

PRESS RELEASE

Stockholm, 17 May, 2000



Extra General Meeting approves decision on rights issue

- **Rights issue of SEK 62 million, 1:1 at SEK 9 per share**
- **Purpose of rights issue is to finance continued investment in CityMail Interactive**

Rights issue

Subject to the approval of the Extra General Meeting, the Board of Directors of CityMail Sweden AB (publ) ("CityMail") 27 April decided to effect a rights issue of maximum of 6,827,000 Series A shares with a nominal value of SEK 5 each. Every Series A share held will entitle the holder to subscribe for one (1) new Series A share at the issue price of SEK 9 per share. The share capital in CityMail will thus be increased by a maximum of SEK 34,135,000 to a maximum of SEK 68,270,000. Following the rights issue, the number of shares in CityMail will increase from 6,827,000 to a maximum of 13,654,000. The rights issue will raise a maximum of around SEK 58 million after deduction for issue expenses of no more than approximately SEK 4 million

The Extra General Meeting today approved the decision 27 April from the Board of Directors to effect a rights issue.

The subscription period for the rights issue is expected to run from 29 May–16 June, 2000. It is expected that CityMail shareholders will receive the prospectus for the rights issue at the start of the application period. The record date for the rights issue is expected to be 23 May, 2000.

Rights issue

The rights issue is effected mainly in order to finance the investments within the business area CityMail Interactive. A part of the net proceeds will be used to cover costs related to the disbanding of the distribution organisation in Gothenburg and Malmö. The closing of Gothenburg and Malmö is estimated to be finalised May/June 2000.

CityMail Interactive is to function as an efficient business partner to deal with and develop customers' customer and member databases. CityMail has identified appreciable business opportunities in the field of address register management. In January, 2000 CityMail acquired a 15 per cent shareholding in Svensk Adressändring AB ("SvAAB"), a company previously wholly owned by the Sweden Post. Through a shareholders' agreement, CityMail and the Sweden Post are ensured equal influence in SvAAB. One of the tasks for which SvAAB has responsibility is the collection and quality assurance of around 850,000 address alterations annually. The company has well-developed systems for the collection of such alterations via telephone and the Internet.

CityMail has also decided to establish a company under the name of *AddressPoint* for the quality assurance and electronic processing of address alterations for companies and other organisations. Via AddressPoint's updating system, companies and other organisations will be able to receive updates of addresses just as rapidly as postal operators receive them. The intention is to market AddressPoint's services in Sweden during the fall of 2000. AddressPoint has been started in partnership with the Sweden Post, and CityMail owns a 40 percent share of AddressPoint.

As a further development of AddressPoint, CityMail and the Sweden Post will also be setting up a Web site primarily intended for private individuals who are about to change their home addresses. Via the service www.flytta.nu, customers will be offered services and e-commerce opportunities related to their needs in connection with moving house, for example, buying and selling a house, renovation, transport, cleaning, mortgages and changes of address. This service also offers businesses and other organisations the opportunity to contact this customer group via a single forum. As households spend appreciable amounts in connection with moving, they jointly account for considerable purchasing power, and this is why CityMail believes that many businesses will be very interested in advertising on www.flytta.nu. CityMail's ownership of www.flytta.nu will amount to 49 per cent.

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