Year-End Report Axfood AB (publ)

For the period 1 January–31 December 2009

2009 Q1 Q2 Q3 Q4

- Axfood's consolidated sales for the year amounted to SEK 32,378 m (31,663), an increase of 2.3%.
- Retail sales for Group-owned stores rose 2.5% for the year. Like-for-like sales rose 0.9%.
- Operating profit for the period January–December was SEK 1,128 m (1,077).
- Profit after financial items for the year was 1,082 m (1,011).
- Profit after tax for the year was SEK 793 m (737), and earnings per share were SEK 15.13 (14.05).
- The Board of Directors proposes a dividend of SEK 10 (8).
- Axfood's goal for 2010 is to achieve an operating profit in level with 2009.

KEY RATIOS

	Oct.-Dec.		Jan.-Dec.	
SEK m	2009	2008	2009	2008
Net sales	8,431	8,144	32,378	31,663
Operating profit	290	277	1,128	1,077
Operating margin, %	3.4	3.4	3.5	3.4
Profit after financial items	278	264	1,082	1,011
Profit after tax	200	199	793	737
Earnings per share, SEK[1]	3.83	3.79	15.13	14.05
Equity ratio, %	-	-	36.7	30.7
Return on capital employed, %	-	-	31.8	32.0
Return on shareholders' equity %	-	-	32.4	33.4
Net asset value per share, SEK	-	-	50.22	43.06

1) Before and after dilution.

CEO'S COMMENTS

2009 can be summed up as yet another good year for Axfood, despite the impact of the global financial crisis and cautious consumers. Earnings were strong, with stable sales growth, a positive operating result for all operating units, and continued very good cost control.

Hemköp reversed its earnings trend during the year and reported a profit of SEK 28 m (-8), despite booked restructuring costs of SEK 46 m. This can be credited to an improved gross profit, greater cost control, and a changed price and product range strategy. We also closed or converted unprofitable stores – eight Group-owned and five proprietor-run. The next step will involve implementing the new improved customer offer that was introduced in January. This, together with a higher pace of campaign activities, will secure sales growth and continued profitability.

Willys has defended its position as "Sweden's cheapest bag of groceries" in an increasingly price-focused market. Sales and earnings were stable, with an operating margin of 4.2% (4.4%) and growing customer numbers. During the year we further developed our price and product range strategy while making improvements to the customers' shopping experience. As part of this, the modernization and development of stores continued, and by year-end a total of 28 stores had been adapted to the new model. Willys also opened five new stores.

At PrisXtra, sales and earnings have not yet reached anticipated levels. A contributing factor to this is the road construction that has obstructed the flow of customers to the chain's two largest stores in Stockholm. Work during the year was largely dominated by the integration with Axfood. This project was concluded during the autumn, and the focus moving forward is on strengthening store operations and the customer offer in an effort to achieve improved profitability and growth.

Axfood Närlivs has held its own against tougher competition as well as the weak economy, and reported continued good profitability in all areas. During the year we saw a favourable sales trend in the cash and carry business as a result of improved store operation and development of the product range. We also increased our wholesale volumes of car accessories and fast food through a new three-year agreement that was signed with EMAB[1].

Dagab strengthened its delivery reliability through measures to increase the accuracy of deliveries. Efficient logistics are becoming increasingly important. As part of this work, the implementation of Autoorder continued, as did the launch of voice-directed picking in the warehouses. The resumed cooperation with the Vi stores began in November.

To establish an integrated, modern IT platform, at the start of the year we began work on implementing a new business system which will better support all of Axfood's strategies. The project will continue over five years, during which time we expect to invest a total of SEK 500-600 m.

Indications are high that 2010 will also be characterized by strong price competition and price-conscious customers. We will therefore meet and exceed our customers' expectations for prices, product selection,

[1] EMAB AB is an organization for independent service station stores covering purchasing coordination, marketing/campaigns and business development.

shopping experience and service. Our ambition is to ensure continued profitable growth through efficiency improvements and good cost control.

A few priority areas will be to continue developing our concepts, optimize store operations, refine our price and product range strategies, and stimulate sales. We will also further develop our successful private label strategy. Parallel with this we intend to step up the pace of new-store establishment.

