



INTERIM REPORT JANUARY–MARCH 2008

In Q1 2008, t2's EBITDA¹⁾ increased by 13 percent to SEK 1,764 million. Mobile EBITDA¹⁾ increased by 27 percent to SEK 1,392 million.

- › Operating revenue¹⁾ amounted to SEK 10,378 (9,551) million, an increase by 9 percent. Operating revenue was negatively impacted by a nonrecurring charge of SEK 61 million from the Austrian operations.
- › EBITDA¹⁾ increased by 13 percent to SEK 1,764 (1,558) million. EBITDA was negatively impacted by a nonrecurring charge of SEK 61 million from the Austrian operations.
- › EBIT¹⁾ amounted to SEK 786 (674) million.
- › Net profit²⁾ amounted to SEK 750 (301) million.
- › Earnings per share²⁾ amounted to SEK 1.66 (0.77).
- › t2's net debt amounted to SEK 4,935 (16,072) million, a decrease by 69 percent.

The figures presented correspond to Q1 2008 unless else stated. The figures shown in parentheses correspond to the comparable periods in 2007.

¹⁾ Less divested operations (see note 8)

²⁾ From continued operations (see note 9)

MOVING ON WITH SHARPER FOCUS


“The hard work of the realignment process continues to show result, providing us with more space to manoeuvre.

The environment for corporate transactions is affected by the current credit turmoil. Nevertheless, we are certain that our dedication, focus and concentration will show results. Hence, we feel assured that the realignment process will develop according to plan.


Our mobile operations in Russia continue to impress. We are – step by step – reaching our communicated goals regarding this market area. New challenges lie ahead with the build-out based on the new licences that t2 was awarded in 2007.


We will make a strong push in our Russian business, and plan to double the number of regions in the coming years. This will increase the population under t2 coverage by 50 percent in Russia. It is a truly demanding task, and if successful, will result in great rewards.

The hard work of the realignment process continues to show result, providing us with more space to manoeuvre.

 **MOBILE** operations once again delivered a solid operational performance. We had a robust customer intake in Russia, Croatia and the Baltic. Russia improved its EBITDA margin to 35 percent, a new record level.

The Baltic managed to improve the overall EBITDA margin to 35 percent, despite a challenging economical environment. Croatia delivered a strong customer intake of 46,000 and despite continued losses, the future prospects of the operations look increasingly more promising. The Swedish mobile operations saw a somewhat slower net intake of customers due to seasonality. We are confident about the continued growth in new customers, especially in mobile broadband.

 Our **FIXED BROADBAND** operations added 66,000 customers during the quarter and generated a revenue growth of 11 percent, driven mainly by services on our own infrastructure. We consider our fixed broadband product as a good complement to our core operations in mobile. However, it is important to emphasize that the fixed broadband business must improve its profitability and meet the operational hurdles set by the management.

 **FIXED TELEPHONY** operations continued to deliver robust results and profitability. The EBITDA margin was a solid 20 percent in the quarter. Even though we are well aware of the long term prospects of fixed line services, good cash flows remain to be generated in this area.”



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

FINANCIAL OVERVIEW

t2's financial performance reflects the ongoing realignment process and continued focus on mobile and fixed broadband services. Mobile and fixed broadband sales continued to grow, compared with the same period last year. A smaller scale and scope of the total operations and a greater focus on mobile services on own infrastructure has led to a continued expansion of the EBITDA margin. The decline in fixed line services is expected to continue.

FINANCIAL OVERVIEW, LESS DIVESTED OPERATIONS

Customer net intake amounted to 23,000 (411,000) in Q1 2008. Mobile services continue the positive trend with robust customer intake in Russia, Baltic and Croatia. Swedish mobile saw as expected a somewhat slower quarter, adding 19,000 (17,000) mobile customers in total. However, Q1 2008 still represented a solid quarter for mobile broadband in Sweden, attracting 18,000 new customers.

Fixed telephony continued to see an outflow of customers and t2 lost 459,000 (400,000) users in the quarter. However, the larger outflow of customers was mainly driven by seasonally lower call-by-call volumes in Germany effecting the calculation of the call-by-call customer base negatively. In Q1 2008, the total customer base increased to 24,628,000 (23,609,000).

Operating revenue in Q1 2008 amounted to SEK 10,378 (9,551) million, an increase of 9 percent. The positive revenue development was mainly driven by mobile but also by fixed broadband services. Operating revenue, EBITDA and EBIT were negatively effected during the quarter by a nonrecurring charge of SEK 61 million from t2 Austria.

EBITDA in Q1 2008 amounted to SEK 1,764 (1,558) million, equivalent to an EBITDA margin of 17 (16) percent. The EBITDA development was influenced by an improved revenue mix, with a larger contribution from mobile services on own infrastructure. t2 also focused on maintaining the profit from its mature fixed telephony operations, which contributed to the overall operational development.

EBIT in Q1 2008 amounted to SEK 786 (674) million.

FINANCIAL OVERVIEW, CONTINUING OPERATIONS¹⁾

Profit/loss before tax amounted to SEK 836 (323) million.

Net profit/loss amounted to SEK 750 (301) million.

Cash flow after CAPEX amounted to SEK 508 (-771²⁾) million.

CAPEX amounted to SEK 888 (994) million.

Net debt amounted to SEK 4,935 (16,072) million at March 31, 2008, or 0.74 times full year 2007 EBITDA.

FINANCIAL COMMENTS

t2's longer term financial leverage should reflect both the status of its operations and the future strategic possibilities and obligations. t2 is still pursuing its realignment process, focusing the scope of its current geographic footprint. The company will also continue to invest in its core operations and also consider potential acquisitions.

t2's view on a longer term target for financial leverage, denoted as net debt/EBITDA ratio, is that it should be in line with the industry and the markets in which it operates.

Toward the end of 2007, t2 Russia was awarded mobile telephony licenses for GSM in 17 new regions in Russia. In total, t2 now has licenses in 34 regions covering 60 million inhabitants. t2 will update the market on the development of the business plan of the 17 new regions on a regular basis. However, it should still be emphasised that the process for awarding the new licenses has been challenged in court. The following points should be taken into consideration when estimating the financial impact of the 17 new licenses:

- > In 2008 the operational expenditures are estimated to SEK 50–75 million and the capital expenditures are estimated to SEK 500–600 million.
- > In 2009 the operational expenditures are estimated to SEK 175–200 million and capital expenditures are estimated to SEK 800–1,000 million.
- > Four regions will have been launched as of 1H 2009 and five regions as of 2H 2009. The base plan of the infrastructure based operation should be able to reach an EBITDA break-even three years after commercial launch date. However, there might be regional differences, moving the break-even date both forward and backwards.
- > The longer term market share in the 17 new regions should not deviate significantly from the historic market share of t2 Russia.

¹⁾ Less discontinued operations (see note 9)

²⁾ Including discontinued operations

FINANCIAL OVERVIEW cont.

| SEK million | 2008 Q1 | 2007 Q1 | 2007 full year |
|---|------------|------------|-------------------|
| Mobile | | | |
| Net customer intake (thousands) | 416 | 725 | 3,202 |
| Operating revenue | 5,886 | 4,961 | 22,351 |
| EBITDA | 1,392 | 1,094 | 5,303 |
| EBIT | 978 | 714 | 3,687 |
| Capex | 571 | 627 | 2,759 |
| Fixed broadband | | | |
| Net customer intake (thousands) | 66 | 86 | 280 |
| Operating revenue | 1,533 | 1,385 | 5,770 |
| EBITDA | -176 | -76 | -639 |
| EBIT | -584 | -433 | -2,114 |
| Capex | 227 | 234 | 979 |
| Fixed telephony | | | |
| Net customer intake (thousands) | -459 | -400 | -1,419 |
| Operating revenue | 2,348 | 2,763 | 10,246 |
| EBITDA | 480 | 482 | 1,775 |
| EBIT | 375 | 387 | 1,371 |
| Capex | 52 | 40 | 195 |
| Total less divested operations | | | |
| Net customer intake (thousands) | 23 | 411 | 2,154 |
| Operating revenue | 10,378 | 9,551 | 40,513 |
| EBITDA | 1,764 | 1,558 | 6,636 |
| EBIT | 786 | 674 | 2,932 |
| Capex | 888 | 939 | 4,123 |
| Continuing operations | | | |
| Net customer intake (thousands) | -93 | 335 | 1,857 |
| Operating revenue | 10,402 | 10,926 | 43,420 |
| EBITDA | 1,758 | 1,591 | 6,647 |
| EBIT | 862 | 602 | 1,485 |
| Capex | 888 | 994 | 4,269 |
| EBT | 836 | 323 | 759 |
| Net profit/loss | 750 | 301 | -302 |
| Cash flow from operating activities ¹⁾ | 1,507 | 402 | 4,350 |
| Cash flow after Capex ¹⁾ | 508 | -771 | -819 |

¹⁾ 2007 figures include discontinued operations

Significant events in the quarter

- › t2 completed the divestment of its Austrian MVNO operations to Telekom Austria Group.

OVERVIEW BY PRODUCT

Comments below relate to selected t2 operations less divested companies.

MOBILE



t2 currently offers mobile services in 12 countries. In most of these t2 sells mobile telephony to consumers and companies. t2 has its own network in nine countries. In other countries t2 lease network capacity from other operators under MVNO agreements.

The core mobile operations of t2 continued to develop strongly. Net intake amounted to 416,000 (725,000), driven mainly by Russia and the Baltic region but also by Croatia. Mobile revenue grew by 19 percent to SEK 5,886 (4,961) million and EBITDA margin amounted to 24 (22) percent.

Sweden The customer growth in Q1 2008 was driven mainly by mobile broadband, which delivered a solid quarter adding 18,000 customers. The total mobile broadband customer base was 111,000 in Q1 2008 and ARPU was SEK 117, to some extent boosted by revenue from start-up and administrative fees.

t2 continues to expect a strong demand for mobile broadband services, especially from the consumer segment and in Q1 2008 new high speed offerings were introduced. The increased intake of mobile broadband customers will however be associated with higher acquisition costs as well as higher fees to the Svenska UMTS Nät AB joint venture, which will continue to impact margins.

Pre-paid services saw a net outflow of customers, driven mainly by a seasonal effect from high intake of holiday subscriptions in Q3 2007. The mobile operations in Sweden reported an ARPU of SEK 192 (171) in Q1 2008, including post-paid, pre-paid and mobile broadband subscriptions. Minutes of use per customer for the Swedish operations were 188 (161) in Q1 2008.

