President and Chief Executive Officer Claes-Göran Sylvén's address at Hakon Invest's Annual General Meeting on May 10, 2006

Ladies and gentlemen!

This is the first Annual General Meeting in Hakon Invest's history as a listed company, and I am delighted to have the opportunity to meet so many new shareholders here today, together of course with a number of highly familiar faces. I am also pleased to be able to tell you about the intensive and successful year that Hakon Invest had in 2005, and about the exciting future that awaits.

On December 8, 2005, Hakon Invest was listed on the Stockholm Stock Exchange's O-List. As a result of the listing, the company also gained more than 10,000 new shareholders, because our principal owner, ICA-handlarnas Förbund, divested part of its holding. Today, our company has about 13,000 shareholders, which I regard as impressive.

Since a combined stock-exchange listing and ownership spread is in many ways a demanding process, the year was naturally characterized by the preparatory work required for the market listing. However, because a lot of what happened in 2005 originated from the ownership change that ICA underwent a year earlier, let me briefly remind you about what had happened:

During autumn 2004, following various developments and negotiations, we, together with Ahold, were able to establish what we believe is a sustainable ownership structure for ICA AB, with Hakon Invest owning 40% and Ahold owning 60%. At the same time, we concluded a shareholder agreement that entails that no significant decisions can be taken without the agreement of Ahold and Hakon Invest.

Finding a sustainable solution for ICA's ownership situation provided us with new opportunities, primarily the ability to use our financial assets more actively. Accordingly, our principal owner and the Board of Directors examined our assignment and strategy, and decided that Hakon Invest would be given a partly new and more distinct focus as an investment company. Consequently, with the solid base provided by our substantial holding in ICA AB, we have operated since the beginning of 2005 as a company that engages in long-term investment operations in the Nordic and Baltic retail sector. In addition to the holding in ICA, we currently have a holding in Forma Publishing Group, a wholly owned subsidiary in the publishing industry. To underscore our new orientation, we were also given a new name, Hakon Invest.

Moreover, the plans for a public listing of the company and a broadening of its ownership base were presented in March 2005 in order to secure a sustainably favorable ownership structure in Hakon Invest, and to enhance our prospects of operating as a long-term, influential owner of ICA. This orientation was confirmed in May last year, through a resolution by the Annual General Meeting.

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Work during the year

Hakon Invest thus devoted considerable effort in the past year to building an organization and recruiting competent employees with a view to fulfilling our mandate as an investment company. In parallel with this process, we also determinedly prepared Hakon Invest for its market listing and the requirements to which listed companies are subject – which, to say the least, are extremely rigorous.

In April, Göran Hesseborn joined Hakon Invest as Chief Financial Officer. During the summer and autumn, we were also able to recruit a number of experienced employees for our investment organization and we also strengthened our business control and communications functions. With these new employees in place, I feel we have a really strong organization, characterized by both breadth and depth and experience and innovation. I am proud of the team that I am privileged to lead, and would like to take this opportunity to thank all employees for their excellent efforts.

In November, the listing process entered its very intensive final phase – which attracted considerable attention from the media and involved a really busy schedule of meetings with investors during a road show. One could say that we experienced a somewhat mixed reception – the financial press was frequently sceptical to our ability as an investment company, although they recognized the considerable value represented by ICA and Forma. The press mainly questioned what they regarded as a lack of a track record in terms of completed investments.

And, certainly, we were a new company in this market, there's no denying that. But we had plenty of experience and skills in developing and building successful retail companies, which the investment managers and institutional investors we met all round Northern Europe apparently found it easier to see and appreciate. This was also the case – let me add – for the private Swedish investors.

And, as we all know, the result of the listing process was highly successful. Interest among institutions and the public was considerable, and the offering was subscribed for nine times over. This interest has also continued after the listing, where trading in our share has been favorable and stable. I interpret this as meaning that acceptance in the capital market has been good, and that there is a positive belief in what we're doing.

However, I believe that it is at least equally important that we have experienced a warm welcome to the market for investments. During the relatively short time we have operated as an investment company, we have been contacted by a large number of companies that have been interested in partnerships with Hakon Invest, and I intend to return to our investment operations a little later.

2005 in figures

Let us now look at the financial performance of Hakon Invest and its holdings during 2005.

I'd like to begin by talking about the Group's revenues, which declined slightly and amounted to SEK 611 M. Our subsidiary Forma accounted for most of this amount, or SEK 596 M, while the

Parent Company accounted for SEK 15 M. The decrease in revenues was due to the service operations conducted on behalf of the Förbund members being transferred during the year to a company that is wholly owned by the Förbund. A natural step in view of our new focus.

