



Interim Report Axfood AB (publ)

FIRST QUARTER SUMMARY

- Axfood's consolidated sales for the period January–March totalled SEK 8,257 m (8,210), an increase of 0.6%.
- Retail sales for Group-owned stores decreased by 0.4% during the period. Like-for-like sales decreased by 2.4%.
- Operating profit for the period was SEK 241 m (245).
- Profit after financial items for the period was SEK 233 m (235).
- Profit after tax for the period was SEK 172 m (174), and earnings per share were SEK 3.28 (3.31).
- Axfood's goal for 2011 is to achieve an operating profit at least at the same level as in 2010.

Key ratios

SEK m	Q1 2011	Q1 2010	Change, %	Full year 2010
Net sales	8,257	8,210	0.6	34,260
Operating profit	241	245	-1.6	1,209
Operating margin, %	2.9	3.0	-0.1	3.5
Profit after financial items	233	235	-0.9	1,172
Profit after tax	172	174	-1.1	862
Earnings per share, SEK ¹	3.28	3.31	-0.9	16.42
Cash flow per share, SEK	-2.5	-0.7	-257.1	0.0
Cash flow from operating activities per share, SEK	5.6	8.0	-30	26.0
Return on capital employed, % ²	33.7	33.6	0.1	33.2
Return on shareholders' equity, % ²	35.8	37.5	-1.7	30.7
Shareholders' equity per share, SEK ³	47.93	43.55	10.1	56.64
Equity ratio, %	32.6	30.7	1.9	38.8

1) Before and after dilution.

2) Moving 12-month figures.

3) Net asset value per share corresponds to shareholders' equity per share.

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The information in this interim report is such that Axfood is required to disclose in accordance with the Securities Market Act.
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CEO'S COMMENTS

Axfood started out the year 2011 with continued stable development and good profitability during a first quarter characterized by a sluggish food retail market, a high pace of establishment and refurbishment, competition and the lack of Easter holiday sales.

Positive result for all business units

Willys continued to grow the good profitability. However, earnings were affected by new establishment within the chain, new competition and a generally dampened market trend during the period. Three new stores opened, of which two are Willys Hemma. Willys also maintained a high pace of modernization and renewal of existing stores to offer customers an ever-better shopping experience and strengthen the chain's market position.

Hemköp showed yet another quarter of favourable performance. Operating profit, like-for-like sales and the number of customers all increased. To create further conditions for favourable growth, an extensive renewal project has been launched within the chain, which will involve 10–20 stores during the year.

PrisXtra started the year with a positive operating result in the face of unsatisfactory sales performance.

Axfood Närlivs noted favourable sales as a result of new supplier agreements, despite the lack of an Easter effect during the quarter. However, earnings were hurt by a new e-commerce initiative and the opening of a new Snabbgross cash and carry store.

Dagab showed a continued high level of delivery reliability and favourable earnings performance as a result of good cost control and efficiency.

Sluggish trend in the food retail market

Despite a steadily strengthening economy, the food retail sector has not kept pace with growth in certain other retail segments. Industry statistics show that consumers given greater priority to capital goods and restaurant visits, but also that they have made adjustments in their household budgets as a result of higher interest rates and higher energy costs.

Private label products

Axfood's goal is that its private label products will account for at least 25% of sales by 2012 at the latest. The private label share at the end of the period was 23%, which is the highest level we have ever measured. During the quarter, a new line of climate-friendly products, Garant SÅklart, was launched.

Market outlook 2011

Indications are strong that Swedish households will have a relatively good year in terms of personal finances despite higher interest rates, but it is hard to know what they will prioritize in the coming months. At the same time, we do not see any major changes in the market conditions, which continue to be characterized by fierce competition and price-conscious customers. We expect food inflation to be 2%–3% on average in 2011, despite only moderate price increases during the first quarter.

Aggressive pace of investment for profitable growth

During the rest of 2011 Axfood will continue to invest in the future through a high pace of establishment, renewal and development of its stores, greater efficiency and stringent cost control. We will also continue to focus on stimulating sales and increasing our private label share. Parallel with this, we will also continue with the implementation of our new business system. Together these measures will result in capital expenditures in the range of SEK 900–1,000 m (862) in 2011.

Axfood's goal for 2011 is to achieve an operating profit at least at the same level as in 2010.

Anders Strålmán
President and CEO

SALES, AXFOOD GROUP

First quarter

Consolidated wholesale and retail sales for the Axfood Group totalled SEK 8,257 m (8,210) for the period, an increase of 0.6%. Store sales for the Axfood Group (wholly owned stores and Hemköp franchises) totalled SEK 6,811 m (6,842), a decrease of 0.5%. Sales for Axfood-owned retail operations decreased by 0.4% during the period, with a 2.4% decrease in like-for-like sales.