Norway Q1 2008 was characterized mainly by the migration of the customer base to the new MVNO agreement with Netcom ASA. Although the majority of the customers were migrated as of the month of March, t2 Norway was obligated to pay the minimum volume commitment fee to the former MVNO host. The migration process, together with a clean-up of the customer base, increased churn in Q1 2008 and led to a net loss of -7,000 (16,000) customers.

EBITDA in Norway was negatively affected by increased customer turnover together with MVNO fees being paid to both Netcom ASA and the old host. As of Q2 2008 payments associated with the MVNO operation will only be paid to Netcom ASA.

Russia The EBITDA margin improved to 35 (29) percent during the quarter, mainly driven by scale effects in the 17 operational regions. ARPU amounted to SEK 56 (51). The increased usage was driven by improved network quality together with strong economic development. Customer net intake amounted to 319,000 (578,000) in Q1 2008. t2 Russia will continue to look for possibilities to expand its operations in Russia and CIS-countries through new licenses as well as complementary acquisitions.

Estonia The economic environment in the country continues to be challenging with slowing GDP growth, resulting in a more price sensitive market. As a result, t2 has been able to take market share both in the corporate as well as the consumer segment thanks to a clear price leadership position.

Churn continued to improve, especially in the corporate segment, mainly due to continued network expansion and quality improvement together with price leadership.

19%

**MOBILE REVENUE
GROWTH IN Q1 2008**



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

Interconnect rates lowered significantly in Q4 2007, which has had a negative impact in Q1 2008 and it is expected to be lowered further as of Q3 2008

Lithuania t2 continued its inroad into the post-paid and corporate segment, adding 35,000 (37,000) customers in Q1 2008. Despite the good market response, acquisition cost increased slightly during the quarter. Competition in the country continued to be high, however, t2 customer churn remained stable through effective retention activities and high customer satisfaction.

Latvia The economic situation in Latvia continued to be difficult yet stable. Price competition has been tough in the quarter, led by the incumbent. However, through perceived price leadership, t2 Latvia was able to gain market share during Q1 2008. t2 Latvia continues to make inroads into the corporate segment and there are also early market signs that mobile broadband is picking up in the country.

Croatia The operations in Croatia continued to develop according to plan. A new media strategy has led to a better perception of the t2 brand, especially on price leadership. Customer churn is still on the higher end, but has improved during the quarter. With the new roaming agreement, effective as of 1 June, 2008, customer churn and profitability are expected to improve. Pricing was stable in the market during Q1 2008, with no major changes from the competition.

Switzerland Mobile telephony showed signs of positive development during Q1 2008 with revenues and subscriber base increasing and churn rate improving. In order to further strengthen the market position, the t2 brand was re-launched at the end of Q1 2008 in order to increase the brand awareness as a mobile operator and to increase the perception of t2 as a price leader.

France t2 continued to add customers in the quarter. The pricing environment in the French mobile market was stable in Q1 2008, with a tendency towards more fixed pricing plans. Thanks to the new MVNO agreement together with lower marketing expenses in general, EBITDA improved sequentially to SEK -36 million compared to SEK -72 million in Q4 2007.

FINANCIAL OVERVIEW BY PRODUCT cont.

FIXED BROADBAND



t2 currently offers Xed broadband solutions to consumers and companies in ten countries. t2 operate its own or jointly owned network in six countries and are resellers of network capacity in the others.

Fixed broadband services are seen as a good complement to t2's core mobile services on own infrastructure.

The total fixed broadband customer base grew by 66,000 (86,000) users, mainly driven by robust development in Sweden adding 30,000 (18,000) customers. Revenue increased by 11 percent to SEK 1,533 (1,385). EBITDA amounted to SEK -176 (-76). In 2008 it is important that profitability in fixed broadband services will increase and contribute to the operations as a whole.

Sweden t2 Sweden added 30,000 (18,000) customers in the quarter and continued to gain market share. Operating revenue grew by 8 percent and EBITDA margin amounted to -18 (2) percent in the quarter.

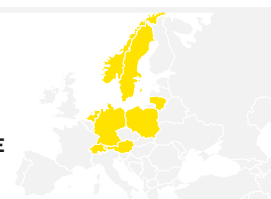
Norway t2 Norway continued to move its marketing efforts away from resold broadband and continued to migrate customers onto its own infrastructure. Hence, t2 Norway will continue to focus its marketing efforts where t2 owns infrastructure on LLUB.

Switzerland The ARPU development was stable in the quarter and churn rate in the customer base trended downwards. Competition from LLUB based operators was lower than forecasted. t2 Switzerland successfully implemented cost saving programmes during the quarter and EBITDA improved to SEK -2 (-16) million in Q1 2008.

Netherlands t2 Netherlands managed to gain market share in the fixed broadband market in Q1 2008. Acquisition cost remained stable but churn increased slightly leading to some pressure on net intake during the quarter. New retention measurements were taken to improve the situation. The pricing environment in the Netherlands remains competitive, driven by other ISPs and the incumbents' multi-brand strategy.

10%

FIXED BROADBAND REVENUE GROWTH IN Q1 2008



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

Germany The fixed broadband market continued to be competitive in Q1 2008, with some early signs of market consolidation. However, the price environment during the quarter was relatively stable.

t2 Germany reduced the use of push sales activities significantly in Q1 2008, and switched to a more reactive customer acquisition strategy. This led to an improvement in profitability in fixed broadband services. Churn rate in the customer base improved during the quarter, due to better provisioning.

Austria t2 Austria continued to gain market share in the fixed broadband market. Competition from bundled offerings together with new low pricing points on mobile broadband services resulted in higher marketing costs and churn in Q1 2008. In the corporate segment, t2 Austria continued to be successful, especially in the IP Centrex market. Operating revenue, EBITDA and EBIT were negatively affected during the quarter by a nonrecurring charge of SEK 61 million.

Poland t2 Poland continued to push its resold ADSL offer with full national coverage. The customer base grew by 8,000 (0) in Q1 2008.

FINANCIAL OVERVIEW BY PRODUCT cont.

FIXED TELEPHONY



t2 currently offers Xed telephony services in 12 countries. Use of the traditional fixed telephone line declined in pace with growth in mobile and IP telephony. During the quarter, t2 focused on minimizing the need for investments and use of marketing to maintain the cash flow generation of the service.

In Q1 2008, churn stayed high leading to a net loss of –459,000 (–400,000) users. As an effect, revenue declined by 15 percent to SEK 2,348 (2,763) million. However, EBITDA contribution was SEK 480 (482) million in Q1 2008, corresponding to a margin of 20 (17) percent.

Sweden The EBITDA margin recovered from Q4 2007 and amounted to 15 percent. The margin improved partly as a result of capitalising on synergies from the integration of EON broadband.

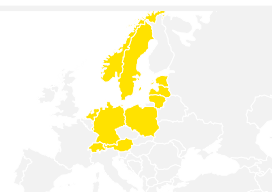
Norway t2 Norway continued to experience a volume shift from fixed to mobile services, but the EBITDA margin increased to 19 (16) percent thanks to reduced customer sale and customer service cost control.

Netherlands The CPS (Carrier Pre-Select) business in the Netherlands declined by –25,000 (–100,000) customers. The intake of WLR (Wholesale Line Rental) customers continued in Q1 2008, enabling better retention and lower churn level in the fixed telephony customer base. t2 Netherlands has approximately 60 percent of the total WLR market. The subscriber acquisition cost remained stable during Q1 2008.

Germany The pricing environment in the fixed telephony market was stable during Q1 2008, with few marketing initiatives from the competition. The majority of the operators were more focused on broadband services, leading to relatively less competition and hence better profitability. The EBITDA margin for fixed telephony was 25 (14) percent.

20%

**FIXED TELEPHONY
EBITDA MARGIN IN Q1 2008**



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

The overall customer turnover in fixed telephony was high, driven mainly by lower volumes from call-by-call, together with high minutes of use from the CPS customer base. Due to a lack of customer relationship towards call-by-call users, the amount of customers is calculated as the total call-by-call volume divided by average minutes of use of a CPS customer. This causes high volatility between the quarters, which was the case in Q1 2008 compared to Q4 2007. However, the churn in the CPS customer base was stable in Q1 2008 and the trend points towards a slow improvement.

t2 Germany's EBITDA was in the quarter negatively effected by SEK 52 million in costs related to a lost court case against Deutsche Post.

Poland t2 Poland remains the largest alternative carrier in the residential segment and the success in selling the WLR continued in Q1 2008. Market activities from competition have been benign in the quarter and the pricing environment on fixed telephony services has been stable. Customer churn developed better than planned during the quarter and t2 Poland lost merely –16,000 (–64,000) customers. This trend was mainly driven by increased penetration of WLR, which exceeded 65 percent of the customer base in Q1 2008.

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 40 of the report for a detailed description of t2's risk exposure and risk management), no additional significant risks are estimated to have developed.

COMPANY DISCLOSURE

t2 Annual General Meeting 2008

The 2008 Annual General Meeting will be held at 1.30 p.m. CET on May 14, 2008, at Hotel Rival, Mariatorget 3 in Stockholm.

Shareholders who wish to participate at the Annual General Meeting shall have their names entered in the register of shareholders maintained by VPC AB (the Swedish Central Securities Depository) on Thursday 8 May 2008 and notify the company of their intention to participate by no later than 1.00 p.m. on Thursday 8 May 2008. The notification can be made on the company's website, www.t2.com, by telephone +46 (0)8 562 00 112 or in writing to the company.

Other

t2 will release the financial and operating results for the period ending June 30, 2008 on July 23, 2008.

Stockholm, April 23, 2008

t2 AB

Lars-Johan Jarnheimer
President and CEO, t2 AB

REPORT REVIEW

The financial and operating results for this interim report have not been subject to specific review by the company's auditors.

Presentation Details

A presentation to discuss the result will be held at 07.45 (CET) / 06.45 (UK time) / 01.45 am (New York time) at SalénHuset, Norrlandsgatan 15, Stockholm. The presentation will be webcasted on t2's website at www.t2.com, along with the presentation material.

Conference call details

A conference call, with an interactive presentation, to discuss the results will be held at 16.00 (CET) / 15.00 (UK time) / 10.00 am (New York time), on April 23, 2008. To register for the conference call and receive a dial-in number together with an access code, please visit the t2 corporate website www.t2.com. The conference call will also be available as a link on the t2 corporate website, both live and as archived version.

