



PRESS RELEASE

Observer AB is quoted on the Nordic Exchange and has around 20,000 shareholders.

Stockholm, Sweden, February 26, 2007

The shareholders of

Observer Aktiebolag (publ)

are hereby convened to the Annual General Meeting, Thursday, March 29, 2007 at 5.00 p.m. (CET) at Konferens Spårvagnshallarna, Birger Jarlsgatan 57A, Stockholm, Sweden

Notification of attendance, etc

Shareholders who wish to participate in the general meeting must

- firstly* be included in the shareholders' register maintained by VPC AB (the Swedish Central Securities Depository and Clearing Organization) on Friday, 23 March 2007, and
- secondly* notify the company of their participation not later than 4.00 p.m. (CET) Friday, 23 March 2007 by mail to Observer AB, 114 88 Stockholm, or by telephone 08-507 410 00, or by fax 08-507 410 25 or by e-mail: info.ab@observergroup.com. The notification shall state the shareholder's name, address, telephone number (daytime), personal/corporate identity number, shareholding and, when applicable, information about proxies and assistants (maximum two).

Nominee-registered shares

Shareholders whose shares have been registered in the name of a nominee through the trust department of a bank or a private securities broker must temporarily re-register their shares in their own names in the shareholders' register maintained by VPC AB, in order to be entitled to participate in the general meeting. Shareholders must inform their nominee of such re-registration well in advance of Friday, 23 March 2007, when such re-registration must be completed.

Proxy etc

Shareholders who plan to be represented by proxy shall submit a written and dated power of attorney on behalf of their proxy. If the power of attorney is issued by a legal entity, a certified copy of a registration certificate, or similar, for the legal entity shall be appended. The power of attorney and the registration certificate may not be older than one year. The power of attorney in original and, when applicable, the registration certificate, should be submitted to the company by mail at the above address well in advance of the shareholders meeting.

Proposed Agenda

1. Opening of the Meeting.
2. Election of Chairman to preside over the Meeting.
3. Preparation and approval of the voting list.



4. Approval of the agenda.
5. Election of one or two persons to verify the minutes of the Meeting.
6. Determination whether the meeting has been properly convened.
7. Presentation of the annual report, the auditor's report and the consolidated accounts and auditor's report for the Group.
8. Address by the CEO.
9. The Chairman of the Board's report of the nomination committee's work and the work in the compensation and audit committees.
10. Resolution to adopt the income statement and the balance sheet, as well as the consolidated income statement and the consolidated balance sheet.
11. Resolution on allocation of the company's profits in accordance with the last adopted balance sheet (see below).
12. The Board's proposal for reduction of the statutory reserve (see below).
13. Resolution to discharge the Board and the CEO from liability.
14. Determination of the number of Directors and Deputy Directors of the Board and the number of auditors (see below).
15. Determination of remuneration to the Board and fees to the auditors (see below).
16. Election of Directors of the Board, Chairman of the Board and Deputy Directors of the Board, if any (see below).
17. Election of the auditor (see below).
18. Determination of principles for remuneration to the management (see below).
19. Proposal regarding nomination committee (see below).
20. The Board's proposal to amend the articles of association (see below).
21. The Board's proposal to issue convertible profit sharing debentures to the management (see below).
22. The Board's proposal for authorization of the Board to resolve on a new issue of shares (see below).
23. Closing of the Meeting.

Resolution on allocation of the company's profits in accordance with the last adopted balance sheet (item 11)

The Board and the CEO propose that the year's loss of SEK 817,834,425 and retained earnings of SEK 573,121,992, in total SEK -244,712,433, is carried forward.

The Board's proposal for reduction of the statutory reserve (item 12)

The Board proposes that the company's statutory reserve is reduced with SEK 1,300,000,000 from SEK 1,400,120,136 to SEK 100,120,136. The purpose of the reduction of the company's statutory reserve is to cover the last financial year's losses of SEK 817,834,425 and to transfer SEK 482,165,575 to the company's non-restricted equity. The resolution is conditional upon that the Swedish Companies Registration Office grants its permission.

Proposal for resolutions with respect to items 2 and 14-17

The company's nomination committee that has been formed in accordance with the resolution of the Annual General Meeting 2006, consists of Chairman Caroline af Ugglas (Skandia Liv), Cecilia Lager (SEB Fonder), Kjell Norling (Handelsbanken Asset Management) and Anders Böös (Chairman of the Board of Directors of Observer AB), proposes the resolutions presented below with respect to items 2 and 14-17.

