

Stockholm, March 5, 2003

Axel Johnson AB - 2002 Year-end Report

- **Continued earnings growth** – for the second consecutive year, earnings after net financial items showed positive growth, rising 54 percent to SEK 661 M. All operations showed improved earnings.
- **Stable sales growth** – consolidated sales increased by 12 percent to SEK 8,640 M.
- **Strong financial position** – the equity/assets ratio rose by 7 percentage points to 61 percent and the debt/equity ratio remained unchanged at 0.
- **Acquisitions and divestments** – Åhléns acquired the Kicks cosmetics chain and Servera sold all of its properties.

Key ratios

<i>SEK M</i>	2002	2001
Net sales	8,640	7,705
Operating earnings before depreciation	644	429
Operating margin, %	7.4	5.6
Earnings after financial items	661	430
Net profit	449	316
Shareholders' equity	2,365	2,004
Equity ratio, %	61	54

2002 was another successful year for the Axel Johnson AB Group. Earnings after net financial items amounted to SEK 661 M (430), an increase of 54 percent. Consolidated sales totaled SEK 8,640 M (7,705), up 12 percent on the preceding year. Sales by wholly and partly owned companies amounted to SEK 46 billion (44).

During 2002, the equity/assets ratio was further strengthened, rising seven percentage points to 61 percent. The return on capital employed increased by slightly more than seven percentage points to 27 percent. Investments in the operations of subsidiaries during the year amounted to SEK 331 M (219).

Axfood – margin goal raised

Axfood's earnings increased sharply as a result of rising sales and improved margins. Central purchasing and a higher percentage of proprietary brands also made positive contributions. Earnings after financial items amounted to SEK 919 M (527). Sales totaled SEK 33,115 M (32,428), up 2 percent. Proprietary retail operations in Sweden showed a 10-percent increase in sales. The operating margin reached 3.1 percent, which exceeded the original margin goal for 2005, and the goal has now been raised to 3.5 percent.

Servera – positions strengthened

Sales amounted to SEK 4,093 M (3,799), an increase of 8 percent compared with the preceding year. The improvement was largely attributable to higher volumes, which means that Servera strengthened its leadership position in the Swedish market. Earnings after financial items amounted to SEK 116 M (87), an increase of 33 percent.

Åhléns – positive trend

The positive trend that has characterized Åhléns in recent years continued during 2002. Sales rose by 15 percent to SEK 4,350 M (3,793), and earnings after net financial items amounted to SEK 165 M (135), up 22 percent. Sales include the Kicks cosmetics chain from May 2002.

NovAx – new investments

NovAx made two new investments during the year in the brand company We and Backemarks, a specialty goods company. Its ownership interest in Retail and Brands was also increased to slightly more than 11 percent. The result after net financial items amounted to SEK 0 M (loss: 8 M). Shareholders' equity at year-end amounted to SEK 71 M (71) and the total investment in portfolio companies amounted to SEK 54 M (42).

Saba Trading – favorable earnings growth

The effects of restructuring during 2001 have led to a more customer-oriented working method, which had a favorable impact on earnings in 2002. Sales were on par with sales in the preceding year, amounting to SEK 4,050 M (4,029). Earnings after financial items rose to SEK 73 M (59). Axel Johnson AB's ownership interest amounts to 25 percent.

*Stockholm
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Axel Johnson AB
The Board of Directors

For further information, please contact:

Göran Ennerfelt, President and Chief Executive Officer, tel: +46-8-701 61 00 (-6160)
Fredrik Persson, Chief Financial Officer, tel: +46-8-701 61 00 (-6159)

The Axel Johnson Group is a fourth-generation, family-owned company, with origins dating back to the A. Johnson & Co. trading company founded in 1873. The Group consists of four legally and financially independent corporate groups with a common owner, Antonia Ax:son Johnson and family. In addition, the Group has proprietary interests in the UK company Spirent, listed on the London and New York stock exchanges, and in the Swedish company Nordstjernan, which in turn holds major interests in other companies, including exchange-listed NCC.

Axel Johnson AB focuses on consumer-oriented goods and services for the Nordic market, with the emphasis on Sweden. Currently, wholly owned Åhléns and Servera, and the company's part ownership in Axfood and Saba Trading represent most of Axel Johnson AB's operations. In total, the wholly and partly owned subsidiaries have annual sales of about SEK 46 billion, with slightly more than 13,000 employees.

Axel Johnson International AB is active in the European market with a highly diversified and decentralized distribution and trading organization consisting of about 50 companies in 20 countries. The company has annual sales of SEK 4.9 billion, with 1,300 employees.

Axel Johnson Inc., with the bulk of its operations in North America, works with products and services in the areas of energy, the environment and communications technology. The company has annual sales corresponding to SEK 11 billion, with about 1,100 employees.

AxFast BV owns, develops and manages properties tailored exclusively for trading and distribution. The portfolio of some 80 properties, comprising more than 600,000 square meters of space, is spread throughout Sweden.

Condensed income statement

<i>SEK M</i>	2002	2001
Net sales	8 640	7 705
Cost of goods sold	-6 444	-5 857
Gross profit	2 196	1 848
Selling/administrative expenses, etc.	-1 552	-1 419
Operating profit	644	429
Net financial items	17	1
Profit after financial items	661	430
Tax	-212	-114
Net profit for the year	449	316

Condensed balance sheet

<i>SEK M</i>	2002-12-31	2001-12-31
ASSETS		
Intangible fixed assets, excl. goodwill	65	5
Goodwill	80	49
Tangible fixed assets	404	642
Financial assets	<u>753</u>	<u>555</u>
Total fixed assets	1 302	1 251
Inventories, etc	1 038	862
Accounts receivable	452	470
Other current assets	268	320
Short-term investments	509	542
Cash and bank balances	<u>316</u>	<u>268</u>
Total current assets	2 583	2 462
TOTAL ASSETS	3 885	3 713
	2002-12-31	2001-12-31
EQUITY AND LIABILITIES		
Restricted equity	938	728
Unrestricted equity	<u>1 427</u>	<u>1 276</u>
Total equity	2 365	2 004
Provisions	<u>191</u>	<u>234</u>
Long-term liabilities	<u>12</u>	<u>5</u>
Other current liabilities	688	809
Accounts payable	<u>629</u>	<u>661</u>
Total current liabilities	1 317	1 470
TOTAL EQUITY AND LIABILITIES	3 885	3 713