



Press release

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Song Networks continues to sharpen its focus on core activities

In a further move aimed at sharpening its focus on core activities, Song Networks Holding AB (NASDAQ: SONW, Stockholm Exchange: SONW) has reached an agreement with Spinbox AB, whereby Spinbox will take over responsibility for Song Networks AB's mobile activities. Operations in Norway are also being streamlined via the sale of the company's exchange activities and the sale of Song Networks' consulting activities in Stavanger.

In a further move aimed at sharpening its focus on core activities, Song Networks has reached an agreement with Spinbox AB, whereby Spinbox will take over responsibility for Song Networks' mobile activities in Sweden. Operations in Norway are also being streamlined via the sale of the company's exchange activities and its consulting activities in Stavanger.

The agreement with Spinbox means that Song Networks will "lend" its customer pool to Spinbox for the duration of the agreement. Spinbox will invoice customers, keep all revenues and pay all costs. Song Networks will receive a commission per subscriber and a percentage of the invoiced amount.

Spinbox (Service Provider IN a BOX) will concentrate on making the mobile product more attractive for Song Networks' customers. Spinbox's business concept is to make it easier for operators and businesses to offer mobile telephony.

The consulting activities in Stavanger are being sold to Contive Management for NOK 3 million. The activities were acquired when Song Networks acquired Eltele Rogeland and are not a part of Song Networks' core activities.

The sale of the exchange activities in Norway to ID Connect enables Song Networks to provide customers with first class telephony solutions. ID Connect produces and supplies exchange-based services.

The measures outlined above will reduce income to around SEK 20 million in Q4, and around SEK 80 million on an annual basis. Earnings before interest and



depreciation amortization (EBITDA) will be affected minimally. Around 20 employees are affected.

“Our major expansion of recent years, both organically and through company acquisitions, has also meant that we have acquired business that is not part of our core activities. Selling off these periphery activities will help us to sharpen our core business to sell broadband solutions to businesses in the Nordic region,” says Ivar Strömberg, CEO of Song Networks Holding AB.

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About Song Networks, the former Tele1 Europe, (NASDAQ: SONW, Stockholm Stock Exchange: SONW) Song Networks is a rapidly expanding data, internet and telecommunications operator with activities in Sweden, Denmark, Finland and Norway. The company provides broadband solutions for data, internet, hosting and voice, to large and mid-range businesses in the Nordic region. Song Networks is currently the only pan Nordic data, internet 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 approximately 1,200 employees. The head office is in Stockholm and there are an additional 24 offices located in the Nordic region. For further information, please visit our website at www.songnetworks.net

Certain statements contained in this press release contain "forward-looking statements" within the meaning of the U.S. federal securities law. Such statements are based on the current expectations of the management of Song Networks Holding AB only, and performance is subject to risks, uncertainties and other factors that could cause actual results to differ materially from these statements. Such risks include, but are not limited to, adverse regulatory, technological or competitive developments; decline in demand for the company's services or products; inability to timely develop, introduce and market new technologies, products and services; pricing pressures resulting from competition; unforeseen construction delays; and the inability to successfully manage systems failures or shutdowns and service interruptions or reduced services to customers. For a more detailed discussion of such risks and uncertainties affecting the company, please refer to Song Networks Holding AB's reports that are filed from time to time with the U.S. Securities and Exchange Commission, including the company's annual report on Form 20-F and reports on Form 6-K.