

## Tele1 Europe Holding AB Announces First Quarter, 2001 Results

**Tele1 Europe Reports 151% Revenue Growth over the First Quarter 2000, 15% Revenue Growth over the Fourth Quarter, 673 Sites Connected to its Fiber Network and 3,087 Directly Connected Corporate Customers.**

Stockholm, Sweden – May 15, 2001 - Tele1 Europe Holding AB ("Tele1 Europe"), (OM Stockholm Stock Exchange: TEUR, NASDAQ: TEUR), the fast growing, pan-Nordic competitive provider of broadband communications services, today reported first quarter financial and operating results. Commenting on the results, Ivar Strömberg, Tele1 Europe's Chief Executive Officer said: "The first quarter of 2001 shows strong evidence that we are continuing to solidify our position as the leading alternative broadband operator for corporate customers in the Nordic region. Revenues increased 151% over the same period in 2000 and EBITDA continued to improve as a percentage of revenue. During the quarter, we added 893 corporate customers for a total of 13,873, and directly connected customers rose by 629 to 3,087. As of 31 March 2001 we had completed an additional 57 km of local access fiber, for a total of 1,761 km and had 673 sites connected to our fiber network. Finally, with approximately SEK 4.2 billion (USD 408 million) in cash and cash equivalents, we have sufficient reserves to fully fund our business plan and make selective acquisitions."

### Financial Highlights:

- First quarter revenues rose SEK 55 million (USD 5 million) to SEK 417 million (USD 40 million), a 15% increase over the fourth quarter revenues and 151% over the same quarter last year.
- Gross margin was 35.6% for the first quarter versus 33.4% for the first quarter of 2000.
- Adjusted EBITDA, as a percentage of revenues, improved from -35% to -26%. The Company is still on track to reach adjusted EBITDA break-even in second quarter 2002.
- Direct corporate revenues<sup>1</sup> represented 39.4% of total revenue in first quarter, compared with 41.7% in the fourth quarter of 2000.
- Revenues from data and internet services<sup>2</sup> totaled SEK 100 million (USD 10 million) or 24% of total revenue.
- Switched minutes rose 66.5% to 1,332 million.
- In January 2001, Tele1 Europe successfully completed a Euro 175 million 12% Senior Notes offering. The proceeds of the offering will be used to acquire complementary companies and fund network expansion.
- Fully funded business plan with approximately SEK 4.2 billion (USD 408 million) in cash and cash equivalents.

### Operational Highlights:

- At the end of the quarter, 673 sites were connected to our fiber network in all four countries.
- The number of corporate customers rose by 893 to 13,873. Directly connected customers totaled 3,087, an increase of 629, and directly connected sites totaled 5,179, an increase of 1,443.
- Increased the number of sites connected through DSL by 672, which includes 100 sites added as a result of the FastCom acquisition. The total number of DSL sites increased from 1,485<sup>3</sup>, to 2,157.
- The number of dedicated hosting customers totaled 130<sup>4</sup>.

<sup>1</sup> Direct revenues include On net revenues, hosting revenues and revenues from leasing capacity to corporates.

<sup>2</sup> Revenues from data and internet services include hosting revenues and revenues from leasing capacity to corporates.

<sup>3</sup> Revised as a result of 400 sites being reported as DSL rather than leased line during 2000.

<sup>4</sup> Please refer to table on page 2, and note 9, for further information.

- Completed construction of an additional 57 km of local access fiber, for a total of 1,761 km.
- Deployed 665 km of back-bone fiber, for a total of 7,307 km.
- Successfully increased the number of active IP/VPN sites to approximately 600.
- Tele1 Europe's wholly owned subsidiary WinEasy opened a state-of-the-art 2,000 square meter data center in Lidingö, Stockholm.

### Acquisition Highlights:

- Tele1 Europe acquired FastCom AS, a leading supplier of internet and data communication solutions to businesses, based in Kristiansand, Norway. Tele1 Europe acquired 100% of FastCom for NOK 40 million (USD 4 million) and consolidated FastCom's results since the date of acquisition. FastCom revenues in Q1 2001 amounted to approximately SEK 4 million (USD 0.4 million).

