

Major Nordic listed food group created

A merger between Hemköp and D&D, plus the acquisition of the SPAR chains in Sweden and Finland, will create one of the largest food wholesale and retail companies in the Nordic region. The merger will make efficiency-raising measures possible and improve future product range and service for consumers.

The new listed company (with the working name the New Food Company) will have an average number of 7,000 employees and total sales of about SEK 30 billion (USD 3.6 billion).

Together, its more than 1,000 wholly owned and collaborating stores in Sweden, plus a total of about 330 stores in Finland, will have sales of more than SEK 40 billion including value-added tax. This is equivalent to a market share of about 20 percent in Sweden and 10 percent in Finland.

The merger is occurring in such a way that Hemköpskedjan AB will acquire the shares in D&D Dagligvaror AB through a non-cash issue of shares. Spar Sweden and Spar Inn Snabbgross plus Axel Johnson's holding in Spar Finland will also be part of the new corporate group.

"The New Food Company will be more competitive with the other national players and will be better equipped for increasingly stiff international competition," says Göran Ennerfelt, President and CEO of Axel Johnson AB and Chairman of D&D.

Earnings are expected to increase by about SEK 400 m (USD 48 m) over the next three years, among other things through synergies and expansion of the role of retailing operations in the group's total business mix. Purchasing, goods distribution, business development, restructuring, information technology and product range are examples of areas where synergies are possible.

"With this transaction, we are building a strong listed company. This will provide good opportunities for an expansion of the Hemköp concept," says Håkan Matz, President and CEO of Hemköp. "Since the company will be substantially larger, investors should become more interested in Hemköp shares, and the liquidity of these shares should increase."

"Together we will be a larger, clearer market player with good potential for increased expansion in the Nordic region. We can optimize our store structure by means of a more active business development policy and greater specialization and enhancement of our strong store chains and brands," says Roger Källman, Chairman of the D&D Retailers' Shareholder Association.

Göran Ennerfelt is proposed as Chairman of the New Food Company, with Roger Källman and Marcus Storch as Vice Chairmen. Other proposed Board members are Claes Andersson, Peggy Bruzelius, Maria Curman, Nils-Erik Johansson, Antonia Ax:son Johnson and Gösta Törnroth. The President and CEO will be recruited externally, and an incentive program is intended to be introduced for group management and all employees.

The New Food Company will have only one type of shares, so that the percentages of voting rights and share capital will coincide. The largest shareholder will be Axel Johnson with 45 percent and the retailers in the current D&D with a total of 24.3 percent.

The transaction presupposes acceptance of the offer to such an extent that Hemköp will become the owner of more than 90 percent of the voting rights in D&D. It also requires the approval of the Hemköp and D&D shareholders' meetings as well as the consent of regulatory agencies.

The Boards of Hemköp and D&D have decided to back the merger. The Board of the D&D Retailers' Shareholder Association and Axel Johnson, which together represent

about 63 percent of the voting rights in D&D, recommend the other shareholders to accept the merger.

A prospectus on the merger is expected to be in the hands of D&D shareholders in early January. The subscription period for the offer is expected to run about four weeks thereafter. Extraordinary shareholders' meetings of Hemköp and D&D will be held in conjunction with the subscription period.

Neither D&D, Hemköp, Spar Sweden, Spar Inn Snabbgross nor Spar Finland owns shares in any of the other companies.

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For a more detailed press release:

<http://www.dod-dagligvaror.se>

<http://www.hemkop.se>

<http://www.axel-johnson.se>

**PRESS RELEASE
29 November 1999**

Major Nordic listed food group created

- **A powerful food retail and wholesale group with a strong base for further Nordic expansion is created**
- **Combined annual turnover of approximately 30 billion SEK**
- **Market share of approximately 20 percent in Sweden and approximately 10 percent in Finland**
- **Significant efficiency gains and cost rationalization**
- **Considerable potential for retail growth**
- **Incentive scheme for management and all employees is planned**
- **Working name of the new group is the "New Food Company"**

The Board of Directors of Hemköpskedjan AB (publ) ("Hemköp") and D&D Dagligvaror AB (publ) ("D&D") have agreed on the terms of the Combination

between the two companies as equal partners (the "Combination")¹. The Combination will be carried out via an exchange offer from Hemköp to D&D's shareholders to acquire all shares in D&D. D&D's shareholders will be offered 15 newly issued shares in Hemköp for every two shares in D&D. Amendments to Hemköp's Articles of Association will be proposed such that only one class of shares may be issued, as a result of which Axel Johnson AB's ("Axel Johnson") voting rights in Hemköp will be reduced to approximately 45 percent following the Combination and the acquisition of the shares of Spar Finland Abp ("Spar Finland").

