



PRESS RELEASE

Fixed-priced telephony popular but only possible for a few.

Fixed-priced telephony project between Glocalnet and Bredbandsbolaget cancelled.

Stockholm, Sweden-June 30, 2000 - During the first half of this year Glocalnet and Bredbandsbolaget joined, offering Glocalnet telephony to Bredbandsbolaget's customers at a fixed price. The interest for the service has been high, ca 20% of customers took advantage of the offer. Nonetheless, the companies have decided to terminate the partnership as Bredbandsbolaget has stated an interest in offering their own telephony services. In accordance to its strategy, Glocalnet has declined to act as a mere sub-supplier of telephony to Bredbandsbolaget.

"We have learned much from the tests in terms of consumer knowledge and look forward to delivering continued service to existing customers. We are sympathetic to the fact that Bredbandsbolaget are adjusting strategy due to a change of management, but do not see any business potential in delivering telephony without a direct end-user relationship," comments Stefan Krook, CEO of Glocalnet.

"In the short term, we can conclude that Bredbandsbolaget's customer base is relatively insignificant and will not decisively help us in our ambition to become the 3rd largest fixed-telephony operator on the private market. Our ambition to reach these goals is unchanged. We have doubled our traffic volume this year, reached 90,000 customers, and increased revenue to ca 10 Million SEK a month (May 2000). We have not yet realized our goal but we are right on target," concludes Stefan Krook.

Glocalnet develops and provides communication services sold directly to the end customer or alongside marketing partners. This year, Glocalnet intends to become Sweden's third largest fixed private telephony player. The company's vision is to become a leading operator of Internet-based services in Northern Europe. Glocalnet has strategic collaborations with corporations such as Cisco Systems and Portal Software. Glocalnet is headquartered in Stockholm, Sweden, and the company's stock is quoted on Stockholm Exchange's O list.

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