 million as security for Plusnet. Both companies act as purchasers of capacity. As the company is not a profit-seeking entity, its fixed costs are shared between t2 and QSC, and its variable costs are distributed proportionately in relation to use.

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