The Board of Directors of the D&D Retailers' Shareholder Association and of D&D¹ recommend D&D's shareholders to accept Hemköp's offer.

Shareholders representing approximately 63 percent of the votes in D&D have a positive view of the Combination and intend to accept Hemköp's offer.

Prior to the Combination and conditional upon its implementation, D&D will acquire 100 percent of Axel Johnson's wholly-owned subsidiaries Spar i Sverige AB ("Spar Sverige") and Spar Inn Snabbgross AB ("Spar Inn Snabbgross"), for a cash consideration amounting to a total of 90 million SEK, after distribution of the companies' non-restricted equity to Axel Johnson.

In connection with the Combination and conditional upon its implementation, the New Food Company will acquire Axel Johnson's shareholding in Spar Finland, consisting of 145,000 K-shares and 25,000 A-shares, representing 24.6 percent of the votes and 15.0 percent of the capital in Spar Finland, for cash amounting to approximately 57 million FIM (approximately 83 million SEK) in accordance with an agreement between Axel Johnson and D&D entered into at the time of Axel Johnson's acquisition of the shares on 31 March 1999.

Furthermore, the New Food Company intends to acquire Merita Nordbanken's shareholding in Spar Finland, consisting of 243,532 K-shares and 41,797 A-shares representing 41.3 percent of the votes and 25.1 percent of the capital in Spar Finland, for a consideration of newly issued shares in Hemköp² representing a value of approximately 96 million FIM (approximately 140 million SEK), in accordance with the principles of an existing agreement between Merita Nordbanken and Axel Johnson. This agreement has been approved by D&D. Under the condition that Axel Johnson's and Merita Nordbanken's shares in Spar Finland are acquired, the New Food Company will own shares representing 65.9 percent of the votes and 40.1 percent of the capital in Spar Finland.

Neither D&D, Hemköp, Spar Sverige, Spar Inn Snabbgross nor Spar Finland owns any shares in any of the other companies.

The exchange offer

The Combination between Hemköp and D&D as equal partners will be carried out via an exchange offer from Hemköp to D&D's shareholders to acquire all shares in D&D for a consideration of newly issued shares in Hemköp.² The value of the newly issued shares (the consideration for the shares in D&D and Merita Nordbanken's shareholding in Spar Finland), applying the last buying rate on the day before the

¹ All members of the Boards of Directors of Hemköp and D&D are in favor of the Combination and the transactions conditional thereof. Mr. Göran Ennerfelt and Mr. Marcus Storch, members of the Boards of both Hemköp and D&D, have not participated in Hemköp's and D&D's decisions regarding the Combination and the transactions conditional thereof.

² It is assumed that Hemköp's Articles of Association are amended so that only one class of shares may be issued.

temporary suspension of trading in Hemköp shares, amounts to approximately 1,680 million SEK.

The shares in D&D are not subject to listing and trading on an exchange or an authorized market place.

Presently, the D&D share may only be owned by active retailers within D&D, Axel Johnson and employees of D&D. Active retailers are natural or legal persons who own and operate food retail stores or food retail chains within D&D as well as his/her associate, partner, siblings or children. According to the consortium agreement between the D&D Retailers' Shareholder Association and Axel Johnson and to D&D's Articles of Association, shareholders are restricted to own a maximum of 5 percent of the votes of D&D, with the exception of Axel Johnson who may own a maximum of 50 percent of the votes of D&D. D&D's Articles of Association contains a pre-emption clause. Acquisition and sale of shares is carried out through D&D's financial department.

In accordance with the terms of the exchange offer, D&D's shareholders will be offered 15 newly issued shares in Hemköp for every two shares in D&D.² The exchange offer may be accepted for the shareholder's complete holding of shares in D&D, including the number of shares less than or not divisible by two. Shareholders with an odd number of shares will receive 7.5 shares in Hemköp for such odd or excess share in D&D. In the case where a shareholder is entitled to a fraction of a share in Hemköp (i.e. one half of a share), such fraction will be sold automatically on the OM Stockholm Exchange on account of the shareholder.

The current Hemköp shareholders are entitled to dividend as of the fiscal year 1999, which implies that dividend on these shares will be distributed during the spring of 2000.

The new shares, issued due to the Combination and the transactions conditional thereof, will be entitled to dividend as of the fiscal year 2000, which implies that dividend on the new shares may be distributed for the first time during the spring of 2001.

No commission will be charged.

