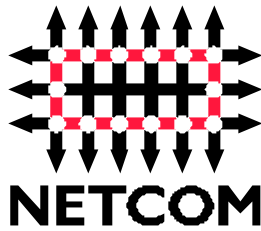


PART ONE : NETCOM



FOR IMMEDIATE RELEASE
Monday, November 6, 2000

NETCOM AB ANNOUNCES SIGNIFICANT CUSTOMER INTAKE DRIVING STRONG OPERATING RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000

- 64% Annualized increase in EBIT
- 41% Annualized increase in EBITDA
- 29% Annualized increase in Group Operating Revenue
- 33% Annualized increase in Subscribers to 5.4 million (More than 10 million including SEC)
- Announced successful SEK 27.9 billion Offer for SEC *

New York and Stockholm –November 6, 2000 - NetCom AB ("NetCom", "the Group") (Nasdaq Stock Market: NECS), the leading provider of telecommunication services in Europe, today announced its consolidated results for the quarter and nine months ended September 30, 2000.

NetCom Financial Summary for the Nine Months ended September 30, *

MSEK	2000	1999	Change
Operating Revenue	7,503	5,825	29%
Operating Profit			
before depreciation and amortization (i)	2,182	1,547	41%
after depreciation and amortization (ii)	1,397	851	64%
Profit after financial items	1,243	715	74%
Profit after taxes	833	410	103%
Earnings per share, after dilution (SEK)	8.02	3.94	104%

- (i) EBITDA
- (ii) EBIT

Lars-Johan Jarnheimer, President and CEO of NetCom AB stated: "Today, NetCom operates in 20 markets and is the largest telecom operator in Europe in terms of number of markets of operation offering products under the same brand name and is also one of the largest alternative telecoms provider in terms of number of customers. We are very positive about the outlook for the combined NetCom and SEC Group and using the recently completed disposal of Infostrada SpA a fixed line phone company as a guide, our fixed line subscriber base would be valued at approximately 80 billion SEK. Our aim is to be a growth company in new markets focused on customer acquisition, churn management and cost control."

** Figures reported for NetCom for the nine months ended September 30, 2000 do not include SEC. At the end of the reporting period, 99.7% of SEC's shareholders had accepted NetCom's offer with the acquisition being finalized on October 2, 2000. A proforma consolidated Balance sheet and Quarterly historic financial review are appended.*

FINANCIAL AND OPERATING HIGHLIGHTS

- Operating profit, before and after depreciation and amortization, increased by 41% and 64% respectively
- NetCom's operating revenues were MSEK 7,503 for the nine months ended September 30, 2000, an increase of 29% over the same period last year
- The total number of subscribers for the Group at September 30, 2000 was 5.4 million, an increase of 33% over the same period of 1999 (or more than 10 million subscribers including SEC)
- Tele2 AB showed an encouraging increase in contract customers in Q3 showing the benefits of bundling fixed and mobile services
- Tele2 AB's mobile telephony business reported stable monthly average revenue per subscriber (ARPU) of SEK 430, excluding prepaid customers, despite the higher customer intake during the period.
- In August, NetCom became the first Mobile Virtual Network Operator (MVNO) in Denmark through an agreement with Sonofon, allowing NetCom to offer mobile telephony services to its existing fixed line customers.
- In September, more than 99% of Société Européenne de Communication SA's (SEC) shareholders had accepted NetCom's SEK 27.9 billion offer for SEC's issued shared capital made in July. For accounting purposes, the SEC acquisition will be consolidated from October 2, 2000 and was therefore not reflected within NetCom's results for the nine months ended September 30, 2000.
- SEC has achieved the following:
 - Fixed line subscribers increased by 127% to 5.0 million from September 30, 1999 to September 30, 2000.
 - Cellular subscribers increased by 116% to 137,000.
 - Operating revenue of MSEK 3,899 (Euro 464 million) for the nine months ended September 30, 2000.
 - Launched broadband wireless internet access in the Czech Republic.
- In October, NetCom acquired Baltkom GSM, the second largest mobile telecommunications company in Latvia.
- In September, NetCom submitted its UMTS application for a 3rd generation mobile network in Sweden, in addition to its application in Norway and its existing license in Finland.
- Effective August 2000, NetCom AB appointed Håkan Zadler as Chief Financial Officer (CFO).

Lars-Johan Jarnheimer comments: "The third quarter was a period of significant sales and marketing effort driving a 36% increase in our total subscriber base despite an increasingly competitive market place. The merger of NetCom and SEC will further consolidate the successful Tele2 branded operations and provide a platform for the development and bundling of fixed line, mobile, fixed wireless data, internet and related services on a pan European basis. There are considerable operational and marketing synergies in addition to the development of our MVNO concept across Europe."

