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Axel Johnson AB - Report on eight months ended August 31, 2000

The most significant event during the eight-month period was the creation of the Axfood Group, a new Nordic food company that is listed on the OM Stockholm Exchange.

In March, the listed subsidiary Hemköpskedjan AB (publ) acquired jointly owned D&D Dagligvaror AB through a non-cash issue of shares. Hemköpskedjan subsequently changed its name to Axfood AB (publ). The subsidiaries, Spar Sweden AB and Spar Inn Snabbgross AB, plus Axel Johnson's holding in Spar Finland Abp, were included in the acquisition. Following the transaction, the Axel Johnson Group holds 45 percent of both the voting rights and the share capital in Axfood AB.

Group sales during the eight-month period totaled SEK 4.3 billion (9.0). The decrease was wholly attributable to the structural changes described above. For comparable units, sales rose by approximately 11 percent.

Including all Axel Johnson's wholly and jointly owned companies, sales totaled SEK 26.4 billion during the period, an increase of 10 percent compared with the corresponding eight months of 1999.

Earnings from retail operations declined from SEK 119 million to SEK 17 million. For comparable units, earnings improved by SEK 22 million.

Profit before appropriations, taxes and minority participations in profit amounted to SEK 87 million (478).

Earnings during the preceding year were significantly affected by capital gains arising from the formation of D&D Dagligvaror AB.

At year-end 1999, the equity/assets ratio was 27 percent and as of August 31, this had increased to 36 percent.

The Group's earnings are generated mainly during the final months of the fiscal year. Full-year earnings for the Axel Johnson Group in 2000 are expected to amount to approximately SEK 300 million, before appropriations and taxes, and including SEK 96 million in reallocated surplus funds from the Swedish Staff Pension Society (SPP).

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The Axel Johnson Group consists of three legally and financially independent groups with a common owner, Antonia Ax:son Johnson and family. It is a fourth-generation family-owned company originating in the A. Johnson & Co. trading company, which was founded in 1873.

Axel Johnson AB operates in food products and other consumer goods, through import, distribution and retail operations. The operations are conducted in the Nordic market, with a focus on Sweden. In total, subsidiaries and affiliated companies have sales of nearly SEK 40 billion - excluding VAT - and some 13,000 employees.

Axel Johnson International AB conducts trading and distribution operations, primarily focusing on industrial products in the European market. Annual sales amount to SEK 4 billion, with 1,200 employees.

Axel Johnson Inc. conducts operations in North America. The Group is active in manufacturing and trading, within the business areas Energy, Telecommunications and Environment. Annual sales amount to approximately SEK 12 billion, with 1,600 employees, primarily in the U.S.