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Axfood's discount expansion continues

Newly built Willys opens in Stockholm

Discount chain Willys continues its expansion. On Tuesday, 27 May, Willys will open the doors to a brand new store in Mölnvik, Värmdö, thereby giving the chain eleven stores in the Stockholm area. Thus far during the year Willys has also opened two entirely new stores in Karlskrona and Enköping. The Willys chain now includes a total of 79 stores. The goal is to have 100 stores by 2005.

"The Mölnvik store will be our 11th store in the Greater Stockholm area," says Anders Strålman, president of Willys AB. "These stores are all located in Stockholm's surrounding municipalities. We receive frequent requests from Stockholmers on when we will be able to open a Willys at a more central location, and it is clear that there is a great demand for discount stores like Willys. Our aim is also to find more central locations."

Studies show that a family in Stockholm pays about SEK 400 – 500 more per month for its food compared with the average in Sweden. According to the Swedish Competition Authority, one reason for this is that there is a lack of competition from discount stores. There are still very few discount stores in Stockholm.

Today Willys is Sweden's fastest-growing discount chain, with a broad offering of products and extra focus on fresh products, such as fruits and vegetables, processed meats and dairy products. The Willys stores have a product range of some 7,000 items, covering 95% of consumers' annual food purchases. Willys can keep its prices so low due to highly efficient store operation and low costs. Efficiency is achieved through purchases of large volumes by a joint-Group purchasing organization. Customers ordinarily pick products directly from pallets, which are transported directly into the stores.

Willys will be opening its store in Mölnvik, Värmdö on Tuesday, 27 May. The Willys chain has 79 stores throughout Sweden, of which some 15 still work under the Exet/Matex brand. The goal is to have established a homogenous Willys chain by 2005 consisting of 100 stores with sales of SEK 12 billion. The Axfood Group also operates 44 stores under the Willys hemma name, which is Axfood's chain of small discount stores.

For further information, please contact:

Anders Strålman, President, Willys AB, tel. +46-708-37 88 37

Kenneth Wall, Information Manager, Axfood AB, tel. +46-703-124 122

Other information: www.willys.se and www.axfood.se

Axfood AB is one of the largest listed food wholesale and retail companies in the Nordic market. The company conducts wholesale and retail trading under a number of brand names, including the wholly owned store chains Hemköp, Willys and Willys Hemma, and the Spar and Tempo franchise concepts. Consolidated annual sales are approximately SEK 33 billion, with over 8,000 full-time employees. The company has approximately 700 stores in Sweden, of which 250 are wholly or partly owned. The remainder are run by independent grocers tied to the company through agreements. Axfood has some 300 stores in Finland, of which 80 are wholly owned and the remainder operated by independent grocers. The market share is nearly 20% in Sweden and approximately 10% in Finland. Axfood AB is listed on the O-list, Attract 40, of the Stockholm Stock Exchange. Axel Johnson AB is the principal owner, with approximately 45% of the shares.