Conditions of the exchange offer

The following conditions apply to the exchange offer:

- That the exchange offer is accepted to such an extent that Hemköp becomes the owner of more than 90 percent of the total number of shares in D&D, representing more than 90 percent of the voting rights in D&D. However, Hemköp reserves the right, following consultation with D&D, to decide to implement the exchange offer at a lower level of acceptance.
- That Hemköp's shareholders, at a general meeting, resolve to make the required amendments to Hemköp's Articles of Association³ as well as to issue new shares to D&D's shareholders and Merita Nordbanken respectively.

³ Including, among other things, that only one class of shares may be issued as well as an increase of the share capital from a minimum of 100 million SEK and a maximum of 400 million SEK to a minimum of 250 million SEK and a maximum of 1,000 million SEK. Axel Johnson, the only holder of A-shares, has agreed to that only one class of shares may be issued and will convert the A-shares held, conditional upon the Combination's implementation.

- That D&D's shareholders, at a general meeting, resolve to make the required amendments to D&D's Articles of Association⁴ and that the Board of Directors of D&D decide on a listing of the company.
- That the Combination, prior to the announcement that the exchange offer will be implemented, in Hemköp's opinion, following consultations with D&D, is not wholly or in part made impossible or significantly difficult to implement as a result of legislation, court decision, action of a public authority, or similar events in Sweden or abroad which has occurred or is expected to occur, or as a consequence of any circumstance beyond Hemköp's control.

Transactions in connection with the Combination

Prior to the Combination and conditional upon its implementation, D&D will acquire:

- 100 percent of Axel Johnson's wholly owned subsidiaries Spar Sverige and Spar Inn Snabbgross for cash amounting to a total of 90 million SEK, after distribution of the companies' non-restricted equity to Axel Johnson.

In connection with the Combination and conditional upon its implementation, the New Food Company will acquire:

- Axel Johnson's shareholding in Spar Finland, consisting of 145,000 K-shares and 25,000 A-shares representing 24.6 percent of the shares and 15.0 percent of the capital in Spar Finland for cash amounting to approximately 57 million FIM (approximately 83 million SEK) in accordance with an agreement between Axel Johnson and D&D entered into at the time of Axel Johnson's acquisition of the shares.

and intends to acquire:

- Merita Nordbanken's shareholding in Spar Finland, consisting of 243,532 K-shares and 41,797 A-shares representing 41.3 percent of the votes and 25.1 percent of the capital in Spar Finland for a consideration of newly issued shares in Hemköp⁵ amounting to a value of approximately 96 million FIM (approximately 140 million SEK) in accordance with the principles of an agreement between Axel Johnson and Merita Nordbanken, which D&D has approved.

Shareholder structure

The largest shareholders of the New Food Company will be Axel Johnson with 45.0 percent of the capital and retailers cooperating with D&D and employees of the D&D group with a total of 24.3 percent of the capital,⁵ assuming that the exchange offer is fully accepted including the acquisitions of Spar Sverige, Spar Inn Snabbgross and the majority of Spar Finland. As a result of the Combination and the acquisition of Merita Nordbanken's shareholding in Spar Finland, the number of shares in the New Food Company will increase from 25 million to approximately 53 million.

Background to the exchange offer

The retail market in both Sweden and in most European countries is changing rapidly. Competition is increasing as suppliers and producers grow in size and negotiating power. In order to reach and secure a leading market position, companies need to be large, efficient and resourceful and have strong brand names.

⁴ Including the exclusion of the voting rights restriction and the pre-emption clause in D&D's Articles of Association in order for Hemköp to acquire shares in D&D.

⁵ It is assumed that Hemköp's Articles of Association are amended so that only one class of shares may be issued.

In the rest of Europe, large companies, retail chains and organizations dominate the retail and wholesale industry. In the Nordic region, ICA and KF, among others, are restructuring, expanding and gathering their forces. Foreign companies and retail chains are showing an increased interest in the Nordic market.

For some years, the largest players on the Swedish retail market have been ICA, KF and D-gruppen/Dagab/Hemköp in cooperation. In November 1998, the owners of D-gruppen and Dagab announced a combination of the two companies to create a new retail and wholesale company – D&D.

Hemköp and D&D's wholesale operations have a longstanding, extensive and close business relationship. Hemköp's largest supplier is the former Dagab, now part of D&D. D&D's single largest external customer, excluding the companies and retailers cooperating within the D&D system, is Hemköp. The supplier/customer relationship developed further during the summer 1998 when Hemköp and D&D signed an cooperation agreement regarding the establishment of stores and the allocation of store sites.

