

17% growth in revenues for Telio in the 4th quarter **- 15,678 new customers^{*)} in 4th quarter**

Telio experienced strong revenue growth and increased its customer base by 15,678 net new customers in the fourth quarter. This represents four times the customer intake in the same period last year. Revenues in the fourth quarter ended at NOK 110.9 million compared to NOK 95.9 million in the year-ago quarter. Operating profit is affected by lower gross margin and non-recurring costs related to the acquisition of NextGenTel AS.

- Through increased investments in sales and marketing, the company experienced a record high customer intake in the quarter and the growth comes in Norway and the Netherlands. Revenue growth was 17% adjusted for currency fluctuations and we are quite satisfied with this. In addition, we are very satisfied with the completion of the acquisition of NextGenTel AS. Acquisition related costs and lower gross margin gave lower operating profit, but this will be significantly improved in the quarters ahead, says Eirik Lunde, CEO of Telio Holding ASA.

Passed 220,000 customers

The strong customer growth leads to a customer base of 220,000 at the end of the quarter. The focus on new products and services in Norway continues to show promising results and the number of mobile subscriptions has in the quarter increased by 6,300 and now totals 23,000.

Continued growth in international markets

Telio continues to grow also in the markets outside Norway. Especially, the Dutch operation has achieved strong growth and the company now has a customer base of above 75,000 subscribers in the Netherlands. Net increase in customers in the Netherlands was 10,131 in the fourth quarter.

Acquisition of NextGenTel

Telio announced the acquisition of the TeliaSonera owned broadband company NextGenTel AS on 20 December 2012. The acquisition was completed on 31 January 2013. The acquisition will more than double the size of the company and broaden its product offering. The combined company has the ambition to become a cost effective, customer oriented and profitable player in the Norwegian telecom market.

Financial results

In the 4th quarter 2012, the Telio Group achieved revenues of NOK 110.9 million compared to NOK 95.9 million in the year-ago quarter. EBITDA was NOK 16.0 million (14.5% EBITDA margin) compared to NOK 25.6 million (26.7 % EBITDA margin) in the same quarter last year. Operating profit ended at NOK 5.2 million compared to NOK 16.1 million in the 4th quarter of 2011. The increase in operating expenses is in line with the company's growth strategy and is primarily related to increased sales and support staffing and customer acquisition. A majority of these costs are variable and directly linked to increased sales. (EBITDA and operating profit are adjusted for non-recurring items.)

*) Customers defined as product sales, not unique customers

(See separate financial report and market presentation for Q4 2012 at http://www.telioholding.no/investor_relations/reports_presentations)

For further information, please contact:

Mr. Eirik Lunde, CEO

Telephone: +47 23 62 66 88

Mobile: +47 48 09 69 64

Download high definition pictures of CEO Eirik Lunde at http://www.telio.no/om_telio/presse/logo_og_bilder

E-mail: eirik.lunde@telio.no