

Stockholm, March 22, 2006

2005 Year-end Report – Axel Johnson AB

- The Axel Johnson AB Group's consolidated sales increased during the year by 52 percent to SEK 13,820 million (9,115). A total of SEK 4,039 million of this increase in sales is attributable to the acquisition of Axel Johnson International AB. Excluding the acquisition, sales rose by 7 percent. Partly owned Axfood saw a 2-percent decrease in sales to SEK 28,086 million. Axfood's wholly owned stores increased sales by 5 percent.
- Operating income amounted to SEK 738 million (682), an increase of 8 percent. Net income after tax was SEK 537 million (635), a decrease of 15 percent. Earnings for the previous year include a capital gain of SEK 155 million from the sale of the holdings in Saba Trading AB. Adjusted for this gain, net income after taxes increased by 12 percent.
- The former fellow group of the Axel Johnson Group, Axel Johnson International, was acquired. Servera acquired the operations in Matsäljarna i Väst and Novax acquired 28 percent of Filippa K, 15 percent of Svenssons i Lammhult and the remaining shares in DesignTorget. Axel Johnson International acquired the Certex companies, Jens S Transmissioner and ACTOR data.
- The Axel Johnson AB Group's financial position was further strengthened. Shareholders' equity rose to SEK 4,461 million (3,517). Cash and cash equivalents at year-end amounted to SEK 1,468 million (1,257).

Key ratios

<i>Amounts in SEK million</i>	2005	2004
Net sales	13 820	9 115
Operating income	738	682
Operating margin, %	5,3	7,5
Profit after financial items	826	883
Net income	537	635
Shareholders' equity	4 461	3 517
Equity ratio, %	53	67

Comments from the CEO

The year 2005 was yet another successful year for the Axel Johnson AB Group. After a period involving difficulties controlling the market and poor growth in private consumption, we could see the beginnings of an upturn in the market for many of our companies at around mid-2005. A favorable outcome was generated from the combination of the positive shift in the market, the effects of urgent work to improve customer offerings and continued investments in our operations.

Earnings for Axfood were slightly lower than in the previous year although the company strengthened its position for the future. Despite a demanding market, Willy's achieved continued success and established its one hundredth store during the year. Sales for Åhléns increased by 7 percent during the year and the company achieved the best results in its history. Four new department stores and 21 new stores under the Åhléns, Å Hem, Kicks and Lagerhaus brands opened during the year. Servera continued to reap success in the private restaurant market and, in a stagnating total market, it succeeded in increasing its sales by 14 percent and improved its earnings somewhat compared with the previous year. The Axel Johnson International Group reported record-high figures with generally favorable results.

The Group made several acquisitions during the year. The former fellow group in the Axel Johnson Group, Axel Johnson International AB, was acquired on April 30, 2005. Axel Johnson International specializes in primarily the trade and distribution of industrial products in the Nordic and European markets and has some 50 companies in 20 countries.

The Axel Johnson AB Group now generates sales of almost SEK 45 billion in wholly and partly owned companies and we have approximately 14,000 employees.

Mats Jansson
President and CEO

Comments on companies

Axfood – Demanding market

Focus during the year was directed toward maintaining positive sales levels given the difficult market conditions. Success for the Willys chain continued and the company's one hundredth store opened during the year. An agreement was reached during the year pertaining to the sale of shareholdings in Spar Finland. The transaction was concluded in January 2006. Sales amounted to SEK 28,086 million (28,658), a decrease of 2 percent. The company's own stores in Sweden increased their sales by 5 percent. Income after net financial items amounted to SEK 1,026 million (1,096). Axel Johnson's participating interest in Axfood amounts to almost 45 percent.

Axel Johnson International – Profitable growth

Demand for the Group's products during the year was favorable, leading to a positive trend in all operations. A number of acquisitions were made during the year. Forankra acquired the Certex companies, AxIndustries acquired Jens S Transmissioner and AxCom acquired ACTOR data. Sales for the Group amounted to SEK 5,609 million (5,285). Income after net financial items amounted to SEK 163 million (119), the highest in the company's history.

