Interim Report Axfood AB (publ)

FIRST QUARTER SUMMARY

- Axfood's consolidated sales for the period January–March totalled SEK 8,950 m (8,718), an increase of 2.7%.
- Retail sales for Group-owned stores increased by 4.2% during the period.
- Like-for-like sales increased by 2.3% during the period.
- Operating profit for the period was SEK 254 m (250).
- Profit after financial items was SEK 247 m (241) for the period.
- Profit after tax totalled SEK 194 m (179) for the period, and earnings per share were SEK 3.69 (3.40).
- Axfood and Statoil Fuel & Retail Sverige AB signed an agreement on extended and expanded cooperation.
- Willys launched a customer programme.
- Axfood's goal for 2013 is to achieve an operating profit at the same level as in 2012.

NO SIGNIFICANT EVENTS HAVE TAKEN PLACE AFTER THE BALANCE SHEET DATE

Key ratios

SEK m	Q1 2013	Q1 2012	Change	Full year 2012
Net sales	8,950	8,718	2.7%	36,306
Operating profit	254	250	1.6%	1,200
Operating margin, %	2.8	2.9	-0.1	3.3
Profit after financial items	247	241	2.5%	1,162
Profit after tax	194	179	8.4%	902
Earnings per share, SEK[1]	3.69	3.40	8.5%	17.20
Cash flow per share, SEK	-0.2	-0.1	-100%	3.9
Cash flow from operating activities per share, SEK	9.7	7.9	22.8%	36.5
Return on capital employed, %[2]	29.8	31.1	-1.3	28.2
Return on shareholders' equity, %[2]	31.8	34.2	-2.4	27.2
Shareholders' equity per share, SEK[3]	56.5	52.2	8.2%	64.76
Equity ratio, %	33.8	32.1	1.7	38.8

On account of new accounting policies that took effect on 1 January 2013 with respect to pension costs (IAS 19), the comparative figures for 2012 have been adjusted.

1) Before and after dilution.
2) Moving 12-month figures.
3) Net asset value per share corresponds to shareholders' equity per share.

For further information, please contact:

Anders Strålman, President and CEO, mobile +46-70-293 16 93.
Karin Hygrell-Jonsson, CFO, mobile +46-70-662 69 70.
Anne Rhenman-Eklund, Head of Corporate Communications, +46-8-553 998 13, mobile +46-70-280 64 59.

The information in this interim report is such that Axfood is required to disclose in accordance with the Securities Market Act. Submitted for publication at 7.30 a.m. (CET) on 19 April 2013.

CEO'S COMMENTS

Axfood started the year with favourable sales and earnings. The quarter was characterized by intensive work on implementation of the new business system in the logistics and warehouse operations, and the launch of Willys' customer programme. Sales of private label products stayed at a continued high level, and the goal of attaining at least a 25% share was achieved.

Positive result for all units

Willys showed favourable sales growth and stable earnings. To strengthen customer relationships and improve Willys' offering, the Willys+ customer programme has been introduced. The programme has been well-received, and the number of enrolled customers is rising steadily. At the same time, the pace of store establishment and modernization remained high. Three stores were refurbished and four new stores opened.

Hemköp continued to report positive earnings and sales performance. As part of efforts to improve customers' shopping experience and further enhance sales, some ten stores will be remodelled during the year. Work on two of these was completed during the first quarter.

Axfood Närlivs posted favourable earnings and good growth, especially for Axfood Snabbgross. The slightly lower level of sales is mainly due to a considerably colder spring compared with a year ago. The fruitful cooperation with Statoil Fuel & Retail Sverige AB is continuing, and an agreement was signed to extend and expand the existing partnership.

Dagab performed well and maintained a high level of delivery reliability despite the intensive work on implementation of the new business system in the logistics and warehouse operations. One of Dagab's largest warehouses changed over to the new system in April, which went entirely according to plan and without any major disruptions. However, as previously, this has resulted in higher costs, which will continue to affect earnings in the coming quarters.

New collective agreement signed

In early April, the Swedish Trade Federation and the Union of Commercial Employees agreed on a new collective agreement. The agreement, which runs for three years from 1 April, will entail a total cost increase of 6.8% during the contract period.

Market outlook 2013

The Swedish economy continues to be subdued, and it appears that a recovery will take time. We therefore do not see any major change in the market outlook compared with a year ago. The forecast for relatively stable food price inflation, not to exceed 2% for the year, continues to apply.

Ambitious agenda for profitable growth

Axfood will continue to ensure good profitability and growth with an unchanged strategy. The focus is on growing sales through attractive customer offers, development of the various concepts and loyalty programmes, and a high private label share. At the same time, efficiency and strict cost control will be maintained. Parallel with this, implementation of the new business system will continue until early 2014. This entails that the pace of investment in 2013 will be level with 2012.

Axfood's goal for 2013 is to achieve an operating profit at the same level as in 2012.

