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Revenues increased 116% year-on-year:

SOL – CONTINUED GROWTH IN TOUGH MARKET

Scandinavia Online AB (“SOL” or “the Company”) has continued its strong development in the fourth quarter 2000. The average number of unique users visiting SOL sites increased by 32% to 6.4 million from 3Q2000 to 4Q2000. The financial year 2000 revenues amounted to SEK 220.5 million, which is an increase of 116% compared to financial year 1999. The 4Q2000 revenues amounted to SEK 57.6 million, an increase of 56% compared to the corresponding period 1999. “This is the eighth straight quarter of increasing revenues and improved gross margin in our portal operation. We have been able to continue our positive development, despite significantly tougher market conditions,” says Birger Steen, CEO of SOL.

Financial year 2000 EBITA amounted to a loss of SEK 359.1 million and the 4Q2000 EBITA amounted to a loss of SEK 134.0 million. “The increased loss in the fourth quarter is partly due to non-recurring items totaling SEK 36.7 million. In addition, we have expanded aggressively in Finland and continued to invest in free interactive wireless services in line with our strategy to be the leading Nordic wireless Internet company. However, we have also reduced our cost base going into 2001 through restructuring measures and divestments during 2H2000,” says Mr. Steen.

SOL has strengthened its local market positions throughout year 2000 and ended the year as the largest portal in Sweden and Norway, the second largest in Denmark, and the fifth largest Finnish language Internet site in Finland. “We are particularly pleased with the usage development in Denmark and Finland. Through organic growth and a series of successful acquisitions, we have been able to build the clear number two player in the Danish market in little more than one year. In Finland, where we started from scratch in 1Q2000, we have grown usage five-fold since the summer and are closing the gap to the largest players. “We have set out to become the leading player in each of the Nordic markets and we will accomplish that goal”, says Mr. Steen.

“Our relatively lower growth rate between 4Q1999 and 4Q2000 compared to year 2000 as a whole is a clear sign that the Internet advertising market has slowed down, Mr. Steen continues. We experience significantly lower demand from dot.com advertisers and cannot fully substitute that volume loss with traditional advertisers, despite annualized revenue growth of more than 180% in the latter category. It is hard to predict when growth will resume, but it is clear that the first half of 2001 will be difficult. However, in the medium term, Internet advertising will grow in step with the number of users and the time they spend accessing the Internet. In the meantime, we will become even more innovative in delivering effective services to our paying customers, as well as keep our costs under tight control,” concludes Mr. Steen.

For further information, please contact:

Birger Steen (CEO), +46 709 35 28 18, birger.steen@scandinaviaonline.se

Thomas Ranje (CFO), +46 709 41 54 94, thomas.ranje@scandinaviaonline.se

Scandinavia Online is the leading Internet media company in the Nordic region. The online network has more than 7 million monthly unique users and consists of the portals passagen.se, sol.no, sol.dk and suomi24.fi and the search engines evreka.com, evreka.fi, kvasir.no and kvasir.dk. For the financial year 2000, total revenues amounted to SEK 221 million and as of December 31, 2000, the group had 281 employees. Scandinavia Online's shares are listed on the OM Stockholm Exchange (SCOL) and on the Oslo Stock Exchange (SCO).