

April 23, 2008

Tele2 Netherlands Announces First Quarter 2008 Results

- **Revenue** for 1Q08 amounts to € 165 million, an increase of 49 % compared to 1Q07.
- **Gross margin** for 1Q08 amounts to € 78 million, an increase of 37 % compared to 1Q07.
- **EBITDA** for 1Q08 amounts to € 26 million, an increase of 28 % compared to 1Q07.
- **Net result** for 1Q08 amounts to a loss of € 11 million, compared to a loss of € 23 million for 1Q07.
- **Free Cash Flow (FCF)** for 1Q08 amounts to positive € 3.6 million, compared with negative € 2.9 million for 1Q07.

(EURm)	1Q08	1Q07 ⁽¹⁾ ⁽²⁾	Growth
Revenue	165.1	110.6	49.3%
Gross Margin	77.8	56.8	37.1%
as % of revenue	47.1%	51.3%	n/m
EBITDA	25.9	20.3	27.7%
as % of revenue	15.7%	18.3%	n/m
Net Result	(10.8)	(22.8)	n/m
Net Result (Continued)	(10.8)	(16.6)	n/m
Capex	22.3	23.2	-3.7%
EBITDA - Capex (FCF)	3.6	(2.9)	n/m

(1) Note: The income statement data as presented above relates to continued operations. The 2007 comparative income statement data has been re-presented in order to reflect the operations of Tele2 Netherlands in Belgium as discontinued due to the sale of the Belgian activities in October 2007. The 2007 revenue and expense lines now include intercompany amounts that were eliminated in the presentation of prior press releases and therefore may differ from prior year disclosure.

(2) Note: The comparative financial information for 1Q07 includes the results of Tele2 (Netherlands) B.V. as of March 6, 2007 (the acquisition date).

FINANCIAL HIGHLIGHTS:

- First quarter 2008 **revenues** increased by 49 percent to € 165 million from first quarter 2007 revenues of € 111 million.
- **Gross margin** as a percentage of revenues in the first quarter of 2008 was 47, percent down from 51 percent in the first quarter of 2007. The decrease is primarily the result of the acquisition of Tele2 (Netherlands) B.V., which acquisition was completed on March 6, 2007. As a result, the revenue mix has changed and also includes the off-net products offered by former Tele2 (Netherlands) B.V.
- **EBITDA** for the first quarter 2008 was € 26 million, compared with € 20 million for the first quarter 2007, up 28 percent.
- Tele2 Netherlands' **net result** for the first quarter of 2008 was a loss of € 11 million compared with a net loss of € 23 million in the first quarter of 2007.
- **Capital expenditures** (Capex) from continued operations during the first quarter of 2008 amounts to € 22 million, compared with € 23 million in the first quarter of 2007.

OTHER HIGHLIGHTS 1Q08:

- Effective January 1, 2008, Versatel Nederland B.V. (as acquiring entity) and Tele2 (Netherlands) B.V. (as disappearing entity) merged within the meaning of Chapters 1, 2 and 3 of Part 7, Book 2 of the Dutch Civil Code, as a consequence of which Tele2 (Netherlands) B.V. ceased to exist. Subsequently, Versatel Nederland B.V. was renamed into Tele2 Nederland B.V.
- On January 25, 2008, Tele2 Netherlands announced that it had been informed by the Enterprise Chamber of the Amsterdam Court of Appeal that the pending proceedings had ended. As a result, no investigation into the affairs ("*enquête*") of the company will be held. In addition, Tele2 Netherlands has recently been informed that also the pending nullification proceedings and cassation proceedings have all ended.
- On February 11, 2008, Tele2 Netherlands announced that it had signed a 5 year agreement with CWI (Centrum Werk en Inkomen) for the delivery of, *inter alia*, IP-Telephony, Mobile Telephony and ISDN services. Assuming a term of 5 years, the agreement has a value of approximately € 6 million.
- As per March 31, 2008, Tele2 Netherlands recorded approximately 12,000 orders in the Netherlands for its **multi play product** over **ADSL2+** during the quarter. At the end of the first quarter 2008, Tele2 Netherlands had provisioned approximately 237,000 customers over ADSL 2+.
- Tele2 Netherlands recorded a net increase of approximately 9,000 customers in its **residential DSL** business in the Netherlands in the first quarter of 2008, bringing the total to approximately 312,000.

