

Year-end report 2007

January 1 – December 31, 2007

- Group revenues amounted to SEK 1,075 M (660). This represents an increase of 62.8% compared with the same period in 2006.
- Operating profit in the Group, including share of profits of ICA AB, amounted to SEK 768 M (885). The comparative figure includes the earnings impact from the sale of ICA Meny with SEK 122 M.
- Profit for the year amounted to SEK 1,326 M (1,054). Earnings per share amounted to SEK 8.30 (6.55) before and after dilution. The National Tax Board allowed Hakon Invest a tax deduction on losses on a shareholding, which had a positive effect on income tax of SEK 350 M.
- The Board of Hakon Invest proposes a dividend be paid for 2007 of SEK 6.00 (5.50) per common share.
- The ICA Group's revenues increased by 22.2%, including Rimi Baltic which was consolidated from January 1, 2007. Excluding Rimi Baltic the increase was 6.2%. Profit for the year for continuing operations was SEK 2,166 M (2,034).

October 1 – December 31, 2007

- Group revenues amounted to SEK 341 M (190).
- Operating profit for the Group improved to SEK 231 M (184).
- Profit for the period amounted to SEK 313 M (247). Earnings per share amounted to SEK 1.98 (1.53).
- The ICA Group's revenues increased by 25.6% including Rimi Baltic. Excluding Rimi Baltic revenues rose 8.6%. Profit for the period for continuing operations amounted to SEK 598 M (459).

Key figures				
SEK M	October - December		January - December	
	2007	2006	2007	2006
Group				
Revenues	341	190	1,075	660
Operating profit	231	184	768	885
Profit for the period	313	247	1,326	1,054
Earnings per common share, SEK	1.98	1.53	8.30	6.55
Earnings per C share, SEK	1.98	1.53	8.30	6.55
Equity/assets ratio, %			94.4	95.2
Return on capital employed, %			10.6	13.2
Return on equity, %			14.5	12.7
Parent Company				
Profit for the period	66	24	938	335

Hakon Invest, which is listed on the OMX Nordic Exchange in Stockholm, conducts active and long-term investment operations in retail-oriented companies in the Nordic region. Hakon Invest owns 40% of ICA AB, one of the Nordic region's leading food retail companies. Hakon Invest also has holdings in Forma Publishing Group, Kjell & Company, Hemma, Cervera and inkClub. Further information about Hakon Invest is available at www.hakoninvest.se

President's comments

2007 was a successful year for Hakon Invest. Our core holding, ICA, had a weak start to the year but had a very strong second half financially with good growth in sales and earnings. Within the investment operations InkClub was acquired during the year.

Both the Nordic and Baltic retail sector had a very strong year in 2007. Ahead of 2008 the scenario is more fragmented since we see a continued favorable development within food retail but clear signs of a weaker trend for consumer durables. This weakening started in the fourth quarter of 2007. Following over a decade of low inflation and low price increases for food, a trend reversal was noted in the second half of 2007 with higher raw material prices having an impact in all ICA's markets.

The ICA Group had another good year. Consolidation of operations in the Baltic countries led to a substantial increase in sales while a high rate of establishment, many modernizations and increased sales in the Swedish and Baltic stores also contributed. In Sweden major investment has been made in a new logistics network and a fully automated distribution center in Helsingborg. It will improve logistics efficiency in the future. In Norway, we can see signs that the investment in the Take-off program was correct. During 2007 activities were carried out to increase sales and profitability in the restructured store network but there is still a long way to go before satisfactory earnings are achieved. ICA Banken had a good inflow of customers during the year and reports a strong improvement in earnings. In the autumn, ICA Banken received the award Bank of the Year from the business magazine Veckans Affärer.

All in all, ICA showed very good profitability in 2007, taking into account the major investments charged against earnings in the first quarter.

Towards the end of the year, it was revealed that some Swedish ICA stores had handled date marking of meat incorrectly. ICA has therefore adopted a number of measures designed to further strengthen quality assurance, including training and quality audits. This is work that we support and will continue to monitor closely in the future.

In the investment operations, four acquisitions were carried out: the new portfolio company InkClub, and three acquisitions made by the portfolio companies Forma and Cervera. Our wholly owned subsidiary Forma acquired Damm Förlag and OTW, while Cervera acquired Anders Petter.

Work in the portfolio companies was intensive and action taken will gradually have an impact in the form of growth and profitability. During 2007 several of the portfolio companies' earnings were charged with the costs of these measures.

Since our financial management, which is performed at low risk, was still not fully able to fend off the declines in the financial market, we did not meet our targets. The continued anxiety in the financial market, however, is not all bad, on the contrary it can offer good business opportunities. We feel well equipped to make assertive use of our cash assets.

Claes-Göran Sylvén
President and CEO

Significant events in 2007

On November 22, Hakon Invest today received payment from the settlement fund that was set up in connection with settlement of the class action against the Dutch company Royal Ahold in the U.S. The amount paid to Hakon Invest was SEK 122 M and corresponds to approximately 95% of the company's total claim in the settlement. The remaining 5% is expected to be paid out within twelve months.