### Subsequent Events:

- In May, Tele1 Europe entered into an agreement to acquire part of the Swedish fixed data and telephony operations of Sonera, the Finnish incumbent operator, for approximately SEK 200 million (USD 19 million) in cash.
- In April, Tele1 Europe Holding AB proposed changing its name to Song Networks Holding AB. The name change must be approved at the Annual General Meeting, on May 16, 2001.

### Financial and operating summary:

	Q4 1999	Q1 2000	Q2 2000	Q3 2000	Q4 2000	Q1 2001
<b>Net revenues, (MSEK)</b>	99.8	166.4	223.2	296.5	361.8	417.3
<b>Growth in net revenues, %, sequential quarters</b>	79%	67%	34%	33%	22%	15%
<b>Gross Margin, %</b>	30.2%	33.4%	34.7%	37.0%	37.8%	35.6%
<b>SG&amp;A<sup>5</sup> % adjusted for option provisions</b>	-106%	-78%	-69%	-61%	-73%	-62%
<b>EBITDA<sup>6</sup> adjusted for option provisions (MSEK)</b>	-76.3	-73.9	-77.9	-70.1	-126.5	-109.6
<b>EBITDA<sup>7</sup> adjusted for option provisions, %</b>	-76%	-44%	-35%	-24%	-35%	-26%

<b>Local Access Fiber / Fiber Ready Duct (route km)</b>	68	208	619	1015	1704	1761
-incl. Intra-city network, km	36	95	481	540	944	948
-incl. Business concentration area fiber, km	32	113	138	475	760	813
<b>No. of buildings connected by fiber</b>	10	28	93	566	1165	1668
<b>Back-bone Network (route km)</b>	1020	1084	1767	4001	6652	7307
<b>DSL co-locations (POP'S)</b>	92	102	113	145	232	260
<b>Corporate customers (number)<sup>8</sup></b>	7466	9284	10830	12383	12980	13873
-incl. On Net directly connected customers	986	1495	1695	2144	2458	3087
-incl. On Line, dedicated hosting customers <sup>9</sup>	37	46	82	124	126	130

<sup>5</sup> Before provisions for social security fees and compensation expense related to employee stock options.

<sup>6</sup> Before provisions for social security fees and compensation expense related to employee stock options, foreign exchange gains and losses, and additional items found under other income/expense.

<sup>7</sup> See above

<sup>8</sup> Corporate customers exclude carriers and ISP's.

Financial and operating summary (cont.)	Q4 1999	Q1 2000	Q2 2000	Q3 2000	Q4 2000	Q1 2001
No. of directly connected sites <sup>10</sup>	1200	2028	2427	3310	3736	5179
Switched minutes (millions/quarter)	277	452	472	608	800	1332
Employees	369	481	638	839	971	1082

## Results of Operations:

Tele1 Europe's revenues for the first quarter of 2001 were SEK 417 million (USD 40 million), an increase of 15% over the fourth quarter of 2000 and a 151% increase over same quarter last year. Gross margin for the first quarter was 35.6%. Gross margin was adversely impacted by lower hosting revenues resulting from a downturn in dotcom demand, lower installation fees and increased costs for terminating fixed calls onto mobile networks.

Commenting on first quarter results, Liia Nõu, Chief Financial officer, said, "Revenue showed steady quarter over quarter growth, and we are continuing to execute according to, or ahead of, plan. We are pleased to be in line with expectations and guidance given in connection with Q4 results in all areas except for hosting, which negatively impacted gross margin, and direct and data revenue, as a percentage of total Q1 revenue. The slightly lower gross margin, compared with the fourth quarter of 2000, was due to a slowdown in hosting revenue resulting from a general weakness in the overall internet market during the quarter, and increased costs for terminating fixed calls into mobile networks. In the fourth quarter, out of the total hosting revenue from WinEasy AB, approximately 6 MSEK (USD 0.58 million) was a result of installation fees for new customers, and higher activity from internet related companies. The shortfall of these companies together with lower total revenue from installation fees has resulted in approximately 150 basis points lower gross margin in Q1. Adjusted EBITDA, as a percentage of revenue, improved by 13% from SEK -127 million (USD -12 million) to SEK -110 million (USD -11 million). We reiterate that we expect to reach adjusted EBITDA break even in second quarter of 2002, and to be EBITDA positive for the full year 2002."