With the addition of several new stores and an intensive phase for our new business system, we expect our capital expenditures in 2010 to be in the range of SEK 750-850 m (633).

Axfood's goal for 2010 is to achieve an operating profit in level with 2009.

Anders Strålman
President and CEO

IMPORTANT EVENTS DURING THE FOURTH QUARTER

- Axfood began selling over-the-counter pharmaceuticals.
- The cooperation with the Vi stores began as planned in November.
- The Hemköp store in Sisjön, Gothenburg, was converted to Willys.
- Willys hemma opened a new store in Hagalund, outside Stockholm.

IMPORTANT EVENTS EARLIER IN THE YEAR

- On 10 February a new plant for production of centrally packaged meat was inaugurated. The plant is run by Danish Crown.
- A Hemköp store in Örebro was converted to Willys.
- Willys opened a new store in Hemsta, in southern Gävle, and one in Eskilstuna. Willys hemma opened a new store in Vara.
- At the Annual General Meeting on 10 March, Fredrik Persson was elected as the new Chairman of the Board, and Odd Reitan was elected as a new director.
- Axfood Närlivs renewed and broadened its cooperation with EMAB[2] in a three-year contract.
- Benny Hast was appointed as President of Dagab, and Nicholas Pettersson was appointed as President of Axfood Närlivs.
- Markus Lönnroth was appointed as President of PrisXtra.

CHANGE IN STORE STRUCTURE, JAN.-DEC. 2009

	Dec. 2008	Establish-ment	Acquisitions	Sales/ closures	Conversions to/from	Dec. 2009
Hemköp	80			-5	-3	72
Willys[1)]	140	2	3	-1	3	147
PrisXtra	6					6
Total, wholly owned	**226**	**2**	**3**	**-6**	**-**	**225**
Hemköp franchises	89		2	-5		86

1) Of which, Willys hemma 34 (31).

NET SALES, OWN AND FRANCHISE STORES

	Oct.-Dec. 2009, SEK m	% 1)	Like-for-like sales %1)	Jan.-Dec. 2009, SEK m	% 1)	Like-for-like sales %1)
Hemköp	1,344	-6.5	-0.3	5,275	-5.5	-2.7
Hemköp franchises	989	-0.8	1.8	3,919	-0.3	0.8
Hemköp total	**2,333**	**-4.1**	**0.5**	**9,194**	**-3.4**	**-1.2**
Willys total	**4,527**	**3.9**	**0.2**	**17,589**	**4.8**	**1.7**
PrisXtra	**183**	**-9.9**	**-9.4**	**725**	**11.0**	**-9.4**
Total	**7,043**	**0.7**	**0.5**	**27,508**	**2.1**	**0.8**

1) Percentage change compared with the corresponding period a year ago. For PrisXtra the comparison period is February–December.

[2] EMAB AB is an organization for independent service station stores covering purchasing coordination, marketing/campaigns and business development.

SALES AND EARNINGS FOR THE AXFOOD GROUP

Consolidated wholesale and retail sales for the Axfood Group totalled SEK 32,378 m (31,663) for the year, an increase of 2.3%. Store sales for the Axfood Group (wholly owned stores and Hemköp franchises) amounted to SEK 27,508 m (26,943), an increase of 2.1%. Sales for Axfood-owned stores rose 2.5% for year, with a 0.9% rise in like-for-like sales.

Operating profit for the year was SEK 1,128 m (1,077). The operating margin for the year was 3.5% (3.4%).

Net financial items totalled SEK -46 m (-66), and profit after financial items was SEK 1,082 m (1,011). The margin after financial items was 3.3% (3.2%). Profit after tax was SEK 793 m (737).

Axfood has no significant transactions with related parties, other than transactions with subsidiaries.

CAPITAL EXPENDITURES

Total capital expenditures during the year amounted to SEK 633 m (1,158), of which SEK 4 m (477) pertained to acquisitions of businesses. In January of the preceding year, PrisXtra was acquired. In addition, SEK 277 m (371) pertained to investments in non-current assets in retail operations, SEK 113 m (128) to investments in non-current assets in wholesale operations, and SEK 184 m (129) to IT development.