On July 11, 2007, Hakon Invest completed its acquisition of 50% of the capital and voting rights in inkClub, which conducts online sales of ink cartridges and printer accessories. inkClub has more than 1 million active customers in 14 European countries. The purchase price for the sales amounted to SEK 428 M.

Hakon Invest's wholly owned subsidiary Forma acquired Off The Wall AB (OTW) and Damm Förlag AB during the second quarter. OTW mainly comprises contract operations within customer magazines, television and PR and is a significant addition to Forma's Contract Publishing business. Damm Förlag AB publishes fiction and non-fiction for children, young people and adults.

On April 4, 2007, Hakon Invest increased its ownership in Hemmabutikerna i Sverige Utvecklings AB ("Hemma") from 49% to 59% of the capital and voting rights, through acquisition of existing shares. Hakon Invest paid SEK 14 M for the additional shares. Hakon Invest subsequently acquired additional shares in Hemma which increased the holding to 60% of capital and votes.

According to a decision from the National Tax Board in February, Hakon Invest was allowed a loss carry forward for the shareholding in the Dutch company Royal Ahold. This tax deduction relates to losses on the Ahold holding during tax years 2002-2005, which can be offset against taxable profits in the 2006 tax year and beyond. This resulted in a positive effect on income tax of SEK 350 M in the first quarter of 2007, of which SEK 67 M comprises current tax for tax years 2004-2006 and SEK 283 M comprises deferred tax.

ICA announced a number of major property sales in 2007. In January 2007 a portfolio of store properties was sold in Norway for NOK 516 M and the property Sjølyst Arken, west of Oslo, was sold in February for NOK 330 M. In April, Alta Storsenter was sold at an underlying property value of NOK 273 M. In Sweden, two properties were sold in May for SEK 237 M. In June, a portfolio of store properties was sold in Sweden for SEK 601 M. In November, ICA concluded an agreement to sell two properties to EPGF for SEK 199 M which will have a positive impact on ICA's operating profit of approximately SEK 60 M in the third quarter of 2008 at the latest.

In June 2007, the National Tax Board informed ICA that an interest deduction in ICA Finans AB of SEK 1.8 billion for the period 2001-2003 was disallowed. The Tax Board's demand amounts to SEK 710 M, including a tax surcharge and interest. ICA contests both the additional tax and the tax surcharge and has appealed against this decision in the County Administrative Court. The Tax Board has also submitted an application to the County Administrative Court related to an interest deduction of SEK 1.7 billion, made in 2004-2005. ICA is of the opinion that the deductions made were in accordance with tax legislation and has contested the National Tax Board's claim. In November, the National Tax Board withdrew its application relating to the years 2004-2005.

In February 2007, ICA introduced a new organization which means that the subsidiaries will have clearer profit responsibility and the number of group functions is reduced from four to three. These changes were carried out to better adjust the organization to the streamlining carried out last year and to enable cost savings over time.

Group

Revenues and profit

January 1 – December 31, 2007

Consolidated revenues amounted to SEK 1,075 M (660), of which revenues from Forma comprised SEK 795 M (660) and from Hemma SEK 280 M (0).

Consolidated operating profit amounted to SEK 768 M (885). The comparative figure from the previous year includes the earnings impact from the sold company ICA Meny of SEK 122 M.

Net financial items amounted to SEK 214 M (219). Financial management showed a positive return during the period January – December, well in line with the previous year. During the year SEK 122 M was received from the settlement fund set up in conjunction with the settlement of the class action against Royal Ahold in the U.S. In total, the return from the Group's financial management was over 8%. Excluding the compensation from Royal Ahold, the return was almost 4%, which is below the target for financial management of an annual return of 5%. During 2007, the OMX index fell 6%, the MSCI World Index rose 3.5% and OMRX T-bill increased by 3.4%.

Positive income tax is reported for the period of SEK 344 M (-50). The National Tax Board allowed Hakon Invest a tax deduction on losses on a shareholding, which had a positive effect on income tax of SEK 350 M.

Profit for the year was SEK 1,326 M (1,054). Earnings per share amounted to SEK 8.30 (6.55).

October 1 – December 31, 2007

Consolidated revenues amounted to SEK 341 M (190), of which Forma's revenues comprised SEK 242 M (190) and Hemma's SEK 98 M (0).

Consolidated operating profit increased to SEK 231 M (184).

Net financial items amounted to SEK 69 M (90). Payment from the settlement case in the U.S. is included in net financial items with SEK 122 M. The weak trend in the financial markets led to a negative return for the financial portfolio during the quarter. During the same period last year, the stock markets showed positive development.

Income tax was SEK 13 M (-27).

Profit for the period was SEK 313 M (247). Earnings per share amounted to SEK 1.98 (1.53).

