Fotoquick enters new phase under new CEO

- Gustaf Öhrn to take over as Group CEO
- Intensified focus on products and business development
- Board reiterates previously announced forecast

The photo industry is undergoing a significant transformation, with digital photography and developing taking over from the older analogue technology. This development is customer driven and the industry is facing up to major changes in consumption patterns while the market goes through a period of consolidation. On 5 January 2006 Fotoquick announced that it had reached an agreement to acquire Eirikuva, a Finnish photo business. Fotoquick's aim is to remain one of the driving forces on the market and continue to exploit business opportunities.

"There is significant activity on the market right now. Customers do not only want new products, they also want new technical solutions for developing photos and distribution. We therefore have to make significant efforts to develop our range to customers while positioning ourselves as one of the leading players in Europe," says Fotoquick's Chairman, Göran Nordlund.

During the autumn of 2005 Fotoquick's Board performed a strategic review of the company and the challenges facing it. The analysis revealed the need for changes at the senior level within the company.

Gustaf Öhrn appointed new CEO

The Board has appointed Gustaf Öhrn as the new CEO of Fotoquick in place of Christian Haeger, who will leave the company having spent three years with Fotoquick. Gustaf Öhrn arrives from the clothing company J.Lindeberg, where during the four years he was CEO he turned the company into a global, profitable and consumer-oriented design company.

Christian Haeger will remain as CEO until 20 February 2006, when Gustaf Öhrn will take over, and Christian Haeger will also remain a member of the Board. Any changes to the Board will be decided at the Annual General Meeting.

"Christian Haeger has been an important figure for Fotoquick during a tough period. He carried out a vital rationalisation scheme while adapting the company to be a more modern business. He also performed a listing process and several key acquisitions. But we are united in agreeing that it is time for new leadership," says Göran Nordlund.

"My three years in the photo business have been very exciting. Fotoquick has been through a number of phases and now stands on a strong platform ahead of the period of expansion that has started. For me it is a time for new challenges," says Christian Haeger.

Intensified focus on business development

Fotoquick's strategy is to continue forcing the pace of development in the photo industry. On the Swedish market this means that Fotoquick will market the best photo products for consumers via a national network of stores and by the internet. Fotoquick will also be involved in the ongoing restructuring in Europe and during 2006 expects to announce more acquisitions or partnerships along the lines of those already completed.

During 2005 digital developing of photos made its breakthrough among consumers. Digital developing accounted for 35 per cent of sales in the third quarter, compared with 11 per cent in the same period in 2004. This proportion is expected to rise while analogue developing is expected to continue its significant decline.

To exploit the opportunities on the photo market and achieve success for Fotoquick the company will intensify its efforts within business development while seeking to innovate within structural partnerships, products, distribution and sales. The new CEO, Gustaf Öhrn, has many years of experience in these areas.

Board reiterates forecast for 2005

The Board of Fotoquick reiterates its previous forecast for financial results in 2005 remains unchanged. The Board estimates that sales turnover will exceed SEK 210 million, with the consolidation of the Portuguese photography chain Foto Sport as of 1 December 2005. The Group is predicting a small loss.

The Board also announces that the year-end report 2005 will be published earlier, on 27 January 2006, instead of 23 February as previously announced.

For further information, please contact

Göran Nordlund, Chairman of Fotoquick, mobile phone: +46 70-433 13 20, or
Gustaf Öhrn, tel: +46 70-420 44 36

- Gustaf Öhrn

Gustaf Öhrn was born in 1967 and has worked for several well-known consumer product companies in Sweden. Most recently he has been CEO of J.Lindeberg since 2001. During the past four years he turned J.Lindeberg into a well-known fashion company on the global market for fashion, sport and leisure wear, and he made the company profitable while achieving good growth.

Before 2001 Gustaf Öhrn was CEO of Speed Ventures, where he developed a strong analytical and strategic business sense and built a network within the finance market. He was also operational CEO and sat on the Board of several start-ups.

From 1993 to 1999 Gustaf Öhrn worked for H&M where he ended up as head of the women's wear division, the company's largest division, which accounts for around 35 per cent of sales. Gustaf Öhrn lives in Stockholm.

- Fotoquick

The photo industry is undergoing enormous change and Fotoquick is one of the driving forces on the European market. The company focuses on digital photography, developing and image processing. Products and services are distributed primarily via the company's

own stores, retail partners and via the internet. Fotoquick aims to exploit the business opportunities created via the ongoing consolidation of the photo industry. In 2005 two acquisitions were completed – Önskefoto in Sweden and the Foto Sport chain in Portugal. Today Fotoquick has 667 full-time employees and around 70 part-time employees.

The current Fotoquick is the result of a merger of the original company, Fotoquick, which was known for fast photo developing, and Kodak Image Center, previously Hasselblads Foto, which owned several of Sweden's best know photography stores. The head office is in Solna, and the company has been listed on Nya Marknaden since June 2005.
www.fotoquick.se