



PRESS RELEASE

Observer AB is quoted on the Attract 40 section of Stockholmsbörsen's O-list and has approximately 25,000 shareholders.

Observer AB (publ) Year-end report January – December 2003

The Nordic market remained weak, while growth accelerated in the US during the fourth quarter.

- The group's operating revenue amounted to SEK 1,544.1 million (1,699.0). Exchange rate effects from the translation to Swedish kronor affected revenue negatively by SEK 115.4 million compared with the previous year. Organic growth in local currency was -4 percent. Organic growth has gradually improved and during the fourth quarter was -1 percent.
- Operating profit before goodwill amortization and items affecting comparability amounted to SEK 223.6 million (310.6). Exchange rate effects affected profit negatively by SEK 23.4 million compared with the previous year. The operating margin was 14.5 percent (18.3). The operating margin during the fourth quarter was 14.3 percent (17.9).
- Profit per share after dilution, excluding goodwill amortization and items affecting comparability, amounted to SEK 2.12 (2.89). The net loss for the year was SEK -26.6 million (26.2).
- Cash flow remains strong. Operating cash flow amounted to SEK 254.2 million (324.5).
- The Board of Directors proposes a dividend of SEK 0.45 (0.45) per share.
- In December MediaMap of the US was acquired. The company, with an annual turnover of approximately USD 13 million, offers communications management databases and IT applications for PR agencies and corporate communications departments. Two million shares were issued in connection with the acquisition.

Comment by Observer CEO Robert Lundberg

"The market remained weak in 2003. Not until the second half of the year did we see a turn-around in North America. With 8% growth in the US in the fourth quarter, we are well on the way to achieving our growth objective at the same time that we are improving profitability. We are also seeing positive signs in the British market, where disruptions in production due to the changeover to digital media monitoring are gradually subsiding.

"Our new do-it-yourself distribution services for information in the Nordic region have been well received. However, the Nordic market is still distinguished by low activity and restraint among customers, which may lead to a delay in the recovery compared with our other markets."



Market

The number of assignments in North America is rising and customers are positive to the introduction of new services and the combination of services Observer offers. Demand for communications management databases (Research) remains good. Observer is strengthening its market position in databases as well as media monitoring and evaluation of communication activities (Monitor & Evaluate). Development potential in the US market is still good.

In the Nordic region and the rest of Europe, activity among PR and IR customers is still slow. The trend toward more do-it-yourself solutions for customers is cutting into the price of distribution services for information (Contact) in the Nordic region. At the same time demand for various types of add-on services is increasing. In the well-penetrated Nordic market for media monitoring and communication evaluation, growth is dependent on increased activity in PR/IR and higher demand for advanced services. No change toward this direction is evident as yet. Instead, customers have been showing restraint in their spending.

In Germany, where economic conditions remain weak, there has been a slight increase in demand among large customers.

In the British market, demand is increasing among large companies and organizations with advanced needs, while demand among the large number of PR firms has yet to improve. The market for communications management databases remains good, and Observer's solutions are being well received.

Long-term growth is driven by underlying trends such as globalization, growing information flows and rapid technological developments. The importance of analyzing media material and evaluating communication activities locally and internationally is growing, at the same time that the need to continuously improve and develop communications with important target groups is increasing as well.

Digitalization

Observer's digitalization of print media in the US, Canada, UK and Ireland is creating more efficient electronic searches, processing and distribution of information to customers. It is also providing opportunities to continuously develop new services.

In the UK, the changeover to new digital technology is being implemented as part of a centralized project. This comprehensive technological shift is temporarily causing disruptions that are leading to lower production and higher costs. The final phases were begun after year-end, and the new technology will be fully implemented in the UK by the end of the second quarter of 2004. The technology transition in North America is being implemented through the gradual introduction of regional scanning of print media and is therefore less complicated.



Revenue

Operating revenue amounted to SEK 1,544.1 million (1,699.0). Exchange rate effects from the translation to Swedish kronor affected revenue negatively by SEK 115.4 million compared with the previous year. Organic growth in local currencies for full-year 2003 was –4 percent. In the fourth quarter growth was –1 percent.

