

Press Release

October 25, 2000

Telia International Carrier signs first U.S. network deal worth \$89 million

Telia International Carrier, Inc. announced today that they closed a definitive long-term agreement worth \$89 million for wavelength capacity on over 11,000 route miles on its U.S. backbone network. The deal was signed with an applications infrastructure provider (AIP) that is establishing a new standard for deploying broadband intelligent IP network for integrated voice and data services.

This deal, which provides for a 20-year right-to-use 2.5-Gb/s wavelength, related colocation services and six 155-Mbit IP interconnections across the U.S., moves Telia International Carrier from an international gateway provider to a full-fledged wholesale backbone network provider.

"Telia's trademark of being a pioneer in the Scandinavian Internet and communications market gave us the confidence to make a substantial network investment in the U.S.," said Magnus Kjell, President & CEO, Telia International Carrier USA. "Closing this deal validates that the key to our quality-based network strategies and long-term success in the U.S. market is being a facilities-based service provider."

Telia International Carrier's network will have 11 points of presence with an expansion potential to encompass 55 cities. To provide customers with the most advanced networking capabilities, Lucent Technologies' state-of-the-art 400-Gb/s DWDM system is being deployed on the network.

About Telia International Carrier

A leading European carrier of transatlantic IP traffic to the U.S., Telia International Carrier provides IP, Capacity, Voice and Infrastructure services to the rapidly growing international wholesale customer segment. The company is building and operating the Viking Network, its wholly owned fiber network, that serves all major cities from Russia in the east, throughout Europe, to California in the west. Telia International Carrier is expanding its North American network to span over 11,250 route miles, covering 11 major U.S. cities. By the end of the end of 2001, the North America and European Viking Network will total about 25,000 route miles.

Additional information regarding Telia International Carrier can be found at:
<http://www.telia-na.com> or <http://www.telia.net>

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