Development in the holdings

Key figures January – December 2007

(SEK M)

Company Acquisition		ICA	Forma 1999	Kjell & Co 2006	Hemma ³⁾ 2006	Cervera ³⁾ 2006	InkClub 2007
Revenues	2007 2006	82,326 67,395	795 660	345 254	368 294	377 149	364 342
EBIT	2007 2006	2,602 2,297	30 37	-4 11	-30 2	-1 15	46 41
Cash flow from operating activities		4,169	-17	-9	-15	-51	36
Cash flow from investing activities		-149	-79	-10	11	-5	0
Assets		37,319	600	118	350	248	203
Equity		12,073	138	37	143	90	157
Interest-bearing net debt		2,344 ¹⁾	171	-1	77	4	-147
Participating interest % Hakon Invest's Investment		40% ²⁾	100% 200	50% ⁴⁾ 102	60% 105	45% 85	50% ⁴⁾ 431

Note.

¹⁾ Interest-bearing net-debt for ICA is exclusive of ICA Banken.

²⁾ Hakon Invest and Royal Ahold have joint control of ICA AB through an agreement requiring unanimity for all decisions made by the Annual General Meeting and the Board of Directors.

³⁾ Hemma and Cervera in its present form were established in 2006.

⁴⁾ Hakon Invest and the other major owners have joint control of the company through a shareholders agreement.

ICA

In **January – December** the ICA Group's revenues increased by 22.2% to SEK 82,326 M (67,395). With effect from January 1, 2007, Rimi Baltic is consolidated in the ICA Group's revenues. Excluding Rimi Baltic, ICA's revenues increased by 6.2% to SEK 71,590 M. Revenues increased in all segments. ICA Sverige's revenues increased by 6.5%, ICA Norge's by 4.0% and within ICA Banken revenues rose 12.7%. In local currency, ICA's revenues in Norway increased by 3.6% and in the Baltic countries by 19.4%.

The ICA Group's operating profit amounted to SEK 2,602 M (2,297), an increase of 13.3%. Operating profit includes capital gains from property sales and impairment of non-current assets of SEK 596 M (588).

Operating profit for ICA Sverige amounted to SEK 2,372 M (2,557). Operating profit includes capital gains from property sales and impairment of non-current assets of SEK 290 M (464). Operating profit was affected positively by higher sales volumes and an improved gross margin. Earnings were charged, however, with increased logistics costs as a result of the start-up of the new distribution center in Helsingborg. Some of the increased operating expenses within logistics were compensated by ICA's raised fees for logistics services to ICA retailers.

ICA Norge's operating profit amounted to SEK 144 M (114). Operating profit includes capital gains from property sales and impairment of non-current assets of SEK 308 M (124). Earnings were charged with increased wastage, the fact that newly opened stores are not yet profitable and by a number of unprofitable franchise stores taken over earlier in the year. Costs for product range development and marketing were also higher.

Rimi Baltic's operating profit improved to SEK 92 M. The comparable result for 2006 was SEK 20 M. Capital gains from property sales, including impairment losses, are included with SEK -3 M (71).

ICA Banken's operating profit improved to SEK 83 M (11). Business volumes increased by 9.3%. Lower depreciation, improved net interest income and higher commission revenues contributed to the improved earnings.

The ICA Group-Wide segment reports an operating loss of SEK 89 M (-373) in January - December. Lower group-wide costs, attributable among other things to ICA's earlier joint ventures, as well as some adjustments in the allocation of costs between the segments, improved earnings.

Profit for the year for continuing operations amounted to SEK 2,166 M (2,034).

During the **fourth quarter** the ICA Group's revenues increased by 25.6% to SEK 22,139 M (17,631). Excluding Rimi Baltic, which is consolidated since January 1, 2007, revenues rose 8.6% to SEK 19,143 M. ICA Sverige's revenues rose 7.9%. ICA Norge's revenues increased by 9.5%, and within ICA Banken revenues rose 18.5%. In local currency, ICA Norge's revenues increased by 2.5% and Rimi Baltic's by 17.3%.

The ICA Group's operating profit amounted to SEK 762 M (358). Operating profit includes capital gains from property sales, including impairment of non-current assets, with SEK 100 M (376).

ICA Sverige's operating profit increased to SEK 802 M (716). Operating profit includes capital gains from property sales, including impairment of non-current assets, with SEK 99 M (358). Higher sales volumes and a higher gross margin, partly due to increased charges for logistics services to ICA retailers, contributed to the improved earnings.

ICA Norge's operating loss was SEK 98 M (-214). Operating loss includes capital gains from property sales, including impairment of non-current assets, with SEK 5 M (19). Earnings were charged with increased wastage, the fact that newly opened stores are not yet profitable and by a number of unprofitable franchise stores taken over earlier in the year.

Rimi Baltic's operating profit improved to SEK 63 M. The comparable result last year was SEK 60 M. Operating profit includes capital gains from property sales, including impairments, with SEK -4 M (64).

ICA Banken's operating profit rose to SEK 24 M (6) in the fourth quarter due to lower depreciation, higher commission revenues and improved net interest.