SUCCESSFUL OFFER FOR SEC

In September, NetCom announced that its SEK 27.9 billion offer made on July 24 for Société Européenne de Communication (SEC) had been successful with 99.7% of SEC's shareholders accepting NetCom's offer. For accounting purposes, SEC was not consolidated within NetCom's results for the nine months ended September 30, 2000 as the offer was finalised on October 2, 2000. NetCom believes that SEC is a strong and well-funded business that is now fully operational in eight European countries with licences in a further three. SEC has established the Tele2 brand in these markets and it is the belief of the Board that there will be benefits in terms of brand and synergy in combining the businesses and creating a company with significant critical mass.

The terms of the offer were one NetCom class A share or one NetCom class B share, at the seller's election, in exchange for every 11.5 SEC Class A shares and one NetCom Class B share in exchange for every 11.5 SEC Class A and Class B shares held in combination. The new shares in NetCom were issued on October 2, 2000 resulting in 40,748,480 new shares, of which 11,911,315 are Class A shares and 28,837,165 are Class B shares. The total number of shares in issue are now 144,598,726, of which 40,748,480 are Class A share and 103,850,246 are Class B shares.

FINANCIAL RESULTS

(The figures shown in parenthesis correspond to the comparable periods in 1999 and all negative amounts are distinguished with a minus sign)

Results for the nine months ended September 30, 2000

Operating revenue was MSEK 7503 (5,825) an increase of 29%. There has been strong revenue growth in Mobile Telephony and Fixed Telephony operations in Sweden and an encouraging performance from Tele2 Norway and Cable Television. The later operation benefited from an agreement with Viasat to return the responsibility for the provision of sales and programming services for individual households to NetCom.

Operating profit before depreciation and amortization (EBITDA) increased by 41% to MSEK 2,182 (1,547). The **EBITDA margin** increased to 29.1% (26.6%). This was a result of continuing improvements in Fixed Telephony in Sweden and a positive EBITDA contribution from Tele2 Denmark, Tele2 Norway and Cable Television. The EBITDA at September 30, 2000 includes a fully reversed option cost following a decision by the Board to facilitate an increase of shares in issue. This has had an effect on the Income Statement of MSEK 229 (12). The EBITDA figure has also been affected by a loss on the sale in April of 4T Solutions of MSEK -36.

Operating profit after depreciation and amortization (EBIT) increased by 64% to MSEK 1,397 (851). The EBIT margin increased to 18.6% (14.6%).

Net interest expense and other financial items totaled MSEK -154, (-186). The average interest rate applied to debt outstanding remained stable at 4.8% (4.8%).

Profit after financial items increased by 74% to MSEK 1,243 (715). This increase reflects the improving profitability at the operating level as well as the reversed option cost.

Profit after tax increased to MSEK 833 (410). This increase reflects the profitability of NetCom's operations and the reversed option cost. Earnings per share consequently increased to SEK 8.02 (3.94), after dilution.

NetCom's total assets at September 30, 2000 increased by 4% to MSEK 15,225 compared to MSEK 14,693 reported at December 31, 1999.

Results for the three months ended September 30, 2000

Operating revenue was MSEK 2,648 (2,160) an increase of 23%. The Mobile Telephony operation in Tele2 Sweden contributed revenues of MSEK 1,305 (1,106), an increase of 18%, while Fixed Telephony in Sweden was MSEK 695 (603), an increase of 15%. NetCom's Fixed Telephony operation in Norway reported exceptional growth with revenues of MSEK 249 (120), an increase of 108%.

Operating profit before depreciation and amortization (EBITDA) was MSEK 671 (687). The Group EBITDA margin was 25.3% (31.8%). Mobile Telephony in Sweden was MSEK 589 (612) as a result of increased sales and marketing activity during the quarter. Fixed Telephony in Sweden was MSEK 80 (107) due to price reductions not being fully compensated by lower interconnect charges and a change in minutes of traffic mix which favoured increased national traffic as a result of the introduction of preselect. Both Tele2 Norway and Tele2 Denmark are showing positive EBITDA of MSEK 8 (-22) and MSEK 20 (2) respectively. Cable operations benefited from an agreement with Viasat to return the responsibility for the provision of sales and programming services for individual households, thereby increasing NetCom's proportionate share of revenues and EBITDA.

Operating profit after depreciation and amortization (EBIT) was MSEK 408 (446), due to increased sales and marketing activities in addition to increased depreciation. The EBIT margin was 15.4% (20.6%).

GROUP REVIEW

Associated Companies

Everyday.com

NetCom is the leading Internet service provider or ISP in the Nordic region and its 1,221,000 Internet subscribers are being offered Everyday.com as their starting page in 11 countries. MTG publishes content on the WWW and has significant experience in the mass media and marketing and advertising sales through TV channels, radio stations and newspapers. The Everyday.com content offering is growing continuously. The service was launched most recently in Denmark in June.

Investments

Europe

On July 24 2000, NetCom announced a SEK 27.9 billion offer for Société Européenne de Communication SA, (SEC) a leading alternative pan-European telecommunications service provider in which it had a 17.8% shareholding. As at September 2000, shareholders representing more than 99% of the total issued share capital of SEC accepted NetCom's offer. For accounting purposes, SEC was not consolidated within NetCom's results for the nine months ended September 30, 2000 as the offer was finalized on October 2, 2000.

