



PAN VISION

PRESS RELEASE

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PAN VISION GROUP REPORTS 2006

PAN Vision Group today announced its result for 2006. The operating result improved by a considerably reduced deficit and an increase in turnover by 6% from 2005.

Stockholm, March 15: PAN Vision Group, the Nordic region's leading independent home entertainment distributor, today announced its results for the financial year 2006.

PAN Vision experienced a strong year with major financial improvements. The operating loss for the financial year 2006 amounted to -38 Msek compared to the previous year's -279 Msek. The turnover increased by 6% from 943 Msek 2005 to 995 Msek for 2006. The improved outcome is a result of the Turn Around plan that was successfully implemented throughout the company during last year.

The Turn Around effort has primarily addressed the PAN Vision Distribution business, where considerable business improvement was achieved. PAN Vision Publishing, and foremost the film branch of the company, continued showing profitable figures and strengthened its market presence.

"It has been a challenging and inspiring task to manage and participate in the Turn Around process of PAN Vision. Highly knowledgeable and committed personnel have made it possible for us to add more value to our partners and through this increase also our own business value" says Per Almgren, CEO PAN Vision Group

The Turn Around of PAN Vision Distribution

The Turn Around efforts within PAN Vision Distribution were concentrated around operational improvements, but also included developing new services to retailers and suppliers that add value to their businesses.

One of the core initiatives has been the expansion of Category Management¹ services in Denmark, Norway and Sweden; a service that on the Finnish market has been a success for quite some years.

¹ Category Management means complete vendor management responsibility for retailer's game departments, including product exposure and sales.



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Further development of PAN Vision Publishing

The market for distribution and publishing of film has seen a great increase in profitability over the past years and 2006 was no exception. New strategic collaborations were formed with Swedish TV4, Sonet Film, Triangelfilm and Norwegian CCV. PAN Vision also took a number of necessary steps towards ensuring that the company is prepared for the upcoming innovations within the area of digital film distribution, by ensuring that the rights of physical distribution also included the digital formats.

The film branch of the company has during the last quarter of 2006 and the first quarter of 2007 initiated the digital launch of its catalogue. This was done in collaboration with partners such as Swedish SVT, Kulturtuben and a working majority of international license holders. SF Anytime, Film2Home and CDON are amongst the first customers to offer PAN Vision's digital catalogue. These customers are strategically important in supplying end consumers with legal, digital on-demand alternatives over the internet.

The film division will continue on its current path with a maintained focus on securing rights for digital distribution.

Recruitments

Important recruitments have been conducted during the year in order to support the Turn Around process, among those a new CFO, Bertil Jungmar, who will start his position in April.

Bertil has most recently held the position as CFO and Vice President of Karo Bio AB, a biotech company listed on the Stockholm Stock Exchange, and has a background with 14 years in public accounting with PricewaterhouseCoopers and Deloitte.

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About PAN Vision

PAN Vision Group is the leading independent Nordic publisher and distributor of interactive entertainment. The company has a yearly turnover of \$120 million and was created in 2001 through the merger of PAN Interactive, Vision Park, and Levande Böcker. PAN Vision also acquired BJ Electronics in Norway and Toptronic Oy (with operations in Finland, Sweden and Denmark) during 2004. PAN Vision is a part of the KF Group, owned by the the Swedish Cooperative Union (KF). www.panvision.com

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