

Stockholm, March 1, 2005

Axel Johnson AB – 2004 Year-end report

- The Axel Johnson AB Group's consolidated sales increased by 2.7 percent in 2004 to SEK 9,115 M (8,874). Sales for Axfood rose by 0.6 percent to SEK 33,826 M. Axfood's proprietary retail sales increased by 6.4 percent.
- Earnings after financial items totaled SEK 883 M (742), an increase of 19 percent. Earnings include a capital gain of SEK 155 M from the divestment of shares in Saba Trading AB. Operating earnings amounted to SEK 682 M (727).
- The Axel Johnson Group's financial position was strengthened further. The equity/assets ratio rose by one percentage point to 67 percent. Liquid funds at year-end amounted to SEK 1,257 M (1,167).
- The 25-percent shareholding in Saba Trading was sold during the year. Åhléns acquired Lagerhaus, and Servera acquired all outstanding shares in Grönsakshallen Sorunda and the operations of the Kisak companies. Novax acquired 16 percent of the Murlyn Music Group and sold its holding in the publicly listed company RnB.

Key figures

<i>SEK M</i>	2004	2003
Net sales	9 115	8 874
Operating income	682	727
Operating margin, %	7,5	8,2
Earnings after financial items	883	742
Net income	635	561
Shareholders' equity	3 517	2 893
Equity ratio, %	67	66

Chief Executive Officer's comments

Our employees and company operated under difficult market conditions during 2004. We see strong growth in some segments of our operations, while the performance of others has been weaker. The competition is becoming tougher and there is a trend toward over-establishment in certain market segments. Despite these demanding conditions, we were pleased to note that the Axel Johnson Group achieved its best-ever level of earnings.

Continued success for Willys and a recovery for Hemköp enabled Axfood to achieve its highest earnings ever. Åhléns' sales increased by 3 percent during the year, and the company reported satisfactory earnings. We see a strong sales trend for the Beauty and Body Care and Kicks business area. Servera is reaping success in the private restaurant market and was able to maintain its sales and high earnings level in a declining total market.

We continued to invest during the year in the future growth of our operations. Axfood opened a number of new stores during the year and launched the first Super-Willys store. Åhléns opened three new department stores during 2004, two new Hem stores in Norway, and the cosmetic chain Kicks opened nine new stores.

Year 2004 was also a year of structural change in the Group. In December, we sold our 25-percent holding in Saba Trading. Åhléns acquired the interior decorating chain Lagerhaus and its eight stores toward year-end. Servera acquired jointly owned Grönsakshallen Sorunda and the operations of the Kisk companies. Novax acquired 16 percent of the music producer Murlyn Music Group and sold its holding in the publicly listed company RnB.

The Axel Johnson Group in the beginning of 2005 is commercially and financially stronger than ever.

Göran Ennerfelt
President and Chief Executive Officer

Axfood – Proprietary retail chain is a winner

The focus on food prices during recent years remained unchanged during 2004. This favored Willys, which increased its sales by 11.9 percent. Central purchasing and a higher share of proprietary brands continued to make positive contributions. Sales amounted to SEK 33,826 M (33,616), an increase of 0.6 percent. Proprietary retail operations in Sweden increased sales by 6.4 percent. Earnings after financial items totaled SEK 980 M (971). Axel Johnson's ownership share in Axfood amounts to slightly more than 45 percent.

Servera – Expanded customer offering

The market for restaurants and institutional catering showed a continued volume decline during 2004. Despite the weak market conditions, Servera's sales rose to SEK 4,172 M (4,099), an increase of 1.8 percent. Through further acquisitions, an expanded product range and the creation of an Internet marketplace (bunkra.se), the customer offering was increased significantly. Servera's earnings after financial items amounted to SEK 90 M (99).

Åhléns – Continued expansion

Rebuilding and the launch of new stores characterized operations in 2004. A total of 14 new department stores and shops were established during the year. The Åhléns Group today consists of 179 units. A more effective logistics flow combined with the low USD created a favorable impact on earnings, while the high rate of investments had a negative effect. Sales amounted to SEK 4,639 M (4,522), an increase of 2.6 percent. Earnings after financial items totaled SEK 164 M (191).

Novax – Investments for the future

Novax acquired 16 percent of all shares in the music producer Murlyn Music Group during the year. Its ownership share in Designatorget was also strengthened to 53 percent. After year-end 2004, the outstanding 47 percent of the company was acquired. The shareholding in the publicly listed company RnB was sold in 2004. Earnings after financial items amounted to SEK 12 M (1).

Stockholm, March 1, 2005

Axel Johnson AB

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 Nordstjärnan, 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 Ähléns and Servera, and the company's part ownership in Axfood represent most of Axel Johnson AB's operations. In total, the wholly and partly owned subsidiaries have annual sales of about SEK 43 billion, with slightly more than 12,000 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 5 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 and the environment. The company has annual sales corresponding to SEK 17 billion, with about 1,100 employees.

AxFast AB owns, develops and manages properties tailored exclusively for trading and distribution. The portfolio of some 45 properties, comprising more than 500,000 square meters of space, is spread throughout Sweden.

<i>SEK M</i>	2004	2003
Net sales	9 115	8 874
Cost of goods sold	-6 662	-6 526
Gross profit	2 453	2 348
Selling/administrative expenses, etc.	-2 228	-2 104
	457	483
Operating profit	682	727
Net financial items	201	15
Profit after financial items	883	742
Tax	-248	-181
Net profit for the year	635	561

<i>SEK M</i>	2004-12-31	2003-12-31
ASSETS		
Intangible fixed assets, excl. goodwill	58	65
Goodwill	98	56
Tangible fixed assets	471	410
Financial assets	1 064	936
Total fixed assets	1 691	1 467
		—
Inventories, etc	1 165	1 060
Accounts receivable	509	459
Other current assets	657	257
Short-term investments	1 006	900
Cash and bank balances	251	267
Total current assets	3 588	2 943
		—
TOTAL ASSETS	5 279	4 410

	2004-12-31	2003-12-31
EQUITY AND LIABILITIES		
Restricted equity	1 311	1 114
Unrestricted equity	2 206	1 779
Total equity	3 517	2 893
Minority interest	2	—
Provisions	221	201
Long-term liabilities	1	—
Other current liabilities	748	625
Accounts payable	790	691
Total current liabilities	1 538	1 316
TOTAL EQUITY AND LIABILITIES	5 279	4 410