SEC provides national and international long distance telephony services through Tele2 Europe in the Netherlands, Germany, Switzerland, Austria, France, Italy, Luxembourg and Liechtenstein and provides a broad range of mobile telecommunication services through Tango in Luxembourg and Liechtenstein and Tele2 Mobile in Switzerland. The SEC Group also includes 3C Communications, operating public pay telephones and public internet services; Transac, providing billing and transaction processing services; Everyday.com, the free internet service provider and portal; C³, offering co-branded pre-paid calling cards; IntelliNet, the price-guaranteed residential router device; and a 37.45% interest in Transcom World Wide, one of Europe's largest call center companies

At the end of September, SEC reported a 127% increase to 5.0 million fixed telephony subscribers. Cellular subscribers increased by 116% to 137,000 over the same time period. Revenues totaled MSEK 3,899 (Euro 464 million), and SEC reported a loss after tax of MSEK 1,303 (Euro 155 million) in the first nine months. This loss reflects the increase in marketing spend to continue the rapid growth of Tele2 subscribers and for the launches of C³ and Everyday.com in existing and new markets.

Latvia

In October, NetCom announced the acquisition of a 100% interest in Baltkom GSM, the second largest and most recent entrant to the mobile telephony market in Latvia. At the end of September, the operation reported 96,000 subscribers and gives NetCom a complete presence in the Baltics. NetCom plans to build out the network of this well run operation and is well poised to take advantage of positive developments in the mobile phone usage in the region.

Finland

NetCom is the largest shareholder in Suomen Kolmegee OY(3G), which has been granted one of only four nationwide licenses for a third generation mobile telephony network in Finland. The Everyday.com portal and free internet services have been launched in the capital of Helsinki and expansion will follow throughout the country.

In addition, Tele2 is offering an extremely competitive tariff structure through its phone card offering for international and national calls. The cards are distributed through one of the major distribution chains in Finland.

XSource Corporation

In the second quarter of this year, NetCom sold 4T Solutions, a leader in developing invoicing systems for telecommunications service providers, to XSource Corporation in exchange for 11.88% of XSource Corporation's share capital. XSource Corporation is a global billing company consisting of the following major companies: Savera, Billing Paraguay, Basset, Praesidium, Get2net and NetCom Consultants, a leading telecoms consultancy firm.

NetCom believes that XSource will be an attractive investment.

OPERATIONAL REVIEW

	Number of customers		
	September 30, 2000	1999	%
Tele2 AB Sweden			
Mobile telephony	1,952,000	1,561,000	+25
of which prepaid	1,109,000	843,000	+32
Fixed telephony	999,000	831,000	+20
Internet	624,000	486,000	+28
Cable Television	169,000	140,000	+21
Tele2 A/S Danmark			
Fixed telephony	488,000	397,000	+23
Internet	341,000	239,000	+43
Tele2 Norge A/S			
Mobile telephony	20,000	-	-
Fixed telephony	481,000	220,000	+119
Internet	256,000	137,000	+87
Ritabell			
Mobile telephony	80,000	50,000	+60

Tele2 AB in Sweden

Tele2 AB encompasses three operational divisions: Mobile Telephony, Fixed Telephony and Internet and Cable Television which are marketed under the respective brand names of Comviq, Tele2 and Kabelvision.

Mobile Telephony

Operating revenue, MSEK 3,456 (2,855), +21%

EBITDA, MSEK 1,520 (1,357), +12%

The growth in the number of prepaid and contract subscribers accelerated in the third quarter compared to the second quarter due to our market position as the price-leading operator and through our commitment to the introduction of new marketing and pricing initiatives.

Prepaid customers accounted for 57% of the total mobile subscriber base and 67% of net new subscriber additions in the period. The total number of cards sold to retailers totaled 77,000 in the third quarter of 2000. Both churn and acquisition costs for new customers remained stable.

In the nine months ended September 30, 2000, monthly average revenue per subscriber (ARPU), excluding prepaid customers, remained stable at SEK 430 compared to the same period in 1999, despite the higher customer intake during the period. This has been achieved through major price initiatives. Average airtime usage per month increased, excluding prepaid, by 10% to 132 minutes.

In September, NetCom submitted its UMTS application for a 3rd generation mobile network in Sweden.

Fixed Telephony and Internet

Operating revenue, MSEK 2,198 (1,854), +19%

EBITDA, MSEK 383 (266), +44%

Tele2 has been offering lower Internet surfing rates to existing Internet customers who also become telephony customers and this has proved successful and a wide range of initiatives designed to increase the rate of conversion from Internet only to combined Internet, fixed telephony and mobile customers are currently being implemented.

Through NetCom's joint venture with MTG, the majority of Tele2's Internet customers now have Everyday.com as their starting page and this service can be utilized using most browsers.

In the period September 30, 1999 to September 30, 2000, Tele2 in Sweden increased the number of its fixed telephony customers by 20% from 831,000 to 999,000.

Tele2 reported 624,000 dial up Internet customers at September 30, 2000, corresponding to a 28% increase on the 486,000 customers reported in the comparable period of 1999.