SUBSEQUENT EVENT:

On April 22, 2008, Tele2 Netherlands announced that it had applied for, and obtained, approval for a de-listing of its ordinary shares (ISIN: NL0006129264) and convertible bonds due 2011 (ISIN: XS0201750014) from NYSE Euronext ("Euronext Amsterdam"). The last day of trading for Tele2 Netherlands' ordinary shares and convertible bonds shall be May 20, 2008. Effective May 21, 2008, Tele2 Netherlands' ordinary shares and convertible bonds shall be de-listed. In connection with the de-listing, Tele2 Netherlands announced that it would offer to repurchase any and all ordinary shares that remain



1Q08 EARNINGS RELEASE

outstanding through open market purchases, against € 0.79 per share, starting on April 22, 2008 and ending at close of business on May 20, 2008. Tele2 AB currently owns, through its subsidiaries, approximately 99% of Tele2 Netherlands' issued and outstanding share capital.

Tele2 Netherlands further announces that its general meeting of shareholders, which will be convened separately, will be held on May 19, 2008.

Amsterdam, April 23, 2008 – Tele2 Netherlands Holding N.V. (“Tele2 Netherlands”), today reports its first quarter 2008 financial and operating results.

For the quarter ended March 31, 2008, **revenues** were € 165.1 million, up 49.3 percent from first quarter 2007 revenues of € 110.6 million and down 2.6 percent from fourth quarter 2007 revenues of € 169.5 million.

The quarter over quarter decrease in revenue is the result of a change in accounting for discounts offered to customers and a result of seasonal effects. In addition, the mobile and fixed subscriber base decreased, which also had an effect on the first quarter 2008 revenues.

On March 31, 2007, Tele2 Netherlands had approximately 312,000 **residential DSL customers** (including ADSL2+). During the quarter Tele2 Netherlands continued to upgrade existing residential DSL customers to higher-end ADSL 2+ services.

With regard to our **Multi Play Products**, as per the end of the first quarter of 2008, Tele2 Netherlands recorded approximately 12,000 orders during the quarter. At the end of the first quarter of 2008, Tele2 Netherlands had provisioned approximately 237,000 orders over ADSL 2+.

The quarter over quarter **Mobile** subscriber base decreased 7.7 percent to approximately 522,500 subscribers at the end of the first quarter of 2008. Within the mobile segment, Tele2 Netherlands will continue to focus on high value postpaid subscriptions.

Compared to the first quarter of 2007, the **CPS (Carrier Pre Select)** subscriber base declined with approximately 34,000 subscribers to a total of approximately 431,500 subscribers at the end of the first quarter of 2008. The decline in the CPS subscriber base has been slowed down partly due to successful efforts in building up a substantial wholesale line rental (WLR) customer base.

Tele2 Netherlands' **gross margin as a percentage of revenue** in the first quarter of 2008, was 47.1 percent compared with 51.3 percent in first quarter 2007 and 50.8 percent in the fourth quarter 2007. The decrease compared to 2007 is primarily the result of the acquisition of Tele2 (Netherlands) B.V., which acquisition was completed on March 6, 2007. The gross margin on the products of Tele2 (Netherlands) B.V. are generally lower than those of the (on-net) products that are offered by former Versatel.

Selling, general and administrative expenses (SG&A) in the first quarter of 2008 were € 51.9 million compared with € 36.5 million in the first quarter of 2007 and € 71.1 million in the fourth quarter of 2007. The SG&A in the fourth quarter of 2007 includes a one off € 13 million (excluding interest) tax assessment in connection with stock options granted to employees prior to the public offering of the company in July 1999.

Tele2 Netherlands' **marketing expenditures** for the first quarter of 2008 were € 11.8 million compared with € 7.7 million in the first quarter of 2007 and € 18.7 million in the fourth quarter of 2007. As of March 1, 2007, the marketing expenditures also include the marketing efforts related to the activities of former Tele2 (Netherlands) B.V. The fourth quarter of 2007 includes € 7.9 million of marketing cost related to two laptop campaigns opposed to € 1.1 million for the first quarter of 2008 relating to the same campaigns.

For the first quarter of 2008, Tele2 Netherlands' **earnings before interest, tax, depreciation and amortization (EBITDA)** were € 25.9 million compared with € 20.3 for the first quarter of 2007 and € 15.1 million in the fourth quarter of 2007. The first quarter of 2008 includes amortization costs on intangible assets net of tax of € 3.8 million (€ 5.1 million before tax), compared to € 12.7 million (€ 17.1 million before tax) during the fourth quarter of 2007, as a result of the finalization at year end (2007) of the purchase price allocation on the acquisition of Tele2 (Netherlands) B.V.