The ICA Group-Wide segment reported an operating loss of SEK 29 M (-166). Lower group-wide costs and some adjustments in cost allocation improved earnings.

Profit for the period for continuing operations was SEK 598 M (459) during the quarter.

Forma

In **January – December** Forma's revenues amounted to SEK 795 M (660). Revenues from contract operations and books increased during the year as a result of Forma's acquisition of OTW and Damm Förlag during the spring and B. Wahlströms Bokförlag last year. Consumer magazines show lower revenues due to increased competition and fewer titles than last year. Trade magazines showed stable development.

Operating profit was SEK 30 M (37). Integration of acquired operations and costs for the launch of the new Icakuriren were charged against earnings.

Profit for the year amounted to SEK 17 M (27).

During the **fourth quarter** Forma's revenues amounted to SEK 242 M (190). The increase is mainly due to the inclusion in Forma's revenues of the acquired companies OTW and Damm Förlag. Consumer magazines showed increased revenues during the quarter as a result of higher advertising revenues and good December sales in Finland.

Operating profit amounted to SEK 32 M (24). The acquired operations contributed to the improvement in earnings while operating profit for consumer and trade magazines was slightly lower than in the same quarter in 2006.

Profit for the period was SEK 23 M (18).

Kjell & Company

In **January – December** revenues for Kjell & Company amounted to SEK 345 M (254). This represents an increase of 36%. Twelve new stores were opened during the period and at year-end 2007 Kjell & Company had 29 stores in Sweden.

Operating loss amounted to SEK 4 M (+11). A high rate of establishment for new stores during the year was charged against earnings. Loss for the year amounted to SEK 3 M (+7).

During **fourth quarter** revenues for Kjell & Company amounted to SEK 117 M (84), corresponding to a sales increase of 39%.

Operating profit for the period was SEK 4 M (6) and profit for the period was SEK 5 M (4).

During the fourth quarter three stores were opened, in Uppsala, Vällingby and Täby. At the end of 2007 Thomas Keifer was recruited as the new president of Kjell & Company. He will take up his position in the spring and take over from Mikael Dahnelius, who will focus on sales and establishment issues.

Hemma

The white goods retail chain Hemma reported revenues of SEK 368 M in **January – December**. Since the Hemma chain, in its present structure, was formed at the beginning of 2007, there are no comparative figures for the full-year 2006. A major change program has been under way during the year which included recruitment of a new management and strengthening of other central functions.

Operating loss amounted to SEK 30 M and loss for the year was SEK 23 M.

During the **fourth quarter** Hemma's revenues amounted to SEK 98 M and the operating loss was SEK 22M. Loss for the period was SEK 12 M.

Earnings were charged with impairment losses on inventories and costs linked to the restructuring carried out during the year.

Cervera

Cervera's revenues for the period **January – December** amounted to SEK 377 M. Since Cervera, in its present structure, was formed in September 2006, there are no comparative figures for the full-year 2006. During the year Cervera carried out a review of its concept and product range – areas that will be further developed in 2008.

Cervera's operating loss in 2007 amounted to SEK 1 M. Loss for the year was SEK 2 M.

In the **fourth quarter** Cervera's revenues amounted to SEK 159 M and operating profit was SEK 21 M. Profit for the period was 16 M.

In January 2008, Hakon Invest increased its holding in Cervera from 45% to 48%, through acquisition of existing shares. Hakon Invest paid approximately SEK 5 M for the additional shares.

inkClub

Acquisition of 50% in the online retail company inkClub was completed in July 2007. A share of profit from inkClub is reported in Hakon Invest with effect from July.

InkClub's revenues for the period **January – December** amounted to SEK 364 M (342). InkClub's operating profit amounted to SEK 45 M (41). Profit for the year was SEK 34 M (33).

During the **fourth quarter** inkClub's revenues amounted to SEK 94 M (85) and operating profit was SEK 13 M (6). Profit for the period was SEK 9 M (3).

During the autumn inkClub's board and management decided on a new web platform and a new European logistics center.

Financial position

The Group's cash and cash equivalents and the current value of short-term investments at December 31, 2007 amounted to SEK 2,292 M compared with SEK 2,717 M at December 31, 2006.

At December 31, 2007, financial investments under external management amounted to SEK 1,776 M and investments under internal management to SEK 516 M. At year-end investments were distributed as follows: 29% equities, 24% fixed-income securities, 35% hedge funds and 12% cash and cash equivalents.

The Hakon Invest Group's non-current financial liabilities amounted to SEK 73 M (16).

The equity/assets ratio at the end of the period was 94.4% (95.2).

Cash flow

Cash flow from operating activities amounted to SEK 633 M (166) in 2007. The change is primarily attributable to an increased dividend from ICA AB and a change in working capital. Dividend received from ICA AB amounted to SEK 383 M (244).

Cash flow from investing activities amounted to SEK -204 M (-17). Changes in short-term investments are included with SEK 301 M (334), while acquisition of participations in new companies and investments and divestments in non-current assets are included with SEK -505 M (-351).

