

## **Hakon Invest AB – Annual General Meeting 2006**

### **Point 11 in accordance with the proposed agenda at the Annual General Meeting, May 10, 2006**

#### **Decision on the disposition of the profits shown in the balance sheet adopted by the Meeting and decision on the record date for the dividend**

##### **Board proposal for dividend and record date**

The Board of Directors proposes a cash dividend for 2005 of SEK 4.50 per common share.

The Board proposes Monday, May 15, 2006 as the record date for receiving the dividend.

Payment of the cash dividend is expected to be made through VPC AB on Thursday, May 18, 2006.

The profits at the disposal of the Annual General Meeting are as follows (SEK 000s):

Retained earnings	2,293,722
Profit for the year	440,924
<b>Total</b>	<b>2,734,646</b>

The Board of Directors and the President propose that the funds be disposed of as follows:

to the holders of common shares, a dividend of SEK 4.50 per share	354,823
to be carried forward	2,379,823
<b>Total</b>	<b>2,734,646</b>

##### **Board's statement regarding the proposed dividend**

The Board of Directors has decided to propose to the shareholders at the Annual General Meeting on May 10, 2006 to decide on a profit distribution of SEK 4.50 per share totaling SEK 354,822,948.

This statement is prepared in accordance with the provisions in Chapter 18, Section 4 of the Swedish Companies Act and represents the Board's assessment regarding whether the proposed profit distribution is justifiable, taking into account what is stated in Chapter 17, Section 3, paragraphs 2 and 3 of the Swedish Companies Act.

Hakon Invest has a dividend policy whereby the dividend normally amounts to at least 50% of the company's profit after taxes. Moreover, the dividend shall be perceived as generous. That this is based on the Parent Company is due to the fact that ICA AB only distributes 40% of its earnings at the same time as Hakon Invest's consolidated earnings, with application of the equity method, includes 40% of ICA AB's earnings. Application of the company's dividend policy shall be perceived as generous. Comparisons have been made with the direct returns of other listed companies, mainly with comparable orientation.

The proposed dividend to the shareholders represents about 80,5 % of the company's profit and about 41,4 % of the consolidated earnings. At the same time, the proposed dividend represents 13 % of the profits at the disposal of the Annual General Meeting, that is, the funds reported in the balance sheet in addition to what is required for full coverage of the company's restricted shareholders' equity.

The proposed dividend to the shareholders reduces the company's equity/assets ratio from about 96.4 % to about 90.6 % (not taking into account untaxed reserves) and reduces the consolidated equity/assets ratio from about 95 % to about 90.8 %. The equity/assets ratio remains satisfactory, both in the long and short term, taking into account the nature and extent of the company's and the Group's operations and commitments.

The dividend exceeds both the company's and the Group's cash flow, which was SEK 50 million during 2005. However, the company's liquidity remains highly satisfactory and this is justified by the company's operational orientation and with intended additional portfolio investments. The company's ability to conduct the intended operations and fulfill planned investments is not affected more than negligibly as a result of the proposed dividend.

The Group's earnings include unrealized and realized changes in value in the valuation of financial assets to fair value amounting to SEK 329 million (of which SEK 320 million to the Parent Company). Taking into account the existence of unrealized gains, the dividend is also justifiable.

Against the background and considering the above, it is the view of the Board that the proposed dividend is justifiable with regard to the stipulations of Chapter 17, Section 3, paragraphs 2 and 3 of the Swedish Companies Act that the dividend is justifiable considering the demands the nature of operations, scope and risks place on the size of the company's and Group's shareholders' equity and the need to maintain a strong balance sheet, liquidity and financial position in general.

Stockholm, March 31, 2006

Board of Directors of Hakon Invest AB