FINANCIAL POSITION

Cash flow from operating activities for the year before paid tax was SEK 1,800 m (1,435). Paid tax amounted to SEK -242 m (-283). Cash and cash equivalents held by the Group amounted to SEK 316 m, compared with SEK 312 m in December 2008. Interest-bearing assets amounted to SEK 316 m at year-end, compared with SEK 325 m in December 2008. Interest-bearing liabilities and provisions totalled SEK 848 m at year-end, compared with SEK 1,394 m in December 2008. Interest-bearing net debt was SEK 532 m at year-end, compared with SEK 1,069 m in December 2008. Payout of the shareholder dividend affected cash flow by SEK -420 m (-630), and net capital expenditures affected cash flow by SEK -593 m (-1,108).

The equity ratio was 36.7%, compared with 30.7% as per December 2008.

EMPLOYEES

The Axfood Group had an average of 6,816 employees (6,847) during the year. Of the Group's employees, slightly fewer than 75% work in stores and slightly fewer than 20% in the wholesaling operations.

STORE OPERATIONS

WILLYS

Sales for Willys totalled SEK 17,589 m (16,776) during the period January–December, an increase of 4.8% compared with a year ago. Like-for-like sales rose 1.7% during the same period. Sales during the fourth quarter totalled SEK 4,527 m (4,355).

Operating profit for the year was SEK 731 m (730). The operating margin was 4.2% (4.4%). Operating profit for the fourth quarter was SEK 188 m (181).

The private label share as of December was 23.6% (23.4%) for Willys and 28.3% (27.1%) for Willys hemma.

Willys has defended its position as "Sweden's cheapest bag of groceries" in an increasingly price-focused market. During the year Willys further developed its price and product range strategy while making improvements to the customer shopping experience. As part of this, the modernization and development of stores continued, and by year-end a total of 28 stores had been adapted to the new model.

During the year, two Willys and three Willys hemma stores were opened, while three Hemköp stores were converted to Willys. The Willys chain thereby consists of 147 wholly owned stores, of which 34 are Willys hemma.

HEMKÖP

Sales for Hemköp's stores – both wholly owned and franchises – fell 3.4% during the period January–December. Sales for Group-owned Hemköp stores totalled SEK 5,275 m (5,583) for the year, a decrease of 5.5%. Like-for-like sales for Group-owned stores decreased by 2.7% during the year.

Sales for franchise stores totalled SEK 3,919 m (3,931), a decrease of 0.3%, with a 0.8% rise in like-for-like sales.

Sales for Group-owned stores during the fourth quarter totalled SEK 1,344 m (1,437). Operating profit for the period January–December was SEK 28 m (-8). The operating margin for the year was 0.5% (-0.1%). Operating profit for the fourth quarter was SEK 6 m (10). Profit for the year included discontinuation costs of SEK 46 m for unprofitable stores that were closed during the year.

Hemköp reversed its earnings trend during the year through an improved gross profit, greater cost control, and a changed price and product range strategy. Hemköp also closed or converted unprofitable stores – eight Group-owned and five proprietor-run. The next step will involve implementation of the new price strategy and the improved customer offer that was introduced in January. This, together with a high pace of campaign activities, will secure sales growth and continued profitability.

Hemköp's new loyalty card continues to grow. By year-end slightly more than 300,000 cards were in issue, which corresponds to the goal for 2009. The loyalty card is a key part of a long-term effort to boost customer loyalty and thus sales and market shares.

Hemköp's private label share (incl. franchise stores) was 16.1% (14.6%) as of December.

Hemköp had 158 stores at year-end, of which 72 were Group-owned.

PRISXTRA

PrisXtra's sales amounted to SEK 725 m during the period January–December (February–December 2008: 653). Sales during the fourth quarter amounted to SEK 183 m (203). Operating profit for the period January–December was SEK 6 m (February–December 2008: 9), and the operating margin for the year was 0.8% (1.4%). Operating profit for the fourth quarter was SEK 2 m (1).

At PrisXtra, sales and earnings have not yet reached anticipated levels. A contributing factor behind this is the road construction that has obstructed the flow of customers to the chain's two largest stores. Work during the year was largely dominated by the integration with Axfood. This project was concluded during the autumn, and the focus moving forward is on strengthening store operations and the customer offer.

PrisXtra currently has six stores plus an online store serving the Stockholm area.