- The nomination committee proposes that Anders Böös, the Chairman of the Board, is appointed Chairman of the Annual General Meeting (item 2).
- The nomination committee proposes that the Board should consist of eight Directors,



- without deputies (item 14).
- The nomination committee proposes the remuneration to the Board should be the same as last year, SEK 1,800,000, to be allocated in accordance with the following: SEK 600,000 to the Chairman, SEK 200,000 to the Directors that are not employed by the company, and, in addition to this, a fee for Directors that participate in the company's audit committee and compensation committee of in total maximum SEK 100,000. The nomination committee further proposes that an extra amount of SEK 600,000 should be paid to the Chariman of the Board for 2007 as compensation for extra work in connection with the current restructuring (item 15).
 - The nomination committee proposes that the fees to the auditors should be paid in accordance with approved invoice (item 15).
 - The nomination committee proposes that Anders Böös, Per-Eric Fylking, Pia Gideon, Ulf Ivarsson, Peter Leifland and Gunilla von Platen are re-elected as Directors of the Board and that Niklas Flyborg and Thomas Heilmann are elected Directors of the Board. Maria Lilja has declined re-election. Anders Böös is proposed Chairman of the Board (item 16).
 - The nomination committee proposes that Ernst & Young, with Bertel Enlund as auditor in charge, is elected the company's auditor for the time until the end of the annual general meeting 2011 (item 17).

Proposal for determination of principles for remuneration for the management (item 18)

The Board's proposal for principles for remuneration and other terms of employment for the management is established in order to secure that the Observer Group may offer a reward system that is competitive and on market terms in order to attract and retain qualified employees.

Principles for remuneration and other terms of employment of the CEO and other members of the management

The Board of Directors propose that the general meeting approves the Board's proposal regarding principles for remuneration and other terms of employment of the CEO and other members of the management (proposal for long term incentive program is set out in item 21) in accordance with the following. Except the specified exemption for the CEO below, the proposed principles correspond to the remuneration that has been paid previous years and is based on existing agreements between Observer and each respective member of management. The principles apply to the CEO and the members of management that report directly to the CEO (the management). The remuneration to the management shall comprise of the following parts: fixed salary, variable remuneration, pension, other benefits and long term incentive program.

Fixed salary

The fixed salary is based upon what the local market pays for a corresponding position and qualification, and is therefore a market salary. The fixed salary is renegotiated on a yearly basis.

Variable remuneration

The variable remuneration is paid in the form of a bonus. The target bonus for the management is 30 percent of the fixed salary and the maximum bonus is 50 percent of the fixed salary when performance is beyond expectations. The bonus is based on the achievement of financial targets (growth, margins and capital tie-up) for the region and/or the group, and the achievement of



personal targets. For the CEO special conditions apply during 2007. The target bonus is 40 percent and maximum bonus is 100 percent of the fixed salary. Further, the CEO's bonus is solely based on the company's underlying operating margin.

Long term incentive program

The company shall have a long term incentive program based on convertible profit sharing debentures ("convertibles"). The convertibles carry interest corresponding to the dividend per share, however not less than five percent of the nominal amount of the convertibles. The convertibles are issued at market price and are therefore not connected with any costs for the company. The convertibles are structured in order to provide incentives to the management to act in order to achieve the company's long term goals.

Pension

The basic principle with respect to pension arrangements shall be that the terms and conditions are on level with market terms in the country where the management member is domiciled. The retirement age for the management varies in accordance with local customs. For the CEO, the company shall allocate an amount correspondent to 35 percent of the CEO's pension qualifying salary for pension- and insurance solutions. All other members of management follow the plan for supplementary pensions for salaried employees or correspondent. For others pension allocations are made in accordance with local customs.

Other benefits

The CEO and the other members of management have the possibility to receive the customary benefits connected with their position, such as health care, medical insurance and a leasing car. Benefits vary between the countries and are based on local customs.

Redundancy payment

The company and the CEO have a mutual notice period of six months. If the company terminates the employment, the CEO is entitled to a redundancy payment equal to six months of fixed salary. Remuneration from a new employer or a corresponding salary from self-employment is deducted from the redundancy payment. For other members of management, the notice period varies between three to six months. For the company, the notice period varies between three and twelve months. A number of members of management are entitled to a redundancy payment equal to six to twelve monthly salaries.