Cable Television

Operating revenue, MSEK 125 (81), +54%

EBITDA, MSEK 8 (-12)

The number of subscribers increased by 21% to 169,000 at September 30, 2000, from 140,000 at September 30, 1999. Cable operations benefited from an agreement with Viasat to return the responsibility for the provision of sales and programming services to individual households, thereby increasing NetCom's proportionate share of revenues and EBITDA.

Tele2 A/S, Denmark

Operating revenue, MSEK 832 (691), +20%

EBITDA, MSEK 81 (-52)

In the first nine months of 2000, Tele2 A/S, Denmark, continued to grow reporting 488,000 fixed telephony customers, an increase of 23% on the comparable period of 1999. Tele2 A/S has both private and corporate customers.

Tele2 A/S reported 341,000 Internet customers at September 30, 2000, an increase of 43% compared to 239,000 Internet customers reported in the same period of 1999.

In October, Tele2 A/S became the first mobile virtual network operator (MVNO) in Denmark, allowing the company to offer competitively priced mobile telephony services to its existing customer base. In association with Sonofon, Tele2 A/S will be able to offer prepaid and ultimately post paid contracts without the need to invest in infrastructure.

Tele2 Norge AS, Norway

Operating revenue, MSEK 704 (276), +155%

EBITDA, MSEK 20 (-55)

In the first nine months of 2000, Tele2 Norge reported a 119% increase in the number of fixed telephony subscribers to 481,000 and had a total of 256,000 activated Internet subscribers, compared to 137,000 activated subscribers reported in the same period of 1999.

Tele2 in Norway has an agreement with Telenor to lease network capacity enabling Tele2Mobil to offer an equal range of network coverage. Tele2 was the first service provider to offer pre-paid cards in Norway and Tele2Mobil became operational during the second quarter of 2000.

Tele2 Norge has applied for a UMTS license in the region.

Other operations

Operating revenue, MSEK 699 (473), +48%
EBITDA, MSEK -26 (50)

Included within Other Operations are, amongst others, Optimal Telecom, Datametrix and Ritabell. 4T Solutions was sold in April.

At September 30, 2000, NetCom's subsidiary Ritabell reported 80,000 gross cellular subscribers, an increase of 60% over the prior year and inclusive of 35,000 prepaid customers.

In May, NetCom launched pre-paid international telephony services in Finland to be followed by the launch of international, long distance and Internet services marketed under the Tele2 brand.

Parent Company

Result after financial items was MSEK 237 (35)

The EBITDA at September 30, 2000 includes a fully reversed option cost following a decision by the Board to increase the number of shares in issue. This has had an effect on the Income Statement of MSEK 229 (12).

Liquidity at September 30, 2000 was MSEK 3, compared with MSEK 7 at December 31, 2000.

ACCOUNTING PRINCIPLES

NetCom has reported its interim report in accordance with the accounting methods and principles used in the Annual Report and Accounts for the financial year of 1999.

COMPANY DISCLOSURE

Fourth Quarter of 2000 Results

The proposed date for the release of NetCom's financial and operating results for the period ended December 30, 2000 is February 2001 at a date yet to be disclosed.

Stockholm, November 6, 2000
Lars-Johan Jarnheimer
President and CEO, NetCom AB

REPORT REVIEW

The financial and operating results for the period ended September 30, 2000 have not been subject to specific review by the Company's auditor.

NetCom, formed in 1993, is a leading alternative pan-European telecommunications company offering fixed and mobile telephony, data network and internet services under the brands Tele2, Tango, Comviq and Q-GSM to approximately 10 million people in 20 countries. NetCom operates Datametrix, which specializes in systems integration, Optimal Telecom, 3C Communications, operating public pay telephones and public internet services; Transac, providing billing and transaction processing services; C are also part of NetCom AB. The Group offers cable television services under the Kabelvision brand name. NetCom AB has a majority interest in Société Européenne de Communication SA. The Company is listed on the Stockholm Stock Exchange, under NCOMA and NCOMB, and an ADR listed on the Nasdaq Stock Market, under NECS.

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CONFERENCE CALL DETAILS

A conference call to discuss the results will be held at 15.00 (Swedish time) / 09.00 (New York time), on Monday, November 6, 2000. The dial in number is: +44 (0) 20 8240 8242. A live audio stream of the conference call can also be accessed at www.netcom.se. Please dial in / log on 10 minutes prior to the start of the conference call to allow time for registration. A recording of the conference call will be available for 48 hours on +44 (0) 20 8288 4459, access code 647 472.