AXFOOD WHOLESALING

DAGAB AND AXFOOD NÄRLIVS

Dagab's sales for the period January–December totalled SEK 24,052 m (23,424). Sales during the fourth quarter amounted to SEK 6,278 m (6,050). Operating profit for the year was SEK 147 m (138). The operating margin for the year was 0.6% (0.6%). Operating profit for the fourth quarter was SEK 49 m (45). Delivery reliability has been strengthened by increasing the accuracy of order deliveries and improving quality. As part of this work, the implementation of Autoorder continued, as did the launch of voice-directed picking in the warehouses. Cooperation with the Vi stores resumed as planned in November.

Sales for Axfood Närlivs during the period January–December totalled SEK 5,571 m (5,662). Sales during the fourth quarter amounted to SEK 1,381 m (1,394). Operating profit for the year was SEK 132 m (110), and the operating margin was 2.4% (1.9%). Operating profit for the fourth quarter was SEK 26 m (22). Axfood Närlivs has held its own against tough competition as well as the weak economy, and posted continued good profitability. During the year, the sales trend was favourable above all for the cash and carry business as a result of improved store operations and development of the product range. Wholesale volumes for car accessories and fast food increased through the new three-year agreement that was signed with EMAB[3].

SIGNIFICANT RISKS AND UNCERTAINTIES

In the course of its business the Axfood Group is exposed to both financial and operational risks. Financial risks include liquidity risk, interest rate risk and currency risk, while operational risks include competition risk and business risk.

In late 2008 the Swedish krona weakened against both the euro (EUR) and the US dollar (USD), which are the currencies that affect Axfood the most. This weakening continued into the start of 2009, after which the krona recovered towards the end of the first quarter to the levels that prevailed at year-end 2008. During the rest of 2009 the krona strengthened in relation to both EUR and USD. At the close of the fourth quarter the krona was level with the rates that prevailed at the start of the fourth quarter of 2008. Despite the fact that Axfood's principle is to hedge all purchases in foreign currency at the time of order, a prolonged weakening of the krona leads to higher purchase prices. This applies both for directly imported goods (which account for roughly 5% of Axfood's total purchases) and for goods purchased in Sweden and where the suppliers are dependent on imports to varying degrees. The opportunity for Axfood to compensate for higher purchase prices stemming from currency movements with higher prices towards consumers depends on the overall competitive situation in the market. Axfood's competitors are exposed in the same way as Axfood to movements in the currency market.

The Parent Company is responsible for the Group's external financing and is thereby exposed to liquidity risk, interest rate risk and currency risk. The goal of Axfood's financial management is to limit the short-term impact of fluctuations in the financial markets on the Group's earnings and cash flow. Toward this end, Axfood has a finance policy that regulates liquidity risk, interest rate risk and currency risk. In other respects, the Parent Company conducts holding company activities for the Group, including central functions, and is not exposed to risks other than indirectly via its subsidiaries.

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[3] EMAB AB is an independent organization for service station stores covering purchasing coordination, marketing/campaigns, and business development.

Axfood works continuously with risk identification and assessment. One of the most significant business risks that Axfood has identified in its safety analysis work is a total loss, such as from a fire at one of the central warehouses in Jordbro or Backa. Major emphasis is put on preventive work, and the organization for this is well-developed, as is the Company's planning to maintain operating continuity in the event of unforeseen events.

For a thorough account of the risks that affect the Group, please refer to the 2008 Annual Report, and as from 23 February 2010, to the 2009 Annual Report.

ENVIRONMENTAL IMPACT

Axfood continues to strengthen its work with sustainability issues. During the year, a new code of conduct was adopted which clarifies the Company's undertakings with respect to suppliers, employees and other partners. Axfood has also adopted a new sustainability programme containing goals, strategies and actions. A few of the areas covered include energy savings, waste handling, shrinkage and a transition to renewable electricity. An overall target has been set to reduce the climate impact of the Group's operations by 75% by 2020. A more detailed account of Axfood's sustainability work will be provided in Axfood's forthcoming Annual Report, which will be published on 23 February 2010.

In its day-to-day work, Axfood works actively in three primary areas in an effort to reduce its environmental impact:

- transports to and from stores, warehouses and suppliers,
- sorting of waste in all operations, and
- energy use in stores, warehouses and offices.