Data and internet revenues (including hosting revenue and excluding ISP (Internet Service Provider) terminating revenue), were SEK 100 million (USD 10 million). Direct corporate revenue constituted 39.4% of revenue in the first quarter, compared with 41.7% in the fourth quarter of 2000. Carriers, resellers and ISP's, accounted for 37.1% of revenues and indirect and other revenue represented another 23.5%. Sequential organic quarterly growth was 14%.

"We are seeing demand for data and hosting services from traditional businesses which we expect will make up for weakness in the dotcom sector. Although the sales cycle for these larger accounts is longer, the contracts are generally larger and have a much better credit profile. This convinces us that our aim to position ourselves in the higher-end of the market is the right strategy", commented Mr. Strömberg.

Sweden accounted for 45% of total revenue in the first quarter, with Norway representing 21%, Denmark 24% and Finland 10%.

Tele1 Europe's costs of services sold in the first quarter were SEK 269 million (USD 26 million), compared to SEK 225 million (USD 22 million) in the fourth quarter of 2000. Sales, general and administrative (SG&A) costs were SEK 259 million (USD 25 million) compared to SEK 250 million (USD 24 million) in the fourth quarter of 2000. Adjusted SG&A improved from SEK -263 million (USD

<sup>9</sup> Revised number of smaller customers within Clinet and EITele Rogland. In Q1 2001 WinEasy accounted for 82 customers, versus 78 in Q4 2000.

<sup>10</sup> A "site" is defined as a customer connection/office.

-25 million) in the fourth quarter of 2000 to SEK -258 million (USD -25 million) in the first quarter. Adjusted SG&A improved as a percentage of net revenues from -73% to -62%.

Adjusted EBITDA improved, as a percentage of revenue from -35% to -26% or from SEK -126 million (USD -12 million) to -110 (USD -11 million) in the first quarter.

The Company uses derivative financial instruments including interest rate swap and foreign exchange forward contracts to protect against exposures to market risks resulting from fluctuations in interest rates and foreign exchange rates. Although, these derivatives are effective as economic hedges of the Company's interest rate and foreign exchange rate exposures, the derivatives do not qualify for hedge accounting under FAS 133, which the Company adopted on January 1, 2001. The change in fair value of these derivative instruments of SEK 42 million (USD 4 million) was recorded in other income expense for the three month period ended March 31, 2001.

Financial net for the first quarter of 2001 was SEK -96 million (USD -9 million) compared to SEK -57 million (USD -5 million) in the fourth quarter of 2000.

The Company's net loss in first quarter was SEK -288 million (USD -28 million) compared to SEK -262 million (USD -25 million) in the fourth quarter of 2000.

Capital expenditures during the first quarter amounted to SEK 686 million (USD 66 million) versus SEK 1 209 million (USD 116 million) in the fourth quarter of 2000. The development in expenditures can be attributed to the continued construction of the Tele1 Europe fiber network and build-out of DSL co-locations. Gross PP&E amounted to SEK 3 874 million (USD 373 million), and net PP&E totaled SEK 3 621 million (USD 349 million).

As of March 31, 2001 the Company had SEK 3 427 million (USD 330 million) in cash and cash equivalents, including investments in bonds and other securities, and SEK 809 million (USD 78 million) in restricted cash, for a total of SEK 4 236 million (USD 408 million). The Company believes its existing cash balance is sufficient to fully fund its existing business plan and take advantage of attractive acquisition opportunities.

Tele1 Europe ended the first quarter with 1 082 employees, up from 971 at the end of the fourth quarter of 2000. The FastCom acquisition accounted for 9 employees of the total increase.

### **Business Development:**

Tele1 Europe continued to make strong operating progress during the first quarter. As of March 31, the Company had 13,873 corporate customers, of which 3,087 customers are directly connected to the Tele1 Europe network through a total of 5,179 sites. This represents an increase of 629 directly connected customers and 1,443 sites over the fourth quarter of 2000. 673 sites are connected through owned fiber, 2,157 sites through DSL, 2,248 through leased line and 101 through point to point radio. As of March 31, Tele1 Europe had 130 dedicated hosting customers.