APPENDICES

Consolidated Income Statement
Consolidated Balance Sheet, including proforma
Consolidated Cashflow Statement
Consolidated Changes in Shareholders Equity
Company Review
Quarterly Historic Financial Review, including proforma
Five Year Summary

CONSOLIDATED INCOME STATEMENT (MSEK) ***

	2000	1999	2000	1999	1999
	Jan 1 - Sep 30	Jan 1 - Sep 30	Q3	Q3	Full year
Operating revenue	7,503	5,825	2,648	2,160	8,193
Operating expenses	-6,429	-5,140	-2,263	-1,763	-7,129
Option to Management*	229	12	-7	-10	-134
Other revenues	146	155	42	59	213
Other expenses**	-52	-1	-12	-	-1
Operating Profit	1,397	851	408	446	1,142
Share of profit/loss of associated companies	-	50	-	25	50
Sale of associated company and subsidiaries	-	-	-	-	3,228
Net interest and other financial expenses	-154	-186	-52	-61	-241
Profit after financial items	1,243	715	356	410	4,179
Taxes	-409	-306	-124	-132	-412
Minority interest	-1	1	-2	1	2
Profit after taxes	833	410	230	279	3,769

Earnings per share after tax	8.03 kr	3.94 kr	2.22 kr	2.68 kr	36.29 kr
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Earnings per share after tax, after dilution

Tele2 Norway	-0.38 kr	-0.91 kr	-0.10 kr	-0.34 kr	-1.10 kr
Tele2 Denmark	0.02 kr	-1.16 kr	-0.07 kr	-0.19 kr	-1.39 kr
Associated companies	-	0.19 kr	-	0.15 kr	0.18 kr
Sale of associated company and subsidiary**	-0.34 kr	-	-	-	31.08 kr
Tele2 Sweden and other operations	8.72 kr	5.82 kr	2.39 kr	3.06 kr	7.52 kr
Total	8.02 kr	3.94 kr	2.22 kr	2.68 kr	36.29 kr

* The EBITDA at September 30, 2000 includes a fully reversed option cost following a decision by the Board to resolve the obligation through a new issue. This has had an effect on the Income Statement of MSEK 229 (MSEK 12).

** The second quarter of 2000 has been affected by a capital loss of MSEK -36 associated with the disposal of 4 T Solutions.

***Proforma for the income statement is shown in the statement for "Quarterly historic financial review".

CONSOLIDATED BALANCE SHEET (MSEK), INCLUDING PROFORMA

	Proforma**			
	2000	1999	2000	1999
	Sept 30	Sept 30	Sept 30	Dec 31
ASSETS				
Fixed assets				
Intangible assets	2,165	2,350	25,211	2,305
Tangible assets	6,274	6,165	7,440	6,167
Long-term financial assets	3,791	213	407	3,604
	12,230	8,728	33,058	12,076
Current assets				
Materials and supplies	61	17	186	34
Current receivables	2,564	2,214	4,408	2,162
Cash and cash equivalents	370	303	3,404	421
	2,995	2,534	7,998	2,617
Total assets	15,225	11,262	41,056	14,693
EQUITY AND LIABILITIES				
Shareholders' Equity				
Restricted equity	4,767	3,944	24,539	4,761
Non-restricted equity	3,064	-318	3,064	2,241
	7,831	3,626	27,603	7,002
Minority interest	2	-	2	1
Provisions				
Deferred tax liabilities	548	29	548	139
Options issued*	-	90	-	236
	548	119	548	375
Long-term liabilities				
Interest-bearing liabilities	4,291	5,354	5,555	4,840
Non-interest-bearing liabilities	15	1	15	15
	4,306	5,355	5,570	4,855
Short-term liabilities				
Interest-bearing liabilities	184	98	850	248
Non-interest-bearing liabilities	2,354	2,064	6,483	2,212
	2,538	2,162	7,333	2,460
Total equity and liabilities	15,225	11,262	41,056	14,693

* The EBITDA at September 30, 2000 includes a fully reversed option cost following a decision by the Board to increase the number of shares in issue. This has had an effect on the Income Statement of MSEK 229 (12)

** Proforma consolidated financial information gives effect to the acquisition by NetCom of SEC in a transaction accounted for as a purchase made at September 30, 2000. The proforma is based on an issue of 40,748,000 NetCom shares. No material differences occur between the two companies' accounting principles.

CONSOLIDATED CASHFLOW STATEMENT (MSEK)

	2000	1999	1999
	Jan 1 - Sept 30	Jan 1 - Sept 30	Full Year
Cash flow from operations	2,047	1,313	1,812
Changes in working capital	-544	-281	-41
Cash flows provided by operating activities	1,503	1,032	1,771
Investing activities	-958	-1,170	-1,458
Financing activities	-600	12	-322
Net change in cash	-55	-126	-9
Cash at beginning of year	421	433	433
Exchange difference in cash	4	-4	-3
Cash at end of period	370	303	421

CHANGE OF CONSOLIDATED SHAREHOLDERS' EQUITY (MSEK)

	September 30, 2000			September 30, 1999		
	Restricted	Non-		Restricted	Non-	
	Share capital	Other	restricted	Share capital	Other	restricted
Equity, January 1	519	4,242	2,241	519	3,702	-952
Premium for option	-	6	-	-	-	-
Deferred Tax	-	-	-	-	-273	273
Translation differences	-	-	-10	-	-4	-49
Profit for the period	-	-	833	-	-	410
Equity, year-to-date	519	4,248	3,064	519	3,425	-318
Total restricted and retained losses		4,767	3,064		3,944	-318