Motives for the exchange offer

As Hemköp, D&D, Spar Sverige and Spar Inn Snabbgross are currently part of the same retail and wholesale system and thereby have extensive and well developed business relations, Hemköp's and D&D's Boards of Directors believe that value added can be created by combining the companies into one single group. By incorporating Spar Finland, a powerful Nordic retail company is created, obtaining a market share of approximately 20 percent in Sweden and 10 percent in Finland and with good potential for further Nordic expansion.

The New Food Company will consist of more than 1,000 stores in Sweden, of which approximately 250 are wholly or partly owned by the New Food Company and the remainder are operated by independent retailers, and 330 stores in Finland, of which 80 are wholly owned and the remainder are operated by independent retailers. The New Food Company will generate a significant share of sales from wholesale operations. Approximately 40 percent of the consolidated sales will be generated from retail operations.

A coordination of Hemköp, D&D, Spar Sverige, Spar Inn Snabbgross and Spar Finland creates a store structure with a number of specialized store profiles, for example supermarkets and large stores (e.g. Vivo, Hemköp, Billhälls), discount stores (e.g. Spar, Willy's, Exet/Matex, XL, L-Köp) and convenience stores (e.g. Tempo, Jourlivs). D&D and Hemköp together possess a strong base of competence and experience in the establishment and development of the store network. With their strong brand names, Hemköp and Spar Sverige will, among other things, contribute with competence in operating food retail chains. Together the companies will, to a larger extent, be able to adapt both existing and new store profiles according to each store's location and size as well as the local customers' needs and demands. For example, a less profitable store may be reprofiled to another store brand, which better suits its size and location. Thereby, both sales and margins can increase. By preserving the combined strength of Hemköp's and D&D's store profiles and store organization, the New Food Company will be able to operate much more efficiently in relation to the customers. Hemköp's and D&D's Boards of Directors believe that this will result in increased profitability and earnings for both the retailers and the New Food Company.

The New Food Company will be able to improve the flow of goods, information and capital. The New Food Company will, among other things, be able to coordinate and optimize purchase, logistics, store establishment and structure, as well as

development of product ranges. The New Food Company obtains a size, which will increase its negotiating power and thereby result in more favorable purchasing conditions and more efficient logistics.

Through the Combination, IT investments and IT competence within the companies can be coordinated in order to create efficient information systems, which enable a high service level as well as high quality. By using the best IT competence and IT solutions within each of the companies, economies of scale and synergies can be realized. Economies of scale can also be achieved in the effort to offer Internet retail services.

To gather the total resources in one group, where the companies' collective competence can be targeted at maximizing the competitive advantages and market efficiency, creates potential for increased sales growth as well as improved margins.

Financial information

The Board of Directors of D&D has decided to deconsolidate the now 100 percent owned company Handelskredit AB, specialized in the financing of food retail stores. D&D's consolidated total assets and indebtedness will thereby decrease. The deconsolidation is expected to be made without negative impact on the results of the New Food Company.

Financial effects of the Combination

The Combination between Hemköp and D&D will be reported according to the pooling method. Spar Sverige, Spar Inn Snabbgross and Spar Finland will be consolidated according to the acquisition method. In connection with the acquisitions of Spar Sverige and Spar Inn Snabbgross, goodwill of approximately 70 million SEK arises. If the New Food Company acquires Axel Johnson's and Merita Nordbanken's shares in Spar Finland, goodwill of approximately 106 million SEK arises.

Synergies

A pro forma result for 1998 or a pro forma result for the first six months 1999 is not representative of the New Food Company's future earnings potential, firstly, because D&D is in a restructuring phase after the combination between D-gruppen and Dagab in March 1999, and, secondly, because of the synergies facilitated by the creation of the New Food Company.

The Boards of Directors of Hemköp and D&D respectively expect a significant potential for synergies and rationalizations through the creation of the New Food Company (including the acquired companies). The profit growth due to organic growth and synergies, including the costs to realize these, is expected to amount to approximately 400 million SEK pre-tax during the next three years, with further potential for profit growth thereafter. The effect is expected to be a result of, among other things, improved purchasing conditions, rationalization of product ranges, coordinated marketing and administration and more efficient distribution and logistics. In addition, there is a significant long-term potential for synergies through optimization of store profiles, store sites and store renewal as well as exchange of competence and knowledge within store development and operation.

The Boards of Directors of D&D and Hemköp respectively believe that the New Food Company should achieve earnings after net financial items for 1999 of approximately 300 million SEK. The result after net financial items for the year 2000 is expected to increase significantly due to the above mentioned measures. There is not expected to be any effect on Hemköp's expected earnings per share for the year 2000. For the year 2001, the earnings per share is expected to increase significantly compared to the year 2000.