Preparation and resolution

With respect to the CEO, the compensation committee proposes, after discussions between the Chairman and the CEO that salaries, criteria for variable compensation and other terms of employment, which are then approved by the Board. For other members of management, the CEO proposes, after discussions with the members of management, such terms, which are then approved by the compensation committee and reported to the Board.

The Board shall have the right to deviate from these principles if, in an individual case, there may be reasons for such decision.

Proposal with respect to nomination committee (item 19)

The shareholders represented in the nomination committee propose the following regarding the company's nomination process.



The general meeting is proposed to resolve that the nomination process which is presently applied will form the base of future nomination processes. The proposal implies that the Chairman of the Board contacts not less than three of the main shareholders as per the end of the third quarter of the year. Said shareholders are asked to appoint one representative to the nomination committee, of which also the chairman of the Board shall be a member. The nomination committee then appoints a chairman. If any such shareholders refrain from the right to appoint a representative, such right is transferred to the shareholder that, following these shareholders, has the largest shareholding. This nomination committee shall prepare a proposal to the Annual General Meeting with respect to the composition of the Board and therewith connected matters. In the proposal it is included that the names of the owners' representatives in the nomination committee shall be published as soon as they have been appointed.

The nomination committee shall, prior to general meetings where elections of members of the Board and/or Chairman of the Board, and/or auditors and/or resolution regarding the compensation to the Board and/or fees to the auditors will be passed, present a proposal for such decisions. The nomination committee may also present a proposal for Chairman of the Annual General Meeting.

Proposal to amend the articles of association (item 20)

The Board proposes to amend the articles of association whereby the company name is changed.

The Board's proposal to issue convertible profit sharing debentures to the management (item 21)

The Board proposes that the general meeting resolves to take up a convertible debt of nominally SEK 35,000,000 through issuing a maximum of 700,000 convertible profit sharing debentures ("convertibles"), nominally correspondent to 113.3 percent of the volume weighted average exchange price of the Observer share during the period 27 April – 3 May 2007, whereby the share capital may be increased by not more than SEK 1,050,000. The issue price shall correspond to the nominal value and has been determined on market terms. The resolution does not require any amendment of the articles of association.

The issue will be directed to the management of the Observer Group. The general meeting's resolution is valid only if it is approved by nine tenths of the votes cast as well as shares represented at the general meeting. The convertibles should be subscribed for and paid not later than 14 May 2007. The Board may extend the subscription and payment period.

Each convertible shall carry an interest equal to the cash dividend paid on each Observer share, however not less than an amount equal to an annual interest rate of 5 percent.

The conversion rate is correspondent to the nominal amount. Conversion may be requested during the period 1 April – 30 June 2011, whereby conversion will be effected 1 July 2011. The new shares received through conversion will entitle to dividends as from and including the financial year 2011.



The Board's proposal for authorization of the Board to resolve on a new issue of new shares (item 22)

The Board proposes that the general meeting authorizes the Board to issue new shares. The issue may be effected without preferential rights for the shareholders to subscribe for new shares. The authorization may be utilized on one or more occasions until the next annual general meeting.

The reason for the diversion from the preferential rights of the shareholders is that the new shares shall be used to acquire new businesses or companies. Such acquisitions shall *inter alia* be paid by using the new shares as payment in kind or by issuing the new shares to an institutional investor against payment in cash, whereby such cash payment should be used to finance whole or part of the acquisition.

A maximum of 4,000,000 of shares may be issued, whereby the share capital may be increased by a maximum of SEK 6,000,000. The Board may resolve that a share can be paid in kind or, in other cases, with conditions referred to in Chapter 2 Section 5, paragraphs 1-3 and 5 of the Swedish Companies Act or by way of set-off.

The Board's proposals with respect to items 12, 18, 20, 21 and 22

The Board's proposals with respect to items 12, 18, 20, 21 and 22 and documents in accordance with the Swedish Companies Act will be held available at the company from and including 15 March 2007 and will be sent upon request to shareholders that provide their mailing address. Such documents will also be available at the company's website www.observergroup.com.

Stockholm February 2007

Observer Aktiebolag (publ)

The Board of Directors

For further information, please contact:

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Observer improves clients' performance through integrated services and software solutions for reputation and campaign management, media monitoring and research of media contacts.

Observer AB is quoted on the Nordic Exchange and has approx. 20 000 shareholders. The company has around 2,700 employees and a turnover of SEK 1.9 billion in 2006. Observer operates in the US, UK, Sweden, Canada, Germany, Norway, Finland, Denmark, Portugal and Lithuania.

This press release is also available at www.observergroup.com