



FOR IMMEDIATE RELEASE

Tuesday, January 26, 1999

**NETCOM AB ANNOUNCES
PRELIMINARY 1998 YEAR END AND FOURTH QUARTER RESULTS**

- **93% Annualized Increase in Tele2 Sweden's Fixed Telephony and Internet Subscribers to 1,112,000**
- **58% Annualized Increase in Mobile Telephony Subscribers to 1,279,000**
- **41% Annualized Increase in Group Operating Revenue to Approximately 6.0 Billion SEK**
- **Gain after Financial Items of Approximately 220 Million SEK**

Stockholm and New York - January 26, 1999 - NetCom AB ("NetCom") (Nasdaq : NECSY), the leading alternative provider of telecommunication services in Scandinavia, today announced preliminary results for the fourth quarter and fiscal year ended December 31, 1998.

NetCom expects to release audited year end financial results on February 25, 1999. At the current time, NetCom anticipates reporting Group operating revenues of approximately 6.0 billion SEK, EBITDA of 1.2 billion SEK and a gain after financial items of approximately 220 million SEK for the twelve months ended December 31, 1998.

For the fourth quarter of 1998, the Group anticipates reporting a loss after financial items of approximately 65 million SEK. This result is mainly a consequence of growth related activities. Comparing fourth quarter EBITDA results to those of the third quarter of 1998, the main differences are as follows;

- Swedish Mobile operation -117 million SEK due to increased sales and marketing costs associated with Christmas campaigns and an increase in sales of the Tele2Mobil brand. Subscriber growth in the fourth quarter was comprised of 27,000 post-paid and 97,000 pre-paid subscriptions compared to 12,000 and 80,000 respectively for the third quarter. Breaking down post-paid sales, the ratio of business to consumer subscriptions has increased from 20% to 50%. During the period, there was a promotional campaign for pre-paid subscriptions where an Ericsson operator locked phone was bundled with a pre-paid card. There were 85,000 subscriptions sold of which 65,000 were activated by the year end.
- Launch of the new brand for Fixed Telephony, "Optimal Telecom", -16 million SEK. Optimal Telecom has already achieved 40,000 subscribers.
- Stock option program -52 million SEK due to the positive share price performance between the quarters. In the third quarter, 22 million SEK was released from the reserve and 30 million SEK provided for in the fourth quarter.

- Tele2 Denmark –28 million SEK of which approximately 7 million SEK is attributable to increased Internet sales. There is also an element of unaccrued external circuit leases amounting to 8 million SEK pertaining to earlier periods. The provision for doubtful accounts increased by 5 million SEK and other general expenses increased by 8 million SEK.

In addition, NetCom continued to experience strong growth in subscribers during the fourth quarter. Tele2 AB reported 1,279,000 Mobile Telephony subscribers for the twelve months ended December 31, 1998. Of the reported 1,279,000 Mobile Telephony subscribers, 615,000 were activated prepaid subscribers, an increase of 19% on the 518,000 activated prepaid customers disclosed in the third quarter of 1998 and representing a net addition of 387,000 activated prepaid customers over the twelve month period. 124,000 net new customers were added in the fourth quarter of 1998, of which 73%, or 97,000 were prepaid customers. Tele2 AB's Fixed Telephony and Internet operations in Sweden reported a 93% annualized increase in subscribers from 576,000 subscribers to 1,112,000 subscribers. Tele2 Norway reported 194,000 Fixed Telephony and Internet subscribers, representing an annualized increase of 676%. Tele2 Denmark reported 423,000 Fixed Telephony and Internet subscribers, representing an annualized increase of 196%.

NetCom AB is a leading telecommunications company in Scandinavia. The Company was formed in 1993. It is engaged in the GSM cellular business operating using the brand names of Comviq and Tele2Mobil in Sweden, NetCom ASA in Norway and through affiliate Ritabell in Estonia. In the areas of public telecommunications, data communication services and Internet, NetCom operates Tele2 in Sweden, Tele2 A/S in Denmark and Tele2 Norge AS in Norway. NetCom also operates, NätTeknik and Datamatrix, specializing in systems integration and Kabelvision, a Swedish cable TV services company. NetCom is listed both on the Stockholm Stock Exchange under the symbols NCOMA and NCOMB and on the Nasdaq Stock Market under the NECSY.

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