In May 2007 a dividend of SEK 5.50 per common share was paid to shareholders which affected cash flow from financing activities by SEK -433 M (-355).

Cash and cash equivalents decreased to SEK 281 M (349) at December 31, 2007.

Parent Company

Revenues and profit

January 1 – December 31, 2007

The Parent Company's revenues amounted to SEK 0 M (0) during the period.

Operating profit amounted to SEK -64 M (-60). The financial result amounted to SEK 612 M (466). During the year Hakon Invest received SEK 122 M from the settlement fund established in conjunction with the class action against Royal Ahold in the U.S.

Positive income tax of SEK 320 M (-32) is reported for the period. The positive income tax is due to the National Tax Board allowing Hakon Invest AB a tax deduction on losses on the shareholding in the Dutch company Royal Ahold attributable to previous years.

Profit for the year amounted to SEK 938 M (335).

October 1 – December 31, 2007

The Parent Company's revenues amounted to SEK 0 M (0) in the fourth quarter of 2007.

Operating loss amounted to SEK 19 M (-16). The financial result was SEK 76 M (91). During the period Hakon Invest received SEK 122 M from the settlement fund established in conjunction with the class action against Royal Ahold in the U.S.

Profit for the period was SEK 66 M (24).

Financial position

The Parent Company's cash and cash equivalents and the current value of short-term investments at December 31, 2007, was SEK 2,237 M compared with SEK 2,627 M at December 31, 2006.

The Parent Company has no non-current financial liabilities, SEK 0 M (0).

The equity/assets ratio at the end of the period was 98.9% (97.4).

Share information

Share capital in Hakon Invest amounts to SEK 402,293,590 distributed among 160,917,436 shares, each with a par value of SEK 2.50. Hakon Invest's earnings per share are calculated based on profit after tax and an average number of shares during the period January – December of 160,821,049.

In March 2007, Hakon Invest repurchased 128,200 common shares to cover allocations under the 2006 option program. The number of C shares amounted to 82,067,892 and the number of common shares was 78,721,344 at the end of the period.

Common shares and C shares carry the same voting rights. While common shares have an unlimited dividend entitlement, C shares do not carry entitlement to cash profit distribution, to the extent the Annual General Meeting decides on cash dividends. Such entitlement may include C shares in 2016 at the earliest. C shares carry entitlement to profit distribution through distribution in kind.

Dividend

The Board of Directors of Hakon Invest proposes an ordinary dividend of SEK 6.00 per common share for 2007. The dividend totals SEK 472 M, and corresponds to 50.4% of the Parent Company's profit for 2007. In 2006, a dividend of SEK 5.50 per common share was paid.

Significant events after the end of the period

In February 2008, 3,529,800 shares were acquired in Hemtex AB, which corresponds to 12.1% of the share capital and voting rights.

The Board of Directors of ICA AB propose that the dividend ratio increases to 50% for the year 2007, compared to the ordinary level of 40%.

Other information

At Hakon Invest's Annual General Meeting in 2007 it was decided to introduce an annual performance-based incentive program, consisting of a bonus and option program. The program includes the CEO, other members of the management group and certain key personnel. For 2007, a bonus became payable if earnings per share increased by 15% and a maximum payout was subject to an increase in earnings per share of 22%. In 2007 the maximum payout criteria for the bonus program were met. The call option program for 2007 comprises a maximum of 350,000 options each of which carries entitlement to purchase one common share.

The Board of Hakon Invest has decided that the company, within the framework of authorization from the Annual General Meeting, shall repurchase up to 240,000 common shares in order to cover the allocation in this year's option program. The shares shall be repurchased over the OMX Nordic Exchange at a market price during the period March 1 until and including April 8, 2008. Hakon Invest's holding of treasury shares, before the repurchase decided by the Board, amounts to 128,200 shares.

Future outlook

Our assessment of the retail trade market development is generally positive. There are, however, more uncertain factors than there were one year ago and it is highly probable that the growth rate will slow somewhat in the years ahead.

Development for interest rates and in the housing market will probably affect consumer choice to some extent in the future. The capital-intensive sectors, such as furniture, building materials and home electronics, are expected to have a tougher time in the future while salary-based consumption such as clothes, shoes and food is expected to continue to develop well.

We still believe that households' disposable income will rise in 2008, something that will benefit both the retail and service sectors. The growth in retail will therefore continue during 2008, even though in a somewhat slower pace. It is reasonable to assume that the growth rate will end up somewhere around five percent.

Risks and uncertainties

Hakon Invest works with a number of basic principles for managing risks in different parts of its operations. This is regulated and managed via a formal work plan for the President and the Board. All investments are inherently uncertain and ahead of each investment Hakon Invest carries out a careful evaluation designed to identify and if possible reduce the risks that may be associated with the investment. The holding in ICA AB constitutes a significant part of the company's assets and is therefore of particular importance for an assessment of Hakon Invest.

