



PRESS RELEASE

from Sifo Group, listed on the O-list of the OM Stockholm Exchange

Sollentuna, December 13, 1999

Sifo Group raises operating margin objective

- The operating margin objective for Observer is raised to 23 percent
- Decision on rights issue 3:5 at a subscription price of SEK 40
- Extra General Meeting on December 28, 1999

Acquisition of Romeike Group

On December 6, 1999 Sifo Group announced its acquisition of Romeike Group, the UK's leader in media monitoring and media databases. The merger of Sifo Group's Observer Media Intelligence division and Romeike Group creates by far Europe's leading and the world's largest media and market monitoring company.

Higher margin objective for Observer

In connection with the acquisition of Romeike Group, the Board of Directors of Sifo Group has decided to raise Observer Media Intelligence's operating margin objective.

In recent years Romeike Group has reported organic growth of approximately 10 percent per year on average and an operating margin exceeding 30 percent. Meanwhile, Observer has achieved organic growth of approximately 20 percent per year and an operating margin before goodwill amortization and noncomparable items of approximately 19 percent. Taken together, the pro forma operating margin before goodwill amortization and items affecting comparability for the period October 1, 1998 – September 30, 1999 amounts to approximately 26 percent. Observer's plans to raise the growth rate of the current Romeike Group by introducing more modern technology and value-added services will be accompanied by higher expenses. Considering the above, the new operating margin objective for Observer following the acquisition of Romeike Group is as follows :

Observer Media Intelligence shall achieve an average long-term operating margin before goodwill amortization and noncomparable items of 23 (20) percent.

The objective for Sifo Group's two other divisions, Sifo Research & Consulting and SMG Consulting, of an average long-term operating margin before goodwill amortization and noncomparable items of 10 percent remains unchanged. With Sifo Group's structure following the acquisition of Romeike Group, this corresponds to an operating margin of approximately 18 percent at the Group level. The Group's pro forma operating margin before goodwill amortization and items affecting comparability amounts to approximately 17 percent for the period October 1, 1998 – September 30, 1999.



Rights issue

Sifo Group acquires all the shares in Romeike Group for GBP 110 million (approximately SEK 1,515 million) plus a maximum supplemental purchase price of GBP 17.5 million. The full supplemental purchase price will be paid if Romeike Group's operating profit for the period October 1, 1999 – December 31, 2000 is approximately 30 percent higher than during the period October 1, 1998 – December 31, 1999.

The acquisition of Romeike Group is being financed through a directed issue of 454,399 Series B shares to Romeike Group's shareholders, a rights issue to Sifo Group existing shareholders and an increase in interest-bearing liabilities, as stated below.

Consequently, the Board of Directors of Sifo Group has decided on, subject to approval by the Extra General Meeting, a rights issue to existing shareholders of not more than 11,223,742 Series A shares and not more than 9,592,673 Series B shares, each with a par value of SEK 1.50. For every five old shares of Series A and Series B they already own, shareholders are entitled to subscribe for three new Series A and Series B shares, respectively, at an issue price of SEK 40 per share. The share capital of Sifo Group AB will thereby increase by not more than SEK 31,224,622.50 to not more than SEK 83,265,663. The issue will raise the number of shares in Sifo Group AB from 34,694,027 to not more than 55,510,442.

Sifo Group's principal shareholder, Investment AB Bure ("Bure"), is positive to the acquisition of Romeike Group and has announced its intention to subscribe for its full allotment of shares in the rights issue. Bure is Sifo Group's largest shareholder, with 49,5 percent of the shares, representing 63,9 percent of the votes.

The subscription period for the rights issue is tentatively scheduled for January 13-26, 2000. A prospectus is expected to be received by shareholders of Sifo Group by the beginning of the subscription period. The record date for the rights issue is scheduled to be January 10, 2000.

Both short- and long-term debt financing for the acquisition has been secured through MeritaNordbanken.

Extra General Meeting

As a result of the Board of Directors' decision on a rights issue, subject to approval by the Extra General Meeting of Sifo Group shareholders as stated above, the Board of Directors of Sifo Group has decided to convene an Extra General Meeting on December 28, 1999.

Bure has also announced its intention to vote at Sifo Group's Extra General Meeting in accordance with the Board of Directors' proposal for a rights issue.



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Facts about Sifo Group

Sifo Group, which is listed on the OM Stockholm Exchange's O-list, has three divisions:

Observer Media Intelligence is, following the acquisition of Romeike Group, the world's largest company in media and market monitoring. Its operations are based on comprehensive monitoring of the press, news agencies, radio and TV as well as searches in databases and on the Internet. Information is custom-tailored to clients' needs either in raw form or compiled as summaries and analyses. Through BIT Börslistans Informationstjänst AB, Observer handles the extensive distribution primarily of press releases and financial information. The division generates revenue of approximately SEK 925 million and has around 1,300 employees.

Sifo Research & Consulting is the Scandinavian leader in surveys. Operations are divided into five areas: change programs based on a company's hidden assets, such as human and market capital; the development of brand strategies and product and concept tests; the development of market strategies and market planning; media surveys, and public opinion polls. The division has revenue of approximately SEK 420 million and around 350 employees.

SMG Consulting is active in three areas: Market Analysis, Strategy and Development, and Implementation. SMG Consulting works in all these areas with the development of value-adding systems for clients' strategic change programs. The division has revenue of approximately SEK 40 million and around 35 employees.

On a moving 12-month basis Sifo Group has revenue of approximately SEK 1,350 million and employs approximately 1,700 people. Operations are carried out in Sweden, Norway, Denmark, Finland, the Baltic states, Germany and the UK.