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



**VISIT OUR
WEBSITE:**
WWW.T2.COM

CONTACTS

Lars-Johan Jarnheimer
President and CEO, t2 AB
Telephone: +46 (0)8 5626 4000

Lars Nilsson
CFO, t2 AB
Telephone: +46 (0)8 5626 4000

Lars Torstensson
Investor Relations, t2 AB
Telephone: +46 (0)8 5620 0042

t2 AB
Company registration nr: 556410-8917
Skeppsbron 18
P.O. Box 2094
SE-103 13 Stockholm
Sweden
Tel +46 (0)8 5620 0060
www.t2.com

APPENDICES

- Income statement
- Balance sheet
- Cash flow statement
- Change in shareholders' equity
- Number of customers
- Operating revenue
- Internal sales
- EBITDA
- EBIT
- CAPEX
- Key Ratios
- Parent Company
- Notes

T2 IS ONE OF EUROPE'S LEADING ALTERNATIVE TELECOM OPERATORS. t2's mission is to provide price leading and easy to use telecoms. t2 always strives to offer the market's best prices. We have 25 million customers in 15 countries. t2 offers mobile services, fixed broadband and telephony, data network services, cable TV and content services. Ever since Jan Stenbeck founded the company in 1993, it has been a tough challenger to the former government monopolies and other established providers. 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 | 2008 Jan 1–Mar 31 | 2007 Jan 1–Mar 31 | 2007 Full year |
|---|------|----------------------|----------------------|-------------------|
| CONTINUING OPERATIONS | | | | |
| Operating revenue | 1 | 10,402 | 10,926 | 43,420 |
| Operating expenses | 2 | –9,589 | –10,271 | –41,150 |
| Impairment of goodwill | 2 | – | – | –1,315 |
| Sale of operations, profit | 3 | 86 | – | 1,562 |
| Sale of operations, loss | 4 | –3 | –5 | –823 |
| Result from shares in associated companies and joint ventures | 5 | –64 | –57 | –234 |
| Other operating revenues | 2 | 122 | 22 | 125 |
| Other operating expenses | 2 | –92 | –13 | –100 |
| Operating profit/loss, EBIT | | 862 | 602 | 1,485 |
| Net interest expenses | | –86 | –204 | –760 |
| Other financial items | | 60 | –75 | 34 |
| Profit/loss after financial items, EBT | | 836 | 323 | 759 |
| Tax on profit/loss | 6 | –86 | –22 | –1,061 |
| NET PROFIT/LOSS FROM CONTINUING OPERATIONS | | 750 | 301 | –302 |
| DISCONTINUED OPERATIONS | | | | |
| Net profit/loss from discontinued operations | 9 | – | –307 | –1,467 |
| NET PROFIT/LOSS | | 750 | –6 | –1,769 |
| ATTRIBUTABLE TO | | | | |
| Equity holders of the parent company | | 738 | 37 | –1,669 |
| Minority interest | | 12 | –43 | –100 |
| NET PROFIT/LOSS | | 750 | –6 | –1,769 |
| Earnings per share (SEK) | | 1.66 | 0.08 | –3.75 |
| Earnings per share, after dilution (SEK) | | 1.66 | 0.08 | –3.75 |
| FROM CONTINUING OPERATIONS | | | | |
| Earnings per share (SEK) | | 1.66 | 0.77 | –0.45 |
| Earnings per share, after dilution (SEK) | | 1.66 | 0.77 | –0.45 |
| Number of outstanding shares, basic | 7 | 444,851,339 | 444,682,940 | 444,851,339 |
| Number of shares in own custody | 7 | 4,098,000 | – | 4,098,000 |
| Number of shares, weighted average | 7 | 444,851,339 | 444,554,042 | 444,727,119 |
| Number of shares after dilution | 7 | 445,225,883 | 445,024,865 | 445,235,120 |
| Number of shares after dilution, weighted average | 7 | 445,246,739 | 444,969,592 | 445,220,904 |

BALANCE SHEET

| SEK million | Mar 31, 2008 | Dec 31, 2007 |
|--|---------------|---------------|
| Assets | | |
| FIXED ASSETS | | |
| Goodwill | 12,463 | 12,603 |
| Other intangible assets | 2,043 | 2,089 |
| Intangible assets | 14,506 | 14,692 |
| Tangible assets | 14,279 | 14,388 |
| Financial assets | 996 | 1,007 |
| Deferred tax assets | 3,085 | 3,258 |
| FIXED ASSETS | 32,866 | 33,345 |
| CURRENT ASSETS | | |
| Materials and supplies | 362 | 435 |
| Current receivables | 9,157 | 9,816 |
| Short-term investments | 2,623 | 2,593 |
| Cash and cash equivalents | 3,343 | 2,459 |
| CURRENT ASSETS | 15,485 | 15,303 |
| ASSETS | 48,351 | 48,648 |
| Equity and liabilities | | |
| SHAREHOLDERS' EQUITY | | |
| Attributable to equity holders of the parent company | 27,134 | 26,821 |
| Minority interests | 39 | 28 |
| SHAREHOLDERS' EQUITY | 27,173 | 26,849 |
| LONG-TERM LIABILITIES | | |
| Interest-bearing liabilities | 4,811 | 5,670 |
| Non-interest-bearing liabilities | 920 | 927 |
| LONG-TERM LIABILITIES | 5,731 | 6,597 |
| SHORT-TERM LIABILITIES | | |
| Interest-bearing liabilities | 6,129 | 4,602 |
| Non-interest-bearing liabilities | 9,318 | 10,600 |
| SHORT-TERM LIABILITIES | 15,447 | 15,202 |
| EQUITY AND LIABILITIES | 48,351 | 48,648 |

CASH FLOW STATEMENT

| SEK million | Note | 2008 Jan 1–Mar 31 | 2007 Jan 1–Mar 31 | 2007 Full year | 2008 Q1 | 2007 Q4* | 2007 Q3* | 2007 Q2* | 2007 Q1* | 2006 Q4* |
|--|------|----------------------|----------------------|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| OPERATING ACTIVITIES | | | | | | | | | | |
| Cash flow from operation | | 1,425 | 652 | 4,488 | 1,425 | 1,339 | 1,208 | 1,289 | 652 | 1,048 |
| Change in working capital | | 82 | -250 | -138 | 82 | -367 | 615 | -136 | -250 | -452 |
| CASH FLOW FROM OPERATING ACTIVITIES | | 1,507 | 402 | 4,350 | 1,507 | 972 | 1,823 | 1,153 | 402 | 596 |
| INVESTING ACTIVITIES | | | | | | | | | | |
| Capital expenditure in intangible and tangible assets, CAPEX | | -999 | -1,173 | -5,169 | -999 | -1,315 | -1,188 | -1,493 | -1,173 | -1,422 |
| Cash flow after CAPEX | | 508 | -771 | -819 | 508 | -343 | 635 | -340 | -771 | -826 |
| Acquisition of shares and participations | 8 | -398 | -20 | -1,438 | -398 | -1,225 | -27 | -166 | -20 | -44 |
| Sale of shares and participations | 8 | -68 | 108 | 13,215 | -68 | 7,576 | 5,505 | 26 | 108 | -5 |
| Change of long-term receivables | | 156 | 67 | -6 | 156 | 161 | -356 | 122 | 67 | -260 |
| Cash flow from investing activities | | -1,309 | -1,018 | 6,602 | -1,309 | 5,197 | 3,934 | -1,511 | -1,018 | -1,731 |
| CASH FLOW AFTER INVESTING ACTIVITIES | | 198 | -616 | 10,952 | 198 | 6,169 | 5,757 | -358 | -616 | -1,135 |
| FINANCING ACTIVITIES | | | | | | | | | | |
| Change of loans, net | | 702 | 384 | -10,798 | 702 | -6,729 | -5,518 | 1,065 | 384 | 1,083 |
| Dividend | 7 | - | - | -814 | - | - | - | -814 | - | - |
| New share issue | | - | 12 | 27 | - | 5 | 5 | 5 | 12 | 17 |
| Repurchase of own shares | | - | - | -5 | - | -5 | - | - | - | - |
| Other financing activities | | - | 352 | 351 | - | - | 1 | -2 | 352 | - |
| Cash flow from financing activities | | 702 | 748 | -11,239 | 702 | -6,729 | -5,512 | 254 | 748 | 1,100 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | | 900 | 132 | -287 | 900 | -560 | 245 | -104 | 132 | -35 |
| Cash and cash equivalents at beginning of period | | 2,459 | 2,619 | 2,619 | 2,459 | 2,931 | 2,668 | 2,769 | 2,619 | 2,705 |
| Exchange rate differences in cash | | -16 | 18 | 127 | -16 | 88 | 18 | 3 | 18 | -51 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | | 3,343 | 2,769 | 2,459 | 3,343 | 2,459 | 2,931 | 2,668 | 2,769 | 2,619 |
| Taxes paid included in cash flow from operation | | -320 | -682 | -1,570 | -320 | -189 | -489 | -210 | -682 | -231 |

* Including discontinued operations (Note 9)

CHANGE IN SHAREHOLDERS' EQUITY

| SEK million | Note | Mar 31, 2008 | | | Mar 31, 2007 | | | Dec 31, 2007 | | |
|---|------|------------------------------|--------------------|-----------------------------|------------------------------|--------------------|-----------------------------|------------------------------|--------------------|-----------------------------|
| | | Attributable to | | Total share holders' equity | Attributable to | | Total share holders' equity | Attributable to | | Total share holders' equity |
| | | equity holders of the parent | minority interests | | equity holders of the parent | minority interests | | equity holders of the parent | minority interests | |
| Shareholders' equity, January 1 | | 26,821 | 28 | 26,849 | 28,800 | 323 | 29,123 | 28,800 | 323 | 29,123 |
| ITEMS RECOGNIZED DIRECTLY IN SHAREHOLDERS' EQUITY | | | | | | | | | | |
| Exchange rate differences | | -399 | -1 | -400 | 1,128 | 7 | 1,135 | 1,478 | 9 | 1,487 |
| Reversed cumulative exchange rate differences from divested companies | | - | - | - | 1 | - | 1 | -1,053 | - | -1,053 |
| Cash flow hedges | | -31 | - | -31 | 15 | - | 15 | 49 | - | 49 |
| Items recognized directly in shareholders' equity | | -430 | -1 | -431 | 1,144 | 7 | 1,151 | 474 | 9 | 483 |
| Net profit/loss for the period | | 738 | 12 | 750 | 37 | -43 | -6 | -1,669 | -100 | -1,769 |
| Total for the period | | 308 | 11 | 319 | 1,181 | -36 | 1,145 | -1,195 | -91 | -1,286 |
| OTHER CHANGES IN SHAREHOLDERS' EQUITY | | | | | | | | | | |
| Costs for stock options | | 5 | - | 5 | 1 | - | 1 | 8 | - | 8 |
| New share issue | | - | - | - | 12 | - | 12 | 27 | - | 27 |
| Dividend | 7 | - | - | - | - | - | - | -814 | -4 | -818 |
| Repurchase of own shares | | - | - | - | - | - | - | -5 | - | -5 |
| Shareholders contribution from minority | | - | - | - | - | 389 | 389 | - | 395 | 395 |
| Purchase of minority | | - | - | - | - | -16 | -16 | - | -595 | -595 |
| SHAREHOLDERS' EQUITY, END OF PERIOD | | 27,134 | 39 | 27,173 | 29,994 | 660 | 30,654 | 26,821 | 28 | 26,849 |

