



Press release
from
FöreningsSparbanken and Telia

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Telia and FöreningsSparbanken (Swedbank) form e-commerce alliance to facilitate public sector purchasing

Telia and FöreningsSparbanken are forming a new company that will develop marketplaces with an initial focus on public sector purchasing. The company will be based on Telia's established technical platform and leading position in the market as well as FöreningsSparbanken's financial expertise and strong ties to the municipal sector. From the start, the new company will have around 30 customers in Sweden. Within two years, it expects to be a leader in Internet-based public sector purchasing in the Nordic and Baltic regions. FöreningsSparbanken and Telia will initially own 50 percent each of the new company, but are planning to broaden its ownership base and eventually take the company public.

The new company is taking over the operations that Telia started in 1997. The business, which is experiencing strong growth, has already signed agreements with 18 municipalities and six county councils to introduce electronic commerce. Customers include the cities of Stockholm and Malmö. Among current customers outside the municipal sector are the Swedish National Road Administration and Telia. From the start, the new company's existing customer base will have approximately SEK 25 billion a year in purchasing power. The president of the new company will be Stefan Bergelind from Telia.

The new company's initial market is worth an estimated SEK 250 billion a year in Sweden. Through alliances with FöreningsSparbanken's partners and Telia's wholly and partly owned companies, the company will also be able to offer its services elsewhere in the Nordic and Baltic regions. In Norway, Denmark and Finland, public sector purchasing is estimated at a total of SEK 400 billion a year.

"This is truly a concrete example of the business opportunities that open up thanks to strategic alliances in the Internet area," says Jan-Åke Kark, CEO of Telia. "From our experience and operations, we know that there is a lot of money to be earned by everyone involved in the system. This market offers tremendous customer value and development opportunities. The new company will further enhance our technical platform and customer base. Together with FöreningsSparbanken's strong municipal ties and position as a leading Internet bank, we can very quickly reach out to the market

and consolidate our leading position in Sweden as well as become a leader in the rest of the Nordic and Baltic regions.”

“Electronic commerce and the Internet are priority areas in the seven-point program that I presented in my address to the Annual General Meeting in April of this year,” says Birgitta Johansson-Hedberg, CEO of FöreningsSparbanken. “The cooperation with Telia gives us access to a technology and market position that facilitate our focus on customers in the public sector and our 70,000 online business users. This will eventually also benefit retail customers and municipal residents. And because FöreningsSparbanken and Telia share similar ambitions in the Nordic and Baltic areas, we have a good platform from which the jointly owned company can expand to neighboring countries. We intend to acquire 50 percent of the company for SEK 250 million, which we feel is a good investment for us and the bank’s customers. We are taking a stake in a business that will contribute to the local market’s development and provide further opportunities in the electronic world.”

Jan-Åke Kark and Birgitta Johansson-Hedberg both see the decision to form a joint company as a logical outcome of several years of shared development projects, primarily in the Internet area.

The focus on local marketplaces will also benefit small and medium-size companies. Not only will it increase their opportunities to do business with municipalities and county councils, but it will create new avenues for them to market their services to each other. The transaction requires the approval of the appropriate government authorities.

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