



FOR IMMEDIATE RELEASE  
Monday, July 24 2000

**NETCOM AB ANNOUNCES SEK27.9 BILLION OFFER  
FOR SOCIÉTÉ EUROPÉENNE DE COMMUNICATION**

**CREATION OF A PAN-EUROPEAN TELECOMMUNICATIONS COMPANY  
OPERATING IN 18 COUNTRIES WITH MORE THAN 9 MILLION CUSTOMERS**

New York and Stockholm – July 24, 2000 - NetCom AB (“NetCom”, “the Group”) (Nasdaq Stock Market: NECS) and Société Européenne de Communication (“SEC”) (Nasdaq: SECAY, SECBY) today announce an Offer by NetCom AB for the total issued share capital of SEC (“the Offer”). The Offer values each SEC B share at SEK61.04 and values the total issued share capital of SEC at SEK34.9 billion. Under the Offer SEC A shareholders can elect to receive NetCom B shares instead of NetCom A shares.

At the close of trading on the OM Stockholm Exchange’s O-list on July 21 2000, NetCom held 19.9% of SEC A shares and 8.6% of SEC B shares or a total of 17.8% of shares outstanding.

The Offer represents a premium of 22.3% against the closing price of SEC’s B shares on the OM Stockholm Exchange O-list on July 21 2000 or 35.0% as against the average share price over the last month.

Summary

- The combination of NetCom AB and SEC will create a pan-European telecommunications company operating in 18 countries and providing a broad range of services to more than 9 million customers.
- For every 11.5 SEC B shares, NetCom offers 1 NetCom B share. This values each SEC B share at SEK61.04 based on NetCom B shares Closing Price on Friday, July 21, 2000.
- For every 11.5 SEC A shares, NetCom offers 1 NetCom A or B share. This values each SEC A share at SEK58.96 or SEK61.04 respectively. This is based on NetCom A and B shares Closing Prices on Friday, July 21, 2000.
- The proposed merger will result in NetCom AB and SEC shareholders owning approximately 71.7% and 28.3% of the combined groups respectively.
- The proposed merger of NetCom AB and SEC will consolidate the successful Tele2 branded operations under one management and ownership structure and focus attention on the exciting pan-European growth of the brand.

- The proposed merger creates a platform for the development and bundling of fixed line, mobile, fixed wireless data, internet and related services to both companies' customers on a pan-European basis.
- The proposed merger would also produce significant efficiencies and economies of scale by combining administrative purchasing and marketing costs.
- The Offer is subject to the approval of NetCom shareholders at an Extraordinary General Meeting on August 10, 2000.

**Lars-Johan Jarnheimer, President and Chief Executive of NetCom AB, commented:**

“We believe that our Offer is in the interests of both SEC and NetCom AB's shareholders and customers. SEC's businesses will broaden NetCom AB's European footprint and service offering and establishes Tele2 as a pan-European brand”.

**Anders Bjorkman, President and Chief Executive of SEC, commented:**

“The merger of NetCom AB and SEC will bring together two businesses with similar cultures and a focus on price and customer service. It is our belief that the merger will speed both groups' ambitions to become the leading alternative pan-European provider of telecommunications services”.

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The NetCom AB release can be found at NetCom AB's website: [www.netcom.se](http://www.netcom.se) and at SEC's website: [www.sec.lu](http://www.sec.lu)

**This announcement contains the principal elements of the Offer.**

**An Extraordinary General Meeting will be held on Thursday August 10, 2000 at 10.00 am at Gamla Stans Bryggeri, Tullhus 2, Skeppsbrokajen , Stockholm.**

**The Offer document will be made available as soon as practicable and copies will be made available from NetCom AB's offices at Skeppsbron 18, PO Box 2094, SE-103 13, Stockholm.**

**Further briefings**

**There will be a conference call for analysts and investors at 1700 hours (CET) on July 24, 2000. Please call +44 (0)20 8240 8247 to register at least 10 minutes before the commencement of the call. A recording of this call will be available for 48 hours on the following number: +44 (0)20 82884459, Access code: 650462. The conference will also be broadcast over the internet. Please register for this service at least 10 minutes in advance at [www.netcom.se](http://www.netcom.se), where there will be a hotlink to the conference.**