The Group's operating profit improved by SEK 85 M to SEK 570 M. Our share in ICA's profit rose by SEK 117 M to SEK 583 M. The fact that we increased our interest in ICA from 30 to 40% during autumn 2004 naturally contributed to the increase in our profit participation. Forma and the Parent Company reported a slight decline in operating profit compared with the preceding year.

The financial net, which largely reflects the earnings of our financial management operations, improved by a full SEK 263 M to SEK 372 M, reflecting the positive trend we have seen in Swedish and international stock markets.

On the whole, this led to our after-tax profit improving sharply to SEK 856 M, compared with SEK 579 M for 2004. As a result, earnings per share rose from SEK 3.60 to SEK 5.32, or by 48%.

Our financial position is strong. We have no debt, our equity/assets ratio at the end of the year was 95% and our financial assets, which form the foundation for our investment operations, slightly exceeded SEK 3 billion.

One of the targets we have set for our operations is to pay a generous level of dividends, which the Board of Directors has established more precisely by stating that the annual dividend should amount to at least 50% of the Parent Company's after-tax profit. With respect to the 2005 fiscal year, the Meeting here today will have to resolve whether to approve the Board's proposal of a dividend of SEK 4.50 per common share. This corresponds to 80% of the Parent Company's after-tax profit, which could be said to more than satisfy the dividend target.

If we take a detailed look at the financial performance of our holdings, we can conclude that 2005 was a good year for ICA, with a favourable trend in virtually all of the Group companies. ICA performed particularly well during the second half of the year. Although the company's full-year revenues actually declined by 2.3% to SEK 71.7 billion, this was attributable to the divestment of food-retail operations in Denmark and the fact that, as of 2005, the operations in the Baltic countries are included in the company that ICA owns jointly with Kesko of Finland and is therefore no longer consolidated. Adjusted for these changes, ICA's sales rose by 3.8% in 2005.

ICA's operating profit was virtually unchanged at SEK 1,958 M. However, the profit reported for 2004 included a number of positive nonrecurring effects totalling approximately SEK 450 M, which resulted from the divestment of ICA's holding in Statoil Detaljhandel and also included an impairment of the value of Danish operations. Adjusted for this, ICA's operating profit rose by nearly 10%.

Our publishing operations Forma reported unchanged revenues of SEK 596 M in 2005. Revenues from publishing operations and the assignment production of magazines increased compared with

2004, while circulation revenues from newspaper operations declined somewhat. Forma's advertising revenues were relatively stable.

Forma's operating profit declined by SEK 5 M to SEK 54 M, mainly due to increased costs for investments in new products and the closure of unprofitable newspapers.

Thanks to an improved financial net and lower tax charges, Forma reported after-tax profit of SEK 52 M – Forma's best earnings ever.

I am clearly satisfied with the earnings trend of both of our holdings, particularly as 2005 might still be best described as a year of investment, when efforts largely focused on building a stable foundation for future growth and profitability.

What happened within the holdings during the year?

ICA

Let me begin with ICA, which has made considerable progress on its strategic journey that started a few years ago. Step by step, the operations have been streamlined and concentrated on food-retail operations in order to create the right conditions for growth. An additional step in the streamlining process was the decision to sell ICA Meny – ICA's wholesale operations that focus on sales to restaurants, institutional kitchens and convenience stores.

The market for food-retail activities is subject to intense competition, the increased presence of low-price players and changed consumption patterns. The ICA concept, which briefly entails that individual retailers cooperate to achieve economies of scale, is ICA's main strength in efforts to counter the severe competition. It is essential to meet customers in the individual markets by offering locally adapted stores and offerings, at the same time as the Group coordinates functions that customers do not see.

On June 1, ICA's new Group organization was launched, with the distinct purpose of increasing coordination, efficiency and selling power as "one ICA." Increased coordination and rapid decisions are important in efforts to act quickly in response to external changes. At the same time, the local companies, ICA Sverige and ICA Norge, were provided with greater resources and authority to engage in customer-oriented activities such as operation, sales and store establishment. Activities that the customer does not see, such as real estate operations, business development, HR, purchasing, logistics and IT, have been concentrated in a number of Group-wide functions.

