



Press release, 12 February 2001

VISION PARK and IMG are merging to form the largest Nordic digital entertainment company

The merger will create a stronger market position with considerable income synergies and cost savings.

The board of Vision Park Entertainment AB (publ) ("Vision Park") has decided to make a public tender offer ("the Offer") to the shareholders in Independent Media Group Sweden AB (publ) ("IMG"). The merger will create the largest digital entertainment company in the Nordic region. The company will operate in Denmark, Finland, Norway and Sweden, and is expected to generate an annual turnover in excess of SEK 250 million. The management of the IMG group welcomes this approach and shareholders representing 60 per cent of the votes and 30 per cent of the capital in IMG have committed themselves to accepting the offer.

Vision Park and IMG are structurally well-suited to one another. The companies' product portfolios and geographical market presence complement each other perfectly. IMG brings with it a new business area – Video/DVD – with the associated rights and commercially interesting partners.

The merger will guarantee the new company a leading position in the Nordic market. The strengthened market position is expected to produce positive income synergies as a result of an improved negotiating position with regard to both suppliers and customers.

In the opinion of the respective management teams, the merger will also open the door to economies of scale, primarily in the areas of distribution, sales and administration – benefits valued at around SEK 25 million annually, as from and including 2002. The full effect of these benefits is expected to be achieved as from the third quarter of 2001.

IMG's activities in the area of music will be sold immediately after the completion of the deal, as these do not constitute a part of the company's core business. A statement of intent concerning sale has been drawn up with the management of the music business area.

On completion of the deal, Joakim Hedin, currently the Managing Director of IMG, will become Managing Director and CEO of Vision Park. Thomas Brühl, Managing Director

of Vision Park, will retain his position until the merger is finalised, after which he has chosen to leave the company.

Following the merger, the company will take the name of Vision Park Entertainment. The corporate headquarters will be located in Stockholm.

“We have chosen to play an active part in the re-structuring that is currently taking place in this sector. By merging with IMG, we will build the largest digital entertainment company in the Nordic region. This is an important milestone on the road towards our vision of establishing ourselves as a major European player,” explains Petter Fjellstad, Chairman of the Board of Vision Park.

“The digital entertainment sector needs to consolidate. This is a commercial deal between two companies that complement one another well, both geographically and as regards products,” says Joakim Hedin, Managing Director of IMG.

Financial effects

The potential economies of scale are estimated to amount to around SEK 25 million annually, as from an including 2002. These will involve:

- Sales companies in Sweden and Norway
- Logistics organisations
- Product development
- Finances, administration and IT.

The working relationship in the areas of sales and distribution will be initiated immediately on a commercial basis until full integration can be implemented.

Goodwill arising from the merger has been calculated at SEK 16 million. The total goodwill in Vision Park will amount to SEK 70 million.

The offer

For every share in IMG (A and B shares), shareholders will be offered 1.53¹ newly issued shares in Vision Park. This entails a premium of around 30 per cent as compared to the latest price paid for shares in the company (on 8 February 2001)².

For every 2 warrants issued in IMG (a total of 63,900 have been issued) holders will be entitled to 1 share in Vision Park.

No brokerage fee will be charged.

¹ Side: 2

The exchange ratio means that every 100 B or A-shares in IMG will entitle the holder to 153 shares in Vision Park. The offer can be accepted even if the shareholder's holdings of shares in IMG is less than or non-divisible by 100.

² Side: 2

The offer premiums are calculated on the basis of IMG's and VISION PARK's B-shares, both of which are listed on the OM Stockholm Stock Exchange O-list.

The new shares in Vision Park will entitle holders to dividends as from and including the financial year 2001.

Conditions of the offer

The offer will apply on condition that:

- The offer is accepted to the extent that Vision Park becomes owner of more than 90 per cent of the total number of shares in IMG. Vision Park reserves the right to complete the offer even in the case of a lower level of support.
- In the opinion of Vision Park, the acquisition is not, up to and including the time at which the offer is made public, prevented or appreciably impeded – either fully or in part – by legislation, a court ruling, a decision by the authorities or similar in Sweden or abroad, which is known or can be reasonably expected at the time of decision, or by any other circumstance beyond the control of Vision Park and which Vision Park could not have foreseen, nor could have been reasonably expected to have foreseen.
- An extraordinary general meeting of Vision Park, supported by at least two-thirds of the votes and capital present at said meeting, takes the decision to implement a new emission of shares to cover the cost of acquiring the shares in IMG.

Premium and offer value

The total value of the offer amounts to approximately SEK 70 million. On the basis of the latest price paid – on 8 February 2001 – for B-shares in Vision Park and IMG (SEK 13.6 and SEK 16.0, respectively), the offer premium amounts to approximately 30 per cent.

Preliminary timetable

It is expected that shareholders will receive a prospectus containing more detailed information around 16 March 2001. The application period is expected to run from 19 March up to and including 6 April 2001 and liquidity in the form of newly issued shares is expected around 12 April. Publication of the decision to accept or reject the offer is expected on 10 April 2001. Vision Park reserves the right to extend the application period and to postpone the statement of remuneration.

Pro forma financial data

The joint turnover of the two companies, pro forma, is calculated to be in excess of SEK 250 million, with shareholders' equity around SEK 170 million. The pro forma balance sheet totals amounts to around SEK 320 million.

The acquisition is expected to have a positive effect on earnings per share before goodwill in Vision Park as from and including 2002. Taking goodwill into account, earnings per share will fall during the first six months of the financial year 2001, as compared to predicted EPS for Vision Park excluding IMG.

Number of shares

Prior to the offer, the number of outstanding shares in Vision Park totalled approximately 11.6 million. Following the offer, and assuming full backing for the offer, an additional 5.1 million shares will be issued. Following the offer, the total number of shares in Vision Park will amount to approximately 16.7 million.

Financial Advisor

Danske Securities is the financial advisor to Vision Park in connection with the offer.

Stockholm, 12 February 2001

The Board of Vision Park Entertainment AB (publ)

This press release is not to be distributed or published in the USA, Canada, Australia or Japan. The offer is not intended for persons whose participation would require additional prospectuses, registration or other measures other than those in line with Swedish legislation.

Press conference:

Additional information will be presented at a press conference at Berns at 10.30 a.m. today, 12 February 2001.

The conference will be attended by:

- Petter Fjellstad, Chairman of the Board of Vision Park
- Joakim Hedin, Managing Director of IMG

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Vision Park

Vision Park is a content supplier of digital entertainment in the fields of online entertainment, games, edutainment and TV. The company also publishes digital entertainment from external publishers and development companies. Development is carried out by teams in Stockholm, Gothenburg, Oslo and Copenhagen. The company has sales and marketing outlets in Oslo, Stockholm and Copenhagen. The company is listed on the OM Stockholm Stock Exchange O-list, and employs around 135 people.

IMG

IMG is active in the field of entertainment. The company consists of the following business areas: Entertainment, Video/DVD, Music and Multimedia. Its activities include the development and release of multimedia products for children and young people, record publishing including extensive exports, sales of video films and the sale and distribution of videos, DVD, music and multimedia products via wholly owned sales companies in Sweden, Norway and Finland. The group is also active in new media areas, focusing on digital distribution rights. IMG is listed on the O-list of the OM Stockholm Stock Exchange. IMG's financial year runs to the end of April, and in the financial year 1999/2000 the company generated a turnover of SEK 158 million (126). During the period May–October 2000, (6 months), the company generated a turnover of SEK 91 million (75) with a negative result of SEK 6 million. The group employs a total of 69 people.