For further financial information on the separate companies, please refer to the appendix.

Management, corporate headquarters, etc.

It is proposed that the Board of Directors of the New Food Company will consist of nine members elected by the General Meeting. Mr. Göran Ennerfelt will be proposed as Chairman of the Board and Mr. Roger Källman and Mr. Marcus Storch will be proposed as Deputy Chairmen of the Board. Other proposed members of the Board are Mr. Claes Andersson, Mrs. Peggy Bruzelius, Mrs. Maria Curman, Mr. Nils-Erik Johansson, Mrs. Antonia Ax:son Johnson and Mr. Gösta Törnroth. The CEO and President of the New Food Company will be recruited externally. The corporate headquarters is proposed to be located in Solna, Sweden. Through the Combination, the currently listed holding company of the Hemköp Group will become the parent company of the new group. The CEO of Hemköp, Mr. Håkan Matz, will become CEO of the operating company Hemköp with head quarters in Falun, Sweden. The CEO of D&D, Mr. Lars Otterbeck, will become the CEO of the operating company D&D with headquarters in Solna, Sweden.

The proposed Board of Directors of the New Food Company intends to introduce an incentive scheme for the management and all employees.

Enskilda Securities

Enskilda Securities is acting as financial advisor to Hemköp in the Combination and the transactions conditional thereof. Enskilda Securities has on behalf of the Board of Directors of Hemköp assessed the forecasts presented in the section "Financial information" above and found these to be reasonable.

Fairness Opinion

Due to the complexity of the Combination and the related transactions, e.g. the ownership situation, the Board of Directors of Hemköp has engaged Alfred Berg Fondkommission AB ("Alfred Berg") to give a fairness opinion as to whether the Combination and the related transactions, in their entirety, could be considered to be fair for the shareholders of Hemköp. In the fairness opinion, Alfred Berg has stated, based on the forecasts presented by the Boards of Directors of Hemköp and D&D respectively, that the Combination and the related transactions, in their entirety, are fair for the shareholders of Hemköp.

Indicative timetable

A prospectus regarding the Combination is expected to be available to the shareholders in the beginning of January 2000. The subscription period for the exchange offer is expected to run for approximately four weeks thereafter. Settlement of the exchange offer is expected to be executed approximately three weeks after the expiration of the subscription period. Hemköp and D&D reserve the right to prolong the subscription period as well as to delay the date for settlement of consideration of the exchange offer.

An Extraordinary General Meeting of Hemköp is expected to be held in connection with the subscription period to resolve on the required amendments of the Articles of Association and the new issue of shares to the shareholders of D&D and Merita Nordbanken, respectively.

An Extraordinary General Meeting of D&D is expected to be held in connection with the subscription period to resolve on the exclusion of the voting rights restriction and the pre-emption clause in D&D's Articles of Association in order for Hemköp to acquire shares in D&D.

Falun and Solna on November 29, 1999

Hemköpskedjan AB (publ)
The Board of Directors

D&D Dagligvaror AB (publ)
The Board of Directors

Please refer questions regarding the exchange offer to:

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Appendix A: Company information

D&D Dagligvaror AB (publ)

Organization number 556004-7903

www.dod-dagligvaror.se

D&D Dagligvaror AB is a consumer-oriented retail and wholesale company, created in the end of March 1999 through a merger between the development and holding company D-gruppen AB and the wholesale company Dagab AB.

With a market share of 15 percent, D&D is the third largest retail group within the Swedish retail and wholesale industry after ICA and KF. The store network includes approximately 900 own and associated stores. Examples of stores in D&D are Vivo, Willy:s, Matex, Exet, Rätt Pris!, Tempo, XL, L-Köp, etc. D&D's own and associated stores reported sales for 1998 of approximately 26 billion SEK including VAT (22 billion SEK excluding VAT). The wholesale operation primarily supplies the stores within the D&D-cooperation (approximately 60 percent of net sales) but also approximately 2,500 external convenience stores. The single largest external customer is Hemköpskedjan AB (approximately 15 percent of net sales). Within the fresh food segment D&D has its own delicatessen production in the subsidiaries Ingemar Johansson AB and Hildebrands.

In 1998, D&D reported pro forma sales of approximately 18 billion SEK excluding VAT and employed the equivalent of 2,700 full-time employees. D&D is owned to 50 percent by retailers associated to the D&D-cooperation and to 50 percent by Axel Johnson.