Anders Strålman
President and CEO, Axfood AB

SALES, AXFOOD GROUP

First quarter

Consolidated wholesale and retail sales for the Axfood Group totalled SEK 8,950 m (8,718) during the first quarter, an increase of 2.7%. Store sales for the Axfood Group (wholly owned stores and Hemköp franchises) totalled SEK 7,767 m (7,570), an increase of 2.6%. Sales for Group-owned retail operations increased by 4.2% during the first quarter, with a 2.3% rise in like-for-like sales. Axfood's private label share was 25.2% (24.7%) as of March.

Net sales per operating segment

SEK m	Q1 2013	Q1 2012	Full year 2012
Hemköp	1,407	1,371	5,584
Willys	4,919	4,701	19,407
Axfood Närlivs	1,427	1,441	6,336
Dagab	6,194	6,022	24,634
Other[1]	1,221	1,079	4,521
Internal sales			
Dagab	-5,040	-4,859	-19,835
Axfood Närlivs	-2	-2	-8
Other	-1,176	-1,035	-4,333
Total	**8,950**	**8,718**	**36,306**

[1] Includes joint-Group support functions, such as purchasing coordination, IT and corporate offices.

Retail sales, Group-owned and franchise stores

SEK m	Q1 2013	%[1]	Like-for-like sales, %[1]
Hemköp	1,387	2.5	0.2
Hemköp franchises	1,461	-3.6	0.8
Hemköp total	**2,848**	**-0.7**	**0.5**
Willys total	**4,919**	**4.6**	**2.8**
Total	**7,767**	**2.6**	**2.0**

[1] Percentage change compared with the corresponding period a year ago.

Change in store structure, three months 2013

	Dec. 2012	New establish-ment	Acquisitions	Sales/ Closures	Conversions to/from	March 2013
Hemköp (incl. PrisXtra)	72				-2	70
Willys[1]	174	2		-2	2	176
Total, Group-owned	**246**	**2**	**-**	**-2**	**-**	**246**
Hemköp franchises	114					114
[1] Of which, Willys Hemma	46			-2	1	45

EARNINGS, AXFOOD GROUP

First quarter

Operating profit for the quarter totalled SEK 254 m (250). The operating margin was 2.8% (2.9%). Net financial items totalled SEK -7 m (-9), and profit after financial items was SEK 247 m (241). The margin after financial items was 2.8% (2.8%). Profit after tax was SEK 194 m (179). Joint-Group costs were affected by higher depreciation for the new business system.

Operating profit for the period, broken down by operating segment

SEK m	Q1 2013	Q1 2012	Full year 2012
Hemköp	30	28	149
Willys	170	171	796
Axfood Närlivs[1]	12	8	114
Dagab[1]	29	34	168
Other[1, 2]	13	9	-27
Operating profit for the period, total[1, 3]	**254**	**250**	**1,200**

1) On account of new accounting policies that took effect on 1 January 2013 with respect to pension costs (IAS 19), the comparative figures for 2012 have been adjusted. Axfood Närlivs has been adjusted by SEK 1 m for the full year, Dagab has been adjusted by SEK 1 m for the first quarter and SEK 5 m for the full year, and Other has been adjusted by SEK 1 m for the first quarter and SEK 2 m for the full year 2012. Total operating profit has been adjusted by SEK 2 m for the first quarter and SEK 8 m for the full year.

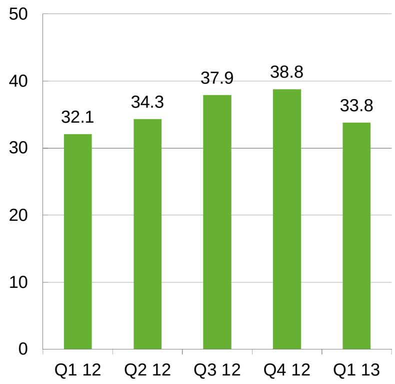
2) Includes joint-Group support functions, such as purchasing coordination, IT and corporate offices. Also includes accumulated charges for, among other things, amortization of surplus value pertaining to the acquisition of PrisXtra and depreciation of SEK 15 m (10) pertaining to the new business system.

3) Net financial items are not distributed per operating segment.

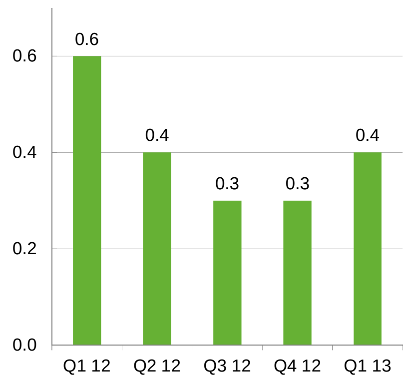
CAPITAL EXPENDITURES

Total capital expenditures during the period January–March amounted to SEK 210 m (323), of which SEK 28 m (155) pertained to acquisitions of businesses. In addition, SEK 112 m (83) pertained to investments in non-current assets in retail operations, SEK 13 m (12) to investments in non-current assets in wholesale operations, and SEK 36 m (51) to IT development.