NUMBER OF CUSTOMERS

| Thousands | Note | Number of customers | | | Net intake | | | | | |
|--------------------|------|---------------------|----------------|-------------|------------|------------|------------|------------|------------|------------|
| | | 2008 Mar 31 | 2007 Mar 31 | Change | 2008 Q1 | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 |
| Sweden | | | | | | | | | | |
| Mobile | 11 | 3,118 | 3,525 | -12% | 19 | 92 | 100 | 46 | 17 | 11 |
| Fixed telephony | | 883 | 1,024 | -14% | -35 | -45 | -20 | -41 | -56 | -22 |
| Fixed broadband | | 416 | 327 | 27% | 30 | 21 | 20 | 18 | 18 | 25 |
| | | 4,417 | 4,876 | -9% | 14 | 68 | 100 | 23 | -21 | 14 |
| Norway | | | | | | | | | | |
| Mobile | 11 | 441 | 415 | 6% | -7 | 1 | 20 | 14 | 16 | 28 |
| Fixed telephony | | 153 | 191 | -20% | -10 | -10 | -9 | -9 | -17 | -7 |
| Fixed broadband | | 107 | 107 | 0% | -5 | -4 | 2 | 7 | 15 | 5 |
| | | 701 | 713 | -2% | -22 | -13 | 13 | 12 | 14 | 26 |
| Russia | | | | | | | | | | |
| Mobile | | 8,879 | 6,587 | 35% | 319 | 554 | 631 | 778 | 578 | 859 |
| | | 8,879 | 6,587 | 35% | 319 | 554 | 631 | 778 | 578 | 859 |
| Estonia | | | | | | | | | | |
| Mobile | | 495 | 497 | 0% | 3 | 3 | -6 | -2 | -13 | 2 |
| Fixed telephony | | 19 | 24 | -21% | -1 | -2 | -1 | -1 | -2 | -2 |
| | | 514 | 521 | -1% | 2 | 1 | -7 | -3 | -15 | - |
| Lithuania | | | | | | | | | | |
| Mobile | | 1,831 | 1,692 | 8% | 35 | 43 | 43 | 18 | 37 | 82 |
| Fixed telephony | | 6 | 8 | -25% | - | - | -1 | -1 | - | -1 |
| Fixed broadband | | 38 | 33 | 15% | 2 | 1 | 1 | 1 | 1 | 2 |
| | | 1,875 | 1,733 | 8% | 37 | 44 | 43 | 18 | 38 | 83 |
| Latvia | | | | | | | | | | |
| Mobile | | 1,127 | 1,072 | 5% | 5 | -6 | 18 | 38 | 15 | 16 |
| Fixed telephony | | 3 | 5 | -40% | -1 | - | - | -1 | -2 | -1 |
| | | 1,130 | 1,077 | 5% | 4 | -6 | 18 | 37 | 13 | 15 |
| Croatia | | | | | | | | | | |
| Mobile | | 516 | 390 | 32% | 46 | 15 | 49 | 16 | 33 | 39 |
| | | 516 | 390 | 32% | 46 | 15 | 49 | 16 | 33 | 39 |
| Switzerland | | | | | | | | | | |
| Mobile | | 91 | 44 | 107% | 26 | 7 | 9 | 5 | 7 | 3 |
| Fixed telephony | | 321 | 415 | -23% | -19 | -21 | -21 | -33 | -23 | -21 |
| Fixed broadband | | 82 | 89 | -8% | -3 | -3 | -1 | - | 1 | - |
| | | 494 | 548 | -10% | 4 | -17 | -13 | -28 | -15 | -18 |
| France | | | | | | | | | | |
| Mobile | | 465 | 444 | 5% | 12 | 26 | -9 | -8 | 37 | 41 |
| | | 465 | 444 | 5% | 12 | 26 | -9 | -8 | 37 | 41 |
| Luxembourg | | | | | | | | | | |
| Mobile | | 238 | 232 | 3% | 2 | 1 | 2 | 1 | 4 | 1 |
| Fixed telephony | | 26 | 27 | -4% | - | - | - | -1 | -2 | -1 |
| Fixed broadband | | 10 | 6 | 67% | 1 | 1 | 1 | 1 | 2 | 1 |
| | | 274 | 265 | 3% | 3 | 2 | 3 | 1 | 4 | 1 |
| Netherlands | | | | | | | | | | |
| Mobile | | 526 | 592 | -11% | -44 | -22 | -1 | 1 | -6 | -1 |
| Fixed telephony | | 469 | 675 | -31% | -25 | -39 | -54 | -88 | -100 | -98 |
| Fixed broadband | | 331 | 275 | 20% | 7 | 22 | 16 | 11 | 7 | 9 |
| | | 1,326 | 1,542 | -14% | -62 | -39 | -39 | -76 | -99 | -90 |

NUMBER OF CUSTOMERS, cont.

| Thousands | Note | Number of customers | | | Net intake | | | | | |
|------------------------------------|------|---------------------|----------------|-------------|-------------|---------------|---------------|-------------|-------------|--------------|
| | | 2008 Mar 31 | 2007 Mar 31 | Change | 2008 Q1 | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 |
| Germany | | | | | | | | | | |
| Fixed telephony | | 2,407 | 3,119 | -23% | -318 | -36 | -200 | -158 | -84 | 71 |
| Fixed broadband | | 192 | 137 | 40% | 19 | 13 | 7 | 16 | 28 | 43 |
| | | 2,599 | 3,256 | -20% | -299 | -23 | -193 | -142 | -56 | 114 |
| Austria | | | | | | | | | | |
| Fixed telephony | | 528 | 683 | -23% | -34 | -34 | -39 | -48 | -50 | -56 |
| Fixed broadband | | 179 | 136 | 32% | 7 | 11 | 12 | 13 | 14 | 15 |
| | | 707 | 819 | -14% | -27 | -23 | -27 | -35 | -36 | -41 |
| Poland | | | | | | | | | | |
| Fixed telephony | | 716 | 838 | -15% | -16 | -17 | -38 | -51 | -64 | -71 |
| Fixed broadband | | 15 | - | - | 8 | 7 | - | - | - | - |
| | | 731 | 838 | -13% | -8 | -10 | -38 | -51 | -64 | -71 |
| TOTAL | | | | | | | | | | |
| Mobile | 11 | 17,727 | 15,490 | 14% | 416 | 714 | 856 | 907 | 725 | 1,081 |
| Fixed telephony | | 5,531 | 7,009 | -21% | -459 | -204 | -383 | -432 | -400 | -209 |
| Fixed broadband | | 1,370 | 1,110 | 23% | 66 | 69 | 58 | 67 | 86 | 100 |
| | | 24,628 | 23,609 | 4% | 23 | 579 | 531 | 542 | 411 | 972 |
| Divested operations | 8,11 | - | 2,477 | | -116 | -18 | -40 | -72 | -76 | -7 |
| NET CUSTOMER INTAKE | | | | | -93 | 561 | 491 | 470 | 335 | 965 |
| Acquired companies | | | | | - | 10 | - | - | - | - |
| Divested companies | | | | | - | -762 | -1,376 | - | - | - |
| Changed method of calculation | 11 | | | | - | - | - | -759 | - | - |
| TOTAL CONTINUING OPERATIONS | | 24,628 | 26,086 | -6% | -93 | -191 | -885 | -289 | 335 | 965 |
| Discontinued operations | | | | | | | | | | |
| Net intake | 9 | - | 6,114 | | - | -47 | -141 | -239 | -238 | -213 |
| Divested companies | 9 | | | | - | -2,969 | -2,718 | - | - | - |
| TOTAL OPERATIONS | | 24,628 | 32,200 | -24% | -93 | -3,207 | -3,744 | -528 | 97 | 752 |

OPERATING REVENUE

| SEK million | Note | 2008 Q1 | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 |
|--------------------|------|--------------|--------------|--------------|--------------|--------------|--------------|
| Sweden | | | | | | | |
| Mobile | | 1,820 | 1,890 | 1,898 | 1,839 | 1,663 | 1,721 |
| Fixed telephony | | 552 | 528 | 603 | 637 | 667 | 631 |
| Fixed broadband | | 313 | 325 | 303 | 294 | 297 | 281 |
| Other operations | | 153 | 187 | 195 | 183 | 175 | 178 |
| | | 2,838 | 2,930 | 2,999 | 2,953 | 2,802 | 2,811 |
| Norway | | | | | | | |
| Mobile | | 638 | 684 | 681 | 630 | 590 | 576 |
| Fixed telephony | | 153 | 168 | 178 | 188 | 199 | 207 |
| Fixed broadband | | 108 | 112 | 113 | 109 | 102 | 97 |
| | | 899 | 964 | 972 | 927 | 891 | 880 |
| Russia | | | | | | | |
| Mobile | | 1,488 | 1,418 | 1,289 | 1,161 | 969 | 920 |
| | | 1,488 | 1,418 | 1,289 | 1,161 | 969 | 920 |
| Estonia | | | | | | | |
| Mobile | | 257 | 282 | 276 | 279 | 242 | 244 |
| Fixed telephony | | 4 | 4 | 4 | 5 | 5 | 5 |
| Other operations | | 12 | 13 | 13 | 12 | 10 | 10 |
| | | 273 | 299 | 293 | 296 | 257 | 259 |
| Lithuania | | | | | | | |
| Mobile | | 360 | 336 | 352 | 327 | 290 | 292 |
| Fixed telephony | | 1 | 1 | 2 | 1 | 2 | 2 |
| Fixed broadband | | 5 | 5 | 5 | 5 | 4 | 5 |
| | | 366 | 342 | 359 | 333 | 296 | 299 |
| Latvia | | | | | | | |
| Mobile | | 436 | 420 | 445 | 421 | 375 | 390 |
| Fixed telephony | | – | – | – | 1 | 1 | 1 |
| | | 436 | 420 | 445 | 422 | 376 | 391 |
| Croatia | | | | | | | |
| Mobile | | 150 | 156 | 153 | 129 | 105 | 100 |
| | | 150 | 156 | 153 | 129 | 105 | 100 |
| Switzerland | | | | | | | |
| Mobile | | 48 | 38 | 33 | 29 | 23 | 24 |
| Fixed telephony | | 224 | 227 | 233 | 254 | 286 | 326 |
| Fixed broadband | | 62 | 59 | 61 | 62 | 63 | 62 |
| Other operations | | 28 | 35 | 34 | 38 | 43 | 63 |
| | | 362 | 359 | 361 | 383 | 415 | 475 |
| France | | | | | | | |
| Mobile | | 284 | 275 | 273 | 293 | 285 | 289 |
| | | 284 | 275 | 273 | 293 | 285 | 289 |
| Luxembourg | | | | | | | |
| Mobile | | 201 | 204 | 225 | 211 | 211 | 215 |
| Fixed telephony | | 23 | 24 | 22 | 21 | 25 | 26 |
| Fixed broadband | | 7 | 6 | 5 | 5 | 3 | 3 |
| Other operations | | 14 | 15 | 16 | 16 | 14 | 14 |
| | | 245 | 249 | 268 | 253 | 253 | 258 |
| Netherlands | | | | | | | |
| Mobile | | 258 | 272 | 288 | 276 | 251 | 253 |
| Fixed telephony | | 386 | 412 | 381 | 371 | 400 | 447 |
| Fixed broadband | | 714 | 706 | 598 | 558 | 590 | 563 |
| Other operations | | 200 | 186 | 168 | 166 | 151 | 152 |
| | | 1,558 | 1,576 | 1,435 | 1,371 | 1,392 | 1,415 |