PARENT COMPANY

Other operating revenue for the Parent Company during the period January–December amounted to SEK 165 m (165). After selling expenses, administrative expenses and other operating expenses, totalling SEK 191 m (205), and SEK -20 m (-45) in net financial items, the result after financial items was SEK -46 m (-85). Capital expenditures during the year totalled SEK 1 m (403).

Cash and cash equivalents held by the Parent Company totalled SEK – m, compared with SEK 0 m in December 2008. Interest-bearing net debt was SEK 1,187 m at year-end, compared with SEK 1,532 m in December 2008.

The Parent Company has no significant transactions with related parties, other than transactions with subsidiaries.

ACCOUNTING POLICIES

GROUP

This year-end report has been prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting policies and methods of calculation have been used as in the most recent annual report, except for with respect to the points described below.

In order to prepare the financial statements in accordance with IFRS, the Board and Company management make estimations and assumptions that affect the Company's result and position as well as other disclosures in general. These estimations and assumptions are based on historical experience and are reviewed on a regular basis.

Effective 1 January 2009, a new standard took effect: IFRS 8 Operating Segments. IFRS 8 is a strictly disclosure standard, which is why it does not have any effect on the Group's statements of comprehensive income, financial position, cash flows and changes in equity. The operating segments are unchanged compared with the most recent annual report. In addition to IFRS 8 are amendments in IAS 1 Presentation of Financial Statements, IFRS 2 Share-based Payment, IFRS 7 Financial Instruments: Disclosures, IAS 23 Borrowing Costs, IAS 32 Financial Instruments: Presentation, and IAS 39 Financial Instruments: Recognition and Measurement. In addition to these are IFRIC 9 Reassessment of Embedded Derivatives and IFRIC 13 Customer Loyalty Programmes. These changes have no effect on Axfood's statements of comprehensive income, financial position, cash flows and changes in equity.

Effective 1 January 2010 a revised IFRS 3 Business Combinations takes effect, along with the amended IAS 27 Consolidated and Separate Financial Statements. The revised and amended standards will only have prospective effects. In addition to IFRS 3 and IAS 27 are changes in IFRS 2 Share-based Payment, IAS 32 Financial Instruments: Presentation, and IAS 39 Financial Instruments: Recognition and Measurement. In addition to these changes are IFRIC 12 Service Concession Agreements, IFRIC 15 Agreements on the Construction of Real Estate, IFRIC 16 Hedges of a Net Investment in a Foreign Entity, IFRIC 17 Distribution of Non-cash Assets to Owners, and IFRIC 18 Transfers of Assets from Customers. The changes and interpretations referred to here are not judged to have any effect on the Axfood Group's statements of comprehensive income, financial position, cash flows and changes in equity.

PARENT COMPANY

The same accounting policies and calculation methods as in the most recent annual report have been used. The Parent Company complies with the Swedish Annual Accounts Act and recommendation RFR 2.2 – Reporting for Legal Entities, issued by the Swedish Financial Reporting Board (RFR). Application of RFR 2.2 entails that in interim reporting for legal entities, the Parent Company applies all IFRSs and interpretations endorsed by the EU as far as practicable within the framework of the Swedish Annual Accounts Act, the Pension Obligations Vesting Act, and taking into account the connection between accounting and taxation.

As is the case for the Axfood Group, the new and amended standards that took effect on 1 January 2009 have no effect on the Parent Company's income statement, balance sheet, cash flow statement or shareholders' equity.

FUTURE OUTLOOK

Axfood's goal for 2010 is to achieve an operating profit in level with 2009.

NEXT REPORTING DATE

The interim report for the period January–March 2010 will be released on 20 April 2010.

MONTHLY SALES FIGURES

Starting in January 2010 Axfood will not report monthly sales figures.

ANNUAL GENERAL MEETING

The 2010 Annual General Meeting will be held at 5 p.m. on 10 March 2010, in Stockholm. The 2009 Annual Report will be published on 23 February 2010 on Axfood's website, at which time it will be on hand at Axfood's head offices in Solna. In addition, printed versions will be distributed by post to shareholders approximately one week before the Annual General Meeting upon request.

