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NETCOM AB SUPPLEMENTS PREVIOUSLY RELEASED INTERIM REPORT FOR THE QUARTER ENDED JUNE 30, 1999

RESTATED INTERIM REPORT JANUARY – JUNE 1999

New York and Stockholm – August 24, 1999 - NetCom AB ("NetCom", "the Group") (Nasdaq Stock Market: NECS), the leading alternative provider of telecommunication services in the Nordic countries, the Baltic region and Poland, today restated its consolidated results for the quarter ended June 30, 1999 to incorporate the results of its associate company NetCom ASA for the same period.

NetCom ASA published its Interim Report on August 23, 1999. NetCom AB is restating its Interim Report released on August 17, 1999 as at that time NetCom ASA in which NetCom AB has a 25% proportional interest had not published second quarter results. It was therefore necessary for accounting purposes to derive a notional contribution from NetCom ASA for the three months ended June 30, 1999 by assuming the same result as for three months ended March 31, 1999.

Restated Financial Summary for the Six Months ended June 30, 1999 (in MSEK)

	1999	1998	% Change
Operating Revenue	3,665	2,785	32
Operating Profit			
before depreciation and amortization	860	590	46
after depreciation and amortization	405	260	56
Profit after financial items	305	122	150
Profit after taxes	131	38	245
Earnings per share (SEK) (i)	1.26	0.37	241

(i) Earnings per share figures are after tax and full conversion

The impact on NetCom's consolidated accounts of incorporating NetCom ASA's financial results for the six months ended June 30, 1999 was a MSEK 17 increase in the share of profits from associated companies for a total of MSEK 25 and an increase in net profit contributed by associated companies of MSEK 13. The share of profits from associated companies increased by 217% sequentially from MSEK 6 in the first quarter of 1999 to MSEK 19 in the second quarter of 1999.

NETCOM ASA

Total subscribers for the six months ended June 30, 1999 totaled 657,376 an increase of 10% over the 597,203 subscribers reported three months earlier. At the end of June 1999, NetCom ASA reported 278,542 prepaid customers. Subscriber growth was driven by the success of NetCom ASA's prepaid offering and by initiatives to strengthen its strategic business client base during the period through new contracts with large business customers to provide mobile and fixed line services. NetCom ASA currently has approximately one third of Norway's mobile phone market.

The average revenue per customer per month (ARPU) for the total customer base was NOK 326 in the second quarter of 1999, compared with NOK 320 for the first quarter of 1999 and NOK 357 in the

second quarter of 1998. The comparative decline in ARPU year on year relates to the increased proportion of prepaid customers and lower prices. The average minutes of use per customer per month in the second quarter of 1999 totaled 141 compared with 145 in the same period in 1998.

NetCom AB, formed in 1993 is a leading telecommunications company in the Nordic countries, the Baltic region and Poland. 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 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, 4T Solutions and Optimal Telecom in addition to 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.

Contacts:

Lars-Johan Jarnheimer Telephone: + 46 8 562 640 00
President and CEO, NetCom AB, Sweden

Jörgen Latte Telephone: + 46 8 562 640 00
CFO, NetCom AB, Sweden

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APPENDICES

CONSOLIDATED INCOME STATEMENT (MSEK)

	1999	1998	1998
	Jan 1 - June 30	Jan 1 - June 30	Full Year
Operating revenue	3,665	2,785	5,969
Operating expenses	(3,377)	(2,555)	(5,564)
Option to Management	22	(58)	(67)
Other revenues	96	94	190
Other expenses	(1)	(6)	(10)
Operating Profit	405	260	518
Share of profit (loss) from associated companies	25	(2)	(10)
Net interest and other financial expenses	(125)	(136)	(276)
Profit after financial items	305	122	232
Taxes	(174)	(84)	(165)
Profit after taxes	131	38	67

Earnings per share after tax and after full conversion

Tele2 Norway	(0.57) kr	(0.85) kr	(1.24) kr
Tele2 Denmark	(0.97) kr	(0.78) kr	(1.69) kr
Associated companies *	0.04 kr	(0.05) kr	(0.14) kr
Tele2 Sweden and other operations	2.76 kr	2.06 kr	3.71 kr
Total	1.26 kr	0.37 kr	0.64 kr

* Earnings per share figures for the period January 1, 1999 to June 30, 1999 include a reduction in deferred tax revenues relating to the 1998 financial year.