Hakon Invest's financial policy stipulates how financial risks are to be managed and limited. The policy also provides a framework for management of financial assets, which is conducted both internally and externally. More information about Hakon Invest's risk management is provided on pages 22 – 23 and 60 – 61 of the 2006 Annual Report. No significant changes have occurred since the annual report was published.

Related-party transactions

No significant transactions between Hakon Invest and related parties took place during the period.

Key figures Hakon Invest

	October - December		January - December	
	2007	2006	2007	2006
Gross margin, %	34.7	50.5	38.3	48.8
Operating margin, %	67.9	96.4	71.4	134.0
Net margin, %	92.1	129.5	123.3	159.6
Return on equity, %			14.5	12.7
Return on capital employed, %			10.6	13.2
Equity/assets ratio, %			94.4	95.2
Share				
Earnings per common share, SEK	1.98	1.53	8.30	6.55
Earnings per C share, SEK	1.98	1.53	8.30	6.55
Share price at the end of the period, SEK			132.50	157.00
Dividend per share, SEK			6.00	5.50
Dividend, M			472	433
Dividend ratio, %			50.4	129.2
Equity per share, SEK			60.92	53.75
Cash flow per share, SEK			-0.43	-1.28
Number of common shares			78,721,344	78,849,544
Number of C shares			82,067,892	82,067,892
Number of shares at the end of the period			160,789,236	160,917,436

Definitions

Capital employed Balance sheet total less non-interest bearing liabilities and provisions.

Cash flow per share Cash flow for the period divided by the total number of shares.

Dividend payout ratio Dividend as a percentage of the Parent Company's profit for the period.

Earnings per common share Profit for the period, excluding minority interests, divided by the average total number of shares.

Earnings per C share Same definition as in the case of earnings per common share, since common shares and C shares provide entitlement to equal participation in earnings and shareholders' equity. The C share does not, however, give entitlement to a cash dividend, as opposed to the common share.

Equity/assets ratio Equity excluding minority interests as a percentage of the balance sheet total.

Equity per share Equity excluding minority interests divided by the total average number of shares.

Gross margin Gross profit as a percentage of revenues.

Net margin Profit for the period as a percentage of revenues.

Operating margin Operating profit as a percentage of revenues.

Return on capital employed Profit after financial items plus financial expenses, calculated on a rolling 12-month period as a percentage of average capital employed during the same period.

Return on equity Profit for the period, excluding minority interests, calculated on the basis of a rolling 12-month period as a percentage of average equity excluding minority interests during the same period.

Financial statements

Condensed consolidated income statement

SEK M	Note	October - December		January - December	
		2007	2006	2007	2006
Revenues	2	341	190	1,075	660
Cost of goods sold		-223	-94	-664	-338
Gross profit		118	96	411	322
Other operating income		11	-2	29	1
Selling expenses		-105	-42	-316	-164
Administrative expenses		-32	-45	-187	-184
Other operating expense		-1	-	-1	-
Share of profit of companies accounted for using the equity method	3	240	177	832	910
Operating profit	2	231	184	768	885
Net financial items		69	90	214	219
Profit after net financial items	2	300	274	982	1,104
Income tax		13	-27	344	-50
Profit for the period	2	313	247	1,326	1,054
Of which attributable to equity holders of the parent		318	247	1,334	1,054
Of which attributable to minority		-5	-	-8	-
Earnings per share, before and after dilution (SEK)					
Common share		1.98	1.53	8.30	6.55
C-share		1.98	1.53	8.30	6.55

Condensed consolidated balance sheet

SEK M	Note	Dec, 31	
		2007	2006
ASSETS			
Non-current assets			
Goodwill		279	101
Interest in companies accounted for using the equity method	3	7,016	5,962
Other non-current assets		341	109
Total non-current assets		7,636	6,172
Current assets			
Miscellaneous current assets		451	198
Short-term investments		2,011	2,368
Cash and cash equivalents		281	349
Total current assets		2,743	2,915
TOTAL ASSETS	2	10,379	9,087
EQUITY AND LIABILITIES			
Equity		9,796	8,650
Non-current liabilities		210	212
Current liabilities		373	225
TOTAL EQUITY AND LIABILITIES		10,379	9,087

Condensed consolidated cash flow statement

SEK M	January - December	
	2007	2006
Cash flow from operating activities	633	166
Cash flow from investing activities	-204	-17
Cash flow from financing activities	-498	-355
Cash flow for the period	-69	-206
Cash and cash equivalents at January 1	349	556
Exchange differences in cash and cash equivalents	1	-1
Cash and cash equivalents at the end of the period	281	349

Condensed consolidated statement of changes in equity

Changes in condensed consolidated equity December 31, 2007

SEK M	Attributable to Parent company's shareholders	Attributable to minority
Opening equity January 1, 2007	8,650	-
Exchange rate differences, etc.	261	-
Total income and expense recognized directly in equity	261	0
Profit for the period	1,334	-8
Total income and expense	1,595	-8
Purchase of treasury shares	-18	-
Payment for call options	2	-
Acquisition	-1	8
Shareholder contribution	1	-
Dividend	-433	-
Closing equity	9,796	0

Changes in condensed consolidated equity December 31, 2006

SEK M	Attributable to Parent company's shareholders	Attributable to minority
Opening equity January 1, 2006	7,920	-
Exchange rate differences, etc.	30	-
Total income and expense recognized directly in equity	30	0
Profit for the period	1,054	-
Total income and expense	1,084	0
Shareholder contribution	1	-
Dividend	-355	-
Closing equity	8,650	0

*) Opening balance for the year 2006, less SEK 5 M an adjustment for changed accounting principle due to financial guarantees according to IAS 39 and less SEK 6 M due to changed accounting principle for ICA Banken annual fee.

