



GLOCALNET

PRESS RELEASE

Preliminary Year-End Figures 1999:

**Robust Growth and Solid Margin Performance
from Increased Market Initiatives**

Stockholm, Sweden-February 4, 2000 – As Glocalnet's preliminary year-end figures, which are complete today, demonstrate, 1999 was a very successful year for Glocalnet. As of January 1, the company had 7,000 customers, which by December 31 had grown to over 62,000—beating the forecast of 35,000 by 77%. This abundant customer inflow, focused towards the end of the year, initially sparked cost increases above forecast.

Accordingly, earnings were below the level indicated in the May 1999 preferential rights issue prospectus. The calculated overall loss for 1999 is approximately SEK 61 m.

Revenues for 1999 were SEK 30 m. Traffic margins expanded progressively through the year, hitting 30% in the fourth quarter, equating to a full-year figure of 20%. Moreover, Glocalnet had one of the sector's lowest per customer acquisition expenses.

Commenting on the figures, Stefan Krook, Glocalnet's CEO, said: "after the September implementation of Sweden's open access reform and successful marketing initiatives, both autonomous and alongside Birka Energi, Glocalnet's customer base grew resolutely late in the year. Although this is very favorable, this kind of expansion increases expenses before the corresponding revenues arise. These increased expenses are primarily attributable to registration with Sweden's incumbent telco Telia, expanded customer service and our ambitious marketing initiatives."

Mr. Krook continued by saying "we expect to keep expanding briskly through 2000, with increased marketing and service development efforts. It's still too early to make any revenue forecast, but the traffic volumes we generated in early-February 2000 correspond to full-year revenues of SEK 100 m."

Glocalnet AB, quoted on Aragon Fondkommission's Reuters page, is a next-generation telecom player. Glocalnet markets its services in close collaboration with local market partners including Birka Energi and Bredbandsbolaget. Glocalnet is headquartered in Stockholm, Sweden.

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