OPERATING REVENUE, cont.

| SEK million | Note | 2008 Q1 | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 |
|------------------------------------|------|---------------|---------------|---------------|---------------|---------------|---------------|
| Germany | | | | | | | |
| Fixed telephony | | 591 | 668 | 657 | 674 | 769 | 855 |
| Fixed broadband | | 116 | 97 | 91 | 88 | 82 | 76 |
| Other operations | | 112 | 106 | 122 | 111 | 109 | 127 |
| | | 819 | 871 | 870 | 873 | 960 | 1,058 |
| Austria | | | | | | | |
| Fixed telephony | 1 | 167 | 180 | 196 | 215 | 242 | 268 |
| Fixed broadband | 1 | 208 | 278 | 259 | 260 | 256 | 256 |
| Other operations | | 168 | 158 | 159 | 135 | 151 | 165 |
| | | 543 | 616 | 614 | 610 | 649 | 689 |
| Poland | | | | | | | |
| Fixed telephony | | 263 | 254 | 233 | 211 | 200 | 206 |
| Fixed broadband | | 5 | 2 | – | – | – | – |
| Other operations | | 34 | 24 | 25 | 13 | 10 | 13 |
| | | 302 | 280 | 258 | 224 | 210 | 219 |
| Other | | | | | | | |
| Other operations | | 325 | 285 | 241 | 211 | 248 | 209 |
| | | 325 | 285 | 241 | 211 | 248 | 209 |
| TOTAL | | | | | | | |
| Mobile | | 5,940 | 5,975 | 5,913 | 5,595 | 5,004 | 5,024 |
| Fixed telephony | | 2,364 | 2,466 | 2,509 | 2,578 | 2,796 | 2,974 |
| Fixed broadband | | 1,538 | 1,590 | 1,435 | 1,381 | 1,397 | 1,343 |
| Other operations | | 1,046 | 1,009 | 973 | 885 | 911 | 931 |
| | | 10,888 | 11,040 | 10,830 | 10,439 | 10,108 | 10,272 |
| One-off items | 1 | – | –200 | – | – | – | – |
| Divested operations | 8 | 25 | 7 | 609 | 1,254 | 1,471 | 1,565 |
| Internal sales, elimination | | –511 | –394 | –530 | –561 | –653 | –685 |
| TOTAL CONTINUING OPERATIONS | | 10,402 | 10,453 | 10,909 | 11,132 | 10,926 | 11,152 |
| Discontinued operations | 9 | – | 1,369 | 1,918 | 3,023 | 2,903 | 2,795 |
| TOTAL OPERATIONS | | 10,402 | 11,822 | 12,827 | 14,155 | 13,829 | 13,947 |

INTERNAL SALES

| SEK million | Note | 2008 Q1 | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 |
|------------------------------------|------|------------|------------|------------|------------|------------|------------|
| Sweden | | | | | | | |
| Mobile | | 25 | 19 | 21 | 17 | 34 | 39 |
| Fixed telephony | | – | –3 | – | 1 | 6 | 10 |
| Fixed broadband | | – | 1 | – | 2 | 6 | 7 |
| Other operations | | 104 | 120 | 152 | 139 | 137 | 138 |
| | | 129 | 137 | 173 | 159 | 183 | 194 |
| Norway | | | | | | | |
| Mobile | | 3 | 1 | 3 | 1 | 2 | 1 |
| Fixed telephony | | 9 | 11 | 14 | 12 | 13 | 10 |
| Fixed broadband | | – | – | – | – | – | 2 |
| | | 12 | 12 | 17 | 13 | 15 | 13 |
| Russia | | | | | | | |
| Mobile | | 15 | 3 | 5 | 2 | 2 | – |
| | | 15 | 3 | 5 | 2 | 2 | – |
| Estonia | | | | | | | |
| Other operations | | 12 | 13 | 13 | 12 | 10 | 9 |
| | | 12 | 13 | 13 | 12 | 10 | 9 |
| Lithuania | | | | | | | |
| Mobile | | 2 | 2 | 3 | 3 | 2 | 3 |
| Fixed telephony | | 1 | 1 | 2 | 1 | – | 1 |
| | | 3 | 3 | 5 | 4 | 2 | 4 |
| Latvia | | | | | | | |
| Mobile | | 6 | 3 | – | – | – | – |
| | | 6 | 3 | – | – | – | – |
| Switzerland | | | | | | | |
| Other operations | | 8 | 8 | 10 | 11 | 12 | 13 |
| | | 8 | 8 | 10 | 11 | 12 | 13 |
| Luxembourg | | | | | | | |
| Mobile | | 3 | 3 | 3 | 4 | 3 | 4 |
| Fixed telephony | | 6 | 6 | 5 | 3 | 4 | – |
| Other operations | | 13 | 13 | 15 | 15 | 14 | 14 |
| | | 22 | 22 | 23 | 22 | 21 | 18 |
| Netherlands | | | | | | | |
| Fixed telephony | | – | 2 | 7 | 8 | 10 | 19 |
| Fixed broadband | | 5 | 6 | 6 | 6 | 6 | 8 |
| Other operations | | 14 | 6 | 3 | 5 | 4 | 2 |
| | | 19 | 14 | 16 | 19 | 20 | 29 |
| Germany | | | | | | | |
| Other operations | | 63 | 59 | 97 | 85 | 80 | 93 |
| | | 63 | 59 | 97 | 85 | 80 | 93 |
| Austria | | | | | | | |
| Other operations | | 32 | 15 | 23 | 18 | 18 | 26 |
| | | 32 | 15 | 23 | 18 | 18 | 26 |
| Poland | | | | | | | |
| Other operations | | 4 | 4 | 5 | 5 | 6 | 6 |
| | | 4 | 4 | 5 | 5 | 6 | 6 |
| Other | | | | | | | |
| Other operations | | 185 | 100 | 85 | 132 | 188 | 136 |
| | | 185 | 100 | 85 | 132 | 188 | 136 |
| TOTAL | | | | | | | |
| Mobile | | 54 | 31 | 35 | 27 | 43 | 47 |
| Fixed telephony | | 16 | 17 | 28 | 25 | 33 | 40 |
| Fixed broadband | | 5 | 7 | 6 | 8 | 12 | 17 |
| Other operations | | 435 | 338 | 403 | 422 | 469 | 437 |
| | | 510 | 393 | 472 | 482 | 557 | 541 |
| Divested operations | 8 | 1 | 1 | 58 | 79 | 96 | 144 |
| Internal sales, elimination | | –511 | –394 | –530 | –561 | –653 | –685 |
| TOTAL CONTINUING OPERATIONS | | – | – | – | – | – | – |

EBITDA

| SEK million | Note | 2008 Q1 | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 |
|--------------------|------|------------|------------|------------|------------|-------------|-------------|
| Sweden | | | | | | | |
| Mobile | | 632 | 645 | 700 | 678 | 577 | 648 |
| Fixed telephony | | 85 | 60 | 106 | 99 | 137 | 60 |
| Fixed broadband | | -57 | -55 | -21 | -42 | 7 | -29 |
| Other operations | | 22 | 4 | 24 | 6 | 10 | -4 |
| | | 682 | 654 | 809 | 741 | 731 | 675 |
| Norway | | | | | | | |
| Mobile | | -12 | 41 | 10 | 29 | 52 | 44 |
| Fixed telephony | | 27 | 27 | 28 | 28 | 30 | 40 |
| Fixed broadband | | -20 | -14 | -14 | -21 | -28 | -19 |
| | | -5 | 54 | 24 | 36 | 54 | 65 |
| Russia | | | | | | | |
| Mobile | | 518 | 440 | 428 | 382 | 276 | 243 |
| | | 518 | 440 | 428 | 382 | 276 | 243 |
| Estonia | | | | | | | |
| Mobile | | 88 | 96 | 83 | 89 | 80 | 71 |
| Fixed telephony | | 1 | - | -4 | 2 | 1 | 1 |
| Other operations | | 1 | 1 | 4 | -2 | - | 1 |
| | | 90 | 97 | 83 | 89 | 81 | 73 |
| Lithuania | | | | | | | |
| Mobile | | 122 | 66 | 111 | 112 | 98 | 86 |
| Fixed telephony | | 1 | 1 | 1 | - | 1 | - |
| Fixed broadband | | 1 | 1 | 1 | 1 | 1 | 1 |
| | | 124 | 68 | 113 | 113 | 100 | 87 |
| Latvia | | | | | | | |
| Mobile | | 163 | 157 | 211 | 202 | 168 | 170 |
| Fixed telephony | | - | - | - | - | - | 3 |
| | | 163 | 157 | 211 | 202 | 168 | 173 |
| Croatia | | | | | | | |
| Mobile | | -95 | -83 | -77 | -91 | -80 | -114 |
| | | -95 | -83 | -77 | -91 | -80 | -114 |
| Switzerland | | | | | | | |
| Mobile | | -68 | -80 | -57 | -56 | -41 | -23 |
| Fixed telephony | | 86 | 73 | 81 | 61 | 79 | 76 |
| Fixed broadband | | -2 | -11 | -13 | -12 | -16 | -11 |
| Other operations | | 1 | - | - | 3 | 2 | 1 |
| | | 17 | -18 | 11 | -4 | 24 | 43 |
| France | | | | | | | |
| Mobile | | -36 | -72 | -6 | -42 | -129 | -202 |
| | | -36 | -72 | -6 | -42 | -129 | -202 |
| Luxembourg | | | | | | | |
| Mobile | | 54 | 74 | 68 | 67 | 71 | 79 |
| Fixed telephony | | 3 | 2 | 2 | -2 | -6 | - |
| Fixed broadband | | -1 | 1 | -1 | -2 | -5 | -4 |
| Other operations | | 1 | - | 1 | - | 1 | 1 |
| | | 57 | 77 | 70 | 63 | 61 | 76 |
| Netherlands | | | | | | | |
| Mobile | | 26 | 33 | 27 | 24 | 22 | 5 |
| Fixed telephony | | 62 | 73 | 23 | 46 | 56 | 89 |
| Fixed broadband | | 107 | 116 | 136 | 72 | 95 | 76 |
| Other operations | | 16 | 24 | 32 | 33 | 31 | 54 |
| | | 211 | 246 | 218 | 175 | 204 | 224 |