COMPANY REVIEW (MSEK)

	2000 Jan 1 - Sep 30	1999 Jan 1 - Sep 30	1999 Full year
Operating revenue by business area			
Tele2 AB:			
-Mobile telephony	3,456	2,855	3,909
-Fixed telephony included Internet	2,198	1,854	2,630
-Cable Television	125	81	110
	<u>5,779</u>	<u>4,790</u>	<u>6,649</u>
Tele2 Norway	704	276	444
Tele2 Denmark	832	691	974
Other operations	699	473	696
Parent company	6	8	10
Adjustments for sales internal	<u>-517</u>	<u>-413</u>	<u>-580</u>
Total	<u>7,503</u>	<u>5,825</u>	<u>8,193</u>
Depreciation and amortization by business area			
Tele2 AB:			
-Mobile telephony	-232	-226	-304
-Fixed telephony included Internet	-270	-222	-301
-Cable Television	-46	-47	-61
	<u>-548</u>	<u>-495</u>	<u>-666</u>
Tele2 Norway	-35	-16	-24
Tele2 Denmark	-51	-47	-68
Other operations	-65	-51	-78
Parent company	-	-	-
Group adjustments, depreciation	<u>-86</u>	<u>-87</u>	<u>-119</u>
Total	<u>-785</u>	<u>-696</u>	<u>-955</u>
Operating profit by business area			
Tele2 AB:			
-Mobile telephony	1,288	1,131	1,554
-Fixed telephony included Internet	113	44	165
-Cable Television***	-38	-59	-69
	<u>1,363</u>	<u>1,116</u>	<u>1,650</u>
Tele2 Norway	-15	-71	-82
Tele2 Denmark	30	-99	-115
Other operations**	-91	-1	-27
Parent company*	196	-7	-165
Group adjustments, depreciation	<u>-86</u>	<u>-87</u>	<u>-119</u>
Total	<u>1,397</u>	<u>851</u>	<u>1,142</u>

COMPANY REVIEW (MSEK), continued

	2000	1999	1999
	Jan 1 - Sep 30	Jan 1 - Sep 30	Full year
Profit/loss after financial items by business area			
Tele2***	1,245	959	1,455
Tele2 Norway	-39	-94	-114
Tele2 Denmark	2	-121	-144
Other operations**	-116	-27	-65
Parent company*	237	35	-112
Shares of profit/loss in associated companies	-	50	50
Sale of associated company and subsidiaries	-	-	3,228
Group adjustments, depreciation	-86	-87	-119
Total	1,243	715	4,179
<u>Investments by business area</u>			
Tele2 AB:			
-Mobile telephony	362	340	424
-Fixed telephony included Internet	265	362	431
-Cable Television	27	8	14
-Purchase of companies (net)	-1	221	221
	653	931	1,090
Tele2 Norway	43	40	53
Tele2 Denmark	64	78	93
Other operations	135	89	133
Parent company, tangible assets	1	-	-
Parent company, purchase of companies (net)	-	32	69
Long-term receivables, change	62	-	20
	958	1,170	1,458
Finance lease	-	42	35
Total investments including finance lease	958	1,212	1,493

* The EBITDA at September 30, 2000 includes a fully reversed option cost following a decision by the Board to increase the number of shares in issue. This has had an effect on the Income Statement of MSEK 229 (12).

** The second quarter of 2000 has been affected by a capital loss of MSEK -36 associated with the disposal of 4 T Solutions.

*** The result for the six months ended September 30, 2000, includes MSEK 9 for Tele2 AB and MSEK 1 for other companies relating to a refund of pension premiums from the SPP or the Swedish Pension Organisation.