Growth has gradually improved during the year in North America, where operations reported positive organic growth of 7 percent in the fourth quarter. Growth for the full-year was 1 percent.

Organic growth in the Nordic region was –9 percent during the year and –8 percent in the fourth quarter.

In the rest of Europe, organic growth was –1 percent for both the full-year and the fourth quarter. In the UK, revenue from database services remained good, but the switch to digital technology has disrupted production and adversely affected revenue from media monitoring services. The disruptions are gradually subsiding.

Profit

The group's operating profit before goodwill amortization and items affecting comparability amounted to SEK 223.6 million (310.6). Exchange rate effects affected profit negatively by SEK 23.4 million compared with the previous year. The operating margin was 14.5 percent (18.3).

Net financial income and expenses amounted to SEK –46.5 million (–68.0), of which SEK –44.9 million was net interest expense. The loss for the period was SEK –26.6 million (26.2). The loss per share was SEK –0.39 (0.41). Profit per share after dilution, excluding goodwill amortization and items affecting comparability, amounted to SEK 2.12 (2.89).

Option program

In 2001 Observer introduced a stock option program with allotments in 2001-2003. In several countries social security expenses are payable on the appreciation in value of these options when they are exercised. Allocations for social security expenses on estimated gains are charged against profit on ongoing basis and amounted to SEK 1.7 million 2003.

Items affecting comparability

As announced in January 2003, first-quarter profit was charged with nonrecurring expenses totaling SEK 27 million, including SEK 10 million to convert to new technology to digitalize print media and SEK 17 million for a cost reduction program initiated at the beginning of the year. The cost reductions have been implemented as planned. During the year the number of employees, excluding acquired units, was trimmed by 131.

Financial position

Shareholders' equity amounted to SEK 1,774.8 million (1,945.9) at the end of the period, or SEK 25.37 per share (28.63). The decrease in shareholders' equity is largely the result of exchange rate effects of SEK 180.3 million and a dividend to



shareholders of SEK 30.6 million. In order to retain financial flexibility, a portion of the acquisition of the US company MediaMap was financed with the proceeds of a new issue of two million shares. The issue provided the company with SEK 66.4 million.

Of the total investments of SEK 55.9 million (68.0) during the year, SEK 25.9 million is attributable to the digitalization project.

The debt/equity ratio was 43 percent (43). The interest coverage ratio, excluding items affecting comparability, was 5.6.

Operating cash flow amounted to SEK 254.2 million (324.5), while cash flow from operating activities was SEK 191.3 million (274.6). Loans of SEK 250.9 million were repaid during the period. The group's liquid assets amounted to SEK 145.0 million at the end of the period.

The total goodwill item on the balance sheet amounts to SEK 2,395.8 million (2,592.8). During the period goodwill decreased by SEK 197.0 million, of which SEK 276.7 million consists of exchange rate effects. Observer continuously conducts an appraisal of operations that together represent more than 90 percent of the group's total goodwill item. The appraisal shows that goodwill corresponds well to book value.

Dividend

The Board of Directors recommends that the Annual General Meeting approve a dividend of SEK 0.45 (0.45) per share. The Annual General Meeting will be held at Näringslivets Hus, Stockholm, on May 4, 2004.

Acquisitions

In December 2003 MediaMap of the US was acquired for USD 23 million. The acquisition has brought together two of the leading US providers of information services to PR and communication users. MediaMap, which has an annual turnover of approximately USD 13 million, offers communications management databases and IT applications for PR agencies and corporate communications departments (Research). Its service offering includes detailed information on media contacts that cover companies primarily in healthcare and pharmaceuticals, telecommunications and IT, financial services and consumer goods. Integrating the company with Observer's US subsidiary Bacon's will generate immediate synergies. Observer's profit per share and cash flow are affected positively right from the acquisition date. MediaMap has been consolidated in Observer's accounts as of December 2003.

