

P R E S S R E L E A S E

Stockholm August 4, 2006

BTS Group AB has signed a Letter Of Intent regarding a possible acquisition of The Advantage Performance Group and The Real Learning Company

Stockholm, Sweden– BTS Group AB (publ), the world's leading business simulation training and consulting company, today announced that it has signed a Letter Of Intent regarding the possible acquisition of the businesses of The Advantage Performance Group (APG) and The Real Learning Company (RLC); two privately held, highly respected US based training and consulting organizations. The finalization of the acquisition process is pending the completion of a successful due diligence, definitive agreements and final board approval. The process is anticipated to be finalized in September 2006.

Besides being well known within the strategic US market, APG and RLC have been successful and important partners to BTS for several years. This existing partnership has created some of largest accounts BTS serves in the US.

APG and RLC recorded combined net revenues of USD 21.3 million in 2005 with an adjusted EBIT of USD 2.2 million. Based on the results of APG and RLC in 2005, the acquisition would have added approximately 40 per cent to the revenues of BTS in 2005. Added together APG and RLC recorded a compounded annual growth during the period 2000-2005 in excess of 10 per cent, including the challenging years of 2001-2003.

BTS growth strategy is built primarily on organic growth. Over the past few years, BTS has made a number of smaller successful acquisitions. The Strategic Management Group acquisition in Q1 2005 is the most significant. The acquisitions have contributed in a material way to BTS growth and positive results in recent years.

BTS strategy for acquisitions aims to create a broader base for future organic growth while actively consolidating a highly fragmented market and gaining the opportunity to serve new and existing customers with new products. The acquisition of APG and RLC brings to the BTS Group some of the most experienced professionals in the US and a customer base with a strong focus in the US Fortune 1000.

A limited overlap in the existing customer bases in the US creates interesting synergies and a significant opportunity to increase market share by helping customers leverage "new" capabilities added to the BTS solution portfolio.

RLC brings a strong product portfolio of sales and leadership development solutions as well as highly creative customer and product development resources in areas where BTS has the ambition to grow its presence.

APG is a leading independent human performance consulting network based on 35 fulltime sales– product specialist equivalent and more than 100 skilled training facilitators. The APG network is based on a franchise model where the franchisees work exclusively with APG's product offerings.

Acquisition payment and financing

BTS has a strong financial position with an un-leveraged balance sheet. Therefore, a major portion of the payment will be done by using external financing which already has been secured.

BTS will acquire from Advantage Performance Group Inc. and The Real Learning group all of their respective businesses including all immaterial rights and with net operating capital of USD 2.6 million, and assuming no interest bearing debt.

The agreed payment consists of:

- USD 2.0 million in the form of a new share issue to the sellers of approximately 350 000 B shares at SEK 40.93 using the mandate given at the last Annual General Meeting. The shares issued have a lock-up period of 2,5 years.
- Up front cash payment of USD 18 million of which approximately 100 MSEK is financed through a loan. The remaining approximately 31 MSEK is financed by BTS own cash position
- An earn-out, maximized to USD 4.0 million which will be financed using BTS operating cash flow. The earn-out will be paid if the purchased businesses meet specific profitability targets during 2006 and 2007

The acquisition is estimated to have a positive impact on BTS earnings per share in 2006. No further financial facts are disclosed.

Information about APG and RLC

APG sales and account management organization of more than 35 full time equivalent and independent professionals focus on corporate learning and performance improvement primarily within the sales and leadership development areas. They mainly serve US Fortune 1000 companies.

RLC is a performance improvement company that specializes in helping organizations select, align, and develop their human capital. RLC provides practical models, tools, and learning programs for planning, building, and managing individual and team performance. RLC's approach is a strategically-customized performance improvement process through experiential learning with Web tools and reinforcement materials to extend the learning. RLC develops innovative sales and leadership learning solutions sold primarily through the APG network and to house accounts such as UPS.

APG and RLC sales and delivery processes primarily target the middle, first line management and sales force, which will become a strategic complement to BTS focus on top management and executives. APG partners with developers of training solutions (including RLC and BTS) and then applies a unique methodology to help organizations maximize their training Return of Investment.

Examples of important APG and RLC customers include: Toyota, UPS, Bristol-Myers Squibb, American Express, Wells Fargo, Ingersoll-Rand, Daimler-Chrysler, Genentech, Catholic Health and Insight

“This deal brings two of the elite US companies in our sector – with very high customer satisfaction and innovation - into the BTS family,” says Mr. Henrik Ekelund, President and CEO of BTS Group AB. “APG and Real Learning have a solid track record of profitable growth, and the combination of our two organizations builds a stronger foundation for continued organic growth both in the US market and globally. Real Learning’s new and innovative suites of solutions in sales and leadership development, combined with the BTS portfolio, forms a complete range of solutions within business acumen, sales and leadership to serve our global customer base. Also, the addition of APG’s 35 full time sales and account managers, more than 200 customers and over 100 independent facilitators creates a very strong market force in the US. APG’s business model based on strong individual incentives and a high proportion of variable costs is very attractive,” concludes Mr. Ekelund.

“As Advantage Performance Group sought to expand market presence both domestically and globally we wanted a strategic partner who shared our enthusiasm for helping clients achieve measurable business impact from training. Three years ago we set out to fundamentally change the way our industry works with our proprietary Advantage Way™ process. Other than our great partner Real Learning, no other company than BTS shared the same passion for our vision. BTS has the resources to accelerate the adoption of Advantage’s unique training program implementation and evaluation methods across the globe”, says Mr. John Hoskins, Co Founder of Advantage Performance Group.

“As founder of The Real Learning Company, I couldn’t have imagined partnering with an organization other than BTS. We share the same customer centric business model and content development methodology – the true cornerstones of our businesses - and our core values- are completely aligned. This merger will positively impact our customers, our teams, and our various shareholders exponentially. ” says Mr. Richard Hodge, Founder of The Real Learning Group.

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About BTS Group AB

BTS Group AB is the leading and most successful consultant- and training company within the segment of business simulations. BTS supports executive management in corporate change processes and the implementation of new strategies with the objective to create a more successful and profitable company. BTS delivers this through real life, tailor-made business simulations. All projects are managed as tailor-made business simulations delivered as e-learning solutions, software solutions or as interactive seminars. Regardless of the delivery method participants are given the opportunity to

create their own experiences and instantly see the result of their efforts by working in a simulated environment where real live corporate data and conditions apply.

All of this creates a highly efficient education process where business strategies and objectives are transformed into action which in turn leads to a higher awareness of which decisions in the day-to-day business effect corporate profitability and success. The overall result is measurable and sustainable profit improvements. BTS customers are leading global corporations. Currently BTS customer list includes some 20 of the world's 100 largest companies including Coca-Cola, Weyerhaeuser, GM, Vodafone, Boeing, Telstra, Adobe, HP, Cisco, DHL, Honda, Toyota, GAP, SonyEricsson, Nokia, Scania and Sony.

BTS Group AB (publ) shares are traded on The Stockholm Stock Exchange under the symbol BTS B. Visit us at www.bts.com