Pressrelease



May 8, 2000

Sydkraft invests millions in broadband

During the past two years, the Sydkraft Group has invested approximately SEK 150 M in various high-speed communication networks. At today's Board Meeting, the Group CEO was given the mandate to invest a further SEK 200 M in broadband.

"We have a long tradition of owning and operating electricity networks and we have extensive experience of communications technology through our subsidiary, Evicom. Accordingly, it is a natural step to invest in broadband in the main grid, in the city networks and extending all the way into households and companies," says Sydkraft President and CEO Lars Frithiof, describing the reasons underlying the new investment program.

Today's decision means that Sydkraft is becoming involved in the IT infrastructure currently being demanded by the market and in particular in the access networks, which are the links into household and corporate computers.

"Sydkraft was first in the world to test electricity network communications in a practical operating environment and achieved very favorable results. Second-generation technology in this area will be tested during the summer. But we do not intend to invest solely in electricity network communication. Other access solutions are included, such as upgrading existing cable-TV networks and ordinary fiber-optic networks.

In Staffantorp, southern Sweden, Sydkraft is building a local portal, godagrannar.se (goodneighbors.se). With a broadband connection and shared home page, all residents in the community will be linked to the service. Sydkraft's access network will be open to all Internet Service Providers (ISPs), which means that all customers can retain their e-mail addresses and there will be open competition between the various Internet suppliers.

Sydkraft was involved at an earlier stage in the development of the main electricity grid in Sweden through the Optotriange, which links the cities of Stockholm, Malmö and Gothenburg and the municipalities situated between them, and in the construction of the link joining Sundsvall and Härnösand. Sydkraft has owned the city networks in Malmö and Örebro for some time and further city networks are being planned or discussed in other locations.

For further information, please contact: Göran Sjöholm, President of Sydkraft's Consulting and Contracting business area, telephone: +46 (0)40-25 55 06.

Issued by Sydkraft AB (Publ) Johan Aspegren Information and Public Affairs

www.sydkraft.se