Observer's offering in radio and television monitoring in the US was strengthened during the year through the acquisitions of Chicago News Monitoring and New York-based AIS. The two companies, which at the time of acquisition had a combined annual turnover of approximately USD 1.5 million, have been integrated with the group's operations in Chicago and New York, respectively.

The acquired operations contributed approximately SEK 12 million to the Group's revenue during the year.

**New organization**

To increase the focus on customers, Observer has adopted a regionalized organization with responsibility for its entire range of services. As a result, the Media Intelligence and Communication Tools divisions have been replaced by geographic regions.

Outlook

We anticipate that our market will further improve in North America and the UK, while conditions in other markets remain difficult to predict. The integration of services and offerings as well as high sales activity, together with further productivity improvements and an attention to costs, will ensure a good operating margin and strong cash flow in 2004.

The long-term objectives of 10-15 percent organic growth and an operating margin before goodwill amortization and items affecting comparability of 22 percent remain unchanged.

Observer AB (publ)
Stockholm, February 10, 2004

The Board of Directors and the President

New accounting recommendations

In accordance with recommendation RR 25 of the Swedish Financial Accounting Standards Council, Observer reports its operations by segment as of January 1, 2003. Accordingly, its regions (Nordic & Baltic, Rest of Europe and North America) are reported as primary segments and the operating areas Monitor/Evaluate (formerly Media Intelligence) and Research/Contact (formerly Communication Tools) are reported as secondary segments.

CONSOLIDATED INCOME STATEMENT	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
Amounts in SEK million	2003	2002	2003	2002
Operating revenue	1,544.1	1,699.0	399.9	426.7
Operating expenses	-1,260.3	-1,320.0	-328.6	-334.8
Depreciation/ amortization, excl. goodwill	-60.2	-68.4	-14.3	-15.6
EBITA	223.6	310.6	57.0	76.3
Amortization of goodwill	-144.5	-158.6	-36.6	-39.4
Items affecting comparability	-27.0	0.0	0.0	0.0
Operating profit	52.1	152.0	20.4	36.9
Net financial income and expenses	-46.5	-68.0	-11.6	-15.2
Profit/loss before tax	5.6	84.0	8.8	21.7
Tax	-32.2	-56.1	-4.2	-14.7
Minority interests	-	-1.7	-	-0.2
Net profit/loss for the period	-26.6	26.2	4.6	6.8

Profit/loss per share	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
Amounts in SEK	2003	2002	2003	2002
Before dilution	-0.39	0.41	0.07	0.10
Excl. goodwill amortization and items affecting comparability	2.13	2.89	0.60	0.68
After dilution	-0.39	0.41	0.07	0.10
Excl. goodwill amortization and items affecting comparability	2.12	2.89	0.60	0.68

CONSOLIDATED BALANCE SHEET	Dec 31	Dec 31
Amounts in SEK million	2003	2002
Goodwill	2,395.8	2,592.8
Other fixed assets	222.5	233.6
Current receivables	310.5	286.9
Tax assets	57.4	49.0
Financial assets	167.8	457.2
Total assets	3,154.0	3,619.5
Equity	1,774.8	1,945.9
Minority shares	0.0	0.0
Current liabilities	365.9	299.6
Tax liabilities	81.3	87.0
Financial liabilities	932.0	1,287.0
Total equity and liabilities	3,154.0	3,619.5
Operating capital	2,562.9	2,813.7
Operating capital excl. goodwill	167.1	220.9
Interest-bearing net debt	764.2	829.8

