



Willys expands cooperation with Milko and Falköping dairies

Deliveries of dairy products by the Milko and Falköping dairies will be expanded to include most Willys and Willys hemma stores. The agreement will ensure competition in the Swedish dairy market and strengthen Willys' future competitiveness.

Today Milko and Falköping already supply milk products to 53 Willys and Willys hemma stores. The expanded cooperation will commence in March, when the Falköping dairy will expand its delivery of dairy products to an additional five Willys stores.

"This business arrangement will give us better business terms and thereby strengthen Willys' future competitiveness," says Mats Sjö Dahl, head of Purchasing at Axfood. "The agreement also vouches for competition in the Swedish dairy market."

Under the new agreement, Milko and Falköping will supply most of Willys' more than 100 stores and Willys hemma's 48 stores. Together the stores sell approximately 64 million litres of milk per year.

Willys is today Sweden's largest discount food chain, with a wide range of products and a special focus on fresh products such as fruits and vegetables, meats, and dairy products. The stores have an offering of some 7,500 items, covering 95% of consumers' annual grocery purchases. Willys' grocery prices are among the lowest in Sweden. The main reason for this is that the stores are run highly efficiently with low overhead. This efficiency is achieved through purchases of large volumes by a central purchasing organization, among other things.

The Willys chain includes a total of 104 stores. Axfood also operates 48 stores under the name Willys hemma, which is a chain of small discount stores.

For further information, please contact:

Mats Sjö Dahl, head of Purchasing, Axfood, +46-705-88 34 27

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

Willys AB's business concept is to offer Sweden's lowest grocery prices. The chain comprises approximately 100 wholly owned stores, with annual sales of more than SEK 12 billion. Willys AB is thus Sweden's marketleading discount food chain. Willys is part of Axfood AB which 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 brands. 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.