Since the combination of D-gruppen and Dagab in the end of March 1999, the year has implied restructuring costs for D&D of approximately 60 million SEK. A program has been implemented and is on-going in order to improve purchasing conditions and to rationalize the product ranges. The share of sales generated from retail is expected to increase which will affect margins positively. During the first nine months of 1999, D&D increased its sales volume by 3.8 percent, compared to the total retail market, which increased by 2.2 percent according to industry statistics. For 1999, the company expects sales to amount to approximately 18,300 million SEK and earnings after net financial items of approximately 100 million SEK (after non-recurring items).

The Board of Directors of D&D has decided to deconsolidate the now 100 percent owned company Handelskredit AB, specialized in the financing of food retail stores. D&D's consolidated total assets and indebtedness will thereby decrease. The deconsolidation is expected to be made without negative impact on the results of D&D.

The shares in D&D are not subject to listing and trading on an exchange or an authorized market place.

Presently, the D&D share may only be owned by active retailers within D&D, Axel Johnson and employees of D&D. Active retailers are natural or legal persons who own and operate food retail stores or food retail chains within D&D as well as his/her associate, partner, siblings or children. According to the consortium agreement between the D&D Retailers' Shareholder Association and Axel Johnson and to D&D's Articles of Association, shareholders are restricted to own a maximum of 5 percent of the votes of D&D, with the exception of Axel Johnson who may own a maximum of 50 percent of the votes of D&D. D&D's Articles of Association contains a pre-emption clause. Acquisition and sale of shares is carried out through D&D's financial department.

D&D Dagligvaror AB (publ) (cont'd)

MSEK	1998 pro forma	1/1-30/9 1999
Income statement		
Net sales	18,320.5	13,683.0
EBIT	226.4	128.8
Earnings after net financial items	140.4	79.9
Net profit	70.6	38.0
Balance sheet		
Fixed assets	2,422.1	2,310.8
Current assets	1,884.2	1,776.0
Cash	60.3	85.9
Assets	4,366.6	4,172.7
Shareholders' equity	335.7	373.5
Minority	18.2	21.1
Provisions	399.2	405.4
Long-term liabilities	1,398.6	1,455.0
Short-term liabilities	2,214.9	1,917.7
Shareholders' equity and liabilities	4,366.6	4,172.7
Key ratios		
EBIT margin	1.2%	0.9%
Net profit margin	0.4%	0.3%
Earnings per share	20.56	11.06
Shareholders' equity per share (SEK)	97.74	108.74
Capital expenditures (MSEK)	-	144.0
Equity ratio	8.0%	9.4%
Number of employees (full-time)	2,700	2,700
Number of stores	906	906
Number of shares	3,434,656	3,434,656

Hemköpskedjan AB (publ)

www.hemkop.se

Hemköpskedjan AB is one of Sweden's leading retail chains with some 100 stores located throughout the country. The stores are wholly owned and are operated under the brand name Hemköp. The market share for Hemköp is estimated to approximately 3 percent of the total Swedish retail market.

In 1998, Hemköp reported net sales of approximately 5 billion SEK excluding VAT and employed the equivalent of approximately 2,500 full-time employees. Hemköp is listed on the OM Stockholm Exchange's A-list since June 1997. Principal owner is Axel Johnson with 44 percent of the capital and 66 percent of the votes.

MSEK	1/1-31/12 1998	1/1-30/9 1999
Income statement		
Net sales	4,957.8	3,815.7
EBIT	160.6	113.0
Earnings after net financial items	162.2	113.6
Net profit	116.6	81.8
Balance sheet		
Fixed assets	329.0	382.1
Current assets	367.1	399.0
Cash	215.5	89.2
Assets	911.6	870.3
Shareholders' equity	315.9	332.7
Interest-bearing liabilities	16.5	17.7
Non interest-bearing liabilities	579.2	519.9
Shareholders' equity and liabilities	911.6	870.3
Key ratios		
EBIT margin	3.2%	3.0%
Net profit margin	2.4%	2.1%
Earnings per share (SEK)	4.66	3.27
Shareholders' equity per share (SEK)	12.64	13.31
Capital expenditures (MSEK)	123.5	102.1
Equity ratio	34.7%	38.2%
Number of employees (full-time)	2,526	2,640
Number of stores	95	100
Number of shares	25,000,000	25,000,000

Spar i Sverige AB

Organization number 556325-9265

www.spar.nu

Spar i Sverige AB is a retail chain with 17 low price-stores. Spar Sverige is part of the international SPAR-cooperation between independent retailers and wholesalers who together run approximately 20,000 stores in 28 countries across the world. Spar Sverige's stores were converted to the international SPAR-concept during 1999 and are today operated under the brand names SPAR (7 stores) and EUROSPAR (10 stores).