CONSOLIDATED STATEMENT OF CASH FLOWS	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
Amounts in SEK million	2003	2002	2003	2002
<i>Operating activities</i>				
Operating profit excl. items affecting comparability	79.1	152.0	20.4	36.9
Amortization/depreciation	204.7	227.0	50.9	55.0
Items affecting comparability	-27.0	0.0	0.0	0.0
Other non-cash items	0.0	-9.5	2.7	-3.0
Result from part in associated companies	-0.8	0.0	-0.8	0.0
Net of interest and dividends	-43.2	-79.1	-7.2	-5.5
Income tax paid	-47.1	-38.2	-13.7	2.9
Change in working capital	25.6	22.4	20.6	22.8
Cash flow from operating activities	191.3	274.6	72.9	109.1
<i>Investing activities</i>				
Business acquisitions	-190.9	-41.8	-189.4	-15.9
Investments in other fixed assets	-55.9	-68.0	-17.4	-18.7
Disposal of other fixed assets	1.5	0.6	1.3	-3.4
Increase/decrease in financial fixed assets	1.9	-2.2	2.0	-2.7
Cash flow from investing activities	-243.4	-111.4	-203.5	-40.7
<i>Financing activities</i>				
New share issues	66.4	423.9	66.4	-0.3
Increase/decrease in long-term financial liabilities	-250.3	-190.5	3.8	-0.4
Increase/decrease in current financial liabilities	-0.6	-132.3	0.9	-38.6
Dividend to shareholders	-30.6	-25.2	0.0	0.0
Cash flow from financing activities	-215.1	75.9	71.1	-39.3
Cash flow for the period	-267.2	239.1	-59.5	29.1
Liquid assets at beginning of period	424.6	200.2	201.0	400.4
Translation difference in liquid assets	-12.4	-14.7	3.5	-4.9
Liquid assets at end of period	145.0	424.6	145.0	424.6

KEY FINANCIAL HIGHLIGHTS FOR THE GROUP	Jan-Dec 2003	Jan-Dec 2002	Oct-Dec 2003	Oct-Dec 2002
Operating margin (EBITA margin)	14.5%	18.3%	14.3%	17.9%
Return on equity	-1%	1%		
Excl. goodwill amortization and items affecting comparability	8%	10%		
Debt/equity ratio	43%	43%	43%	43%
Equity/assets ratio	56%	54%	56%	54%
Interest coverage, multiple	4.9	5.0	6.2	6.7
Excl. items affecting comparability, multiple	5.6	5.0	6.2	6.7
Profit/loss per share before dilution, SEK	-0.39	0.41	0.07	0.10
Excl. goodwill amortization and items affecting comparability	2.13	2.89	0.60	0.68
Profit/loss per share after dilution, SEK	-0.39	0.41	0.07	0.10
Excl. goodwill amortization and items affecting comparability	2.12	2.89	0.60	0.68
Equity per share, SEK	25.37	28.63		
No. of shares at end of period, thousands	69,957	67,957	69,957	67,957
Avg. number of shares before dilution, thousands	68,078	64,018	68,436	67,957
Avg. number of shares after dilution, thousands	68,341	64,103	68,759	67,958
No. of employees at end of period	2,454	2,506	2,454	2,506

CONSOLIDATED SHAREHOLDERS' EQUITY	Share capital	Restricted reserves	Non-restricted reserves	Total
Amounts in SEK million				
Opening balance, Jan. 1, 2003	101.9	1,386.3	457.7	1,945.9
Dividend			-30.6	-30.6
Transfers from restricted to non-restricted reserves		27.4	-27.4	0.0
New share issue	3.0	63.4		66.4
Translation difference for the period		-57.0	-123.3	-180.3
Net profit/loss for the period			-26.6	-26.6
Closing balance, Dec. 31, 2003	104.9	1,420.1	249.8	1,774.8