During the quarter, the Company continued to successfully connect customers to its IP/VPN services. To date, the service has been rolled out to approximately 600 active sites.

In February, Tele1 Europe's wholly owned subsidiary WinEasy opened a state-of-the-art data center in Stockholm. The 2,000 square meter data center sets a new standard for security and reliability in the market. During the fall of 2000, WinEasy also acquired a property in Oslo, Norway. The Company plans to construct a state-of-the-art data center on the site. In January 2001, WinEasy purchased a property in Helsinki, Finland where it plans to build another data center. Commenting on the new data center in Stockholm, Mr. Strömberg said: "Unlike the large hosting and outsourcing

companies in Europe, we have chosen to build a number of smaller facilities close to our customers rather than one large single facility, given our belief that proximity to our Nordic customers is essential for success".

#### **Network Construction:**

As of March 31, 2001, Tele1 Europe had completed the installation of 1,761 km of local access fiber or fiber ready duct, an increase of 57 km over the fourth quarter of 2000. As can be expected, we experienced a seasonal slowdown in network deployment during the winter months as a result of the climate in our region. The total number of local fiber kilometers in the Tele1 Europe network is expected to reach more than 2,000 km by the end of 2002.

As of March 31, 34 business areas (pockets) were completed in the four countries. Construction of 50 additional pockets was initiated or contracted for and 17 additional pockets are in the planning or design stage.

Tele1 Europe's backbone fiber totaled 7,307 km at the end of March, an increase of 655 km over the fourth quarter 2000. The total number of backbone kilometers in the Tele1 Europe network is expected to reach more than 11,000 by the end of 2001, including leased lines.

As of March 31, 2001 Tele1 Europe had 260 active DSL co-locations in the four Nordic countries. The total number of DSL co-locations is expected to reach more than 350 by the end of 2003.

#### **Acquisitions:**

Tele1 Europe acquired FastCom of Kristiansand, Norway, a leading supplier of internet and data communication solutions to businesses in southern Norway. "The acquisition is a logical strategic move for Tele1 Europe as the company aims to be the Nordic region's leading supplier of broadband services to the business sector" said Ivar Strömberg. Tele1 Europe acquired 100% of FastCom for NOK 40 million (USD 4 million). The Company was formed in 1998 and currently serves approximately 260 directly connected sites, of which the majority are connected via DSL or leased line. FastCom revenues for Q1 2001 were approximately SEK 4 million (USD 0,4 million) and the company's results were consolidated since the date of acquisition. "FastCom complements our broadband service along the Norwegian coast, provides us with valuable technical competence and improves our ability to help customers take full advantage of Tele1 Europe's broadband services," said Mr. Strömberg.

#### **Financing:**

Tele1 Europe ended the first quarter with a total of SEK 4 236 million (USD 408 million) in cash and cash equivalents (including investments in bonds, other securities and restricted cash), which fully funds the Company's business plan.

In February, Tele1 Europe completed an offering of Euro 175 million 12% Senior Notes due 2008. The offering was well received by the market and as a result of strong demand was upsized to Euro 175 million from the original planned offering of Euro 150 million. Ivar Strömberg said: "We are committed to reinforcing our position as a leading provider of broadband services to the business market in the Nordic region and the proceeds of this offering will help further this objective by allowing us to capitalize on attractive acquisition opportunities and further accelerate the expansion of our business". Net proceeds of the offering were SEK 1 506 million (USD 145 million).

#### **Subsequent Events:**



On May 4, Tele1 Europe announced that it entered into an agreement to acquire a significant portion of Sonera's data and telephony operations in Sweden. The acquired operations have 1,000 customers and revenues of approximately SEK 190 million (USD 18 million) for fiscal year 2000, two thirds of which were from data and internet services. The acquisition does not include Sonera's Swedish carrier operations or the Geddeholm call-center. The purchase price of approximately SEK 200 million (USD 19 million,) will be paid in cash and the transaction is expected to close in May 2001. The acquired operations will be consolidated as of May 1, 2001. The acquisition is expected to initially have a dilutive effect on gross margin and EBITDA as Tele1 Europe transitions customers onto its own network and replaces current leased line contracts. The acquisition is not expected to impact Tele1 Europe's plan to reach adjusted EBITDA break-even during Q2 2002. The Company's business plan will remain fully funded following the acquisition.