Tele2 Netherlands' **net result** for continued operations in the first quarter of 2008 amounted to a loss of € 10.8 million compared with a loss of € 16.6 million in the first quarter of 2007 and a loss of € 33.1 million in the fourth quarter of 2007.

Capital expenditures ("Capex") from continued operations in the first quarter of 2008 were € 22.3 million, versus € 23.2 million and € 22.0 million in the first quarter of 2007 and in the fourth quarter of 2007 respectively.

Free Cash Flow ("FCF", calculated as EBITDA less Capex) for continued operations for the first quarter of 2008 was positive € 3.6 million compared with negative € 2.9 million in the same quarter of 2007 and negative € 6.9 million in the fourth quarter of 2007.

As per March 31, 2008, Tele2 Netherlands had € 40.4 million in **cash** on its balance sheet compared with € 69.7 million at the end of the first quarter of 2007 and € 38.7 million at the end of the fourth quarter of 2007. To optimize the interest return on its cash position, Tele2 Netherlands has joined the zero balance cash pool of Tele2 Sverige AB. The positive balance in the cash pool, which amounts to € 29.9 million, is included in cash and cash equivalents, as presented on the balance sheet.

Tele2 Netherlands had a **shareholders' equity** position of € 236.6 million as at March 31, 2008 compared with € 289.2 million at the end of March 2007 and € 247.5 million at December 31, 2007. The net result (loss) of the first quarter of 2008 for continued operations decreased the shareholders' equity.

Un-audited Accounts:

The interim consolidated financial information for the period ended March 31, 2008, is un-audited.

Accounting policies:

The consolidated financial information for the period ended March 31, 2008 has been prepared using International Financial Reporting Standards (IFRS), except for the cashflow statement of the comparative period in 2007 which includes the Belgian operations as if they were continued. Note that EBITDA is not an IFRS measurement. Accounting policies and methods used in the consolidated financial information are the same as those used in the consolidated financial statements for the year ended 31 December 2007. Further disclosures as required under IFRS for a complete set of consolidated financial statements are not included in the interim consolidated financial information.

- END -

Tele2 Netherlands Holding N.V. ("Tele2 Netherlands") (Euronext: TLNL). Tele2 Netherlands, based in Amsterdam, is a competitive communications network operator and a leading alternative to the former monopoly telecommunications carriers in its target market of the Netherlands. Founded in October 1995, Tele2 Netherlands holds full telecommunication licenses in The Netherlands. Tele2 Netherlands operates a facilities-based local access broadband network that uses the latest network technologies to provide residential, business and wholesale customers with high bandwidth voice, data and Internet services. Tele2 Netherlands is a publicly traded company on Euronext Amsterdam under the symbol "TLNL". Please note that the listing will be ended on May 21, 2008 (see "subsequent event"). News and information are available at <http://www.tele2.nl/corporate>

This press release may include “forward-looking statements” relating to our business. Such forward looking statements can often be identified by the use of forward-looking terminology such as “believe”, “expect”, “may”, “are expected to”, “should”, “would be”, “seek”, or “anticipate” or similar expressions or comparable terminology, or by discussions of strategy, plans or intentions. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties, and assumptions about us, including, among other things:

- Anticipated trends and conditions in our industry, including regulatory reforms and the liberalization of telecommunications services across Europe;*
- The impact of the recent slowdown in economic activity generally, and in the telecommunications industry in particular, on our business;*
- Our ability to compete, both nationally and internationally;*
- Our intention to introduce new products and services;*
- Our expectation of the competitiveness of our services;*
- The anticipated development of our network;*
- Changes in regulations or interpretations related to the implementation and reporting under IFRS, decisions to apply a different option of presentation permitted by IFRS; and*
- Our expectation of the impact of this development on our revenue potential, cost basis and margins.*

In light of these risks, uncertainties, and assumptions, the forward-looking events discussed in this presentation might not occur. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Note to Editors: The Tele2 name/logo is a registered trademark in The Netherlands, Belgium, Luxembourg and several other European countries.