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

Stockholm, 2 February 2010

Anders Strålman
President and CEO

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FINANCIAL STATEMENTS, GROUP

NET SALES PER OPERATING SEGMENT

	Oct.-Dec.		Jan.-Dec.	
SEK m	2009	2008	2009	2008
Hemköp	1,358	1,451	5,335	5,640
Willys	4,527	4,355	17,589	16,776
PrisXtra[1]	183	203	725	653
Axfood Närlivs[2]	1,381	1,394	5,571	5,662
Dagab[3]	6,278	6,050	24,052	23,424
Other[4]	904	570	3,364	1,981
Internal sales				
Dagab	-5,357	-5,327	-21,049	-20,625
Axfood Närlivs	-4	-5	-19	-17
Other	-839	-547	-3,190	-1,831
Net sales, total	**8,431**	**8,144**	**32,378**	**31,663**

OPERATING PROFIT FOR THE PERIOD (EBIT), BROKEN DOWN BY OPERATING SEGMENT

	Oct.-Dec.		Jan.–Dec.	
SEK m	2009	2008	2009	2008
Hemköp	6	10	28	-8
Willys	188	181	731	730
PrisXtra[1]	2	1	6	9
Axfood Närlivs	26	22	132	110
Dagab	49	45	147	138
Other[4]	19	18	84	98
Operating profit for the period, total[5]	**290**	**277**	**1,128**	**1,077**

1) The comparison period is February-December.
2) Of which, distributed sales of SEK 1,193 m (1,135) for October-December and SEK 4,737 m (4,566) for January-December.
3) Of which, distributed sales of SEK 4,309 m (4,022) for October-December and SEK 16,229 m (15,237) for January-December.
4) Includes joint-Group support functions, such as purchasing coordination, IT and corporate offices. Figures for the year have been affected by approximately SEK -37 m from a change in internal pricing that was carried out during the second half of 2008. This does not affect the Axfood Group's consolidated earnings. The item "other" also includes charges for, among other things, amortization of surplus value pertaining to the acquisition of PrisXtra. The increase in sales is attributable to higher internal volumes for Fruits and Vegetables and for Centrally Packaged Meat.
5) Net financial items are not distributed per operating segment.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME, GROUP

	Oct.-Dec.		Jan.-Dec.	
SEK m	2009	2008	2009	2008
Net sales	8,431	8,144	32,378	31,663
Cost of goods sold	-7,261	-7,042	-27,912	-27,413
Gross profit	1,170	1,102	4,466	4,250
Selling/administrative expenses, etc.	-880	-825	-3,338	-3,173
Operating profit	290	277	1,128	1,077
Net financial items	-12	-13	-46	-66
Profit after financial items	278	264	1,082	1,011
Tax	-78	-65	-289	-274
Profit for the period	**200**	**199**	**793**	**737**
Other comprehensive income				
Change in fair value of forward exchange contracts	0	0	0	0
Change in fair value of available-for-sale financial assets	4	-	4	-
Tax attributable to components in other comprehensive income	-1	0	-1	0
Other comprehensive income for the period	3	0	3	0
Total comprehensive income for the period	**203**	**199**	**796**	**737**
Operating profit includes depreciation/amortization of	134	133	535	526
Earnings per share, SEK	3.83	3.79	15.13	14.05

CONDENSED STATEMENT OF FINANCIAL POSITION, GROUP

SEK m	31/12/2009	31/12/2008
Assets		
Goodwill	1,539	1,536
Other financial assets	30	33
Other non-current assets	2,118	2,072
Total non-current assets	**3,687**	**3,641**
Inventories	1,790	1,769
Accounts receivable — trade	539	736
Interest-bearing receivables	-	13
Other current assets	841	879
Cash and bank balances	316	312
Total current assets	**3,486**	**3,709**
Total assets	**7,173**	**7,350**
Shareholders' equity and liabilities		
Equity attributable to equity holders of the parent	2,635	2,259
Total shareholders' equity	**2,635**	**2,259**
Non-current interest-bearing liabilities	546	690
Noninterest-bearing non-current liabilities	204	230
Total non-current liabilities	**750**	**920**
Current interest-bearing liabilities	302	704
Accounts payable — trade	1,835	1,849
Other current noninterest-bearing liabilities	1,651	1,618
Total current liabilities	**3,788**	**4,171**
Total shareholders' equity and liabilities	**7,173**	**7,350**
Contingent liabilities	**19**	**24**
Pledged assets	**14**	**1**

