



FOR IMMEDIATE RELEASE
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NETCOM ANNOUNCES REORGANIZATION TO MEET FUTURE INCREASED COMPETITION

Stockholm and New York – June 7, 1999 – NetCom AB, the leading alternative provider of telecommunications services in Scandinavia today announced a proposal for an extensive reorganization to meet increased future competition and a reduction in costs. The staff were today informed that the headcount according to the proposal will be reduced by approximately 150. One third of which are permanent staff. This will result in a reduction in costs of at least 80 million SEK on an annual basis. Negotiations according to the Swedish co-determination law will be initiated immediately.

Lars-Johan Jarnheimer, NetCom's President and CEO comments, "In an increasingly competitive environment we have to increase our efficiency in combination with the fact that the primary expansion phase is completed. We can not solely use Telia as a benchmark. We also have to look at smaller competitors. This is particularly important for fixed telephony, where all companies will have to reduce their costs. Our aim is to stay one step ahead in cost control. NetCom will remain a leading provider that offers high customer benefits at lowest possible price.

In the reorganization there are some very offensive measures:

- We have clarified and decentralised the responsibility for revenues and expenditures in six different product areas. This will ensure that the company is governed by value growth.
- We have created processes and methods for work that are common for all parts of the company, which will ensure high quality for the customers and profitability in the future.
- The organisation has been flattened and adjusted to the improved processes of work."

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NetCom AB, formed in 1993, is a leading telecommunications company in Scandinavia. 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 subsidiary Ritabell (Q GSM) 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, specialising 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 symbol NECS.