Condensed Parent Company income statement

SEK M	October - December		January - December	
	2007	2006	2007	2006
Revenues	0	0	0	0
Administrative expenses	-19	-16	-64	-60
Operating loss	-19	-16	-64	-60
Result from financial investments	76	91	612	466
Profit after financial items	57	75	548	406
Appropriations	0	-39	70	-39
Profit before tax	57	36	618	367
Tax	9	-12	320	-32
Profit for the period	66	24	938	335

Condensed Parent Company balance sheet

SEK M	Dec 31,	
	2007	2006
ASSETS		
Non-current assets		
Interests in group companies	206	201
Interests in joint ventures	2,960	2,960
Other non-current assets	1,052	301
Total non-current assets	4,218	3,462
Current assets		
Miscellaneous current assets	8	22
Short-term investments	2,010	2,368
Cash and cash equivalents	227	259
Total current assets	2,245	2,649
TOTAL ASSETS	6,463	6,111
EQUITY AND LIABILITIES		
Equity	6,392	5,902
Untaxed reserves	0	70
Non-current liabilities	44	87
Current liabilities	27	52
TOTAL EQUITY AND LIABILITIES	6,463	6,111

Note 1 Accounting principles

This year-end report is prepared according to the Annual Accounts Act and IAS 34 Interim Financial Reporting. The accounting principles and calculation methods applied are the same as those applied in the most recent annual report.

Effective from 2007 IFRS 7 Financial Instruments is applied, as well as an amendment to IAS 1 Presentation of Financial Statements. IFRS 7 and the amendment to IAS 1 do not lead to any change in recognition and measurement of financial instruments, but only change the disclosure requirements compared with IAS 32 and IAS 30.

In order to prepare financial reports in accordance with IFRS, management is required to make assessments and estimates and to make assumptions that affect the application of the accounting principles and the carrying amounts in the income statement and balance sheet. Estimates and assumptions are based on historical experience and are regularly reviewed. The results of these estimates and assumptions are then used to determine the recognized values of assets and liabilities. Fair value may deviate from these estimates.

Note 2 Segment reporting

January - December SEK M	Publishing operations		White goods operations *		Other, incl. Eliminations		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
External revenues	795	660	280	-	-	-	1,075	660
Operating profit/loss	30	37	-29	-	767	848	768	885
Profit/loss after financial items	23	34	-32	-	991	1,070	982	1,104
Profit/loss for the period	17	27	-21	-	1,330	1,027	1,326	1,054
Assets	600	446	346	-	9,433	8,641	10,379	9,087
Liabilities	462	325	203	-	-82	112	583	437
Investments	105	89	0	-	441	262	546	351
Depreciation	13	13	3	-	-	-	16	13

Note 3 Interests in companies accounted for using the equity method

SEK M	Book value Dec 31,		Share of profit January - December	
	2007	2006	2007	2006
ICA AB	6,379	5,672	830	907
Bra Förlag AB	6	4	1	1
Trade Press AS	9	7	1	1
Kjell & Co Elektronik AB	104	106	-2	3
Hemmabutikerna i Sverige Utveckling AB	-	88	-1	-2
Cervera AB	84	85	-1	-
inkClub Development AB	434	-	4	-
	7,016	5,962	832	910
Of which discontinued operations		122		122

Note 4 Business combinations

Subsidiaries

On April 4, Hakon Invest became the majority shareholder in **Hemma** (Hemmabutikernas i Sveriges Utvecklings AB) through acquisition of an additional 9% of existing shares for SEK 14 M. Hakon Invest has thus increased its holding to 59% of the capital and voting rights in Hemma. Goodwill in connection with the acquisition comprises synergy effects including economies of scale within purchasing and logistics. On August 21, Hakon Invest acquired an additional approximately 1% of the shares in Hemma for SEK 1 M and thereby owns a total of 60% of the shares. After this add-on acquisition of approximately 9% Hemma contributed sales of SEK 280 M and a net loss of SEK 21 M.

On May 2, Hakon Invest's wholly owned subsidiary **Forma** completed the acquisition of **Damm Förlag AB** in accordance with the agreement that was signed and announced on March 8. Damm Förlag publishes fiction and non-fiction for children, young people and adults. 100% of the shares in the company were acquired for SEK 8 M including acquisition costs. Goodwill in connection with the acquisition of Damm Förlag primarily consists of synergies relating to reduced distribution costs and revenue synergies. After the acquisition, the acquired operations contributed sales of SEK 80 M and a net loss of SEK 4 M to the Group's earnings.