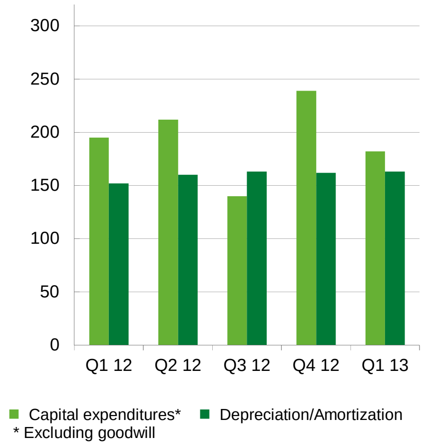
Equity ratio, %



Debt-equity ratio, multiple



Capital expenditures*, depreciation/amortization, SEK m



FINANCIAL POSITION

Cash flow from operating activities before paid tax was SEK 571 m (481) during the quarter. Paid tax amounted to SEK -61 m (-65). Cash and cash equivalents (interest-bearing assets) held by the Group amounted to SEK 510 m, compared with SEK 521 m in December 2012. Interest-bearing liabilities and provisions totalled SEK 1,144 m at the end of the period, compared with SEK 861 m in December 2012. Interest-bearing net debt was SEK 634 m at the end of the period, compared with SEK 340 m in December 2012. Payout of the shareholder dividend affected cash flow by SEK -630 m (-630), and net capital expenditures affected cash flow by SEK -174 m (-258).

The equity ratio was 33.8%, compared with 38.8% in December 2012.

THE SWEDISH FOOD RETAIL MARKET

According to Statistics Sweden's retail trade index for February, accumulated sales for the food retail segment rose 1.9% since the start of the year in current prices. In fixed prices, adjusted for price and calendar effects, volume increased by 1.0%.

STORE OPERATIONS

Willys

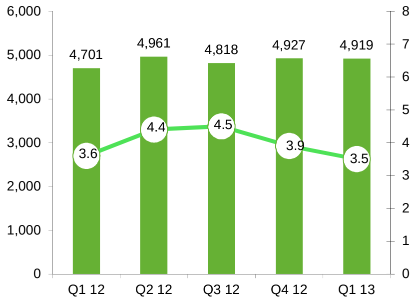
First quarter

Willys posted favourable sales and stable earnings. Sales amounted to SEK 4,919 m (4,701), an increase of 4.6% compared with the same period a year ago. Like-for-like sales increased by 2.8%. Operating profit totalled SEK 170 m (171). The operating margin was 3.5% (3.6%). An additional three stores were modernized during the period. A total of 101 stores have now been refurbished, and the remaining some 15 stores in the renewal project will be modernized during the year. During the quarter, Willys also launched a customer programme aimed at strengthening customer relationships and boosting customer loyalty.

The private label share as of March was 27.5% (27.2%) for Willys and 30.3% (29.9%) for Willys Hemma.

Three new Willys stores and one new Willys Hemma store were opened during the period. One Willys Hemma store was closed, and one Willys Hemma store closed for extensive renovation.

Sales, SEK m, and operating margin, %



Key ratios

SEK m	Q1 2013	Q1 2012	Full year 2012
Net sales	4,919	4,701	19,407
Change in like-for-like sales, %	2.8	-0.3	0.0
Operating profit	170	171	796
Operating margin, %	3.5	3.6	4.1
Number of Group-owned stores	176	170	174
Average number of employees	3,549	3,444	3,494
Private label share (Willys/Willys Hemma)	27.5/30.3	27.2/29.9	26.9/29.5

Hemköp

First quarter

Hemköp (including PrisXtra) continued to deliver stable earnings and sales performance. Hemköp's sales rose 2.6%, with sales for Group-owned stores amounting to SEK 1,387 m (1,353), an increase of 2.5%. Like-for-like sales for Group-owned stores increased by 0.2% during the period. Sales for franchise stores amounted to SEK 1,461 m (1,516), a decrease of 3.6%, while like-for-like sales for franchise stores increased by 0.8% (see table on page 3).

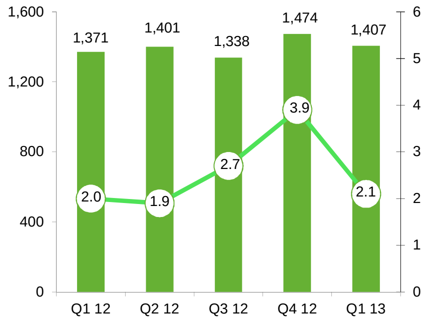
Operating profit for the first quarter was SEK 30 m (28). The operating margin for the period was 2.1% (2.0%).

As part of the effort to improve the in-store experience and further boost sales, two stores were modernized during the period.

Hemköp's private label share was 19.0% (18.8%) as of March.

Two stores were converted to Willys during the period.

