



Press Release

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Further focus on synergies and efficiencies in Song Networks

Song Networks Holding AB (NASDAQ: SONW, Stockholmsbörsen: SONW) announced today organisational changes in Song Networks Holding AB and Song Networks AS in Norway for an additional focus on synergies and to gain further efficiency within the Group

Song Networks is further focusing on efficacy gains with stronger focus and defined work tasks and thereby improved efficiency. To ensure a powerful presence in the local market and at the same time have the ability to leverage on the Nordic opportunity and on the possibility of having economies of scale within the Group some organisational changes are made in Song Networks Holding AB as well as in Song Networks AS in Norway. The Network operation, formerly at Holding, is decentralised to be closer to the customers in the respective countries.

In Norway the changes are being made as another step in integration of the geographical operative units - fewer managers, flat organisation with reduced layers, and centralised support functions. In addition to sales productivity programs such as broadened sales distribution through partners and integrators, efficiency is to be reached by structural changes such as establishment of centralised units for sales support and administration, order processing and business analysis, outsourcing as well as cost reductions in general.

Costs reductions will primarily be made in SG&A, including personnel. A total of approximately 30 employees are made redundant in the Norwegian organisation and in the parent company, Song Networks Holding AB. The restructuring is expected to generate annual savings of approximately SEK 19 million and restructuring charges of approximately SEK 9 million in the second quarter.

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About Song Networks, formerly Tele1 Europe, (NASDAQ: SONW, Stockholmsbörsen: SONW) Song Networks is a data and telecommunications operator with activities in Sweden, Finland, Norway and Denmark. The Company's business concept is to offer the best broadband solution for data communication, internet and voice to businesses in the Nordic region. This means that Song Networks supplies communication solutions that are attractively customized for each corporate customer. Song Networks is currently the only pan Nordic operator investing in local access networks with broadband capacity. The Company has built local access networks in the largest cities in the Nordic region. The access networks, which are linked by a long-distance network is one of the fastest data and internet super-highways in Europe, with an initial capacity for customers of up to one gigabit. The Company was founded in 1995 in Sweden and has approximately 1,000 employees. The head office is located in Stockholm and there are 34 offices located in the Nordic region. For further information, please visit our website at www.songnetworks.net

Certain statements contained in this press release contain "forward-looking statements" within the meaning of the U.S. federal securities law. Such statements are based on the current expectations of the management of Song Networks Holding AB only, and performance is subject to risks, uncertainties and other factors that could cause actual results to differ materially from these statements. Such risks include, but are not limited to, adverse regulatory, technological or competitive developments; decline in demand for the company's services or products; inability to timely develop, introduce and market new technologies, products and services; pricing pressures resulting from competition; unforeseen construction delays; and the inability to successfully manage systems failures or shutdowns and service interruptions or reduced services to customers. For a more detailed discussion of such risks and uncertainties affecting the company, please refer to Song Networks Holding AB's reports that are filed from time to time with the U.S. Securities and Exchange Commission, including the company's annual report on Form 20-F and reports on Form 6-K.