Net sales per operating segment

SEK m	Q1 2011	Q1 2010	Full year 2010
Hemköp	1,205	1,279	4,978
Willys	4,545	4,466	18,613
PrisXtra	144	171	637
Axfood Närlivs	1,370	1,293	5,847
Dagab	6,141	6,179	25,701
Other ¹	1,020	993	4,052
<i>Internal sales</i>			
Dagab	-5,185	-5,221	-21,694
Axfood Närlivs	-9	-6	-26
Other	-974	-944	-3,848
Total	8,257	8,210	34,260

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

Retail sales, own and franchise stores

SEK m	Q1 2011	% ¹⁾	Like-for-like sales, % ¹⁾
Hemköp	1,192	-5.8	0.6
Hemköp franchises	930	-1.1	1.1
Hemköp total	2,122	-3.8	0.8
Willys total	4,545	1.8	-2.7
PrisXtra total	144	-15.8	-12.7
Total	6,811	-0.5	-1.9

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

Change in store structure, three months 2011

	Dec. 2010	New establish- ment	Acquisitions	Sales/ closures	Conversions to/from	March 2011
Hemköp	65			-2	-1	62
Willys ¹⁾	160	1	1	-1	1	162
PrisXtra	5					5
Total, Group-owned	230	1	1	-3	-	229
Hemköp franchises	82					82
¹⁾ Of which, Willys Hemma	41	1		-1	1	42

EARNINGS, AXFOOD GROUP

First quarter

Operating profit for the period was SEK 241 m (245). The operating margin was 2.9% (3.0%). Net financial items totalled SEK -8 m (-10), and profit after financial items was SEK 233 m (235). The margin after financial items was 2.8% (2.9%). Profit after tax was SEK 172 m (174).

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

Operating profit for the period, broken down by operating segment

SEK m	Q1 2011	Q1 2010	Full year 2010
Hemköp	13	6	45
Willys	157	167	772
PrisXtra	7	3	-5
Axfood Närlivs	6	14	113
Dagab	41	30	189
Other ¹	17	25	95
Operating profit for the period, total²	241	245	1,209

¹) Includes joint-Group support functions, such as purchasing coordination, IT and corporate offices. "Other" also includes charges for, among other things, amortization of surplus value pertaining to the acquisition of PrisXtra and depreciation of SEK 6 m (0) pertaining to the new business system.

²) Net financial items are not distributed per operating segment.

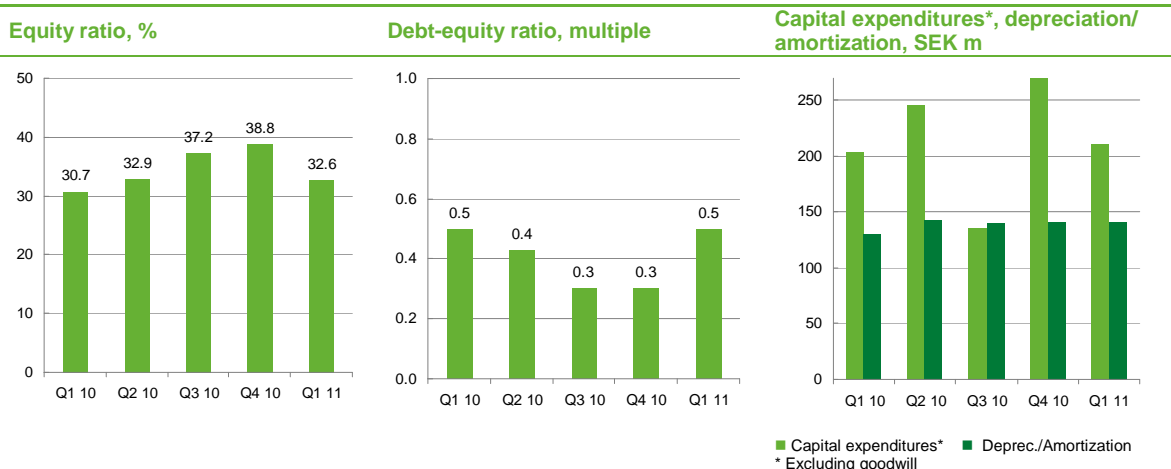
CAPITAL EXPENDITURES

Total capital expenditures during the period January–March amounted to SEK 220 m (204), of which SEK 14 m (0) pertained to acquisitions of businesses. In addition, SEK 137 m (106) pertained to investments in non-current assets in retail operations, SEK 14 m (38) to investments in non-current assets in wholesale operations, and SEK 46 m (40) to IT development.