CONDENSED STATEMENT CASH FLOWS, GROUP

	Jan.-Dec.	
SEK m	2009	2008
Operating activities		
–Cash flow from operating activities before changes in working capital before paid tax	1,652	1,520
–Paid tax	-242	-283
–Changes in working capital	148	-85
Cash flow from operating activities	1,558	1,152
Investing activities		
–Company acquisitions, net	-6	-466
–Acquisitions of non-current assets, net	-587	-642
–Reduction of financial non-current assets, net	13	10
Cash flow from investing activities	-580	-1,098
Financing activities		
–Change in interest-bearing liabilities	-554	417
–Dividend paid out	-420	-630
Cash flow from financing activities	-974	-213
Cash flow for the period	**4**	**-159**

CONDENSED STATEMENT OF CHANGES IN EQUITY, GROUP

SEK m	31/12/2009	31/12/2008
Amount at start of year	2,259	2,152
Total comprehensive income for the period	796	737
Dividend to shareholders	-420	-630
Amount at end of period	**2,635**	**2,259**

KEY RATIOS AND OTHER DATA, GROUP

	31/12/2009	31/12/2008
Operating margin, %	3.5	3.4
Margin after financial items, %	3.3	3.2
Equity ratio, %	36.7	30.7
Debt-equity ratio, net, multiple	0.2	0.5
Debt-equity ratio, multiple	0.3	0.6
Interest coverage, multiple	22.2	14.7
Capital employed, SEK m	3,483	3,653
Return on capital employed, %	31.8	32.0
Return on shareholders' equity, %	32.4	33.4
Capital expenditures, SEK m	633	1,158
Earnings per share, SEK[1]	15.13	14.05
Dividend per share, SEK	10.00[2]	8.00
Net asset value per share, SEK[1]	50.22	43.06
Number of shares outstanding[1]	52,467,678	52,467,678
Average number of employees during the year	6,816	6,847

1) The number of shares is the same before and after dilution. The average number of shares is the same as the number of shares outstanding. Axfood has no holdings of treasury shares.
2) Proposed by the Board of Directors.

FINANCIAL STATEMENTS, PARENT COMPANY

CONDENSED INCOME STATEMENT, PARENT COMPANY

	Oct.-Dec.		Jan.-Dec.	
SEK m.	2009	2008	2009	2008
Net sales	-	-	-	-
Selling/administrative expenses, etc.	-10	-11	-26	-40
Operating profit	-10	-11	-26	-40
Net financial items	-3	-13	-20	-45
Profit after financial items	-13	-24	-46	-85
Untaxed reserves	1	0	1	0
Profit before tax	-12	-24	-45	-85
Tax	2	6	11	25
Net profit for the period	**-10**	**-18**	**-34**	**-60**
Operating profit includes depreciation/amortization of	2	2	8	9

CONDENSED BALANCE SHEET, PARENT COMPANY

SEK m	31/12/2009	31/12/2008
Assets		
Property, plant and equipment	9	17
Participations in Group companies	3,468	3,468
Other financial non-current assets	3	3
Deferred tax assets	10	9
Total non-current assets	**3,490**	**3,497**
Receivables from Group companies[1)]	1,804	1,826
Interest-bearing receivables	-	13
Other current assets	13	13
Cash and bank balances	-	0
Total current assets	**1,817**	**1,852**
Total assets	**5,307**	**5,349**
Shareholders' equity and liabilities		
Restricted shareholders' equity	262	262
Unrestricted shareholders' equity	3,084	2,703
Total shareholders' equity	**3,346**	**2,965**
Untaxed reserves	5	6
Non-current interest-bearing liabilities	180	329
Noninterest-bearing non-current liabilities	7	7
Total non-current liabilities	**187**	**336**
Current interest-bearing liabilities	264	671
Liabilities to Group companies[2)]	1,417	1,328
Accounts payable — trade	8	12
Other current noninterest-bearing liabilities	80	31
Total current liabilities	**1,769**	**2,042**
Total shareholders' equity and liabilities	**5,307**	**5,349**
Contingent liabilities	**360**	**369**
Pledged assets	**-**	**-**
1) Of which, interest-bearing receivables	659	707
2) Of which, interest-bearing liabilities	1,402	1,252

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