EBITDA, cont.

| SEK million | Note | 2008 Q1 | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 |
|------------------------------------|------|--------------|--------------|--------------|--------------|--------------|--------------|
| Germany | | | | | | | |
| Fixed telephony | 2 | 148 | 169 | 93 | 114 | 111 | 200 |
| Fixed broadband | | -87 | -165 | -147 | -146 | -96 | -105 |
| Other operations | | 9 | 3 | 11 | 6 | 9 | 5 |
| | | 70 | 7 | -43 | -26 | 24 | 100 |
| Austria | | | | | | | |
| Fixed telephony | 1-2 | 33 | 26 | 47 | 59 | 70 | 88 |
| Fixed broadband | 1-2 | -102 | -73 | -47 | -62 | -33 | -17 |
| Other operations | | 6 | 12 | 6 | 22 | 15 | 13 |
| | | -63 | -35 | 6 | 19 | 52 | 84 |
| Poland | | | | | | | |
| Fixed telephony | | 34 | 42 | 30 | 6 | 3 | 7 |
| Fixed broadband | | -15 | -14 | -25 | -6 | -1 | 2 |
| Other operations | | 5 | -5 | 11 | 1 | 1 | - |
| | | 24 | 23 | 16 | 1 | 3 | 9 |
| Other | | | | | | | |
| Other operations | | 7 | -51 | -16 | 9 | -11 | -30 |
| | | 7 | -51 | -16 | 9 | -11 | -30 |
| TOTAL | | | | | | | |
| Mobile | | 1,392 | 1,317 | 1,498 | 1,394 | 1,094 | 1,007 |
| Fixed telephony | | 480 | 473 | 407 | 413 | 482 | 564 |
| Fixed broadband | | -176 | -214 | -131 | -218 | -76 | -106 |
| Other operations | | 68 | -12 | 73 | 78 | 58 | 41 |
| | | 1,764 | 1,564 | 1,847 | 1,667 | 1,558 | 1,506 |
| Divested operations | 8 | -6 | -64 | -3 | 45 | 33 | 50 |
| TOTAL CONTINUING OPERATIONS | | 1,758 | 1,500 | 1,844 | 1,712 | 1,591 | 1,556 |
| Discontinued operations | 9 | - | 304 | 148 | -11 | -139 | -77 |
| TOTAL OPERATIONS | | 1,758 | 1,804 | 1,992 | 1,701 | 1,452 | 1,479 |

EBIT

| SEK million | Note | 2008 Q1 | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 |
|--------------------|------|-------------|------------|------------|-------------|-------------|-------------|
| Sweden | | | | | | | |
| Mobile | | 469 | 481 | 537 | 508 | 410 | 485 |
| Fixed telephony | | 63 | 38 | 87 | 80 | 116 | 41 |
| Fixed broadband | | -131 | -128 | -86 | -105 | -52 | -86 |
| Other operations | | 2 | -17 | 7 | -11 | -7 | -22 |
| | | 403 | 374 | 545 | 472 | 467 | 418 |
| Norway | | | | | | | |
| Mobile | | -17 | 35 | 9 | 25 | 51 | 41 |
| Fixed telephony | | 26 | 24 | 25 | 26 | 28 | 37 |
| Fixed broadband | | -28 | -19 | -21 | -26 | -32 | -21 |
| | | -19 | 40 | 13 | 25 | 47 | 57 |
| Russia | | | | | | | |
| Mobile | | 384 | 290 | 280 | 258 | 162 | 136 |
| | | 384 | 290 | 280 | 258 | 162 | 136 |
| Estonia | | | | | | | |
| Mobile | | 72 | 77 | 67 | 76 | 65 | 55 |
| Fixed telephony | | 1 | - | -4 | 2 | 1 | 3 |
| Other operations | | - | - | 4 | -2 | - | - |
| | | 73 | 77 | 67 | 76 | 66 | 58 |
| Lithuania | | | | | | | |
| Mobile | | 102 | 47 | 93 | 94 | 80 | 70 |
| Fixed telephony | | 1 | - | - | 1 | 1 | - |
| Fixed broadband | | - | - | 1 | - | - | - |
| | | 103 | 47 | 94 | 95 | 81 | 70 |
| Latvia | | | | | | | |
| Mobile | | 142 | 136 | 191 | 179 | 146 | 142 |
| | | 142 | 136 | 191 | 179 | 146 | 142 |
| Croatia | | | | | | | |
| Mobile | | -114 | -98 | -92 | -105 | -93 | -123 |
| | | -114 | -98 | -92 | -105 | -93 | -123 |
| Switzerland | | | | | | | |
| Mobile | | -71 | -82 | -60 | -56 | -43 | -25 |
| Fixed telephony | | 76 | 62 | 72 | 52 | 69 | 67 |
| Fixed broadband | | -4 | -13 | -16 | -14 | -17 | -12 |
| Other operations | | 1 | 1 | 1 | 2 | 2 | 1 |
| | | 2 | -32 | -3 | -16 | 11 | 31 |
| France | | | | | | | |
| Mobile | | -36 | -73 | -6 | -43 | -129 | -202 |
| | | -36 | -73 | -6 | -43 | -129 | -202 |
| Luxembourg | | | | | | | |
| Mobile | | 26 | 47 | 39 | 40 | 45 | 53 |
| Fixed telephony | | 3 | 2 | 2 | -3 | -7 | -10 |
| Fixed broadband | | -1 | - | - | -3 | -5 | -4 |
| Other operations | | 1 | 1 | 1 | 1 | - | 1 |
| | | 29 | 50 | 42 | 35 | 33 | 40 |
| Netherlands | | | | | | | |
| Mobile | | 21 | 31 | 26 | 22 | 20 | 3 |
| Fixed telephony | | 40 | 33 | 1 | 27 | 36 | 70 |
| Fixed broadband | | -137 | -112 | -100 | -161 | -140 | -178 |
| Other operations | | 3 | 9 | 18 | 18 | 17 | 39 |
| | | -73 | -39 | -55 | -94 | -67 | -66 |

EBIT, cont.

| SEK million | Note | 2008 Q1 | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 |
|---|------|-------------|-------------|--------------|-------------|-------------|-------------|
| Germany | | | | | | | |
| Fixed telephony | 2 | 131 | 152 | 81 | 101 | 99 | 187 |
| Fixed broadband | | -120 | -192 | -166 | -158 | -107 | -114 |
| Other operations | | 9 | 3 | 11 | 6 | 9 | 5 |
| | | 20 | -37 | -74 | -51 | 1 | 78 |
| Austria | | | | | | | |
| Fixed telephony | 1-2 | 6 | -3 | 24 | 34 | 45 | 72 |
| Fixed broadband | 1-2 | -148 | -118 | -93 | -105 | -79 | -23 |
| Other operations | | -2 | 4 | -4 | 13 | 6 | 17 |
| | | -144 | -117 | -73 | -58 | -28 | 66 |
| Poland | | | | | | | |
| Fixed telephony | | 28 | 38 | 27 | 3 | -1 | 2 |
| Fixed broadband | | -15 | -14 | -25 | -7 | -1 | -6 |
| Other operations | | 5 | -5 | 11 | 1 | 1 | - |
| | | 18 | 19 | 13 | -3 | -1 | -4 |
| Other | | | | | | | |
| Other operations | | -2 | -62 | -27 | -2 | -22 | -43 |
| | | -2 | -62 | -27 | -2 | -22 | -43 |
| TOTAL | | | | | | | |
| Mobile | | 978 | 891 | 1,084 | 998 | 714 | 635 |
| Fixed telephony | | 375 | 346 | 315 | 323 | 387 | 469 |
| Fixed broadband | | -584 | -596 | -506 | -579 | -433 | -444 |
| Other operations | | 17 | -66 | 22 | 26 | 6 | -2 |
| | | 786 | 575 | 915 | 768 | 674 | 658 |
| One-off items | 1-2 | - | -328 | -1,319 | - | - | 50 |
| Divested operations | 8 | 76 | -169 | 1,013 | -572 | -72 | -33 |
| TOTAL CONTINUING OPERATIONS | | 862 | 78 | 609 | 196 | 602 | 675 |
| Discontinued operations | 9 | - | 477 | -1,004 | -222 | -343 | -307 |
| TOTAL OPERATIONS | | 862 | 555 | -395 | -26 | 259 | 368 |
| SPECIFICATION OF ITEMS BETWEEN EBITDA AND EBIT | | | | | | | |
| EBITDA | | 1,758 | 1,500 | 1,844 | 1,712 | 1,591 | 1,556 |
| Impairment of goodwill | 2 | - | -5 | -1,310 | - | - | - |
| Depreciation/amortization and other write-down | | -915 | -945 | -1,222 | -934 | -927 | -872 |
| Sale of operations | 3-4 | 83 | -88 | 1,352 | -520 | -5 | -17 |
| Other one-off items | 1-2 | - | -324 | - | - | - | 50 |
| Result from shares in associated companies and joint ventures | 5 | -64 | -60 | -55 | -62 | -57 | -42 |
| EBIT | | 862 | 78 | 609 | 196 | 602 | 675 |