On April 17, The Board of Directors proposed that Tele1 Europe Holding AB be renamed Song Networks Holding AB. The proposed name change of the parent company and the necessary changes to the Company's articles of association will require approval at the Annual General Meeting on May 16 2001. "We believe that the name change to Song Networks will improve our ability to market our services and build a strong brand name that will not be easily confused with other providers of communication services in our markets," explained Lars Windfeldt, Chairman of the Board.

"We believe that the name Song Networks better embodies what the Company has to offer and is easy to remember, pronounce, read and write in all four markets. The new name helps us to stand out from other providers of data and telecommunication services. Song symbolizes an ancient, original form of communication. As long as human life has existed we have communicated through song. We have chosen a name that shall have a timeless ring to it. Song is also a means of communicating across borders and boundaries, in the same way that our company enables our customers to," added Ivar Strömberg.

The other companies within the Tele1 Europe Group, which operated under a name containing "Tele1 Europe", changed their names to include "Song Networks" during April of 2001.

#### **Forward looking statements:**

Tele1 Europe expects to reach adjusted EBITDA break-even in second quarter 2002 and be EBITDA positive for the full year 2002, and cash flow positive early in 2004.

Notwithstanding this, Tele1 Europe's ability to generate positive EBITDA and cash flows is subject to numerous risks and uncertainties, some of which are beyond the Company's control.

#### **Company disclosure:**

An English translation of the Company's 2000 Annual Report and Accounts is available from Tele1 Europe's offices at Svärdvägen 19, Box 501, 182 15 Danderyd. The Annual Report and quarterly results are also available on our website: [www.tele1europe.com](http://www.tele1europe.com)

Tele1 Europe Holding AB's second quarter, 2001 financial and operating results for the period ending June 30, 2001, will be released on August 15, 2001.

Tele1 Europe will hold a telephone conference call at 3.30 CET, May 15, to present first quarter results, 2001, and answer questions. Ivar Strömberg (CEO) and Liia Nõu (CFO) host the conference. Dial in number: UK + 44 20 8240 8242, US + 1 800 482 2239 (toll free).

Quote: Tele1 Europe

Instant replay, available from May 15, directly after the conference call is finished, until May 22 4.00 pm CET, on: UK + 44 20 8288 4459, access code 684122, US + 1 800 625 5288 (toll free), access code 1018656.

Livestreaming is also available during the presentation at [www.tele1europe.com](http://www.tele1europe.com)

Stockholm, May15, 2001

On behalf of The Board of Directors of Tele1 Europe Holding AB

Ivar Strömberg, CEO

**Tele1 Europe Holding AB in summary:**

Tele1 Europe is a rapidly expanding data and telecommunications operator with activities in Denmark, Finland, Norway and Sweden. The company provides broadband solutions for data, internet and voice to large and mid-range businesses and organizations in the Nordic region. Tele1 Europe is currently the only pan-Nordic data and telecommunications operator investing in local access networks with broadband capacity. The company is constructing networks in the nine largest cities in the Nordic region. The access networks, which are linked together by a long-distance network, will be Europe's fastest data and internet super-highway with an initial capacity for customers of up to one gigabyte. [www.tele1europe.com](http://www.tele1europe.com)

More information is available on [www.tele1europe.com](http://www.tele1europe.com)

The Board of Tele1 Europe Holding AB has proposed a change of name to Song Networks Holding AB. The Annual General Meeting on May 16, 2001 will make the formal decision on the new name. The other companies within the Tele1 Europe Group, which operated under a name containing "Tele1 Europe", have changed name during April 2001, to include "Song Networks".

The information and statements contained in this release that are not historical facts are forward-looking statements, which involve predictions by Tele1 Europe's management. Tele1 Europe can give no assurance that the future results expressed or implied by such statements will be achieved or that, if achieved, such results will be indicative of the results in subsequent periods. Actual events or results may differ materially as a result of risks facing Tele1 Europe. Such risks include, but are not limited to: changes in business conditions; changes in the telecommunications industry and general economy; competition; changes in service offerings; and risks associated with Tele1 Europe's limited operating history, entry into developing markets, managing rapid growth, and acquisitions and strategic investments; international operations; dependence on effective information and billing systems; future capital needs; and risks of regulatory developments; any of which could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements.