CONSOLIDATED BALANCE SHEET (MSEK)

	1999 June 30	1998 June 30	1998 December 31
ASSETS			
Fixed assets			
Intangible assets*	2,422	1,647	1,687
Tangible assets	6,114	5,062	5,604
Long-term financial assets*	289	498	786
	8,825	7,207	8,077
Current assets			
Materials and supplies	18	18	31
Current receivables	2,085	1,229	1,648
Cash and cash equivalents	41	164	433
	2,144	1,411	2,112
Total assets	10,969	8,618	10,189
EQUITY AND LIABILITIES			
Shareholders' Equity			
Restricted equity	4,072	4,310	4,221
Non-restricted equity	(691)	(1,092)	(952)
	3,381	3,218	3,269
Minority interest	1	2	2
Provisions	80	93	102
Long-term liabilities			
Interest-bearing liabilities	5,506	3,842	4,801
Non interest-bearing liabilities	1	-	1
	5,507	3,842	4,802
Short-term liabilities			
Interest-bearing liabilities	107	-	239
Non interest-bearing liabilities	1,893	1,463	1,775
	2,000	1,463	2,014
Total equity and liabilities	10,969	8,618	10,189

* The figures for long-term financial assets include deferred tax relating to subsidiaries for the periods ended June 30, 1999, June 30, 1998 and December 31, 1998 of MSEK 94, MSEK 322 and MSEK 232 respectively and deferred tax relating to associated companies of MSEK 143, MSEK 169 and MSEK 165 respectively. From February 1, 1999, Ritabell was accounted for as a subsidiary and the goodwill of MSEK 390 arising from its purchase in 1998 is reclassified from financial fixed assets (shares in associated companies) to intangible assets (goodwill).

FIVE YEAR SUMMARY

	1999	1998	1998	1997	1996	1995*
	6 months	6 months				
<u>Income Statement and Balance Sheet (MSEK)</u>						
Operating revenue	3,665	2,785	5 969	4 036	2 872	1 953
Operating profit before depreciation	860	590	1 223	1 000	651	(431)
Operating profit after depreciation	405	260	518	392	254	(728)
Profit/loss after financial items	305	122	232	(37)	29	(1 456)
Shareholders' equity	3,381	3,218	3 269	3 156	2 276	(910)
Shareholders' equity, after full conversion	3,381	3,218	3 269	3 193	2 923	(910)
Total assets	10,969	8,618	10 189	8 684	7 527	4 831
Cash flow provided by operating activities	354	646	990	411	610	(759)
Liquidity	326	1,198	821	1 499	819	189
Net borrowing	5,559	3,677	4 600	3 579	3 894	4 555
Net borrowing, after full conversion	5,559	3,677	4 600	3 542	3 247	4 555
Investments including financial lease**	1,190	756	1 959	1 117	1 016	1 006
<u>Key ratio (%)</u>						
Solidity	31%	37%	32%	36%	30%	Negative
Solidity, after full conversion	31%	37%	32%	37%	39%	Negative
Return on shareholders' equity	3.9%	1.2%	2.1%	3.2%	Negative	Negative
Return on shareholders' equity, after full conversion	3.9%	1.2%	2.1%	3.2%	Negative	Negative
Return on capital employed	5.2%	3.7%	6.7%	4.8%	1.3%	Negative
Average interest rate	5.2%	6.7%	6.6%	7.1%	8.9%	11.5%
Average interest rate, after full conversion	5.2%	6.7%	6.6%	7.1%	8.6%	11.5%
<u>Value per share (SEK)</u>						
Profit/loss	1.26	0.37	0.64	0.50	2.80	Negative
Profit/loss, after full conversion	1.26	0.37	0.64	0.57	2.78	Negative
-of which Tele2 Norway	(0.57)	(0.86)	(1.24)	(0.46)	(0.12)	
-of which Tele2 Denmark	(0.97)	(0.78)	(1.69)	(0.79)	(0.16)	
-of which associated companies	0.04	(0.05)	(0.14)	(0.85)	2.52	
-of which Tele2 Sweden and other ops	2.76	2.06	3.71	2.67	0.54	
Shareholders' equity	32.56	31.15	31.55	32.18	25.78	Negative
Shareholders' equity, after full conversion	32.56	31.00	31.48	30.86	28.70	Negative
Market value at closing day	286.00	305.50	330.00	170.50	110.50	-
P/E-ratio	113.12	412.42	512.92	344.43	39.40	-
P/E-ratio, after full conversion	113.12	408.03	514.17	298.12	39.81	-

* The NetCom group was, until market flotation in 1996, a wholly owned subsidiary of Industriförvaltnings AB Kinnevik.

** Finance leases are included from January 1, 1997.

For definitions please see the 1998 Annual Report.