

Press Release

November 6, 2001

Telia to discontinue satellite-based services

Telia AB's satellite services division and its operations at the Teleport earth station in Tanum, on the west coast of Sweden, will be discontinued during 2002. The division's satellite earth station in Ågesta, outside Stockholm, is for sale. The costs for discontinuing these operations are covered by a SEK 800 million provision for losses that Telia reported in the third quarter this year.

The decision, which directly affects 21 employees in Tanum and three employees in division management in Farsta, is due to declining demand for satellite-based services for international telephony.

Since satellite operations in Ågesta, located south of Stockholm, have other technical and commercial possibilities, Telia intends to sell the business, if possible, including the facilities and employees.

“The workload in Tanum is now down 20-25 percent and we can manage the traffic much more cost-effectively through our owned fibre-based network and other operators. In addition, we have not been able to find someone who can, and wants, to take over the Tanum earth station's operations,” said Eva Lindqvist, head of the Telia Equity business area.

The Tanum satellite earth station will be closed down gradually during 2002 so that existing customers will be able to find other satellite service providers before Tanum is closed.

No employees will be given immediate notice – all are being offered the opportunity to participate in Telia's transition program and obtain personal assistance, for example, in locating new jobs or receiving further education.

The Tanum earth station, built in 1970-71, has been of major significance for international telecom traffic between Sweden and the rest of the Nordic region. In the 1990s, the market for satellite-based international telephony services started to decline as fibre-based networks were expanded globally. Competition from optical fibre has led to price pressure and an increasingly smaller workload, even in Tanum.

For additional information journalists can contact:

Kåre Sjöholm, Communications Manager, Telia Equity, through Telia's Press Service, phone +46 8 713 58 30.

Telia is the leading Nordic communications company. Telia's idea is to develop and operate the most advanced technology in a distinctive human perspective. Telia wants to create a new world where people can free their opportunities in private and business life. In 2000, Telia's sales totalled SEK 54,064 million. The number of employees was 22,500 at June 30, 2001. Telia is quoted on the A-list of the Stockholm Stock Exchange.