In 1998, Spar Sverige reported net sales of approximately 1.3 billion SEK excluding VAT and employed the equivalent of more than 400 full-time employees. The result for the first eight months of 1999 contains non-recurring items of 8 million SEK for the conversion to the international SPAR-concept. Spar Sverige is wholly owned by Axel Johnson.

MSEK	1/1-31/12 1998	1/1-31/8 1999
Income statement		
Net sales	1,326.3	830.5
EBIT	21.1	3.0
Earnings after net financial items	18.1	1.4
Net profit	13.0*	0.9*
<i>*Standard tax 28%</i>		
Balance sheet		
Fixed assets	54.5	68.3
Current assets	147.1	126.5
Cash	12.4	1.9
Assets	214.0	196.7
Restricted shareholders' equity	13.1	13.1
Unrestricted shareholders' equity**	34.1	35.0
Interest-bearing liabilities	34.1	45.8
Non interest-bearing liabilities	140.1	102.8
Shareholders' equity and liabilities	214.0	196.7
<i>** Prior to distribution of non-restricted equity to Axel Johnson AB, as according to the conditions of D&D's acquisition of Spar i Sverige AB.</i>		
Key ratios		
EBIT margin	1.6%	0.4%
Net profit margin	1.0%	0.1%
Capital expenditures (MSEK)	15.2	25.1
Equity ratio	22.0%	25.0%
Number of employees (full-time)	422	420
Number of stores	16	17

Spar Inn Snabbgross AB

Organization number 556000-3575

www.axel-johnson.se

Spar Inn Snabbgross AB operates a food retail business through a total of 24 retail/wholesale stores in Sweden.

In 1998, Spar Inn Snabbgross reported net sales of approximately 1.3 billion SEK and employed the equivalent of approximately 300 full-time employees. The result for the first eight months of 1999 contains non-recurring costs amounting to 3 million SEK for a development project, which will be continued by Axel Johnson. Spar Inn Snabbgross is wholly owned by Axel Johnson.

MSEK	1/1-31/12 1998	1/1-31/8 1999
Income statement		
Net sales	1,309.0	866.7
EBIT	8.4	9.2
Earnings after net financial items	5.9	8.0
Net profit	4.2*	5.8*
<i>*Standard tax 28%</i>		
Balance sheet		
Fixed assets	27.9	39.6
Current assets	157.3	161.4
Cash	0.1	0.1
Assets	185.3	201.1
Restricted shareholders' equity	1.8	1.8
Unrestricted shareholders' equity**	37.5	43.4
Interest-bearing liabilities	14.2	17.7
Non interest-bearing liabilities	131.7	138.2
Shareholders' equity and liabilities	185.3	201.1
<i>** Prior to distribution of non-restricted equity to Axel Johnson AB according to the conditions of D&D's acquisition of Spar Inn Snabbgross AB.</i>		
Key ratios		
EBIT margin	0.6%	1.1%
Net profit margin	0.3%	0.7%
Capital expenditures (MSEK)	17.0	16.7
Equity ratio	21.2%	22.5%
Number of employees (full-time)	299	305
Number of stores	23	24

Spar Finland Abp

www.spar.fi

Spar Finland Abp is one of Finland's largest retail chains with a market share of approximately 10 percent. The company in its present form was formed through a combination between Sentra Abp and Suomen Spar Oy in January 1998. Spar Finland is part of the international SPAR-cooperation between independent retailers and wholesalers who together run approximately 20,000 stores in 28 countries across the world. The total number of stores in Spar Finland amounts to 330, of which 80 are wholly owned. The remaining stores are operated by independent retailers. The stores are operated under the brand names EUROSPAR, SUPERSPAR, SPAR market, SPAR express and Rabatti.

In 1998, Spar Finland reported net sales of approximately 5,8 billion SEK excluding VAT and employed approximately 1,000 persons. Spar Finland is listed on the Helsinki exchange's I-list. Principal owners are Merita Nordbanken with 41 percent of the votes and 25 percent of the capital and Axel Johnson with 25 percent of the votes and 15 percent of the capital. Axel Johnson has an agreement with Merita Nordbanken to acquire the bank's shareholding in Spar Finland.