Sales, SEK m, and operating margin, %*



Key ratios*

SEK m	Q1 2013	Q1 2012	Full year 2012
Net sales	1,407	1,371	5,584
Change in like-for-like sales, %	0.2	1.9	0.9
Operating profit	30	28	149
Operating margin, %	2.1	2.0	2.7
Number of Group-owned stores	70	69	72
Average number of employees	1,502	1,511	1,529
Private label share	19.0	18.8	18.1

* Comparative quarterly and full-year figures for 2012 have been adjusted for the combination of Hemköp and PrisXtra.

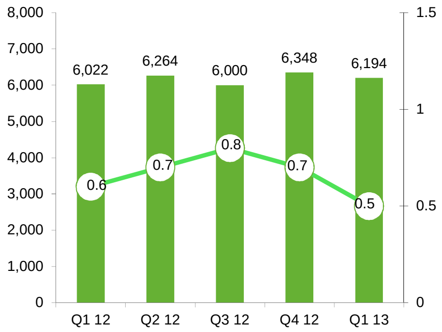
AXFOOD WHOLESALING

Dagab

First quarter

Dagab showed favourable development during the quarter, with a continued high level of delivery reliability. Sales during the first quarter amounted to SEK 6,194 m (6,022). Operating profit totalled SEK 29 m (34), and the operating margin was 0.5% (0.6%). Implementation of the new business system continued during the period, which – like in earlier quarters – entailed higher costs. Additional costs for this work will be charged against earnings during the year, as planned.

Sales, SEK m, and operating margin, %



Key ratios

SEK m	Q1 2013	Q1 2012	Full year 2012
Net sales	6,194	6,022	24,634
Distributed sales	4,339	4,211	17,205
Operating profit	29	34	163
Operating margin, %	0.5	0.6	0.7
Average number of employees	953	992	955
Delivery reliability, %	97.2	97.5	97.5

Axfood Närlivs

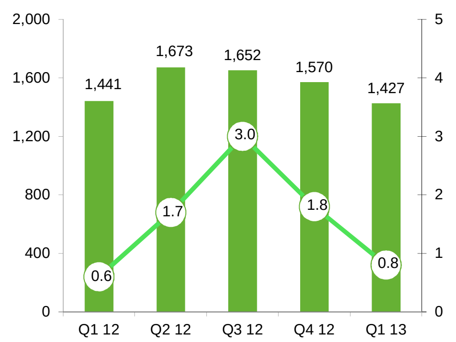
First quarter

Axfood Närlivs posted favourable earnings, however, sales were hurt by poorer weather conditions compared with the same period a year ago. Sales during the first quarter amounted to SEK 1,427 m (1,441), a decrease of 1.0%.

Operating profit for the first quarter amounted to SEK 12 m (8), and the operating margin was 0.8% (0.6%).

During the period an agreement was signed with Statoil Fuel & Retail Sverige AB to extend and expand the existing cooperation agreement. The agreement has a term of 5 years and 9 months.

Sales, SEK m, and operating margin, %



Key ratios

SEK m	Q1 2013	Q1 2012	Full year 2012
Net sales	1,427	1,441	6,336
Distributed sales	1,334	1,326	5,822
Operating profit	12	8	113
Operating margin, %	0.8	0.6	1.8
Axfood Snabbgross, no. stores	20	20	20
Average number of employees	740	756	793
Delivery reliability, %	97.9	97.9	97.9

Combination of operations 2013

In connection with the conversion of PrisXtra that has been started in 2013, PrisXtra has ceased to constitute its own segment in the reporting and is part of Hemköp starting on the first of January 2013. Comparative figures for 2012 have been adjusted and are shown in the tables below.

Hemköp 2012, pro forma per quarter				
	Q1	Q2	Q3	Q4
Sales				
PrisXtra	132	130	113	127
Hemköp	1,239	1,271	1,225	1,347
Hemköp total	1,371	1,401	1,338	1,474
Operating profit				
PrisXtra	4	5	4	3
Hemköp	24	22	32	55
Hemköp total	28	27	36	58

Hemköp 2012, pro forma accumulated			
	Q2	Q3	Full year
Sales			
PrisXtra	262	375	502
Hemköp	2,510	3,735	5,082
Hemköp total	2,772	4,110	5,584
Operating profit			
PrisXtra	9	13	16
Hemköp	46	78	133
Hemköp total	55	91	149

Disclosures about financial assets and liabilities

The tables below provide disclosures about how fair value has been determined for the financial instruments that are measured at fair value in the statement of financial position. The breakdown of how fair value is determined is done according to the following three levels:

Level 1: according to prices in an active market for the same instruments. Axfood has no financial instruments at this level.

Level 2: based on direct or indirect observable market data that is not included in level 1. Level 2 includes derivatives used in hedge accounting and available-for-sale financial assets.

Level 3: based on input data that is not observable in the market. Axfood has no financial instruments at this level.