ICA's major investment in a new distribution network in Sweden continued during the year. This investment included the construction of two state-of-the-art warehouse facilities in Helsingborg and in the Stockholm area, expansion of two existing warehouses and the closure of five facilities. Construction of the facility in Helsingborg, which will be opened during summer 2007, started in May. ICA is investing a total of nearly SEK 2 billion in the new distribution network, which is scheduled for completion in 2008.

Nevertheless, the initiative that attracted most attention during the past year was the market investment made jointly by ICA and the individual ICA retailers in the form of a wide-ranging pricecutting offensive. The prices of up to 3,500 items were cut in Swedish stores, and in Norway about 600 items. The price cuts were financed retroactively, in part through cost rationalization in the individual stores and at Group level, and in part through negotiations with the suppliers of the products whose prices had been reduced.

The price initiative is a good example of the power of the ICA concept and its importance to efforts to build value for ICA as a whole and the individual retailers. The impact of the price cuts has exceeded expectations, which contributed to the ICA Group's strong earnings trend during the third and fourth quarters. Growth in the sales of Swedish stores, in particular, has outperformed the market, which shows that ICA now has the initiative in the market. It is especially gratifying to note that smaller stores, within ICA Nära and ICA Supermarket, strengthened their competitiveness as a result of the price offensive and are showing a positive volume trend. In Norway, where market conditions and ICA's position are somewhat different, the effects have been more limited but have clearly strengthened Rimi's position as a low-price player.

In future, ICA will continue to pursue an active pricing strategy and price will be high on the company's agenda. However, price considerations must never weigh so heavy that they have an adverse on the other important added values offered by ICA, such as quality, product reliability, health and the environment.

Another area in which ICA invested heavily during the year was in store establishment and the renewal of the store network. In Sweden, nearly 55,000 square meters of retail space was added, which was more than any other Sweden player achieved. The focus was on relatively large stores located in growth areas and close to major cities and included the establishment of five new Maxi ICA Hypermarkets.

The rate of store establishment in Sweden will remain high, at the same time as ICA will continue to renew its existing network. During 2006, ICA plans to establish a further 65,000 square meters of retail space, in part through the establishment of seven new Maxi ICA Hypermarkets.

ICA Norge continued to program of comprehensive change during the year that was launched in 2004. This entailed transforming the entire operation, by implementing extensive savings and a completely new structure for the company and its network of stores. In the past year, major efforts have been focused on converting, modernizing and streamlining the image of the stores. At the same time, efficiency-enhancing measures have been implemented throughout the operation.

The conversion of nearly 300 Rimi store supermarkets into ICA-profiled supermarkets has now largely been implemented. Those supermarkets that remain within Rimi have undergone renewal efforts to strengthen their low-price image.

In Norway too, the establishment rate was high during 2005, when slightly more than 16,000 square meters of retail space was added. The rate of establishment will remain high and focus particularly on relatively large stores, with a total of approximately 40,000 square meters of new retail space planned for the current year.

By the end of 2006, ICA Norge will have a fully modernized store network and will have then created a stable platform for growth. The aim of becoming a market leader in Norway stands firm.

A major source of satisfaction during the year was the extremely favorable trend shown by Rimi Baltic – ICA's joint venture with Kesko of Finland that was launched in January 2005. The background to the formation of Rimi Baltic was Kesko's strong position in Estonia, while ICA had a strong position in Latvia. The merger of these two operations created one of the leading and most modern food-retailing chains in the region. Rimi Baltic's aim is to become the market leader in the Baltic countries by the end of next year.

The Baltic countries have a total population of 7.5 million and the food-retailing market is growing rapidly, by a full 16% during 2005. Rimi Baltic's sales grew even more, be nearly 22%, which means that Rimi Baltic currently has a market share of 16% and holds a strong second position in the Baltic food-retailing market.

A great deal of the work conducted to date has focused on integrating the two operations and on starting to capitalize on the resulting synergies, particularly within purchasing, logistics and store development. At the same time, Rimi Baltic has invested in expanding its store network and nearly 30 stores were opened during the year. At the end of 2005, the company had nearly 180 stores. And the investment in new store establishments will continue, particularly those involving the fast-growth formats of low-price stores and hypermarkets. The rapid growth will also require major investment in logistics and warehouses.

I am convinced that Rimi Baltic will remain a source of satisfaction. The Baltic food-retailing market is expected to continue to grow rapidly, and Rimi Baltic occupies an excellent position from which to grow even faster.