OPERATING REVENUE	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
Amounts in SEK million	2003	2002	2003	2002
<i>REGIONS</i>				
Sweden	325.9	365.2	80.2	91.3
Denmark	73.5	75.0	19.1	18.5
Norway	80.6	98.8	19.8	24.2
Finland	79.5	83.6	20.2	21.1
Baltic states	6.8	6.3	2.0	2.1
Total, Nordic & Baltic	566.3	628.9	141.3	157.2
Germany	162.7	169.6	39.6	41.4
UK	370.5	414.7	89.6	100.9
Portugal	30.5	26.5	8.6	6.7
Ireland	19.3	20.7	4.7	5.3
Total, Rest of Europe	583.0	631.5	142.5	154.3
USA	302.0	335.2	92.9	91.3
Canada	116.3	124.4	29.7	28.8
Total, North America	418.3	459.6	122.6	120.1
Total, regions	1,567.6	1,720.0	406.4	431.6
Group eliminations	-23.5	-21.0	-6.5	-4.9
Group	1,544.1	1,699.0	399.9	426.7
<i>SERVICE AREAS</i>				
Research/Contact (formerly Communication Tools)	379.5	425.9	108.9	112.6
Monitor/Evaluate (formerly Media Intelligence)	1,188.1	1,294.1	297.5	319.0
Total, service areas	1,567.6	1,720.0	406.4	431.6
Group eliminations	-23.5	-21.0	-6.5	-4.9
Group	1,544.1	1,699.0	399.9	426.7

EBITA	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
Amounts in SEK million	2003	2002	2003	2002
<i>REGIONS</i>				
Nordic & Baltic	83.0	126.1	21.9	29.1
Rest of Europe	93.4	124.1	14.2	25.4
North America	83.9	93.1	31.1	30.2
Total, regions	260.3	343.3	67.2	84.7
Group eliminations	-36.7	-32.7	-10.2	-8.4
Group	223.6	310.6	57.0	76.3
<i>SERVICE AREAS</i>				
Research/Contact (formerly Communication Tools)	101.7	115.9	31.7	34.4
Monitor/Evaluate (formerly Media Intelligence)	158.6	227.4	35.5	50.3
Total, service areas	260.3	343.3	67.2	84.7
Group eliminations	-36.7	-32.7	-10.2	-8.4
Group	223.6	310.6	57.0	76.3

INCOME STATEMENTS BY REGION	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
Amounts in SEK million	2003	2002	2003	2002
<i>External revenue</i>				
Nordic & Baltic	552.5	614.3	137.2	153.6
Rest of Europe	573.4	625.2	140.1	153.0
North America	418.2	459.5	122.6	120.1
Other/eliminations	0.0	0.0	0.0	0.0
Group	1,544.1	1,699.0	399.9	426.7
<i>Intra-group revenue</i>				
Nordic & Baltic	2.0	3.7	0.9	1.0
Rest of Europe	1.5	1.9	0.4	0.4
North America	0.1	0.1	0.0	0.0
Other/eliminations	-3.6	-5.7	-1.3	-1.4
Group	0.0	0.0	0.0	0.0
<i>Intra-segment revenue</i>				
Nordic & Baltic	11.8	10.9	3.2	2.6
Rest of Europe	8.1	4.4	2.0	0.9
North America	0.0	0.0	0.0	0.0
Other/eliminations	-19.9	-15.3	-5.2	-3.5
Group	0.0	0.0	0.0	0.0
<i>TOTAL OPERATING REVENUE</i>				
Nordic & Baltic	566.3	628.9	141.3	157.2
Rest of Europe	583.0	631.5	142.5	154.3
North America	418.3	459.6	122.6	120.1
Other/eliminations	-23.5	-21.0	-6.5	-4.9
Group	1,544.1	1,699.0	399.9	426.7

INCOME STATEMENTS BY REGION	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
Amounts in SEK million	2003	2002	2003	2002
<i>Operating expenses</i>				
Nordic & Baltic	-469.6	-486.2	-116.3	-124.2
Rest of Europe	-471.4	-486.8	-124.0	-123.9
North America	-318.7	-348.0	-87.4	-85.5
Other/eliminations	-0.6	1.0	-0.9	-1.2
Group	-1,260.3	-1,320.0	-328.6	-334.8
<i>Depreciation/amortization, excl. goodwill amortization</i>				
Nordic & Baltic	-13.7	-16.6	-3.1	-3.9
Rest of Europe	-18.2	-20.6	-4.3	-5.0
North America	-15.7	-18.5	-4.1	-4.4
Other/eliminations	-12.6	-12.7	-2.8	-2.3
Group	-60.2	-68.4	-14.3	-15.6
<i>EBITA</i>				
Nordic & Baltic	83.0	126.1	21.9	29.1
Rest of Europe	93.4	124.1	14.2	25.4
North America	83.9	93.1	31.1	30.2
Other/eliminations	-36.7	-32.7	-10.2	-8.4
Group	223.6	310.6	57.0	76.3
<i>EBITA margin</i>				
Nordic & Baltic	14.7%	20.1%	15.5%	18.5%
Rest of Europe	16.0%	19.7%	9.9%	16.5%
North America	20.1%	20.3%	25.4%	25.1%
Other/eliminations				
Group	14.5%	18.3%	14.3%	17.9%