For further discussion of these and additional risks associated with the business operations of the Tele1 Europe group, please refer to the registration statement on form F-1 filed by Tele1 Europe Holding AB, together with the exhibits thereto, reports and other information filed at the Public Reference Section of the U.S. Securities and Exchange Commission at 450 Fifth Street, N.W., Washington D.C. 20549; Seven World Trade Center, 13<sup>th</sup> Floor, New York, New York 10048; and 500 West Madison Street, Chicago, Illinois 60661.

## Consolidated Income Statements

	Three months ended 31 March		
	2000 SEK ' 000	2001 SEK ' 000	2001 USD ' 000
<b>Operating revenue</b>	166 445	417 266	40 199
<b>Cost of Services sold</b>	-110 932	-268 570	-25 874
<b>Gross Profit</b>	<b>55 513</b>	<b>148 696</b>	<b>14 325</b>
Gross Margin	33.35%	35.64%	35.64%
<b>Operating expenses</b>			
Selling	-29 967	-78 668	-7 579
General and administrative	-115 855	-180 349	-17 375
Depreciation and amortization	-32 551	-111 079	-10 701
<b>Total operating expenses</b>	<b>-178 373</b>	<b>-370 096</b>	<b>-35 655</b>
Other income/expenses, Net	2 462	33 013	3 180
<b>Operating Loss</b>	<b>-120 398</b>	<b>-188 387</b>	<b>-18 149</b>
Financial net	-69 896	-95 863	-9 235
<b>Loss before income taxes</b>	<b>-190 294</b>	<b>-284 250</b>	<b>-27 384</b>
Income tax benefit/expenses	766	-1 263	-121
<b>Loss before cumulative effect of accounting change</b>	<b>-189 528</b>	<b>-285 513</b>	<b>-27 506</b>
Cumulative effect of accounting change*	-	-2 397	-231
<b>Net loss</b>	<b>-189 528</b>	<b>-287 910</b>	<b>-27 737</b>
Net loss per share	-2.08	-1.83	-0.18
Weighted average number of shares outstanding	91 296 090	157 482 561	157 482 561
<b>EBITDA</b>	<b>-87 081</b>	<b>-77 308</b>	<b>-7 448</b>
**	-2 462	-33 013	-3 180
Capital expenditures	310 713	686 384	66 126
Acquisitions of Businesses	40 057	60 759	5 853

### Notes:

1. All financial data is recorded in accordance with US GAAP.
2. The financial data for the three months periods ending March 31, 2000 and 2001 are unaudited.



3. Solely for the convenience of the reader the financial statements ended March 31, 2001 have been translated into USD at the rate of SEK 10.38 per USD 1.00.

4. EBITDA is defined as earning/(loss) before interest, tax, depreciation and amortization.

\* The adoption of FAS 133 on January 1, 2001 resulted in the cumulative effect of an accounting change of SEK 2.4 million (USD 0.2 million) being recognized as expense in the unaudited consolidated statement of operation.

\*\* Items found under other income/expenses such as foreign exchange gains and losses etc, included in EBITDA

## Consolidated Balance Sheets

	31 Dec 2000 SEK ' 000	31 March 2001 SEK ' 000	31 March 2001 USD '000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	1 083 337	908 407	87 515
Restricted current assets	530 371	655 986	63 197
Other current assets	2 730 831	3 495 521	336 755
<b>Total current assets</b>	<b>4 344 539</b>	<b>5 059 914</b>	<b>487 468</b>
Investments	55 570	50 148	4 831
Restricted non-current assets	141 838	153 227	14 762
Property and equipment, net *	2 955 886	3 620 918	348 836
Goodwill, net	1 087 128	1 161 867	111 933
Other non-current assets	-	38 959	3 753
<b>TOTAL ASSETS</b>	<b>8 584 961</b>	<b>10 085 033</b>	<b>971 583</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>			
Current liabilities	1 296 954	1 167 571	112 483
Long term debt, net	3 514 328	5 291 525	509 781
<b>Shareholder's equity (deficit)</b>			
Share capital	7 861	7 898	761
Additional paid-in capital	4 968 746	4 973 349	479 128
Other comprehensive income (loss)	86 014	221 541	21 343
Accumulated deficit	-1 288 942	-1 576 851	-151 912
<b>Total Shareholder's equity (deficit)</b>	<b>3 773 679</b>	<b>3 625 937</b>	<b>349 320</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>8 584 961</b>	<b>10 085 033</b>	<b>971 583</b>