CAPEX

| SEK million | Note | 2008 Q1 | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 |
|--------------------|------|------------|------------|------------|------------|------------|------------|
| Sweden | | | | | | | |
| Mobile | | 112 | 132 | 107 | 134 | 110 | 210 |
| Fixed telephony | | 27 | 19 | 31 | 31 | 21 | 53 |
| Fixed broadband | | 102 | 127 | 75 | 73 | 60 | 101 |
| Other operations | | 15 | 39 | 13 | 12 | 5 | 10 |
| | | 256 | 317 | 226 | 250 | 196 | 374 |
| Norway | | | | | | | |
| Mobile | | 9 | 2 | 1 | 3 | - | 3 |
| Fixed broadband | | 5 | 20 | 15 | 9 | 13 | 16 |
| | | 14 | 22 | 16 | 12 | 13 | 19 |
| Russia | | | | | | | |
| Mobile | | 246 | 352 | 327 | 459 | 399 | 358 |
| | | 246 | 352 | 327 | 459 | 399 | 358 |
| Estonia | | | | | | | |
| Mobile | | 39 | 43 | 33 | 22 | 10 | 24 |
| | | 39 | 43 | 33 | 22 | 10 | 24 |
| Lithuania | | | | | | | |
| Mobile | | 27 | 22 | 15 | 23 | 24 | 15 |
| Fixed broadband | | 1 | 1 | 1 | 1 | 1 | 1 |
| | | 28 | 23 | 16 | 24 | 25 | 16 |
| Latvia | | | | | | | |
| Mobile | | 47 | 33 | 48 | 23 | 26 | 49 |
| | | 47 | 33 | 48 | 23 | 26 | 49 |
| Croatia | | | | | | | |
| Mobile | | 40 | 124 | 61 | 49 | 44 | 85 |
| | | 40 | 124 | 61 | 49 | 44 | 85 |
| Switzerland | | | | | | | |
| Mobile | | 42 | 30 | 18 | 13 | 11 | 8 |
| Fixed telephony | | - | 1 | 1 | 1 | - | 2 |
| Fixed broadband | | - | -1 | 1 | 1 | 4 | 2 |
| | | 42 | 30 | 20 | 15 | 15 | 12 |
| France | | | | | | | |
| Mobile | | - | 3 | - | - | 1 | 1 |
| | | - | 3 | - | - | 1 | 1 |
| Luxembourg | | | | | | | |
| Mobile | | 7 | 37 | 3 | 15 | 2 | 13 |
| Fixed broadband | | - | - | - | - | 1 | 1 |
| | | 7 | 37 | 3 | 15 | 3 | 14 |
| Netherlands | | | | | | | |
| Mobile | | 2 | - | - | - | - | - |
| Fixed telephony | | 10 | 2 | 10 | 17 | 10 | 12 |
| Fixed broadband | | 88 | 110 | 98 | 94 | 125 | 80 |
| Other operations | | 7 | 7 | 6 | 7 | 8 | 12 |
| | | 107 | 119 | 114 | 118 | 143 | 104 |

CAPEX, cont.

| SEK million | Note | 2008 Q1 | 2007 Q4 | 2007 Q3 | 2007 Q2 | 2007 Q1 | 2006 Q4 |
|--|------|------------|--------------|--------------|--------------|--------------|--------------|
| Germany | | | | | | | |
| Fixed telephony | | 1 | – | – | 1 | 1 | 2 |
| Fixed broadband | | 11 | 11 | 11 | 4 | 14 | 41 |
| | | 12 | 11 | 11 | 5 | 15 | 43 |
| Austria | | | | | | | |
| Fixed telephony | | 13 | 32 | 5 | 2 | 8 | 11 |
| Fixed broadband | | 19 | 29 | 30 | 27 | 15 | 27 |
| Other operations | | 5 | 18 | 7 | 7 | 4 | 10 |
| | | 37 | 79 | 42 | 36 | 27 | 48 |
| Poland | | | | | | | |
| Fixed telephony | | 1 | 1 | – | 1 | – | 1 |
| Fixed broadband | | 1 | 1 | 5 | 2 | 1 | – |
| | | 2 | 2 | 5 | 3 | 1 | 1 |
| Other | | | | | | | |
| Other operations | | 11 | 19 | –8 | 25 | 21 | 16 |
| | | 11 | 19 | –8 | 25 | 21 | 16 |
| TOTAL | | | | | | | |
| Mobile | | 571 | 778 | 613 | 741 | 627 | 766 |
| Fixed telephony | | 52 | 55 | 47 | 53 | 40 | 81 |
| Fixed broadband | | 227 | 298 | 236 | 211 | 234 | 269 |
| Other operations | | 38 | 83 | 18 | 51 | 38 | 48 |
| | | 888 | 1,214 | 914 | 1,056 | 939 | 1,164 |
| Divested operations | 8 | – | 6 | 29 | 56 | 55 | 46 |
| TOTAL CONTINUING OPERATIONS | | 888 | 1,220 | 943 | 1,112 | 994 | 1,210 |
| Discontinued operations | 9 | – | 210 | 252 | 249 | 218 | 354 |
| TOTAL OPERATIONS | | 888 | 1,430 | 1,195 | 1,361 | 1,212 | 1,564 |
| ADDITIONAL CASH FLOW INFORMATION | | | | | | | |
| CAPEX according to cash flow statement | | 999 | 1,315 | 1,188 | 1,493 | 1,173 | 1,422 |
| This year unpaid CAPEX and paid CAPEX from previous year | | | | | | | |
| Continuing operations | | –119 | 40 | –1 | –54 | 38 | 73 |
| Discontinued operations | 9 | – | 73 | 4 | –80 | –9 | 41 |
| Sales price in cash flow statement | | 8 | 2 | 4 | 2 | 10 | 28 |
| CAPEX according to balance sheet | | 888 | 1,430 | 1,195 | 1,361 | 1,212 | 1,564 |

KEY RATIOS

| SEK million | 2008 | 2007 | 2007 | 2006 | 2005 | 2004 |
|--|--------------|--------------|--------------------|--------|--------|--------|
| | Jan 1–Mar 31 | Jan 1–Mar 31 | | | | |
| CONTINUING OPERATIONS | | | | | | |
| Operating revenue | 10,402 | 10,926 | 43,420 | 43,098 | 37,870 | 30,570 |
| Number of customers, by thousands | 24,628 | 26,086 | 24,721 | 25,751 | 23,023 | 19,998 |
| EBITDA | 1,758 | 1,591 | 6,647 | 5,776 | 5,293 | 4,996 |
| EBIT | 862 | 602 | 1,485 | –106 | 2,607 | 2,858 |
| EBT | 836 | 323 | 759 | –668 | 2,170 | 2,686 |
| Net profit/loss | 750 | 301 | –302 | –1,003 | 1,665 | 2,030 |
| KEY RATIOS | | | | | | |
| EBITDA margin, % | 16.9 | 14.6 | 15.2 | 13.4 | 14.0 | 16.3 |
| EBIT margin, % | 8.3 | 5.5 | 3.4 | –0.2 | 6.9 | 9.3 |
| VALUE PER SHARE (SEK) | | | | | | |
| Earnings | 1.66 | 0.77 | –0.45 | –1.98 | 3.77 | 4.59 |
| Earnings after dilution | 1.66 | 0.77 | –0.45 | –1.98 | 3.77 | 4.57 |
| TOTAL (INCLUDING DISCONTINUED OPERATIONS) | | | | | | |
| Shareholders' equity | 27,173 | 30,654 | 26,849 | 29,123 | 35,368 | 32,900 |
| Shareholders' equity after dilution | 27,210 | 30,688 | 26,893 | 29,137 | 35,401 | 32,965 |
| Total assets | 48,351 | 68,107 | 48,648 | 66,164 | 68,291 | 49,873 |
| Cash flow from operating activities | 1,507 | 402 | 4,350 | 3,847 | 5,487 | 5,876 |
| Cash flow after CAPEX | 508 | –771 | –819 | –1,673 | 1,847 | 4,314 |
| Available liquidity | 26,134 | 5,176 | 25,901 | 5,963 | 8,627 | 5,113 |
| Net debt | 4,935 | 16,072 | 5,198 | 15,311 | 11,839 | 2,831 |
| Investments in intangible and tangible assets, CAPEX | 888 | 1,212 | 5,198 | 5,365 | 3,750 | 1,585 |
| Investments in shares and long-term receivables | 310 | –155 | –11,444 | 1,616 | 7,953 | 1,653 |
| KEY RATIOS | | | | | | |
| Equity/assets ratio, % | 56 | 45 | 55 | 44 | 52 | 66 |
| Debt/equity ratio, multiple | 0.18 | 0.52 | 0.19 | 0.53 | 0.33 | 0.09 |
| Return on shareholders' equity, % | 2.7 | 0.1 | –6.0 | –11.3 | 6.9 | 10.8 |
| Return on shareholders' equity after dilution, % | 2.7 | 0.1 | –6.0 | –11.3 | 6.9 | 10.8 |
| Return on capital employed, % | 2.5 | 0.6 | 1.5 | –5.4 | 8.2 | 11.4 |
| Average interest rate, % | 5.9 | 4.9 | 5.2 | 4.2 | 3.7 | 4.4 |
| VALUE PER SHARE (SEK) | | | | | | |
| Earnings | 1.66 | 0.08 | –3.75 | –8.14 | 5.30 | 7.74 |
| Earnings after dilution | 1.66 | 0.08 | –3.75 | –8.14 | 5.29 | 7.73 |
| Shareholders' equity | 61.00 | 67.47 | 60.31 | 64.85 | 78.96 | 74.32 |
| Shareholders' equity after dilution | 61.03 | 67.48 | 60.34 | 64.84 | 78.93 | 74.29 |
| Cash flow from operating activities | 3.39 | 0.90 | 9.78 | 8.66 | 12.39 | 13.27 |
| Dividend | – | – | 7.85 ¹⁾ | 1.83 | 1.75 | 1.67 |
| Redemption | – | – | – | – | – | 3.33 |
| Market price at closing day | 112.25 | 114.50 | 129.50 | 100.00 | 85.25 | 87.00 |

¹⁾ Proposed dividend

PARENT COMPANY

INCOME STATEMENT

| SEK million | Note | 2008 Jan 1–Mar 31 | 2007 Jan 1–Mar 31 |
|---|------|----------------------|----------------------|
| Operating revenue | | 8 | 7 |
| Administrative expenses | | -13 | -24 |
| Operating profit/loss, EBIT | | -5 | -17 |
| Exchange rate difference on financial items | | 145 | -438 |
| Net interest expenses and other financial items | | 52 | 58 |
| Profit/loss after financial items, EBT | | 192 | -397 |
| Tax on profit/loss | | -52 | 112 |
| NET PROFIT/LOSS | | 140 | -285 |