Contact: Tele2 Netherlands is available to answer additional questions you might have concerning the quarterly and full year results. We refer to our investor relations email address or to the contact details mentioned below:

Cilesta van Doorn
Director Corporate Communications
Tel: +31-20-750-1318
E-mail: ir-netherlands@tele2.com

FINANCIAL TABLES FOLLOW

TELE2 NETHERLANDS HOLDING N.V.

CONDENSED CONSOLIDATED BALANCE SHEETS (1)
(in thousands)

ASSETS

	December 31, 2007	March 31, 2008
Non current assets:		
Intangible assets:		
Goodwill	EUR 109,216	EUR 109,216
Other Intangible Assets	97,287	84,221
Total intangible assets	206,503	193,437
Property, plant and equipment		
Property, plant and equipment, net	273,945	268,071
Construction in progress	15,162	14,657
Total tangible assets	289,107	282,727
Financial assets:		
Other non-current assets	1,062	1,062
Total Financial Assets	1,062	1,062
Current assets:		
Inventories	1,648	3,104
Trade and other receivables	75,652	63,638
Other current assets	46,826	50,303
Cash and cash equivalents (2)	38,676	40,432
Total current assets	162,802	157,477
Total assets	EUR 659,474	EUR 634,704

SHAREHOLDERS' EQUITY AND LIABILITIES

	December 31, 2007	March 31, 2008
Shareholders' equity:		
Common stock, euro 0.02 par value	EUR 18,848	EUR 18,848
Additional paid-in capital	1,998,781	1,998,781
Accumulated deficit	(1,770,148)	(1,780,980)
Total shareholders' equity	247,481	236,649
Non current liabilities		
Related party long-term senior notes	105,787	106,964
Related party long-term loan	61,035	72,048
Provisions	415	367
Other non current liabilities	22,762	22,244
Total long-term liabilities	189,999	201,623
Deferred income tax	25,318	23,746
Current liabilities		
Unearned revenue	37,802	39,509
Accounts payable	69,616	63,206
Accrued liabilities	84,723	67,218
Related party current account	4,535	2,752
Total short-term liabilities	196,676	172,685
Total shareholders' equity and liabilities	EUR 659,474	EUR 634,704

Notes:

- 1 All financial data presented is unaudited and in accordance with IFRS.
- 2 Cash and cash equivalents include(s) an amount of €29,9 million which is part of the zero balance cash pool with Tele2 Sverige AB.

TELE2 NETHERLANDS HOLDING N.V.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (1)
(in thousands, except share data)

	Three months ended			
	March 31, 2007		March 31, 2008	
Revenues:				
Third party revenues	EUR	110,032	EUR	163,691
Related party revenues		587		1,426
Total revenues		110,619		165,117
Direct cost of revenue:		53,855		87,304
Gross margin		56,764		77,813
Operating expenses:				
Selling general and administrative		36,500		51,929
Depreciation/amortisation		32,384		34,146
Total operating expenses		68,884		86,075
Operating result		(12,120)		(8,263)
Interest- and other income		1,033		269
Interest- and other expense		3,674		1,155
Interest expense related party		2,241		3,405
Currency exchange (gain)/loss		(646)		(149)
Result before income taxes		(16,356)		(12,404)
Income tax credit (charge)		(253)		1,571
Result for the period from continuing operations		(16,609)		(10,833)
Result for the period from discontinued operations		(6,166)		-
Result for the period		(22,775)		(10,833)
Other data:				
EBITDA from continuing operations	EUR	20,264	EUR	25,884
Net result after income taxes per common share:				
Basic	EUR	(0.04)	EUR	(0.01)
Diluted	EUR	(0.04)	EUR	(0.01)
Weighted average shares outstanding:				
Basic		644,547		942,388
Diluted		644,547		942,388
Total Shares outstanding				
Basic		523,549		942,388

Notes:

- 1 All financial data presented is unaudited and in accordance with IFRS.
- 2 Due to the cumulative net loss for 2007 and 2008, the number of weighted average shares is identical for the basic and diluted earnings per share calculation as inclusion of potential common shares would be anti-dilutive.

