



## **Press release**

Stockholm 12 November 2002

# **Song Networks transfers its Shops in Finland to a partner**

## **New partner will double the distribution coverage in small business segment**

**Song Group Finland Oy, the Finnish subsidiary of Song Networks Holding AB, (Stockholmsbörsen: SONW), announced today that it has signed an agreement with a new partner, Teleheino Oy, whereby Teleheino will take over the chain of shops of Song Networks. Teleheino will offer Song's data and Internet services to the small business segment, doubling Song's sales coverage and broadening the geographical reach to this segment into five new cities in Finland.**

Song Networks continues to sharpen its focus in core business through a partnership agreement with Teleheino. As part of the agreement, Song will transfer all of the existing nine shops in Finland to Teleheino. As a result of this transaction there will be a 70 MSEK decrease in direct revenue and a 7,4 MSEK enhancement on EBITDA per annum.

The partner Teleheino has strong presence in central Finland, doubling Song Networks' distribution coverage in the small business segment. Teleheino will be Song's most important partner towards the small business segment within data and Internet services, with now eighteen shops all over Finland.

"Teleheino is the perfect partner for us," says Olli Nuuttila, Vice Managing Director of Song Networks Oy, Finland: "They have the expertise and resources to further develop this business in close cooperation with us".

"These shops give us a quick way to expand our coverage in Finland," says Pasi Heino, Chairman of Teleheino: "We are eager to offer our customers Song's data and Internet services, which have increasing demand in our area of operations".

The shops were acquired in 2000 to quickly set up a distribution network for Song's fibre network in Finland. Their portfolio consists of data and Internet services and lower margin products and services such as mobile subscriptions and phones.



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**About Song Networks**, formerly Tele1 Europe, (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 850 employees. The head office is located in Stockholm and there are an additional 34 offices located in the Nordic region. See further at [www.songnetworks.net](http://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.