Notes:

1. All financial data is recorded in accordance with US GAAP.
2. The financial data as of December 31, 2000 are audited and the financial data as of March 31, 2001 are unaudited.
3. Solely for the convenience of the reader the financial statements ended March 31, 2001 have been translated into USD at the rate of SEK 10.38 per USD 1.00.

<b>Total Cash including investments and other securities</b>	<b>31 Dec 2000 (SEK '000)</b>	<b>31 March 2001 (SEK '000)</b>	<b>31 March 2001 (USD '000)</b>
--	-----------------------------------	-------------------------------------	-------------------------------------

\* The historical cost of PP&E as of March 31, 2001 amounts to SEK 3 874 million (USD 373 million)

Cash	1 083 337	908 407	87 515	
Investments, current (included in other current assets)		1 819 723	2 518 273	242
608				
Investments				
Restricted cash, current	530 371	655 986	63 197	
Restricted cash, non current	141 838	153 227	14 762	
<b>Total</b>	<b>3 575 269</b>	<b>4 235 893</b>	<b>408 082</b>	

## Consolidated Cash Flow Statements

	3 months ended 31 March 2000 SEK ' 000	3 months ended 31 March 2001 SEK ' 000	3 months ended 31 March 2001 USD ' 000
<b>Cash Flow from operating activities:</b>			
Net loss	-189 528	-287 910	-27 737
Adjustments for:			
Unrealized foreign exchange gains/losses	-2 462	4 949	477
Depreciation and amortization	32 551	111 079	10 701
Other non-cash items	-2 416	-37 534	892
Changes in non-cash working capital	-107 502	182 528	13 077
<b>Cash Flow from investing activities:</b>			
Additions to networks and equipment, net	-190 682	-984 484	-94 844
Acquisitions of subsidiary entities, including additional acquisition consideration	-144 065	-91 227	-8 789
Change in restricted and other assets, net	-2 500 338	-705 555	-67 973
<b>Cash Flow from financing activities:</b>			
Share capital, net of issue costs	4 332 876	1 887	182
Increase/decrease in long-term borrowings, net	6 379	1 508 967	145 373
Other financial activities	-579	121 887	11 743
Effect of exchange rate changes on cash	13 568	483	47
<b>Net increase (decrease) in cash</b>	<b>1 247 802</b>	<b>-174 930</b>	<b>-16 852</b>
<b>Cash, beginning of period</b>	<b>1 975 560</b>	<b>1 083 337</b>	<b>104 368</b>
<b>CASH, END OF PERIOD</b>	<b>3 223 362</b>	<b>908 407</b>	<b>87 515</b>

### Notes:

1. All financial data is recorded in accordance with US GAAP.
2. The financial data for the period ending March 31, 2000 and the financial data for the period ending March 31, 2001 are unaudited.
3. Solely for the convenience of the reader the financial statements ended March 31, 2001 have been translated into USD at the rate of SEK 10.38 per USD 1.00.

## Corporate information

Principal Executive Office  
Tele1 Europe Holding AB  
Box 501  
SE-182 15 Danderyd  
Sweden  
Visiting address:  
Svärdvägen 19  
Tel: +46 8 56 31 00 00  
Fax: +46 8 56 31 01 01  
Web Site: [www.tele1europe.com](http://www.tele1europe.com)

## Enquiries

Ivar Strömberg, CEO  
Tel. +46 8 56 31 00 01  
E-mail: [ivar.stromberg@tele1europe.com](mailto:ivar.stromberg@tele1europe.com)

Liia Nõu, CFO  
Tel. + 46 8 56 31 02 33  
E-mail: [liia.nou@tele1europe.com](mailto:liia.nou@tele1europe.com)

Cecilia Johansson, Investor Relations  
Tel. + 46 8 56 31 02 19  
E-mail: [cecilia.johansson@tele1europe.com](mailto:cecilia.johansson@tele1europe.com)