

Press Release

June 11, 2001

Offer for Telia's share in Eircom

The Boards of Eircom plc and Valentia Telecommunications Limited have today announced that they have reached agreement on principal terms of a proposed offer as set out below for the entire issued share capital of Eircom.

Valentia has been granted a period of exclusivity until 25 June 2001 in which to finalise the terms of the offer.

Under the proposed offer, Eircom shareholders would be offered the following alternatives:

- a cash offer of EUR 1.27 per Eircom share
- or
- a participating offer, structured as a cash payment of EUR 1.25 per Eircom share and a warrant over Valentia's ordinary share capital.

Each warrant will carry the right to a cash cancellation payment of EUR 0.04 one year after the offer has been declared unconditional or EUR 0.07 per warrant three years after the offer has been declared unconditional. These cash payments will be guaranteed by Goldman Sachs International.

Telia, which indirectly owns 14% of Eircom, has today given an irrevocable undertaking to accept the offer which represents a value of approximately SEK 3.7 billion to Telia.

"This offer provides Telia with an excellent opportunity to monetise its stake in Eircom, as a further step in Telia's strategy to focus on its core business" says Telia's CFO Bo Jacobsson.

**For further information journalists can contact:
Bo Jacobsson, Chief Financial Officer, Telia +46 8 713 58 30**

<p>Telia is the leading Nordic communications company challenging technology to liberate you in life and business. In 2000, Telia's sales totalled SEK 54,064 million and the number of employees was 29,868. Telia is quoted on the A-list of the Stockholm Stock Exchange.</p>
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