Group, 31/3/2013	Financial assets and liabilities			
SEK m	Measured at cost	Measured at fair value	Non-financial assets and liabilities	Total, statement of financial position
Financial assets	43	*43*	3	46
Accounts receivable – trade	871	*871*	-	871
Other current assets	-	-	1,020	1,020
Cash and bank balances	510	*510*	-	510
Total assets	**1,424**	***1,424***	**1,023**	**2,447**
Non-current interest-bearing liabilities	65	*65*	430	495
Current interest-bearing liabilities	649	*650*	-	649
Other current noninterest-bearing liabilities	1	*1*	1,700	1,701
Accounts payable – trade	2,689	*2,689*	-	2,689
Total liabilities	**3,404**	***3,405***	**2,130**	**5,534**

Parent Company, 31/3/2013	Financial assets and liabilities			
SEK m	Measured at cost	Measured at fair value	Non-financial assets and liabilities	Total, statement of financial position
Financial assets	6	*8*	-	6
Accounts receivable – trade	-	-	-	-
Receivable from Group companies	1,360	-	-	1,360
Other current assets	-	-	59	59
Cash and bank balances	-	-	-	-
Total assets	**1,366**	***8***	**59**	**1,425**
Non-current interest-bearing liabilities	-	-	27	27
Current interest-bearing liabilities	589	*590*	-	589
Other current noninterest-bearing liabilities	-	-	29	29
Accounts payable – trade	7	-	-	7
Liabilities to Group companies	764	-	28	792
Total liabilities	**1,360**	***590***	**84**	**1,444**

Disclosures about fair value of financial instruments

The carrying amount of interest-bearing assets and liabilities in the statement of financial position can deviate from their fair value due to changes in market interest rates, among other things. To establish the fair value of financial assets and liabilities, the market value has been used for assets and liabilities as far as possible. Axfood's holdings of tenant-owner rights are stated at market value. Interest-bearing financial assets and liabilities that are not derivative instruments are calculated based on future cash flows of principal amounts and interest, discounted to the current market interest rate while taking into account the risk-free interest rate and risk premium for Axfood on the balance sheet date (the effective interest method). For current financial assets and liabilities with variable interest rates, fair value is considered to be the same as the carrying amount.

Axfood used the market interest rate in effect on 31 March 2013 plus a relevant interest rate spread to discount financial instruments. The interest rate used for interest-bearing liabilities as per 31 March 2013 was 2.39%.

SIGNIFICANT RISKS AND UNCERTENTIES

In the course of its business the Axfood Group is exposed to operational, strategic and financial risks. Operational and strategic risks include business and liability risks, among others, while financial risks include liquidity risk, interest rate risk and currency risk.

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 2012 Annual Report.

SEASONAL EFFECTS

Axfood has no significant seasonal variations.

ENVIRONMENTAL IMPACT

One of Axfood's strategic objectives is to work actively for sustainable development. In the day-to-day activities, sustainability aspects are integrated in product purchasing and selection as well as in logistics, product flows and store operations. Priority areas for Axfood's environmental sustainability work are energy consumption, transports and the eco-cycle. All of these areas have major bearing on Axfood's business and have large potential for improvement.

One overall goal is to reduce the climate impact of the Group's operations by 75% during the period 2009–2020. One area of importance going forward involves work on improving energy efficiency and changing over to refrigerants that do not have any adverse climate impact. Work has begun on installation of a system for detailed measurement and control of electricity consumption in Axfood's Group-owned stores and warehouses. The system will enable central regulation and monitoring aimed at reducing electricity consumption.

Dagab and Axfood Närlivs are working continuously to minimize their climate impact. These measures include maximizing load capacity in delivery vehicles and the use of so-called eco-driving techniques to reduce fuel consumption. In addition, Dagab and Axfood Närlivs use "Evolution" diesel fuel, which is partly based on pine oil and has lower CO_2 emissions than conventional diesel fuel.

Axfood also focuses on recycling, where most waste is either recycled for use as raw material by the recycling industry or converted to energy.

A more detailed description of Axfood's work with environmental matters can be found at axfood.se and in Axfood's Sustainability Report for 2012. See the table on page 15 for a follow-up of electricity consumption and emissions from the Group's transports.

PARENT COMPANY

Other operating revenue for the Parent Company during the period January–March amounted to SEK 38 m (43). After selling and administrative expenses, totalling SEK 66 m (69), and net financial items totalling SEK 0 m (-3), profit after financial items was SEK -28 m (-29). Capital expenditures during the period totalled SEK 1 m (1).

The Parent Company's interest-bearing net debt was SEK 20 m at the end of the period, compared with SEK 349 m in December 2012. The Parent Company has no significant transactions with related parties, other than transactions with subsidiaries.

ACCOUNTING POLICIES

Axfood applies International Financial Reporting Standards (IFRS) as endorsed by the European Union. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act, and recommendation RFR 2 – Reporting for Legal Entities, issued by the Swedish Financial Reporting Board (RFR). In order to prepare the financial statements in accordance with IFRS, the Board and Executive Committee 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. The accounting policies used by the Parent Company and Group are unchanged compared with the most recently published annual report.

