



PRESS RELEASE

Birka Energi agreement not to be extended

Stockholm, Sweden-August 31, 2000 - Glocalnet and Birka Energi have mutually decided not to extend their two-year collaboration agreement that is in effect until September 3, 2000. The collaboration started in 1998 and contributed to Glocalnet's customer growth in connection with the introduction of the pre-selection reform in September of 1999.

Since the beginning of 2000, no significant collaborative marketing activities have been carried out. The collaboration has only generated a few new customers this year and has consequently not contributed to Glocalnet's strong growth during 2000. In addition, both parties have clarified their strategies and have made the assessment that it is not in their interests to extend the agreement.

“We have a more pronounced trademark strategy now than previously. Irrespective of whether we market the company by ourselves or together with marketing partners, Glocalnet should always be visible as supplier of the communication services and own the customer relation”, says Stefan Krook, CEO of Glocalnet.

“Those HemEl customers that have been generated thanks to the collaboration with Birka Energi will continue to be customers of Glocalnet. During the year 2000, we have had continued strong growth thanks to successful campaigns that we have executed on our own and successful collaboration with the Expert chain of stores. Our goal is to reach 130,000 customers before the year is over and we believe that we will reach this goal”, says Stefan Krook.

Glocalnet develops and provides communication services sold directly to the end customer or alongside marketing partners. This year, Glocalnet intends to become Sweden's third largest fixed private telephony player. The company's vision is to become a leading operator of Internet-based services in Northern Europe. Glocalnet has strategic collaborations with corporations such as Cisco Systems and Portal Software. Glocalnet is headquartered in Stockholm, Sweden, and the company's stock is quoted on Stockholm Exchange's O list.

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