QUARTERLY HISTORIC FINANCIAL REVIEW (MSEK), INCLUDING PROFORMA

	2000 Q3	2000 Q2	2000 Q1	1999 Q4	1999 Q3	1999 Q2
Operating revenue by business area						
Tele2 AB:						
-Mobile telephony	1,305	1,111	1,040	1,054	1,106	936
-Fixed telephony included Internet	695	735	768	776	603	627
-Cable Television	39	61	25	29	21	28
	<u>2,039</u>	<u>1,907</u>	<u>1,833</u>	<u>1,859</u>	<u>1,730</u>	<u>1,591</u>
Tele2 Norway	249	230	225	168	120	84
Tele2 Denmark	278	272	282	283	246	242
Other operations	222	224	253	223	182	157
Parent company	2	2	2	2	3	3
Adjustments for sales internal	-142	-120	-255	-167	-121	-150
Total operating revenue	<u>2,648</u>	<u>2,515</u>	<u>2,340</u>	<u>2,368</u>	<u>2,160</u>	<u>1,927</u>
SEC Proforma ****	<u>1,423</u>	<u>1,195</u>	<u>1,185</u>	<u>962</u>	<u>671</u>	<u>540</u>
Total operating revnue, proforma	<u>4,071</u>	<u>3,710</u>	<u>3,525</u>	<u>3,330</u>	<u>2,831</u>	<u>2,467</u>
Depreciation and amortization by business area						
Tele2 AB:						
-Mobile telephony	-84	-72	-76	-78	-76	-75
-Fixed telephony included Internet	-91	-93	-86	-79	-79	-73
-Cable Television	-15	-16	-15	-14	-15	-15
	<u>-190</u>	<u>-181</u>	<u>-177</u>	<u>-171</u>	<u>-170</u>	<u>-163</u>
Tele2 Norway	-9	-15	-11	-8	-5	-6
Tele2 Denmark	-17	-16	-18	-21	-16	-16
Other operations	-18	-22	-25	-27	-21	-18
Group adjustments, depreciation	-29	-28	-29	-32	-29	-29
Total depreciation and amortization	<u>-263</u>	<u>-262</u>	<u>-260</u>	<u>-259</u>	<u>-241</u>	<u>-232</u>
SEC Proforma ****	<u>-366</u>	<u>-358</u>	<u>-380</u>	<u>-365</u>	<u>-346</u>	<u>-349</u>
Total depreciation and amortization, proforma	<u>-629</u>	<u>-620</u>	<u>-640</u>	<u>-624</u>	<u>-587</u>	<u>-581</u>
Operating profit by business area						
Tele2 AB:						
-Mobile telephony	505	341	442	423	536	310
-Fixed telephony included Internet	-11	6	118	121	28	-5
-Cable Television***	-10	-17	-11	-10	-22	-20
	<u>484</u>	<u>330</u>	<u>549</u>	<u>534</u>	<u>542</u>	<u>285</u>
Tele2 Norway	-1	-8	-6	-11	-27	-21
Tele2 Denmark	3	26	1	-16	-14	-34
Other operations**	-35	-59	3	-26	-11	-2
Parent company *	-14	226	-16	-158	-15	-11
Group adjustments, depreciation	-29	-28	-29	-32	-29	-29
Total Operating profit	<u>408</u>	<u>487</u>	<u>502</u>	<u>291</u>	<u>446</u>	<u>188</u>
SEC Proforma ****	<u>-1,362</u>	<u>-1,032</u>	<u>-902</u>	<u>-847</u>	<u>-798</u>	<u>-686</u>
Total Operating profit, proforma	<u>-954</u>	<u>-545</u>	<u>-400</u>	<u>-556</u>	<u>-352</u>	<u>-498</u>

QUARTERLY HISTORIC FINANCIAL REVIEW (MSEK) continued

	2000 Q3	2000 Q2	2000 Q1	1999 Q4	1999 Q3	1999 Q2
Profit/loss after financial items by business area						
Tele2***	445	287	513	496	495	239
Tele2 Norway	-10	-15	-14	-20	-35	-29
Tele2 Denmark	-8	18	-8	-23	-21	-42
Other operations**	-42	-68	-6	-38	-21	-10
Parent company*	-	242	-5	-147	-4	3
Shares of profit (loss) from associated companies	-	-	-	-	25	19
Sale of associated company	-	-	-	3,228	-	-
Group adjustments, depreciation	-29	-28	-29	-32	-29	-29
Total profit after financial items	356	436	451	3,464	410	151
SEC Proforma ***	-1,265	-1,006	-887	-4,079	-811	-703
Total loss after financial items, proforma	-909	-570	-436	-615	-401	-552
Value per share (SEK)						
Profit/loss, after dilution	2.22	2.80	3.00	32.35	2.68	0.78
-of which Tele2 Norway	-0.10	-0.15	-0.13	-0.19	-0.34	-0.28
-of which Tele2 Denmark	-0.07	0.17	-0.08	-0.24	-0.19	-0.40
-of which associated companies	-	-	-	-0.01	0.15	0.13
-of which sale of associated company and subsidiary **	-	-0.34	-	31.08	-	-
-of which Tele2 Sweden and other operations	2.39	3.12	3.21	1.71	3.06	1.33
Investments by business area						
Tele2 AB:						
-Mobile telephony	141	105	116	84	71	142
-Fixed telephony included Internet	85	90	90	69	93	114
-Cable Television	13	8	6	6	2	3
-Purchase of companies (net)	-1	-	-	-	-	10
	238	203	212	159	166	269
Tele2 Norway	16	10	17	13	17	10
Tele2 Denmark	31	19	14	15	34	15
Other operations	70	32	33	44	22	25
Parent company, tangible assets	-	1	-	-	-	-
Parent company, purchase of companies (net)	-	-	-	37	6	2
Long-term receivables, change	21	29	12	20	-	-
	376	294	288	288	245	321
Finance leases	-	-	-	-17	10	1
Total investments including finance leases	376	294	288	271	255	322

* The EBITDA at September 30, 2000 includes a fully reversed option cost following a decision by the Board to increase the number of shares in issue. This had an effect on the Income Statement of MSEK 229 (12).

