



News Release 2002-04-16

Shareholders in Frontec AB (publ) reg.no. 556272-5092

are hereby notified that the Annual General Meeting will be held at 3:00 p.m. on May 15, 2002 at SAS's headquarters in Frösundavik, Frösundaviks Allé 1, Solna.

Notification of attendance, etc.

Shareholders who wish to participate in the Meeting **must** be recorded in the shareholders' register maintained by Värdepapperscentralen VPC AB (the Swedish Securities Register Center) not later than May 5, 2002 (since this is a Sunday, the recording in the shareholders' register must be completed by **Friday, May 3, 2002**, the preceding weekday), and **must** notify the company in writing at Frontec AB, Box 713, SE-169 27 Solna, Sweden, by **12:00 noon on May 7, 2002**. Notification may also be done by telephone +46 8 587 974 00, or by fax +46 8 587 975 81. Shareholders are asked to provide their name, address, telephone number and personal or corporate identity number.

Shareholders who plan to be represented by proxy must submit a power of attorney together with their notification. Those representing a legal entity must include a copy of a registration certificate or other similar documentation issued by an authorized signatory.

To be entitled to vote at the Meeting, shareholders whose shares are registered in the name of a nominee through the trust department of a bank or a brokerage firm must request that their shares be temporarily re-registered in their own names in the shareholders' register maintained by VPC AB. Shareholders must notify their nominees well in advance of May 3, 2002, at which time re-registration must be complete.

PROPOSED AGENDA

1. Election of the Chairman of the Meeting.
2. Drawing up and approval of the voting list.
3. Election of one or two persons to attest to the accuracy of the minutes.
4. Approval of the agenda.
5. Decision whether proper notice of the Meeting has been made.
6. Presentation of the annual report and the auditors' report, as well as the consolidated financial statements and the auditors' report for the Group, in addition to the address by the President.
7. Decisions on
 - a) approval of the income statement and the balance sheet, as well as the consolidated income statement and the consolidated balance sheet
 - b) disposition of the company's result in accordance with the approved balance sheet
 - c) discharge from liability of the Members of the Board of Directors and the President.
8. Decision on the number of directors and deputy directors, as well as the number of auditors and deputy auditors.
9. Decision on the fees paid to the Board of Directors and auditors.
10. Election of the Board of Directors and deputy directors, auditors and deputy auditors.
11. Issue whether the highest allowable share capital should amount to four times the lowest allowable share capital.
12. Decision on the issue of a convertible loan.
13. Decision to amend the Articles of Association.
14. Other matters that come before the Meeting in accordance with the Swedish Companies Act or the Articles of Association.

PROPOSALS BY THE BOARD OF DIRECTORS

Dividend (item 7b)

The Board of Directors proposes that the company's deficit be carried forward and that no dividend be paid.

Board of Directors, etc. (items 9 and 10)

Shareholders representing approximately 50 percent of the total number of votes in the company propose:

that the fee paid to the Board of Directors' external members be set at SEK 1,200,000, distributed as determined by the Board of Directors.

that the Board of Directors be comprised of eight members, of whom Ulf J. Johansson, Olof Englund, Bengt Wallentin, Dag Sehlin, Ann Nilsson, Göran Carstedt and Per Tjernberg are recommended for reelection, and Sune Fogelström is recommended as a new member.

Issue of convertible debentures (item 12)

The Board of Directors proposes that the Annual General Meeting decide that the company raise a convertible debenture loan with a nominal value of not less than SEK 5,000,000 and not more than SEK 20,000,000 through an issue of convertible debentures that may be exchanged for Class B shares in the company with a par value of SEK 1.25. The following principal terms apply to the loan and the convertible debentures as well as to their subscription.

The right to subscribe for convertible debentures will be allocated to individuals who, at the expiration of the subscription period, are permanently employed by Frontec AB or Frontec AB's majority-owned companies. Each member of Group Management (4 individuals) will be entitled to subscribe for debentures in the total amount of not more than SEK 1,000,000. Each senior executive and key employee (around 60 individuals) will be entitled to subscribe for debentures in the total amount of not more than SEK 500,000. Other employees (around 730 individuals) each will be entitled to subscribe for debentures in the total amount of not more than SEK 100,000. In the event of an oversubscription, the Board of Directors has the right to distribute the debentures among permanent employees.

The convertible debentures will be issued at a price corresponding to their nominal amount.

The convertible debentures will be subscribed during the period from June 3, 2002 through June 14, 2002, with the right for the Board of Directors to extend the subscription period.

Payment for subscribed and allotted convertible debentures must be made not later than July 12, 2002.

The debenture loan will fall due for payment on July 1, 2006, to the extent conversions have not been made at that point. Conversions to Class B shares may take place from May 15, 2006 through June 15, 2006.

The loan carries an annual interest rate corresponding to STIBOR with a 12-month term less one (1) percentage point as of July 12, 2002, to be paid annually at the end of the period.

The conversion price will correspond to 125 percent of the average of the last price paid for the company's Class B share on the Stockholm Stock Exchange's O list during the period from June 10, 2002 through June 14, 2002, calculated in a specific manner.

The share capital will increase by not more than SEK 2,857,500 and the number of shares will increase by not more than 2,286,000. If the debentures are fully converted, the dilution effect will amount to not more than approximately 6.8 percent of the share capital and approximately 4.0 percent of the shares. The company has previously issued warrants to employees entitling them to subscribe for a maximum of 1,647,485 shares. The maximum dilution effect as a result of both the convertible loan now being proposed and the outstanding warrants amounts to approximately 11.1 percent of the share capital and approximately 6.7 percent of the votes.

The reason for the deviation from the shareholders' preferential right is that giving employees a personal ownership stake in the company is expected to stimulate greater interest in the Group's

operations and earnings, raise motivation and increase solidarity with the company. It is therefore advantageous for the company to be able to offer its employees the opportunity to share in the Group's development in a way that at the same time benefits shareholders.

Frontec AB has previously issued a convertible debenture loan of SEK 20 million to employees of the Group. This loan was issued in October 1998 to employees of the Frontec Group at the time and was repaid in its entirety in October 2001.

The terms with respect to the issue of the loan have been established on a current market basis in consultation with Öhrlings PricewaterhouseCoopers.

The above-mentioned decisions require the approval of shareholders representing at least 90 percent of the votes cast and shares represented at the Annual General Meeting.

The Board of Directors' complete proposal will be made available at the company's office at least two weeks before the Annual General Meeting and will be sent to shareholders upon request.

Decision to amend the Articles of Association (item 13)

The Board of Directors proposes the following amendment:

- § 2 The Board of Directors will maintain its registered office in the municipality of Solna.
 The Annual General Meeting may also be held in the municipality of Stockholm.

Sundbyberg, April 2002
The Board of Directors

More information: Madelene Sandgren, Informationsdirektör, tel: +46703108997