



## **Press Release**

Stockholm June 20, 2001

# **Song Networks acquires Telia Finland**

**Song Networks Holding AB (NASDAQ: TEUR, OM Stockholm Stock Exchange: TEUR) today announced the acquisition of Telia Finland Oy, the Finnish arm of the Swedish telecom group. The purchase price is approximately SEK 440 million, approximately 70 % of which will be paid in cash and approximately 30 % in Song Networks Holding shares.**

Commenting on the acquisition, Ivar Strömberg, Song Network's Chief Executive Officer said: "The acquisition of Telia Finland Oy will accelerate the implementation of Song Network's core strategy by significantly speeding up the completion of the company's network build-out in Finland and more than doubling both the number of customers and the potential revenues from its Finnish network. We expect the acquisition to eliminate SEK 120 million in planned capital expenditures associated with the build out of our Finnish business and to move forward the Company's EBITDA breakeven point by one quarter to Q1 2002. Finally, Song Network's business plan will continue to be fully funded following the acquisition."

Telia Finland Oy provides wireline data and telephony services and operates a nationwide network. It had revenues of approximately SEK 460 million in 2000, is EBITDA positive and has approximately 190 employees. Corporate customers accounted for approximately 55% of 2000 revenue were, of which 33%, or 20% of total revenue, was data. Telia Finland Oy has approximately 900 directly connected customers. Revenue from Telia Finland Oy is expected to grow by 8-10% per annum over the next three years. The transaction does not include Telia Mobile, Telia International Carrier and the mobile portal Speedy Tomato. The acquisition, which will be consolidated as of June 20, 2001, is expected to carry minor redundancy charges.

The acquisition will bring Song Networks a number of important benefits in Finland:

- The immediate expansion and rapid completion of Song Networks' broadband network to reach the target market nation-wide;
- The expansion of Song Networks' customer base with a significant number of large and medium-sized data and telephony clients, and the opportunity to cross-sell other Song services;



- Increased synergies to be gained by bringing increased traffic volumes onto Song Networks' own, broadened network infrastructure;
- A highly skilled workforce.

"I am excited about this deal. The acquisition of Telia Finland significantly increases the scale and market position of our business in Finland and will enable us to become the number one alternative operator there. We look forward to offering our customers a wider range of services," said Ari-Jussi Knaapila, Group VP and MD of Song Networks Oy.

**Song Networks Holding AB will hold a telephone conference call today, 20 June, at 11:00 CET, to present the acquisition and answer questions. The conference will be hosted by Ivar Strömberg (CEO) and Liia Nõu (CFO). The dial in number will be: International +44 (0)20 8781 0598 & +44 (0) 8781 0597, UK 020 08781 0598 & 020 8781 0597, US +1 800 482 5567. A recorded version of the conference will be available from 12.00 CET, directly after the conference call is finished, until 29 June, on: International +44 (0)20 8288 4459, access code 680 232, UK 020 8288 4459, access code 680 232, US +1 800 625 5288, access code 108 8254**

**Livecasting is also available during the presentation at [www.songnetworks.net](http://www.songnetworks.net)**

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**About Song Networks** (former Tele1 Europe) (NASDAQ: TEUR, OM Stockholm Stock Exchange: TEUR) Song Networks is a rapidly expanding data and telecommunications operator with activities in Sweden, Denmark, Finland and Norway. The company provides broadband solutions for data, Internet and voice, to large and mid-range businesses in the Nordic region. Song Networks is currently the only pan Nordic data and telecommunications operator investing in local access networks with broadband capacity. The company is constructing networks in the 80 largest cities in the Nordic region. The access networks, which are linked by a long-distance network, will be one of Europe's fastest data and Internet super-highways with an initial capacity for customers of up to one gigabit. The company was founded in 1995 and has around 1000 employees. The head office is in Stockholm and there are an additional 24 offices located in the Nordic region. For further information: [www.songnetworks.net](http://www.songnetworks.net)