Effective 1 January 2013, the Group applies the amended IAS 19, Employee Benefits: changes in reporting of actuarial gains and losses. Starting on 1 January 2013, the Group has changed over from reporting actuarial gains and losses in accordance with the corridor method to reporting them in their entirety in other comprehensive income in the period in which they arise. This results primarily in more relevant information in the statement of financial position, since the reported pension obligation after the change specifies a value that better represents the actual net obligation of the Group. The Group also applies the amendments to IAS 1 Presentation of Financial Statements: reporting of items in other comprehensive income. The amended accounting policy has resulted in a reduction of opening equity in 2012 by SEK 95 m and a decrease in closing equity in 2012 of SEK 76 m. The opening provision for pensions in 2012 increases by SEK 98 m, and the closing provision for pensions in 2012 increases by SEK 79 m. Operating profit for 2012 is positively affected by SEK 8 m, and comprehensive income for the year is affected positively by SEK 19 m.

FORECAST

Axfood's goal for 2013 is to achieve an operating profit at the same level as in 2012.

NEXT REPORT

The interim report for the period April–June 2013 will be presented on 15 July 2013.

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

Anders Strålman

President and CEO, Axfood AB

PRESS RELEASES ISSUED DURING THE FIRST QUARTER

29 January 2013	Willys launches loyalty programme
12 February 2013	Axfood and Statoil sign Letter of Intent to extend and expand existing cooperation
19 March 2013	Axfood donates withdrawn lasagne to St Clara Church
22 March 2013	Axfood contributing to solar clean water project in Uganda

FINANCIAL STATEMENTS, GROUP

Condensed statement of profit or loss and other comprehensive income, Group

SEK m	Q1 2013	Q1 2012	Full year 2012
Net sales	8,950	8,718	36,306
Cost of goods sold	-7,739	-7,518	-31,416
Gross profit	1,211	1,200	4,890
Selling/administrative expenses, etc.	-957	-950	-3,690
Operating profit	254	250	1,200
Net financial items	-7	-9	-38
Profit before tax	247	241	1,162
Tax	-53	-62	-260
Profit for the period	**194**	**179**	**902**
Other comprehensive income			
Items that cannot be reclassified to profit or loss for the period			
Revaluation of defined benefit pension plans	-	4	16
Tax attributable to items that cannot be reclassified to profit or loss for the period	-	-1	-4
Items that have been reclassified or can be reclassified to profit or loss for the period			
Change in fair value of forward exchange contracts	0	0	0
Change in fair value of available-for-sale financial assets	-	-	0
Tax attributable to items that have been reclassified or can reclassified to profit or loss for the period	0	0	0
Other comprehensive income for the period	**0**	**3**	**12**
Total comprehensive income for the period	**194**	**182**	**914**
Operating profit includes depreciation/amortization of	163	152	637
Earnings per share, SEK	3.69	3.40	17.20
Profit for the period attributable to			
Owners of the parent	193	179	902
Non-controlling interests	1	0	0
Total comprehensive income for the period attributable to			
Owners of the parent	193	182	914
Non-controlling interests	1	0	0

On account of new accounting policies that took effect on 1 January 2013 with respect to pension costs (IAS 19), the comparative figures for 2012 have been adjusted.

Condensed statement of financial position, Group

SEK m	31/3/2013	31/3/2012	31/12/2012
Assets			
Goodwill	1,787	1,742	1,759
Financial assets	46	46	45
Other non-current assets	2,752	2,708	2,741
Total non-current assets	**4,585**	**4,496**	**4,545**
Inventories	1,869	1,924	1,932
Accounts receivable – trade	871	793	867
Other current assets	1,020	1,083	955
Cash and bank balances	510	313	521
Total current assets	**4,270**	**4,113**	**4,275**
Total assets	**8,855**	**8,609**	**8,820**
Shareholders' equity and liabilities			
Equity attributable to owners of the parent	2,962	2,737	3,398
Equity attributable to non-controlling interests	28	28	28
Total shareholders' equity	**2,990**	**2,765**	**3,426**
Non-current interest-bearing liabilities	495	787	495
Noninterest-bearing non-current liabilities	331	302	331
Total non-current liabilities	**826**	**1,089**	**826**
Current interest-bearing liabilities	649	798	366
Accounts payable – trade	2,689	2,425	2,359
Other current noninterest-bearing liabilities	1,701	1,532	1,843
Total current liabilities	**5,039**	**4,755**	**4,568**
Total shareholders' equity and liabilities	**8,855**	**8,609**	**8,820**
Pledged assets	**29**	**31**	**29**
Contingent liabilities	**34**	**3**	**32**

[1)] On account of new accounting policies that took effect on 1 January 2013 with respect to pension costs (IAS 19), the comparative figures for 2012 have been adjusted.