Forma completed the acquisition of 88% of the shares in **OTW** (Off The Wall AB) on May 31 in accordance with the agreement signed and announced on May 24. Forma previously owned 12% of the share capital, which means that Forma now owns 100% of the shares in OTW. OTW is a leader in editorial communications in Sweden. 88% of the shares in the company were acquired for SEK 100 M including acquisition costs. The value of goodwill mainly includes synergies within personnel and organization. After the acquisition the company contributed sales of SEK 62 M and a net profit of SEK 10 M to the Group's earnings.

The assets and liabilities included in the acquired companies are as follows:

	Hemma		Damm		OTW	
	Carrying amount in acquired company*	Value according to acquisition value	Carrying amount in acquired company*	Value according to acquisition value	Carrying amount in acquired company*	Value according to acquisition value
M						
Brand	42	42		6		32
Customer relations						6
Order book						1
Tangible assets	25	25			2	2
Financial assets	2	2				
Inventories	91	91	32	32		
Current receivables	26	26	30	30	15	15
Prepaid expenses and accrued revenues	51	51	2	2	1	1
Cash and cash equivalents	6	6			5	5
Provisions			-7	-7		
Deferred tax liability	-22	-22	6	4	-3	-14
Non-current liabilities	-90	-90	-38	-38		
Current liabilities	-110	-110	-27	-27	-18	-18
Acquired identifiable net assets	21	21	-2	2	2	30
Less minority		-9				
Share in profits during period		4				
Goodwill		89		6		83
Purchase price for shares in subsidiary		103		7		112
Acquisition costs		2		1		1
Total acquisition cost		105		8		113
Total acquisition cost for acquisitions during the period		14		8		100
Cash and cash equivalents in acquired subsidiary		-6		0		-5
Change in cash and cash equivalents at acquisitions for the period		8		8		95

* Accounted for in the company with applications of Hakon Invest's principles.

The table below shows how companies acquired during the period would have affected Hakon Invest's sales and earnings if they had been acquired at January 1, 2007.

	Hakon Invest Group	Acquired companies before the time of the acquisition	Hakon Invest Group pro forma
SEK M			
Revenues	1,075	160	1,235
Profit for the period	1,326	-14	1,312

Associates and joint ventures

Acquisition of 50% of the shares in the online retailer **inkClub** (inkClub Development AB) were acquired on July 11, in accordance with the agreement signed and announced on June 19, 2007. Hakon Invest's investment amounted to SEK 431 M including acquisition costs. Hakon Invest and other principal owners have through an agreement joint control of inkClub, which is therefore a joint venture.

The table below shows a summary of the acquisition analysis.

	inkClub
SEK M	
Purchase price for shares in associates and joint ventures	428
Acquisition costs	3
Total acquisition cost	431
Hakon's share of identified acquired assets:	
Fixed assets	229
Current assets	89
Long-term liabilities	0
Current liabilities	-21
Hakon's share of identified acquired assets:	297
Goodwill	134
Shares in earnings of companies reported in accordance with the equity method	431

Hakon Invest discloses the information provided herein pursuant to the Swedish Securities Exchange and Clearing Operations Act and/or the Swedish Act on Trading in Financial Instruments. The information was submitted for publication 08.00 CET on February 20, 2008.

This year-end report has not been reviewed by the company's auditors.

Stockholm, February 20, 2008

Claes-Göran Sylvén
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Press and analyst meeting

At 10.30 CET on Wednesday, February 20, Hakon Invest will hold a press and analyst meeting in Salén Konferens at Norrlandsgatan 15 in Stockholm. Notify attendance at ir@hakoninvest.se. The press and analyst meeting will be webcast and can be watched at www.hakoninvest.se.

Financial calendar

Interim report for January – March will be presented on Wednesday, May 7, 2008.
Interim report for January – June will be presented on Wednesday, August 6, 2008.
Interim report for January – September will be presented on Wednesday, November 5, 2008.

2008 Annual General Meeting

Hakon Invest's 2008 AGM will be held on at 16.00 CET on Tuesday, April 22 at Grand Hôtel in Stockholm.

Shareholders who have proposals and opinions relating to the work of the Nomination Committee are invited to submit the same no later than Friday, February 26, 2008. A shareholder who wishes to have a matter considered at the Annual General Meeting shall submit such a request no later than Tuesday, March 4. Such requests shall be addressed to "the Chairman of the Board" and sent to Fredrik Hägglund, Hakon Invest, Box 1508, SE-171 29 Solna, or via e-mail to fredrik.hagglund@hakoninvest.se.

Notice of the Annual General Meeting will be published on Wednesday, March 19, 2008..

Annual Report for 2007

Hakon Invest's 2007 Annual Report will be published on the website on March 12 and be available in a printed version from the head office from April 3.

ICA AB

ICA's complete year-end report can be accessed at www.ica.se.