Servera – Substantial increase in sales

In recent years, Servera has developed from a traditional wholesaler to a broad specialist through restructuring and acquisitions. These developments continued during the year, contributing to increases in sales in all business areas. Sales totaled SEK 4,746 million (4,172), an increase of 14 percent. The operations in Matsäljarna Väst AB were acquired during the year. The company is a full-line wholesaler with a strong position on the West Coast of Sweden. Servera's income after net financial items amounted to SEK 90 million (99).

Åhléns – Record earnings

The year 2005 was characterized by a positive sales trend and a rapid rate of establishment. A total of 4 new department stores and 21 stores opened during the year. The Åhléns Group now comprises a total of 200 units under the Åhléns, Å Hem, Kicks and Lagerhaus brands. Sales totaled SEK 4,962 million (4,639), an increase of 7 percent. Income after net financial items amounted to SEK 193 million (164) – the highest earnings in the company's history.

Novax – new acquisitions

During the year, Novax acquired 28 percent of the shares in the Swedish fashion label company Filippa K and 15 percent of the shares in the furniture and home furnishing retailer, Svenssons i Lammhult. Furthermore, the company's ownership of DesignTorget increased to 100 percent and holdings in Murlyn Music to 41 percent. At year-end 2005, the remaining shares in Svensk Bevakningstjänst were acquired and this company became wholly owned. The holdings in Backemarks were sold during the year. Income after net financial items totaled negative SEK -8 million (13).

Stockholm, March 21, 2006

Axel Johnson AB
Board of Directors

For further information, please contact

Mats Jansson, President and Chief Executive Officer, phone: +46 (0)8-701 61 00 (6114)
Fredrik Persson, Vice President and Chief Financial Officer, phone: +46 (0)8-701 61 00 (6159)

The Axel Johnson Group is a family-owned company, with fourth and fifth generation members and origins dating back to the A. Johnson & Co. trading company founded in 1873. The Group consists of three 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. Currently, wholly owned Åhléns, Servera and Novax, and the company's part ownership in Axfood represent most of Axel Johnson AB's operations. Distribution and trading of industrial and consumer products in the European market are conducted through wholly owned Axel Johnson International. In total, the wholly and partly owned companies have annual sales of about SEK 45 billion, with slightly more than 14,000 employees.

Axel Johnson Inc., with main operations in North America, focuses on products and services for the Energy and Environment sectors. Sales amount to approximately SEK 23 billion, with 1,000 employees.

AxFast AB owns and develops commercial properties in Stockholm and properties for trade and distribution operations throughout Sweden. The portfolio consists of approximately 38 properties in slightly more than 20 locations, with a total rentable area of 340,000 square meters.

INCOME STATEMENT

<i>Amounts in SEK million</i>	2005	2004
Net sales	13 820	9 115
Cost of goods sold	-10 379	-6 662
Gross income	3 441	2 453
Selling/administrative expenses, etc.	-3 108	-2 228
Share of income from associated co.	405	457
Operating income	738	682
Net financial items	88	201
Income before tax	826	883
Tax	-285	-248
Income after tax	541	635
Minority interest	-4	–
Net income for the year	537	635

BALANCE SHEET

<i>Amounts in SEK million</i>	2005-12-31	2004-12-31
ASSETS		
Intangible fixed assets, excl. goodwill	115	58
Goodwill	681	98
Tangible fixed assets	717	471
Financial assets	<u>1 644</u>	<u>1 064</u>
Total fixed assets	3 157	1 691
Inventories, etc	1 964	1 165
Accounts receivable	1 456	509
Other current assets	428	657
Short-term investments	1 048	1 006
Cash and bank balances	<u>420</u>	<u>251</u>
Total current assets	5 316	3 588
TOTAL ASSETS	8 473	5 279

	2005-12-31	2004-12-31
EQUITY AND LIABILITIES		
Restricted equity	1 256	1 311
Unrestricted equity	<u>3 205</u>	<u>2 206</u>
Total equity	4 461	3 517
Minority interest	13	2
Provisions	302	221
Long-term liabilities	478	1
Other current liabilities	1 810	748
Accounts payable	<u>1 409</u>	<u>790</u>
Total current liabilities	3 219	1 538
TOTAL EQUITY AND LIABILITIES	8 460	5 279