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## Changed policy on long-term financial targets

At an analyst and media meeting on 2 February, Axfood's CEO Anders Strålman commented on the Groups' long-term strategic agenda for the years 2004–2008. He announced that Axfood is sticking to its strategy with focus on profitable growth, optimal operations and cost efficiency, but added that in the future Axfood's long-term agenda will not be communicated in figures. Financial targets will only be announced for one year at a time.

"In view of the fierce competitive situation in the retail food market, with price pressure and market saturation, we have carried out a necessary revision of our growth targets. Our overall strategic agenda until 2008 remains, but in the current situation I do not want to quantify our long-term targets," said Anders Strålman, CEO of Axfood AB.

In 2006 Axfood will be focusing on continued growth for Willys through additional store establishments and on reversing the negative sales trend at Hemköp and Willys hemma.

"During the year, just as in previous years, we have seen all players in the retail food market become increasingly active in their pricing, and the rate of store establishment has been high. I believe this trend will continue at least during 2006. Axfood's starting point, however – with Willys as the leading discount chain and with Hemköp that has completed its integration of the Spar and Billhälls stores – is good. In the years that lie ahead we will be able to strengthen our position in the Swedish retail food market," said Strålman.

*For further information please contact:*

Anders Strålman, President and CEO, Axfood AB, +468-553 99 802, +46-708-37 88 37

Lars Nilsson, Executive Vice President and CFO, Axfood AB, +46-705-69 66 33

Kenneth Wall, Director, Media Relations, Axfood AB, +46-703-124 122

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**Axfood AB** conducts retail trade through the wholly owned store chains Hemköp, Willys and Willys hemma, comprising roughly 240 stores, and wholesale trade through Dagab and Axfood Närlivs. In addition, Axfood collaborates with a number of proprietor-run stores that are tied to Axfood through agreements. These include stores within the Hemköp chain as well as stores run under the Handlar'n and Tempo profiles. In all, Axfood collaborates with over 500 proprietor-run stores. Axfood is listed on the Stockholm Stock Exchange O-list, Attract 40. Axel Johnson AB is the principal owner, with approximately 45% of the shares.