** The second quarter of 2000 has been affected by a capital loss of MSEK -36 associated with the disposal of 4T Solutions

*** The result for the six months ended September 30, 2000, includes MSEK 9 for Tele2 AB and MSEK 1 for Other Companies relating to a refund of pension premiums from the SPP, or the Swedish Pension Organisation

****Proforma consolidated financial information gives effect to the acquisition by NetCom of SEC in a transaction accounted for as a purchase made at January 1, 1999. The proforma is based on an issue of 40,748,000 NetCom shares. Goodwill arising from the purchase has an effect on the income statement of 1.1 billion on an annual basis, assuming a 20 year depreciation period. No material differences occur between the two companies' accounting principles. The disposal of shares in the Norwegian company NetCom ASA, has during 1999 and 2000 been recorded in the accounts by both NetCom and SEC. The proforma is calculated as if the new Group has sold the whole investment in NetCom ASA by January 1, 1999. The received payment has been discounted at an interest rate of approximately 4.8% on an annual basis, with an effect on the financial items in the Income statement for each proforma period.

FIVE YEAR SUMMARY

	2000 9 months	1999 9 months	1999	1998	1997	1996
<u>Income Statement and Balance Sheet (MSEK)</u>						
Operating revenue	7,503	5,825	8,193	5,969	4,036	2,872
Operating profit before depreciation	2,182	1,547	2,097	1,223	1,000	651
Operating profit after depreciation	1,397	851	1,142	518	392	254
Profit/loss after financial items	1,243	715	4,179	232	-37	29
Profit after taxes	833	410	3,769	67	49	248
Shareholders' equity	7,831	3,626	7,002	3,269	3,156	2,276
Shareholders' equity, after dilution	7,906	3,626	7,002	3,269	3,193	2,923
Total assets	15,225	11,262	14,693	10,189	8,684	7,527
Cash flow provided by operating activities	1,503	1,032	1,771	990	411	610
Liquidity	1,253	751	1,123	821	1,499	819
Net borrowing	3,981	5,148	4,605	4,600	3,579	3,894
Net borrowing, after dilution	3,906	5,148	4,605	4,600	3,542	3,247
Investments including financial lease*	958	1,212	1,493	1,959	1,117	1,016
<u>Key ratio (%)</u>						
Solidity	51%	32%	48%	32%	36%	30%
Solidity, after dilution	52%	32%	48%	32%	37%	39%
Debt/equity ratio	0.51	1.42	0.66	1.41	1.13	1.71
Result before depreciation margin	29.1%	26.6%	25.6%	20.5%	24.8%	22.7%
Result after depreciation margin	18.6%	14.6%	13.9%	8.7%	9.7%	8.8%
Return on shareholders' equity	11.2%	11.9%	73.4%	2.1%	3.2%	-10.0%
Return on shareholders' equity, after dilution	11.2%	11.9%	73.4%	2.1%	3.2%	-3.3%
Return on capital employed	11.7%	10.6%	43.6%	6.7%	4.8%	1.3%
Average interest rate	4.8%	4.8%	4.8%	6.6%	7.1%	8.9%
Average interest rate, after dilution	4.8%	4.8%	4.8%	6.6%	7.1%	8.6%
<u>Value per share (SEK)**</u>						
Profit/loss	8.03	3.94	36.29	0.64	0.50	2.80
Profit/loss, after dilution	8.02	3.94	36.29	0.64	0.57	2.78
-of which Tele2 Norway	-0.38	-0.91	-1.10	-1.24	-0.46	-0.12
-of which Tele2 Denmark	0.02	-1.16	-1.39	-1.69	-0.79	-0.16
-of which associated companies	-	0.19	0.18	-0.14	-0.85	2.52
-of which sale of associated company and subsidiary	-0.34	-	31.08	-	-	-
-of which Tele2 Sweden and other ops	8.72	5.82	7.52	3.71	2.67	0.54
Shareholders' equity	75.41	34.92	67.43	31.55	32.18	25.78
Shareholders' equity, after dilution	76.09	34.92	67.43	31.48	30.86	28.70
Cash flow	14.47	9.94	17.05	9.56	4.19	6.91
Cash flow, after dilution	14.46	9.94	17.05	9.53	3.97	5.99
Dividend	-	-	-	-	-	-
Market value at closing day	494.00	304.00	598.00	330.00	170.50	110.50
P/E-ratio	46.16	57.93	16.48	512.92	344.43	39.40
P/E-ratio, after dilution	46.19	57.93	16.48	514.17	298.12	39.81
Number of shares, basic	103,850,246	103,850,246	103,850,246	103,850,246	103,094,691	88,294,691
Weighted average number of shares	103,850,246	103,850,246	103,850,246	103,598,394	98,061,358	88,294,691
Number of shares, diluted	104,350,246	103,850,246	103,850,246	103,850,246	103,850,246	101,850,246
Weighted average number of shares, diluted	103,912,746	103,850,246	103,850,246	103,850,246	103,433,579	101,850,246

* Financial leases are included from January 1, 1997

** At September 30, 2000 obligation for options to management represents 500,000 NetCom shares

For all definitions please refer to the 1999 Annual Report. Debt/equity ratio= Net of interest bearing assets and liabilities divided by equity at the end of the accounting period.