Condensed statement of cash flows, Group

SEK m	Three months 2013	Three months 2012	Full year 2012
Operating activities			
Cash flow from operating activities before changes in working capital, before paid tax	402	386	1,809
Paid tax	-61	-65	-135
Changes in working capital	169	95	241
Cash flow from operating activities	510	416	1,915
Investing activities			
Acquisitions of operations, net	-10	-106	-113
Acquisitions of non-current assets, net	-164	-152	-703
Change in financial non-current assets, net	0	-	0
Cash flow from investing activities	-174	-258	-816
Financing activities			
Change in interest-bearing liabilities	283	468	-265
Dividend payout	-630	-630	-630
Cash flow from financing activities	-347	-162	-895
Cash flow for the period	**-11**	**-4**	**204**

Condensed statement of changes in equity, Group

SEK m	31/3/2013	31/3/2012	31/12/2012
Amount at start of year	3,426	3,237	3,237
Change in accounting policy	-	-24	-95
Total comprehensive income for the period	194	182	914
Dividend to shareholders	-630	-630	-630
Amount at end of period	**2,990**	**2,765**	**3,426**

Key ratios and other data, Group

	Three months 2013	Three months 2012	Full year 2012
Operating margin, %	2.8	2.9	3.3
Margin after financial items, %	2.8	2.8	3.2
Equity ratio, %	33.8	32.1	38.8
Debt-equity ratio, net, multiple	0.2	0.5	0.1
Debt-equity ratio, multiple	0.4	0.6	0.3
Interest coverage, multiple	28.4	27.8	26.8
Capital employed, SEK m	4,134	4,350	4,288
Return on capital employed, %	29.8	31.1	28.2
Return on shareholders' equity, %	31.8	34.2	27.2
Capital expenditures, SEK m	210	323	932
Earnings per share, SEK[1]	3.69	3.40	17.20
Dividend per share, SEK	-	-	12.00
Shareholders' equity per share, SEK[1, 2]	56.45	52.17	64.76
Cash flow per share, SEK[1]	-0.2	-0.1	3.9
Number of shares outstanding[1]	52,467,678	52,467,678	52,467,678
Average number of employees	7,228	7,190	7,254
Work attendance rate, %	94.2	94.6	95.0
CO_2, kg/tonne goods[3]	20.8	21.2	20.1
Electricity consumption, kWh/m^2 (stores and warehouses)[4]	358.2	365.0	363.6

Quarterly overview

	Q2 11	Q3 11	Q4 11	Q1 12	Q2 12	Q3 12	Q4 12	Q1 13
Sales	8,889	8,735	8,914	8,718	9,292	9,044	9,252	8,950
Operating profit	317	370	322	250	322	370	258	254
Operating margin, %	3.6	4.2	3.6	2.9	3.5	4.1	2.8	2.8
Earnings per share, SEK[1]	4.30	5.09	4.32	3.40	4.35	5.08	4.37	3.69
Shareholders' equity per share, SEK[1]	52.2	57.4	61.7	52.2	56.1	60.8	64.8	56.5
Return on shareholders' equity, %	34.0	31.0	28.7	34.2	31.7	29.0	27.2	31.8
Cash flow from operating activities per share, SEK	6.6	6.9	7.3	7.9	10.6	7.9	10.1	9.7
Capital expenditures	268	208	297	323	214	142	253	210

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) Net asset value per share corresponds to shareholders' equity per share.
3) Moving 12-month figures. Pertains to the total volume for Dagab's and Axfood Närlivs' transports from warehouses to stores with own delivery vehicles.
4) Moving 12-month figures. Pertains to wholly owned stores and warehouses.

On account of new accounting policies that took effect on 1 January 2013 with respect to pension costs (IAS 19), the comparative figures for 2012 have been adjusted.

FINANCIAL STATEMENTS, PARENT COMPANY

Condensed income statement, Parent Company

SEK m	Q1 2013	Q1 2012	Full year 2012
Net sales	-	-	-
Selling/administrative expenses, etc.	-28	-26	-100
Operating profit	-28	-26	-100
Group contributions received, net	-	-	1,261
Other net financial items	0	-3	-3
Profit after financial items	-28	-29	1,158
Appropriations	-	-	-288
Profit before tax	-28	-29	870
Tax	6	8	-232
Net profit for the period	**-22**	**-21**	**638**
Operating profit includes depreciation/amortization of	0	0	2

Profit for the period corresponds to total comprehensive income for the period.