OPERATING CAPITAL BY REGION	Dec 31	Dec 31
Amounts in SEK million	2003	2002
Assets		
<i>Operating assets</i>		
Nordic & Baltic	121.0	131.6
Rest of Europe	225.5	229.7
North America	148.2	110.1
Other/eliminations	38.3	49.1
Group	533.0	520.5
<i>Intra-group receivables</i>		
Nordic & Baltic	2.0	1.9
Rest of Europe	2.8	1.2
North America	0.0	0.2
Other/eliminations	-4.8	-3.3
Group	0.0	0.0
<i>Goodwill</i>		
Nordic & Baltic	129.8	169.1
Rest of Europe	1,244.5	1,412.6
North America	1,021.5	1,011.1
Other/eliminations	0.0	0.0
Group	2,395.8	2,592.8
<i>Financial assets and tax assets</i>		
Nordic & Baltic	-	-
Rest of Europe	-	-
North America	-	-
Other/eliminations	225.2	506.2
Group	225.2	506.2
<i>TOTAL ASSETS</i>		
Nordic & Baltic	252.8	302.6
Rest of Europe	1,472.8	1,643.5
North America	1,169.7	1,121.4
Other/eliminations	258.7	552.0
Group	3,154.0	3,619.5

OPERATING CAPITAL BY REGION	Dec 31	Dec 31
Amounts in SEK million	2003	2002
Liabilities and operating capital		
<i>Current liabilities</i>		
Nordic & Baltic	90.1	90.4
Rest of Europe	98.3	84.5
North America	141.5	98.7
Other/eliminations	36.0	26.0
Group	365.9	299.6
<i>Intra-group liabilities</i>		
Nordic & Baltic	4.2	11.5
Rest of Europe	5.3	25.8
North America	0.5	0.9
Other/eliminations	-10.0	-38.2
Group	0.0	0.0
<i>Financial liabilities & tax liabilities</i>		
Nordic & Baltic	-	-
Rest of Europe	-	-
North America	-	-
Other/eliminations	1,013.3	1,374.0
Group	1,013.3	1,374.0
TOTAL LIABILITIES		
Nordic & Baltic	94.3	101.9
Rest of Europe	103.6	110.3
North America	142.0	99.6
Other/eliminations	1,039.3	1,361.8
Group	1,379.2	1,673.6
OPERATING CAPITAL		
Nordic & Baltic	158.5	200.7
Rest of Europe	1,369.2	1,533.2
North America	1,027.7	1,021.8
Other/eliminations	7.5	58.0
Group	2,562.9	2,813.7
OPERATING CAPITAL EXCL. GOODWILL		
Nordic & Baltic	28.7	31.6
Rest of Europe	124.7	120.6
North America	6.2	10.7
Other/eliminations	7.5	58.0
Group	167.1	220.9