**This announcement is neither an offer to purchase nor a solicitation of an offer to sell shares of Société Européenne de Communication S.A. At the time NetCom AB (publ) commences its offer, it will file a registration statement, including a prospectus, with the U.S. Securities and Exchange Commission. THE PROSPECTUS AND RELATED OFFER DOCUMENTS WILL CONTAIN IMPORTANT INFORMATION THAT SHOULD BE READ CAREFULLY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER. The registration statement will be made available to all shareholders of Société Européenne de Communication S.A. at no expense to them. The registration statement, which includes the prospectus, and related offer documents filed with the Commission will also be available for free at the Commission's website at [www.sec.gov](http://www.sec.gov).**

**This press release contains forward-looking statements that involve inherent risks and uncertainties. We have identified certain important factors that may cause actual results to differ from those contained in such forward-looking statements. See “Description of Business – Risk Factors” in the Annual Report of NetCom AB (publ) on Form 20-F filed with the U.S. Securities and Exchange Commission as updated with other filings from time to time.**

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## **NetCom AB Announces an Offer by NetCom AB to SEC Shareholders**

### **The Offer**

The Board of Directors of NetCom AB announces an Offer for the total issued share capital of SEC. The Offer comprises:

**1 NetCom AB A share for 11.5 SEC A shares**

**1 NetCom AB B share for 11.5 SEC B shares**

**SEC A shareholders have the option to receive NetCom AB B shares**

The Offer values each SEC B share at SEK61.04 based on the closing price of NetCom AB on the OM Stockholm Exchange's O-list on Friday, July 21 2000 of SEK49.9. The Offer values the total issued share capital of SEC at SEK34.9 billion.

The Offer represents a premium of 22.3% to the closing prices on the OM Stockholm Exchange's O-list on July 21 2000 of SEC B shares or 35.0% premium against the average SEC share price over the last month.

Under the terms of the Offer, NetCom AB and SEC shareholders will hold approximately 71.7% and 28.3% respectively of the Combined Group at completion of the transaction.

Shares in the Combined Group will be traded on the Stockholm and Nasdaq stock exchanges.

Documents relating to the Offer will be made available to shareholders as soon as practicable.

### **Terms of the Offer**

The Offer will be subject to the conditions and further terms set out in the Offer Document.

### **Background to and Reasons for the Offer**

NetCom AB's strategy is to provide the most competitive telecommunications services in its markets by offering quality services at the lowest prices in each of its markets. NetCom AB currently operates in Sweden, Norway, Denmark, Finland, in the Baltic region and Poland.

The merger with SEC will extend the company's footprint to the Netherlands, Germany, Switzerland, Austria, France, Italy, Luxembourg and Liechtenstein and will bring the total number of countries in which the Combined Group has operations to eighteen. The merger will also bring together all Tele2's operations under one management and create savings, both through operational and marketing synergies, and enable increased marketing focus on the development of the Tele2 and other brands on a pan-European basis.

## Strategic and Commercial Rationale

The rationale for NetCom's Offer for SEC is to deliver shareholder value and customer benefit by:

- positioning the Combined Group as a pan-European player with critical mass;
- creating a platform for the development and bundling of private and public access fixed line, mobile, fixed wireless data, internet, call center and transaction processing services across Europe;
- achieving operating efficiencies through significant purchasing economies in procurement and marketing and,
- enabling management focus on operating efficiency, profitability and brand development at a pan-European level.