Let me also say a few words about ICA Banken, an operation that perhaps may be viewed as external to ICA's core business, but which ICA regards as a key strategic initiative. By offering ICA's customers financial services that simplify their daily lives, the bank will eventually contribute to the Group's profit growth. The services offered by ICA Banken include a pay account, bankcards and mortgage loans. Another important aim is that the bank contributes to strengthening customer loyalty to ICA and to supporting its retail operations.

Since ICA Banken was formed in Sweden in 2001, it could be said that the bank is still in a build-up phase. The base for the operation is ICA's considerable flows of customers. ICA has a customer-card base comprising slightly more than three million customers, which is administered by the bank. Of these three million, 250,000 are currently bank customers, meaning customers who utilize ICA Banken's services. In other words, the potential here is great!

ICA Banken will continue to focus on increasing the volumes within its basic offering of bank services, while continuing to make it easier for customers and stores to handle payments and cash, in part by installing additional Automatic Telling Machines in selected ICA stores. After incurring considerable costs during its establishment phase, the bank has now made great progress towards operating at a profit.

Forma

If I now move on to Forma, our publishing subsidiary, I can start by stating that since we became the company's owner, it has undergone a proper restructuring and has now established a position as a modern and profitable publisher. Forma currently operates in accordance with a strategy that assigns priority to profitable growth within its core operations of consumer magazines, trade journals, customer magazines and books. Growth is to be achieved in part through the development of the existing business by adding new titles and in part through acquisition. The objective is to aggressively focus on achieving sales of SEK 1 billion by 2010, while maintaining an operating margin of 10%.

Forma's publications focus distinctly on such subject areas as food, home, leisure and shopping, which are quite simply consumer-oriented areas in which many people are interested and which provide both pleasure and knowledge. The consumer magazines published by Forma include several well-known names, including Sweden's largest weekly magazine, Icakuriren, and Sweden's largest monthly magazine Hus & Hem. The trade journals include several leading publications that focus on us in the retail sector, and as a book publisher Forma offers a range of best-selling trade-book publications.

I would also like to emphasize that Forma is a Nordic group, also with operations in Finland, Norway and the Baltic countries. In this context, Finland is particularly interesting, because the company also has three strong titles in this market that are developing well, including the country's largest magazine focusing on the home. And it recently launched a fourth title, a fashion magazine for a male readership.

Regardless of country or market, the creation of successful new magazines requires that Forma is better than other publishers at understanding the needs of advertisers and the requirements of readers. This is an area in which I am convinced that Forma is highly capable. In 2005, it presented a series of exciting new magazines and book titles, often on the basis of having first tested the market through the offering of "one-shot" issues.

Among several examples, I'd like to mention Vovve, Sweden's first lifestyle magazine for dog enthusiasts, which is a large and devoted target group. Vovve was first tested in 2004 and, following positive response from readers and advertisers, the title became a permanent publication in 2005. The same applied to the magazine called Smak, which focuses on those of us who believe that food is one of the essentials of life – and I daresay there are quite a few of us here at the Annual General Meeting!

Within the trade journal operations, Forma has developed an innovative and exciting concept around its magazine title Market, which focuses on everyone active in the retail sector. This initiative consists of a combination of a weekly magazine offering fast news about the trade, a more in-depth magazine that is issued quarterly and an Internet service, through which subscribers receive access to a large archive of facts, statistics and material from the magazines. The concept concerning Market is an excellent example of how new products can be developed on the basis of the same brand. The next step could be to offer additional auxiliary services, such as courses or seminars.

The book publisher also launched successful issues during the past year, such as GI, a book that helps us eat a little more healthily with the help of the ever so popular GI method.

Within the customer magazine operations – where Forma publishes relation-creating magazines on assignment from customers – several new assignments were secured in 2005. The customers for whom Forma currently produces magazines include ABB, Stadium, the Federation of Swedish Homeowners and the Swedish Tennis Federation. Other customers include ICA, whose magazine Buffé is distributed to nearly two million of ICA's regular customers.

In addition to its commercial successes, Forma also received considerable acclaim during 2005 in the form of a number of awards and nominations. For example, it was named Publisher of the Year by a trade magazine and also received the One-shot of the Year award for the Vovve magazine, which I described earlier. Moreover, it was nominated by Alecta for the Workplace of the Year award, thus emphasizing the excellent HR work performed in the company. By the way, I've also been informed that the company has been nominated for the Workplace of the Year award again this year.

As I mentioned earlier, creativity and new business concepts are fundamental ingredients for success, but others are needed too. To develop business and achieve growth, Forma also required the right technological and organization conditions.