BALANCE SHEET

| SEK million | Note | Mar 31, 2008 | Dec 31, 2007 |
|----------------------------------|------|---------------|---------------|
| Assets | | | |
| FIXED ASSETS | | | |
| Financial assets | | 27,303 | 27,192 |
| FIXED ASSETS | | 27,303 | 27,192 |
| CURRENT ASSETS | | | |
| Current receivables | | 13,095 | 13,139 |
| Short-term investments | | 255 | 250 |
| Cash and cash equivalents | | 819 | 15 |
| CURRENT ASSETS | | 14,169 | 13,404 |
| ASSETS | | 41,472 | 40,596 |
| Equity and liabilities | | | |
| SHAREHOLDERS' EQUITY | | | |
| Restricted equity | 7 | 17,459 | 17,459 |
| Unrestricted equity | 7 | 15,798 | 15,689 |
| SHAREHOLDERS' EQUITY | 7 | 33,257 | 33,148 |
| LONG-TERM LIABILITIES | | | |
| Interest-bearing liabilities | | 4,345 | 5,152 |
| LONG-TERM LIABILITIES | | 4,345 | 5,152 |
| SHORT-TERM LIABILITIES | | | |
| Interest-bearing liabilities | | 3,663 | 2,154 |
| Non-interest-bearing liabilities | | 207 | 142 |
| SHORT-TERM LIABILITIES | | 3,870 | 2,296 |
| EQUITY AND LIABILITIES | | 41,472 | 40,596 |

NOTES

ACCOUNTING PRINCIPLES AND DEFINITIONS

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

As a result of the changed strategic focus and divestment of a number of operations in 2007, t2 has in Q1 2008 chosen to change the reporting of the primary segment from market area level to country level. This change corresponds with the internal reporting to the Board and management. Segment *Other* mainly includes the parent company t2 AB, operations in UK, Datamatrix, Radio Components and Procure IT Right.

t2 has in Q1 2008 chosen to change the denotation of the following business areas (previous periods have been adjusted retrospectively). The *Fixed telephony* business area includes resold products within fixed telephony. The product portfolio within resold fixed telephony consists of prefix telephony, preselection (dialing the number without a prefix) and subscription. The *Fixed broadband* business area includes direct access & LLUB, i.e. our own services based on access via copper cable, and other forms of access, such as cable TV networks, DNS networks, wireless broadband and metropolitan area networks. Fixed broadband also includes resold broadband while mobile broadband is included in business area *Mobile*. The product portfolio within direct access & LLUB includes telephony services (including IP telephony), internet access services (including t2's own ADSL) and TV services.

t2 has, in all other respects, presented its interim report in accordance with the accounting principles and calculation methods used in the 2007 Annual Report. Definitions are found in the 2007 Annual Report.

NOTE 1 Operating revenue

Operating revenue was negatively impacted in Q1 2008 by a non-recurring item of SEK 61 million in the Austrian fixed broadband operations. A negative non-recurring item of SEK 9 million, attributable to the fixed telephony operations in Austria, was recorded in Q4 2007.

In Q4 2007, the operating revenue in t2 Sweden was reduced by SEK 200 million reported as a one-off item which is related to a number of disputes with Telia Sonera. The negative one-off item concerns the interconnect dispute between year 2000–2004. In Q1 2008, the Supreme Administrative Court decided to refuse appeal in one of the disputes. There is no need to book additional costs in excess of the SEK 200 million reported in Q4 2007. From a cash ow view t2 will pay SEK 550 million to Telia Sonera in Q2 2008 and the decision by the district court in the case of t2's claims on Telia Sonera is expected later in 2008.

NOTE 2 Operating expenses

t2 Germany's EBITDA for xed telephony was in Q1 2008 negatively affected by SEK 52 million in costs related to a lost court case against Deutsche Post. In addition to the non-recurring item described in Note 1, the costs in the Austrian operations were negatively impacted in Q4 2007 by a non-recurring item in fixed telephony and fixed broadband, amounting to SEK 25 million.

The Supreme Court in The Hague 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 the Netherlands were increased by SEK 124 million reported as one-off items in Q4 2007.

In Q4 2006, a one-off item reduced the costs by SEK 50 million in Sweden as a result of price negotiations with another operator.

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 | 572 | 570 |
| Austria | 291 | 290 |
| Belgium | 276 | 275 |
| Netherlands | 176 | 175 |
| Total impairment of goodwill | 1,315 | 1,310 |

OTHER OPERATING REVENUES AND OTHER OPERATING EXPENSES

Service contracts and sales of capacity to sold operations are included in Other operating revenues by SEK 101 million and in Other operating expenses by SEK –80 million.

NOTE 3 Sale of operations, profit

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

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

NOTE 4 Sale of operations, loss

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

| SEK million | Q1 2008 | Q4 2007 | Q3 2007 | Q2 2007 | Q1 2007 | Q4 2006 |
|------------------------------------|-----------|-------------|-------------|-------------|-----------|------------|
| Alpha Telecom/Calling Card company | – | –99 | –10 | –520 | – | – |
| 3C Communications | – | –3 | –133 | – | – | – |
| Belgium | – | – | –20 | – | – | – |
| Datamatrix Norway | –3 | – | –7 | – | –5 | – |
| Other | – | –26 | – | – | – | –20 |
| Total | –3 | –128 | –170 | –520 | –5 | –20 |

NOTE 5 Contingent liabilities

| SEK million | 2008 Mar 31 | 2007 Dec 31 |
|-------------------------------------|----------------|----------------|
| Guarantee related to joint ventures | | |
| –Svenska UMTS-nät, Sweden | 1,806 | 1,838 |
| –Plusnet, Germany | 47 | 47 |
| –Mobile Norway, Norway | 28 | 28 |
| Other commitments | 1 | 1 |
| Total contingent liabilities | 1,882 | 1,914 |

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

NOTE 6 Taxes

In Q2 2007, a one-off adjustment of the deferred tax assets was reported affecting the income statement with SEK –228 million, of which SEK –193 million was related to reduced income tax rate in Germany. In Q3 2007, in connection with the impairment of goodwill according to Note 2, an additional write-down of tax assets for t2 Germany was reported, affecting the income statement with SEK -599 million.

NOTE 7 Shares and convertibles

The Board and CEO propose to the Annual General Meeting to resolve on an ordinary dividend of SEK 3.15 per share and an extraordinary dividend of SEK 4.70 per share to be paid to the shareholders, corresponding to SEK 1,401 million and SEK 2,091 million respectively and totalling SEK 3,492 million at March 31, 2008.

INCENTIVE PROGRAM 2007–2012

| Number of options | Jan 1, 2008– Mar 31, 2008 | Aug 2007 – Mar 31, 2008 |
|--|------------------------------|----------------------------|
| Allocated August 2007 | | 3,552,000 |
| Outstanding as of January 1, 2008 | 3,489,000 | |
| Forfeited | –273,000 | –336,000 |
| Total outstanding stock options | 3,216,000 | 3,216,000 |

INCENTIVE PROGRAM 2006–2011

| Number of options | Stock options | | Warrants | |
|-----------------------------------|------------------------------|---------------------------|------------------------------|---------------------------|
| | Jan 1, 2008– Mar 31, 2008 | Feb 2006– Mar 31, 2008 | Jan 1, 2008– Mar 31, 2008 | Feb 2006– Mar 31, 2008 |
| Allocated February 2006 | | 1,504,000 | | 752,000 |
| Outstanding as of January 1, 2008 | 1,164,000 | | 717,000 | |
| Forfeited | –120,000 | –460,000 | –25,000 | –60,000 |
| Total outstanding | 1,044,000 | 1,044,000 | 692,000 | 692,000 |

NOTE 8 Business acquisitions and divestments

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

| SEK million | 2008 Jan 1–Mar 31 |
|--|----------------------|
| Acquisitions | |
| Netherlands, minority interest | –334 |
| Adigeja, Russia | –13 |
| | –347 |
| Other | |
| Capital contribution to joint venture companies | –51 |
| Other cash flow changes in shares and participations | –68 |
| | –119 |
| TOTAL CASH FLOW EFFECT | –466 |

ACQUISITIONS

Netherlands

During the first quarter 2008 t2 increased its shares in Versatel with an additional 0.06 percent and is now holding 98.87 percent of the shares. The purchase price amounted to SEK 2 million. An additional SEK 332 million was paid during the first quarter 2008 as settlement for shares purchased in 2007.

Adigeja, Russia

On February 22, 2008 t2 acquired all shares in Adigeja Cellular Communications, with an 1800 MHz GSM-license in the Russian region Adigeja, for SEK 13 million. Adigeja is a small enclave inside of Krasnodar.

DIVESTMENTS

MVNO operations in Austria

On October 8, 2007 t2 announced its divestment of the mobile operation in t2 Austria. The sale was completed on March 31, 2008 after receiving approval from the regulatory authorities. The sales price was SEK 18 million which will affect the cash flow for the second quarter 2008. The operation has affected t2's operating revenue year-to-date by SEK 19 (15) million, EBITDA by SEK –6 (–17) million and net profit/loss by SEK –7 (–19) million in addition to a capital gain of SEK 40 million.

Since the divested operation above, was 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.

Other

Other cash flow changes in shares and participations include settlements of sales costs in the amount of SEK –68 million, for divestments during 2007.

For additional information on divested operations please refer to the Q4 2007 Interim Report.

Net assets at the time of divestment

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

| SEK million | Austria MVNO |
|-------------------------------------|--------------|
| Tangible assets | 9 |
| Deferred tax receivables | 21 |
| Material and supplies | 1 |
| Current receivables | 6 |
| Short-term liabilities | –59 |
| Divested net assets | –22 |
| Capital profit | 40 |
| Sales price, net sales costs | 18 |
| Receivable on new owner | –18 |
| TOTAL CASH FLOW EFFECT | – |

PRO FORMA

The table below shows the effect of the acquired and divested companies and operations at March 31, 2008 on t2's operating revenue and result, had they been acquired or divested at January 1, 2008.

| SEK million | 2008 | | |
|-------------------|----------|---|-----------------------|
| | t2 Group | Excluding acquired and divested operations | t2 Group pro forma |
| Operating revenue | 10,402 | –24 | 10,378 |
| EBITDA | 1,758 | 6 | 1,764 |
| Net profit/loss | 750 | 7 | 757 |

NOTE 9 Discontinued operations

The discontinued operations during 2007 comprised the fixed and broadband business in France as well as t2's operations in Italy and Spain. For additional information please refer to the Q4 2007 Interim Report.

NOTE 10 Transactions with related parties

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

NOTE 11 Number of customers

As a way of standardizing reporting both internally and externally, t2 decided in 2007 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 664,000 in the reported customer base in Sweden, Norway a decrease of 2,000 customers and Denmark a decrease of 93,000 customers.