



FOR IMMEDIATE RELEASE  
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## **NetCom AB and Telia AB form a UMTS-network operating company**

**New York and Stockholm – January 8, 2001, NetCom AB (Nasdaq Stock Market: NECS) and its wholly owned subsidiary Tele2 AB have signed an Agreement in Principle with Telia AB and its wholly owned subsidiary Telia Mobile AB concerning the creation of a Joint Venture (J.V.) in which each party obtains 50% ownership. The objective with this J.V. is to build and maintain the network for the next generation of mobile telephony, UMTS (Universal Mobile Telecommunications System). The Agreement in Principle between Tele2 and Telia represents equal access to the license awarded to Tele2. The sole purpose of this J.V. is to create a UMTS network supporting full coverage of Sweden. On the service side, the competition between Tele2 and Telia remains.**

**A press conference will be held today, Monday January 8, 2001, at 11.00 CET.**

**Place: Pelarsalen, City Conference Centre, Norra Latin, Stockholm.**

**Participants: Lars-Johan Jarnheimer, President and CEO of NetCom and Marianne Nivert, President and CEO of Telia.**

Lars-Johan Jarnheimer and Marianne Nivert jointly stated: "Through creating a joint UMTS network, revenues from the new infrastructure will arise more rapidly. As a result, Swedish mobile telephony customers are eligible to use each operator's services to lower prices than otherwise would be possible and Sweden will remain a world leading market within telecommunication."

Swedish National Post and Telecom Agency, Post- och Telestyrelsen (PTS), awarded Tele2 one of the four licenses for the next generation of mobile telephony UMTS. Telia, which was one of the ten applicants for the four UMTS licenses awarded via a beauty contest, was however not granted a license. Once PTS announced which companies had been awarded a UMTS license, NetCom analyzed the various alternatives to generate a more rapid return on invested capital.

Lars-Johan Jarnheimer commented: "Our analysis shows that a joint venture with Telia is the best solution".

- Tele2's and Telia's existing infrastructure within GSM offers opportunities to build the UMTS-network with noticeably lower costs, yet at the same time it minimizes the impact on the environment and enables a more rapid build out
- The co-operation with Telia significantly increases the prospects of profitability in making this investment in 3G infrastructure
- Tele2's and Telia's large customer base in Sweden will enable swift leverage of the UMTS network, providing a strong base for the speedy delivery of new services to the market

“The risk related to the UMTS-investment is radically reduced through this joint venture, allowing us to sustain our competitive price offerings to our customers thus remaining competitive in the next generation of mobile telephony”, said Lars-Johan Jarnheimer.

The J.V., in which the two companies will own 50 percent each, will construct and maintain the UMTS network, and own the UMTS license awarded to Tele2. NetCom and Telia will, via equity and guarantees for the loans of the J.V., each take a 50-percent share in the necessary investments. Both parties’ existing infrastructure will be complemented to support traffic in the UMTS network. In addition, using the existing network decreases the need to build new masts.

“The two companies’ strong presence in the Swedish market will permit rapid leverage of the capacity offered by the UMTS network. The extended usage of the network that we have committed ourselves to build means that revenues will arise more quickly”, said Lars-Johan Jarnheimer.

“Together with Telia, we will create a jointly owned mobile telephony network company. We shall however, continue to compete for customers via new services and competitive prices.”

“Through our joint venture with Telia, I am even more convinced than before that the Swedish market will be first in showing profitability and high penetration, the same development as experienced with the GSM market”, said Lars-Johan Jarnheimer.

NetCom and Telia intend to investigate the possibilities of establishing a similar J.V. in Norway. The final agreement is subject to approval by the Competition Authorities and PTS. The Agreement in Principle is valid irrespective of the outcome of Telia’s appeal with the county administrative court against PTS’ decision not to award Telia a UMTS license.

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For additional information please visit our web site, [www.netcom.se](http://www.netcom.se). Questions will be answered at the press conference at Norra Latin in Stockholm, 11.00 CET, today Monday 11, 2001. For enquiries, contact Andrew Best / Emily Bruning at Shared Value on +44 (0)20 7321 5010.

*NetCom, formed in 1993, is a leading alternative pan-European telecommunications company offering fixed and mobile telephony, data network and internet services under the brands Tele2, Tango, Comviq, Baltkom GSM and Q-GSM to over nine million people in 20 countries. NetCom operates Datametrix, which specializes in systems integration, Optimal Telecom, 3C Communications, operating public pay telephones and public internet services; Transac, providing billing and transaction processing services; C<sup>3</sup>, offering co-branded pre-paid calling cards and IntelliNet, the price-guaranteed residential router device. The Group also offers cable television services in Sweden, Estonia and Lithuania under the brands Kabelvision, Tele2 and C-Gates, and together with Modern Times Group, owns the internet portal Everyday.com. The Company is listed on the Stockholm Stock Exchange, under NCOMA and NCOMB, and has ADRs listed on the Nasdaq Stock Market, under NECSA and NECSB.*