OPERATING CASH FLOW BY REGION	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
Amounts in SEK million	2003	2002	2003	2002
<i>EBITA</i>				
Nordic & Baltic	83.0	126.1	21.9	29.1
Rest of Europe	93.4	124.1	14.2	25.4
North America	83.9	93.1	31.1	30.2
Other/eliminations	-36.7	-32.7	-10.2	-8.4
Group	223.6	310.6	57.0	76.3
<i>Depreciation/amortization, excl. goodwill amortization</i>				
Nordic & Baltic	13.7	16.6	3.1	3.9
Rest of Europe	18.2	20.6	4.3	5.0
North America	15.7	18.5	4.1	4.4
Other/eliminations	12.6	12.7	2.8	2.3
Group	60.2	68.4	14.3	15.6
<i>Investments</i>				
Nordic & Baltic	-9.0	-9.1	-2.7	-2.5
Rest of Europe	-27.8	-29.7	-6.9	-2.1
North America	-17.6	-25.3	-7.8	-12.9
Other/eliminations	-1.5	-3.9	0.0	-1.2
Group	-55.9	-68.0	-17.4	-18.7
<i>Disposals</i>				
Nordic & Baltic	0.0	0.0	0.0	0.0
Rest of Europe	0.0	0.0	0.0	0.0
North America	0.0	0.0	0.0	0.0
Other/eliminations	1.5	0.6	1.3	-3.4
Group	1.5	0.6	1.3	-3.4
<i>Other non-cash items/result from part in associated companies</i>				
Nordic & Baltic	0.0	0.0	0.0	0.0
Rest of Europe	0.0	0.0	0.0	0.0
North America	0.0	0.0	0.0	0.0
Other/eliminations	-0.8	-9.5	1.9	-3.0
Group	-0.8	-9.5	1.9	-3.0
<i>Change in working capital</i>				
Nordic & Baltic	-4.7	12.8	-5.7	1.7
Rest of Europe	5.2	11.6	-15.6	24.0
North America	-18.9	8.6	-4.2	4.5
Other/eliminations	44.0	-10.6	46.1	-7.4
Group	25.6	22.4	20.6	22.8
<i>OPERATING CASH FLOW</i>				
Nordic & Baltic	83.0	146.4	16.6	32.2
Rest of Europe	89.0	126.6	-4.0	52.3
North America	63.1	94.9	23.2	26.2
Other/eliminations	19.1	-43.4	41.9	-21.1
Group	254.2	324.5	77.7	89.6



DISTRIBUTION BY SERVICE AREA	Dec 31	Dec 31
Amounts in SEK million	2003	2002
<i>Operating assets</i>		
Research/Contact (formerly Communication Tools)	146.3	118.3
Monitor/Evaluate (formerly Media Intelligence)	348.4	353.1
Other	38.3	49.1
Group	533.0	520.5

DISTRIBUTION BY SERVICE AREA	Jan-Dec	Jan-Dec	Oct-Dec	Oct-Dec
Amounts in SEK million	2003	2002	2003	2002
<i>External revenue</i>				
Research/Contact (formerly Communication Tools)	378.6	424.8	108.6	112.4
Monitor/Evaluate (formerly Media Intelligence)	1,165.5	1,274.2	291.3	314.3
Other	0.0	0.0	0.0	0.0
Group	1,544.1	1,699.0	399.9	426.7
<i>Investments</i>				
Research/Contact (formerly Communication Tools)	10.6	13.6	6.9	2.9
Monitor/Evaluate (formerly Media Intelligence)	43.8	50.5	10.5	14.6
Other	1.5	3.9	0.0	1.2
Group	55.9	68.0	17.4	18.7

**Observer AB**

Observer is active in Business and Communication Intelligence and offers media monitoring and communication evaluation services. Customers, who are primarily in IR and PR, are also offered tools and channels for distribution and publication of business information.

Observer has around 2,400 employees and a turnover of SEK 1,5 billion in 2003. The company operates in the US, UK, Sweden, Canada, Germany, Norway, Finland, Denmark, Portugal, Ireland, Estonia, Latvia and Lithuania.

Financial report schedule:

May 4, 2004 Interim report January – March 2004 and Annual General Meeting
August 5, 2004 Interim report January – June 2004
October 29, 2004 Interim report January – September 2004

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Further comments on the report will be provided at a telephone conference with Observer AB's management at 11:30 a.m. (CET) on February 10. To participate, please phone +44 (0) 207 162 0184 Use code: Observer

Observer AB

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