## Comparison of NetCom & SEC

<b>Function</b>	<b>NetCom AB</b>	<b>SEC</b>
Operations	Public and Private Access: Mobile telephony Fixed line telephony Internet Cable TV Fixed wireless data	Public and Private Access: Mobile telephony Fixed line telephony Internet Fixed wireless data, Transaction processing Call centers
Coverage	Sweden, Norway, Denmark, Finland, Estonia, Lithuania, Poland	Netherlands, Germany, Switzerland, Austria, France, Italy, Luxembourg, Liechtenstein, <i>Ireland, Spain, Belgium</i>
Subscribers Q2 2000	1,841,000 – Fixed line 1,886,000 – Mobile 1,166,000 – Internet 157,000 – Cable TV	4,174,876 – Fixed line 112,226 – Mobile
Principal Brand Names	Tele2 – Fixed line Comviq – Mobile Tele2Mobil – Mobile Connect2Internet - Internet Free2Connect – Internet Everyday.com – Internet portal Kabelvision – Cable TV Tele2 – Fixed wireless data	Tele2 – Fixed line Tango – Mobile Tele2Mobile – Mobile Everyday.com – Internet Portal Transcom World Wide Transac 3C Communications Calling Card Company (C <sup>3</sup> ) IntelliNet Tele2 – Fixed wireless data
First half 2000 <sup>(1)</sup> <sup>(iii)</sup> : Revenue EBITDA Profit (Loss) before tax	MSEK 4,855 MSEK 1,511 MSEK 887	MSEK 2,443 MSEK (1,161) MSEK (1,474)

## Comparison of NetCom & SEC continued

Year ended Dec 31, 1999 <sup>(i)</sup> :		
Revenue	MSEK 8,193	MSEK 2,612
EBITDA	MSEK 2,097	MSEK (1,336)
Profit (Loss) before tax	MSEK 4,179 <sup>(ii)</sup>	MSEK (1,919)
Employees	1,350	442
Revenues/employee	MSEK 7.2	MSEK 11.1
Subscribers/employee	3,741	9,699
Current share price (as at July 21, 2000)	SEK678 – A SEK702 – B	SEK47– A SEK49.9 – B
<p>(i) Figures for SEC converted from DEM using an exchange rate as at July 24, 2000. (1 DEM : 4.3 SEK)</p> <p>(ii) This contains the proceeds from the sale of its NetCom ASA interest. Excluding these proceeds, profit before tax from operations was MSEK951.</p> <p>(iii) Unaudited figures not previously released. SEC figures to be release on August 2, 2000 and NetCom AB figures to be release on August, 15, 2000.</p>		

## Management and Employees

Under the terms of the proposed merger, the executive management of SEC would be invited to join the executive management team of NetCom AB and the management and employees of SEC would benefit from the opportunities from the enhanced growth prospects of the combined group. The existing rights, including pension rights, of the management and employees of SEC will be fully safeguarded.

## Information on NetCom AB

NetCom AB, formed in 1993, is a leading telecommunications company in the Nordic countries. The Company provides GSM cellular services, under the Comviq and Tele2Mobil brands in Sweden, through its Ritabell subsidiary (Q-GSM) in Estonia and under the Tele2 brand in Lithuania. For public telecommunications, data communications and Internet access, NetCom has the Tele2 brand in Sweden and the subsidiaries Tele2 A/S in Denmark and Tele2 Norge AS in Norway. Datametrix, which specializes in systems integration, and Optimal Telecom are also part of NetCom AB. The Group offers cable television services under the Kabelvision brand name. NetCom AB has a 17.8% stake in Société Européenne de Communication SA. The Company is listed on the Stockholm Stock Exchange, under NCOMA and NCOMB, and an ADR listed on the Nasdaq Stock Market, under NECS.

## Information on SEC

SEC was formed in 1998 to take advantage of the process of deregulation taking place in the European telecommunications market and is a leading alternative pan- European provider of telecommunications and related services. The SEC Group includes: Tele2 Europe, providing national and international telephony services in the Netherlands, Germany, Switzerland, Austria, France, Italy, Luxembourg and Liechtenstein; Tango, the mobile telephony service provider in Luxembourg and Liechtenstein and Tele2 Mobile in Switzerland; 3C Communications, operating public pay telephones and public internet services; Transac, providing billing and transaction processing services; Everyday.com, the free internet service provider and portal; C<sup>3</sup>, offering co-branded pre-paid calling cards; IntelliNet, the price-guaranteed residential router device; and a 37.45% interest in Transcom World Wide, one of Europe's largest call center companies.

SEC A and B shares are listed on the Luxembourg Stock Exchange, the Nasdaq National Stock Market (American Depositary Receipts) under the symbols SECAY and SECBY, the Frankfurt Stock Exchange under the symbols SEN1 and SEN2, and the Stockholm Stock Exchange O-List (Swedish Depositary Receipts) under the symbols SECA and SECB.