

PRESS RELEASE

Sardus Q1 2004: Higher turnover Unchanged profit

Sardus' turnover increased to MSEK 427, which is nine per cent higher than the first quarter of 2003 (MSEK 393 million). Profit before tax amounted to MSEK 20, which is unchanged in relation to the corresponding period last year. The forecast for 2004 of a profit on a par with last year's (approx. MSEK 110) remains unchanged.

The main reasons for the increase in turnover are that a proportion of the Easter business fell in the first quarter and the acquisition in October 2003 of Gourmet Service, which accounted for 60 per cent of the growth.

“The success in 2003 of our low-fat organic products and our new packaging concept, which is designed for small households, confirms our expectations with regard to consumption patterns,” says Ragnar Bringert, Sardus' President. “The success of these new ventures means that we plan to launch several new concepts in these areas in 2004 and 2005.”

Helsingborg 22 April 2004

Further information can be obtained from Ragnar Bringert, President of Sardus, on +46 42 37 02 50 or +46 70 593 62 73.

Sardus, which is on the "A" List of Stockholm Stock Exchange, consists of Pastejköket, the market leader in liver paste; Charkdelikatesser, which produces and markets processed meats and is the market leader in black pudding, jellied veal and coarse ground sausage; Sardus Foodpartner, which is among the leading suppliers of deepfrozen foods to the institutional market; 3-Stjernet, Denmark 's leading producer of salami; and Falbygdens Ost, a leader in mature quality hard cheese.

AB Sardus (publ)

Co. reg. no. 556131-6711

Listed on Stockholmsbörsens “A” list

Interim Report for January – March 2004

- **Net turnover increased by 9 per cent to MSEK 427 (393)**
- **The profit before tax was MSEK 20 (20)**
- **The profit after tax was MSEK 13 (13)**
- **Earnings per share amounted to SEK 1.33 (1.35)**
- **Unchanged forecast for financial year: similar result to 2003 (MSEK 110)**

First quarter

Following a fairly weak start to the quarter, March turned out to be a good month that enabled Sardus to finish the quarter with the same result, year on year, as in 2003.

Turnover increased by 9 per cent and amounted to MSEK 427 (393). Sardus' profit before tax for the first quarter was MSEK 20 (20) and the profit after tax was MSEK 13 (13). Earnings per share amounted to SEK 1.33 (1.35).

The main reasons for the increase in turnover are that a proportion of the Easter business fell in the first quarter and the acquisition in October 2003 of Gourmet Service, which accounted for 60 per cent of the growth. A media campaign was launched in the first quarter, chiefly for the Pastejköket and Charkdelikatesser business units.

The total amortisation of goodwill for the period amounted to MSEK 8 (7), and net financial costs amounted to MSEK 9 (cost 9). The profit before tax was MSEK 20 (20).

Strategic initiatives

New consumption patterns are emerging in Sardus' product areas and the retail sector's operating methods are also changing. As part of a long-term strategic programme, Sardus is currently running product development and production projects focussed on new product ranges for specific target groups. Steps are also being taken to specialise the production structure within certain segments.

The business units

Pastejköket

The turnover for the first quarter amounted to MSEK 103 (102) and the operating profit to MSEK 14 (13). The Norrboda and Onsala products did well during the quarter. Active media drives, including TV advertising, were carried out during the period.

Charkdelikatesser

The turnover for the first quarter amounted to MSEK 116 (110) and the operating profit to MSEK 9 (9). Weaker sales of branded open sandwich toppings were noted during the period.

Media campaigns were carried out during the quarter, mainly for double-pack Sliced Toppings (2x75 g).

3-Stjernet

The turnover for the first quarter amounted to MSEK 67 (70) and the operating profit to MSEK 8 (10). Tougher competition on the domestic market at the start of the quarter, mainly from low-price imports from Germany, contributed to a decline in sales and result in relation to 2003, which was a record year.

Sardus Foodpartner – Catering

The turnover for the first quarter amounted to MSEK 56 (33) and the operating profit to MSEK 4 (2). Gourmet Service, which was acquired in October 2003, contributed MSEK 20 in sales and MSEK 2 in operating profit. Even excluding Gourmet Service, Sardus Foodpartner performed well.

Falbygdens Ost

The turnover for the first quarter amounted to MSEK 93 (86). Sales of fully matured hard cheese increased. The operating result was a loss of MSEK 1 (0). The slight reduction in the result is due to relatively higher contract packaging and measures related to future expansion.

New market investments – light meals

The acquisition of Gourmet Service in October 2003 is part of Sardus' growth strategy involving broadening the sandwich-related products and light meals segment. Light meals represent part of Sardus' focus on organic growth and are a direct and natural extension of our main "sandwich-related" platform. The successes in 2003 with various low-fat, organic products and new packaging concepts confirm our belief that they will do well in the future. Sardus is currently working on a number of concepts, primarily in the light meal segment, that will be launched on the market in 2004 and 2005.

Liquidity, cash flow and financial items

The Group's liquid funds at 31 March 2004 amounted to MSEK 26 (41). There are also undrawn lines of credit of MSEK 326 (378). The period's cash flow from current operations amounted to MSEK 37. Net financial costs amounted to MSEK 9 (9).

Capital expenditure

The Group's total capital expenditure for the first quarter of 2004 amounted to MSEK 13 (11).

Goodwill

Total amortisation of goodwill for the first quarter amounted to MSEK 8 (7). The strength and lifespan of each brand is reviewed at the time of each acquisition, and the rate of amortisation is adjusted accordingly.

Number of outstanding shares

Sardus did not buy back any of its own shares during the first quarter. The number of shares bought back remained unchanged at 197,696. Personal option programmes were exercised during the period and 5,750 new shares were issued, bringing the number of shares in issue to 9,808,054.

Accounting principles

This interim report is made up in accordance with the Swedish Financial Accounting Standards Council's recommendation RR20, Interim Reports. The same accounting and valuation principles are used in the interim report as in the latest annual report. As regards the Swedish Financial Accounting Standards Council's recommendation RR29, Employees' Benefits, the Sardus Group has pension commitments that include benefit-determined pension plans encompassing several employers. There is currently insufficient information from the insurance companies to be able to report the commitments in terms of benefit-determined pension plans. These plans have therefore been stated as if they were premium-determined.

Annual General Meeting 2004

At the Annual General Meeting on 31 March 2004, it was decided that a dividend of SEK 5.00 (4.50) per share should be paid. Bo Petterson (Catella Capital) was elected to the board. The AGM decided to continue the share buy-back programme involving a maximum of 10 per cent of its own shares by the time of the 2005 AGM.

Prospects for 2004

Because of the prevailing stable price conditions on commodity markets and the competitive competition, it is reasonable to suppose that the result for 2004 will be broadly the same as that for 2003 (MSEK 110), which means that the forecast published on 12 February 2004 remains unchanged.

Helsingborg 22 April 2004

AB Sardus (publ)
Board of directors

Further information is available from Ragnar Bringert, Sardus' president, on +46 42 37 02 50 or +46 70 593 62 73.

www.sardus.se