TELE2 NETHERLANDS HOLDING N.V.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (1)
(in thousands)

	Three months ended	
	March 31, 2007	March 31, 2008
cash flows from operating activities:		
Net result for the period from continuing operations	EUR (16,609)	EUR (10,833)
Net result for the period from discontinued operations	(6,166)	-
Net result	EUR (22,775)	EUR (10,833)
Depreciation and amortization	37,023	34,146
Other non-cash from operating activities	868	(960)
Changes in working capital	(48,288)	(9,279)
Net cash provided by operating activities	(33,172)	13,074
cash flows from investing activities:		
Capital expenditures	(25,996)	(22,331)
Acquisition of Business, net of cash	(196,486)	-
Net cash used in investing activities	(222,482)	(22,331)
cash flows from financing activities:		
Redemption of loans	(16,010)	-
Proceeds from share offering, net of expenses	251,391	-
Proceeds from loans from related parties	2,191	11,013
Net cash (used in)/provided by financing activities	237,572	11,013
Free cash flows (used)/provided	EUR (18,082)	EUR 1,756

Notes:

- 1 All financial data presented is unaudited and prepared in accordance with IFRS except for the comparative financial information of 1Q07 which includes the Belgian operations as if they were continued.

TELE2 NETHERLANDS HOLDING N.V.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (1) (in thousands)

	<u>Issued and paid in capital</u>	<u>Additional paid in capital</u>	<u>Accumulated deficit</u>	<u>Total</u>
Balance at January 1, 2008	EUR 18,848	EUR 1,998,781	EUR (1,770,148)	EUR 247,481
Net result for the period	<u>-</u>	<u>-</u>	<u>(10,833)</u>	<u>(10,833)</u>
Balance at March 31, 2008	<u>18,848</u>	<u>1,998,781</u>	<u>(1,780,980)</u>	<u>236,649</u>

Notes:

- 1 All financial data presented is unaudited and in accordance with IFRS

TELE2 NETHERLANDS HOLDING N.V.

Operating Statistics: Q1 2008

(Euro 000s)

	<u>2007</u> <u>Q1</u>	<u>2007</u> <u>Q2</u>	<u>2007</u> <u>Q3</u>	<u>2007</u> <u>Q4</u>	<u>2007</u> <u>FY</u>	<u>2008</u> <u>Q1</u>
<u>The Netherlands</u>						
Revenue	110,619	148,180	154,063	169,544	582,405	165,117
Gross Margin	56,764	66,800	68,715	86,155	278,434	77,813
GM%	51.3%	45.1%	44.6%	50.8%	47.8%	47.1%
EBITDA	20,264	20,715	24,534	15,098	80,611	25,884
Capex	(23,198)	(24,084)	(21,676)	(21,965)	(90,923)	(22,331)
<u>The Netherlands</u>						
Revenue						
Business	49,293	47,181	45,796	48,335	190,605	45,226
Residential	45,330	83,573	92,468	103,991	325,363	98,625
Carrier	15,996	17,426	15,799	17,218	66,439	21,266
Total	<u>110,619</u>	<u>148,180</u>	<u>154,063</u>	<u>169,544</u>	<u>582,407</u>	<u>165,117</u>
<u>The Netherlands</u>						
Customers						
Business	56,379	54,955	54,519	53,881		52,869
Residential	1,525,523	1,447,062	1,400,935	1,359,625		1,289,812
Carrier	185	183	183	183		183
Total	<u>1,582,087</u>	<u>1,502,200</u>	<u>1,455,637</u>	<u>1,413,689</u>		<u>1,342,864</u>
<u>The Netherlands</u>						
Residential Customers						
Mobile	589,034	589,614	588,634	566,309		522,737
Fixed	627,259	549,886	500,479	465,626		431,652
Narrow & Broadband	309,230	307,562	311,822	327,690		335,423
Total	<u>1,525,523</u>	<u>1,447,062</u>	<u>1,400,935</u>	<u>1,359,625</u>		<u>1,289,812</u>

Note

As a result of the acquisition of Tele2 (Netherlands) B.V., the company acquired a residential customer base. As of March 31, 2007, the acquired customer base consisted of 589,000 mobile customers, 613,000 carrier pre-select customers and 41,000 narrow- and broadband customers in the Netherlands.

For the purposes of above mentioned residential customer numbers, it is noted that Tele2 Netherlands defines a "customer" as anyone who purchased a product and still is an active customer.

The income statement data as presented above relates to continued operations. The 2007 comparative income statement data has been re-presented in order to reflect the operations of Tele2 Netherlands in Belgium as discontinued due to the sale of the Belgian activities in October 2007. The 2007 revenue and expense lines now include intercompany amounts that were eliminated in the presentation of prior press releases and therefore may differ from prior year disclosure.