Condensed balance sheet, Parent Company

SEK m	31/3/2013	31/3/2012	31/12/2012
Assets			
Property, plant and equipment	5	3	5
Participations in Group companies	3,601	3,514	3,573
Other financial non-current assets	6	5	5
Deferred tax assets	7	9	7
Total non-current assets	**3,619**	**3,531**	**3,590**
Receivables from Group companies[1]	1,360	1,276	2,213
Other current assets	59	148	13
Cash and bank balances	0	0	0
Total current assets	**1,419**	**1,424**	**2,226**
Total assets	**5,038**	**4,955**	**5,816**
Shareholders' equity and liabilities			
Restricted shareholders' equity	287	287	287
Unrestricted shareholders' equity	2,741	2,733	3,392
Total shareholders' equity	**3,028**	**3,020**	**3,679**
Untaxed reserves	**563**	**275**	**563**
Non-current interest-bearing liabilities	27	330	28
Noninterest-bearing non-current liabilities	3	4	3
Total non-current liabilities	**30**	**334**	**31**
Current interest-bearing liabilities	589	769	314
Liabilities to Group companies[2]	792	522	1,155
Accounts payable – trade	7	14	19
Other current noninterest-bearing liabilities	29	21	55
Total current liabilities	**1,417**	**1,326**	**1,543**
Total shareholders' equity and liabilities	**5,038**	**4,955**	**5,816**
Pledged assets	**360**	**371**	**360**
Contingent liabilities	**-**	**-**	**-**
1) Of which, interest-bearing receivables	1,360	1,276	920
2) Of which, interest-bearing liabilities	764	520	927

FINANCIAL DEFINITIONS

Average number of employees: Total number of hours worked divided by the number of hours worked per year (1,920 hours).

Capital employed: Total assets less noninterest-bearing liabilities and noninterest-bearing provisions. Average capital employed is calculated as capital employed at the start of the year plus capital employed at the end of the year, divided by two.

Cash flow per share: Cash flow for the year divided by a weighted average number of shares outstanding.

Debt-equity ratio: Interest-bearing liabilities divided by shareholders' equity including non-controlling interests.

Dividend yield: Dividend per share divided by the year-end share price.

Earnings per share: Net profit for the year attributable to owners of the parent divided by a weighted average number of shares outstanding.

Equity ratio: Shareholders' equity including non-controlling interests as a percentage of total assets.

Interest cover ratio: Profit after financial items plus financial expenses, divided by financial expenses.

Margin after financial items: Profit after financial items as a percentage of net sales for the period.

Net asset value per share: Equity attributable to owners of the parent divided by the number of shares outstanding.

Net debt: Cash and cash equivalents plus interest-bearing receivables less interest-bearing liabilities and provisions.

Net debt-equity ratio: Interest-bearing liabilities and provisions less cash and cash equivalents and interest-bearing receivables, divided by shareholders' equity including non-controlling interests.

Operating margin: Operating profit as a percentage of net sales for the period.

P/E multiple before and after dilution: Share price in relation to earnings per share.

Return on capital employed: Profit after financial items, plus financial expenses, as a percentage of average capital employed.

Return on shareholders' equity: Net profit for the year attributable to owners of the parent as a percentage of average equity attributable to owners of the parent. Average equity is calculated as shareholders' equity at the start of the year plus shareholders' equity at the end of the year, divided by two.

GLOSSARY

Autoorder: An automated store restocking system.

Delivery reliability: The share of delivered goods in relation to the share of ordered goods.

E-learning: An interactive training program.

EMAB: EMAB is a collaborative organization for independent service station stores, with approximately 400 members within the Shell, Statoil 1-2-3, Hydro, Bilisten and Preem service station chains.

Evolution diesel: Environmental diesel fuel that is based partly on pine oil.

GRI: Global Reporting Initiative.

Like-for-like sales: Like-for-like sales refer to store sales reported on the basis of an entire comparison period, i.e., two years.

axfood

Axfood AB, SE-171 78 Solna
Visitors' address: Hemvärnsgatan 9
Tel. +46-8-553 990 00,
Fax +46-8-730 03 59
info@axfood.se, axfood.se

ABOUT AXFOOD

Axfood conducts food retail and wholesale business in Sweden. Retail business is conducted through the wholly owned grocery chains Willys, Hemköp and PrisXtra. The number of Group-owned stores is 246. In addition, Axfood collaborates with a number of proprietor-run stores that are tied to Axfood through agreements, including stores in the Hemköp chain, but also stores operating under the Handlar'n and Tempo profiles. Wholesale business is conducted through Dagab and Axfood Närlivs. Axfood has an approximate 20% share of the food retail market in Sweden. Axfood is listed on Nasdaq OMX Stockholm AB's Large Cap list. Axfood's principal owner is Axel Johnson AB, with 50.1% of the shares.

Mission

Axfood's business mission is to develop and run successful food retail concepts based on clear and attractive customer offerings.

Business model

Axfood's business model is built upon a strong purchasing function, focus on private label products, efficient logistics and attractive grocery stores.

Strategy

Axfood will be the most profitable company in the Swedish food retail market and grow its market shares by strengthening and developing its position. Axfood's long-term goal is to attain an operating margin of 4%. Axfood's strategy is built upon five cornerstones: customers, profitability, growth, the environment and social responsibility, and employees and organization. Read more at axfood.se.

Value drivers

Factors that affect Axfood's performance include:

- Access to strategic store locations
- Development of an attractive product offering
- Innovativeness for enhancing customer benefit