MFIM	1/1-31/12 1998	1/1-31/8 1999
Income statement		
Net sales	3,867.0	2,436.1
EBIT	20.5	8.6
Earnings after net financial items	22.3	8.7
Net profit	19.5	7.0
Balance sheet		
Fixed assets	353.3	360.4
Current assets	331.7	286.4
Cash	19.9	13.1
Assets	704.9	659.9
Shareholders' equity	198.8	200.1
Long-term liabilities (incl. provisions and deferred tax)	57.3	41.3
Short-term liabilities	448.8	418.5
Shareholders' equity and liabilities	704.9	659.9
Key ratios		
EBIT margin	0.5%	0.4%
Net profit margin	0.5%	0.3%
Earnings per share (FIM)	13.12	6.13
Shareholders' equity per share (FIM)	174.94	176.07
Capital expenditures (MFIM)	66.4	55.2
Equity ratio	28.4%	30.5%
Number of employees (full-time)	987	942
Number of stores	336	330
Number of shares	1,136,271	1,136,271

Appendix B: Proposed Members of the Board of Directors

GÖRAN ENNERFELT

Born 1940

Chairman of the Board of D&D Dagligvaror AB since 1999. Director of Hemköpskedjan AB since 1988. President and CEO of Axel Johnson AB. Chairman or director of a number of companies in the Axel Johnson Group. Chairman of the Board of Trustees of SNS - the Center for Business and Policy Studies, the General Export Association of Sweden and the Stockholm Institute of Transition Economics (SITE). Vice Chairman of the Board of the Swedish Federation of Trade and the Sweden-America Foundation. Director of Svenska Handelsbanken AB, Samhall AB, the Swedish Employers' Confederation (SAF), the International Chamber of Commerce, and others.

CLAES ANDERSSON

Born 1947

Retailer and owner of the food retail chain Sabis AB in Stockholm, Sweden. Director of D&D Dagligvaror AB since 1999. Chairman of the Board of D&D Öst AB. Director of D&D Shareholder Association and others.

PEGGY BRUZELIUS

Born 1949

Director of D&D Dagligvaror AB since 1999. Chairman of Grand Hotel Holding AB and Lancelot Asset Management AB. Director of Axel Johnson AB, AB Electrolux, Scania AB, Förvaltnings AB Ratos, Celsius AB, Drott AB, the Swedish Export Council, the Royal Swedish Academy of Engineering, the Industry and Commerce Stock Exchange Committee, the Swedish Securities Council, the Board of Trustees of SNS – the Center for Business and Policy Studies and others. Former CEO of ABB Financial Services and Vice CEO of Skandinaviska Enskilda Banken.

MARIA CURMAN

Born 1950

Director of Hemköpskedjan AB since 1997. Head of Drama at Sveriges Television AB. Director of Samhall AB, Axel Johnson AB and others. Former President and CEO of Bonnier Utbildning AB, Almqvist & Wiksell Förlag AB and Vice President of Liber AB.

NILS-ERIK JOHANSSON

Born 1933

Director of Hemköpskedjan AB since 1982 and former President and CEO of Hemköpskedjan AB (1982-June 1999). Chairman of the Board of Claes Ohlson AB and Leksand IF. Director of Ähléns AB, Almi Företagspartner Dalarna AB, FöreningsSparbanken i Falun, FöreningsSparbanken's Company Council in Stockholm, the Mistra MAT 21 program at the Swedish University of Agricultural Sciences (SLU) and others.

ANTONIA AX:SON JOHNSON

Born 1943

Chairman of the Board of Hemköp since 1988. Chairman or director of a number of companies in the Axel Johnson Group. Chairman of the Board of the Axel and Margaret Ax:son Johnson Foundation, the World Childhood Foundation and the City Mission of Stockholm. Director of Nordstjernan AB, NCC AB, Xerox Corporation Inc., the Stockholm Environment Institute, the Royal Swedish Academy of Engineering Sciences, and others.

ROGER KÄLLMAN

Born 1957

Retailer and owner of the store Vivo Stjärnhallen in Umeå, Sweden. Deputy Chairman of D&D Dagligvaror AB since 1999. Chairman of the Board of the D&D Shareholder Association, D&D Nord AB and others.

MARCUS STORCH

Born 1942

Director of Hemköpskedjan AB since 1997 and of D&D Dagligvaror AB since 1999. Chairman of the Board of ConNova AB. Deputy Chairman of the Nobel Foundation. Director of Axel Johnson AB, Dagens Industri AB, Nordstjernan AB, NCC AB, AB Hannells Industrier, Skyways Holding AB, OM Stockholmsbörsen AB, the Royal Swedish Academy of Science, the Royal Academy of Engineering Sciences and others. Former President and CEO of AGA AB. D. Med. h.c.

GÖSTA TÖRNROTH

Born 1943

Deputy Chairman of the Board of D&D Dagligvaror AB since 1999. Director of the D&D Shareholder Association. Chairman of Handelskredit AB and AB Billhalls. Director of Svensk Handel and Handels Utredningsinstitut (HUI). Former CEO of D-gruppen AB since the start 1983 until 1996.