During recent years, the company has invested substantially in its organization, technology and training. Strategic investments were also implemented in 2005, mainly in the form of a new advertising system and a new subscription system. While increasing the efficiency of the company's administration, these system also boost the effect of sales activities.

In addition to the growth achieved organically, acquisitions are an important part of Forma's strategy. Accordingly, it is gratifying to note that we were recently able to present the acquisition of B. Wahlströms Bokförlag. Wahlströms publishes large amounts of fiction and has many high-selling authors. However, many of us will mainly remember the name from our youths when we ploughed through such titles as Biggles, Kitty, Black Beauty, Tvillingdeckarna (Twin Detectives) and so forth. Wahlströms' books for young adults are still very popular, although probably mainly for more modern heroes and heroines. Accordingly, Wahlströms will be a solid complement to Forma's own book-publishing activities, which focus more on trade publications, thus enabling the company to penetrate new customer segments. Forma will continue to actively seek complementary acquisitions, both of entire companies and of individual magazines and titles.

Investment operations

Through our large investments in our holdings and through proactive work and responsible and long-term action, we intend to generate value growth, which will in turn be distributed to you shareholders. Our operations that focus on new investments are also characterized by the same philosophy. Through long-term investments in unlisted companies, and in cooperation with the management of these companies, we will work proactively to develop these holdings, thus generating value growth for our shareholders.

It is specifically this long-term approach that distinguishes Hakon Invest from many so-called venture capitalists. Another feature that sets us apart from others is that we concentrate on the retail sector. We regard this focus on a specific industry as completely natural, since it is in the retail sector that we have our distinct advantages. We trace our origins to the retail sector and the ICA sphere, and we have considerable experience from building up and developing retail-related, consumer-oriented companies.

Through our Board of Directors and our holdings, we also have an extensive and highly valuable network in the retail sector. This gives us access to knowledge and contacts within such areas as brand and relationship building, purchasing and logistics, private labels, store profiling and so forth, all of which are important success features in a retail operation. We also have experience in and understanding of the power of entrepreneurship and how to use this to build companies.

In my introduction, I mentioned that we have enjoyed a favourable reception in the market for investments. And I regard it as self-evident that the investment philosophy that we represent and the know-how that we offer are appreciated and in demand.

Obviously, we don't just sit and wait for external parties to contact us, but work actively and in a structured manner to ourselves identify potential investments. However, implementing the investments that we regard as sustainably correct requires precision and patience – it's a comprehensive process in which many factors have to fall into place. There is also a tremendous amount of capital out there at the moment looking for suitable objects, and the competition for companies is intense in certain sectors, and the prices are set accordingly. That's why we focus on those segments of the retail sector that are possibly not the hottest targets at present, and where the consolidation process has not made so much progress.

I am highly confident that the many discussions currently in progress will lead to one or more new holdings during the year. With that, I would also like to add that for us investment operations also entail making investments through our existing holdings, in the shape of complementary acquisitions. The acquisition of Wahlströms Bokförlag is a good example of this.

Interim report for January to March 2006

I hope that everything that I have just told you has provided slightly deeper insight into Hakon Invest, what we represent and how we work, and also about our holdings. I hope that you share my view that 2005 was a successful year, during which we also laid important building blocks for the future. And 2006 has also begun well, as apparent from the first-quarter report that we presented the other day.

Hakon Invest's operating profit during the first quarter rose by nearly 70% and our holdings continue to report a favourable trend.

With respect to ICA, we can state that the market initiatives launched last year in the form of the price offensive have further strengthened ICA's position in Sweden, that Rimi Baltic's strong growth is continuing and that the transformation work in Norway is beginning to yield effects – although first-quarter sales and earnings for Norway were not quite at the level we had expected.

Forma had a stable start to the year, with increases noted in both subscription and advertising revenues, while new titles have been launched in Sweden and Finland.

Last but not least, our financial management has continued to generate a healthy return and we currently have a better balance of risks in our portfolio.

Finally, I would like to state that I feel proud of leading this company and, together with my colleagues, I will work hard so that you, honoured shareholders, will continue to be satisfied with our performance in the future.

We are well equipped for the future. ICA and Forma are two excellent companies that have built a solid foundation upon which to generate future growth and profitability. If the opportunities we see within investment operations are added to this, I believe we can all look to the future with confidence.

Thank you.

Claes-Göran Sylvén, 10 maj 2006