FINANCIAL POSITION

Cash flow from operating activities for the year before paid tax was SEK 389 m (531). Paid tax amounted to SEK -96 m (-109). Cash and cash equivalents held by the Group (fixed-income investments) amounted to SEK 183 m, compared with SEK 315 m in December 2010. Interest-bearing liabilities and provisions totalled SEK 1,255 m at the end of the period, compared with SEK 840 m in December 2010. Interest-bearing net debt was SEK 1,072 m at the end of the period, compared with SEK 525 m in December 2010. Payout of the shareholder dividend affected cash flow by SEK -630 m (-525), and net capital expenditures affected cash flow by SEK -211 m (-199).

The equity ratio was 32.6%, compared with 38.8% as per December 2010.



THE SWEDISH FOOD RETAIL MARKET

According to Statistics Sweden's retail trade index for February, accumulated sales for the food retail segment rose 0.4% since the start of the year in current prices. In fixed prices, adjusted for price and calendar effects, volume decreased by 0.6%.

STORE OPERATIONS

Willys

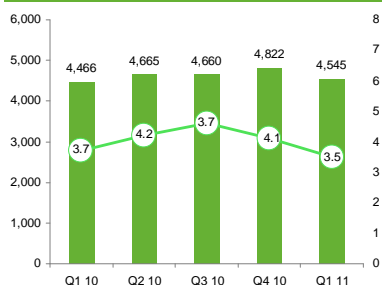
First quarter

Willys continued its profitable and stable performance. Sales during the first quarter totalled SEK 4,545 m (4,466), an increase of 1.8% compared with a year earlier. Like-for-like sales decreased by 2.7%. Sales were affected by customers adjusting their household budgets in response to higher interest rates, higher energy costs and competition. Operating profit was SEK 157 m (167), a decrease of 6.0%. The operating margin was 3.5% (3.7%). Earnings for the quarter were affected by new establishment, remodelling and the lack of an Easter effect on sales.

The private label share as of March was 25.6% (23.5%) for Willys and 29.3% (28.4%) for Willys Hemma.

Store modernizations continued in an effort to offer customers an improved shopping experience and capture further market shares. An additional seven stores were upgraded to the new generation of Willys during the first quarter. The renewal project now covers 59 stores. During the first quarter, one Willys Hemma store was established and one Willys store was acquired. An additional store was converted from Hemköp to Willys Hemma, and one Willys Hemma store was sold. Willys thereafter comprises 162 wholly owned stores, of which 42 are Willys Hemma.

Sales, SEK m, and Operating margin, %



Key ratios

SEK m	Q1 2011	Q1 2010	Full year 2010
Net sales	4,545	4,466	18,613
Change in like-for-like sales, %	-2.7	3.1	0.4
Operating profit	157	167	772
Operating margin, %	3.5	3.7	4.1
Number of Group-owned stores	162	153	160
Average number of employees during the period	3,340	3,081	3,266
Private label share (Willys/Wilys Hemma)	25.6/2	23.5/28.4	24.0/28.7
	9.3		

Hemköp

First quarter

Earnings as well as like-for-like sales showed a continued favourable trend. This represents a good achievement in a generally sluggish food retail market. Like-for-like sales for Group-owned stores rose 0.6% during the period.

Sales for Hemköp's stores – both Group-owned and franchises – decreased by 3.8% during the first quarter. Sales for Group-owned Hemköp stores totalled SEK 1,192 m (1,265), a decrease of 5.8%. Compared with the same period a year ago, total sales were negatively affected by a change in the number of stores. Sales for franchise stores totalled SEK 930 m (940), a decrease of 1.1%, with a 1.1% rise in like-for-like sales.

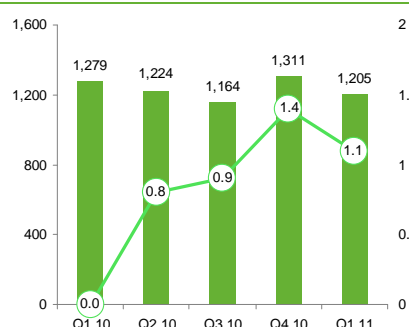
Operating profit for the first quarter was SEK 13 m (6). The operating margin for the period was 1.1% (0.5%). Earnings were affected by SEK 12 m (–) in one-time costs for store closures.

Hemköp's loyalty card continues to grow, and by the end of the period 388,000 cards were in issue. The loyalty card is a key part of a long-term effort to boost customer loyalty and thereby sales and market shares. To create further conditions for growth, a store renewal project has been initiated.

Hemköp's private label share (incl. franchise stores) was 17.1% (15.3%) as of March.

During the first quarter, two Group-owned stores were closed and one was converted to Willys Hemma. Hemköp had a total of 144 stores at the end of the period, of which 62 are Group-owned.

Sales, SEK m, and operating margin, %



Key ratios

SEK m	Q1 2011	Q1 2010	Full year 2010
Net sales	1,205	1,279	4,978
Change in like-for-like sales, %	0.6	1.0	2.3
Operating profit	13	6	45
Operating margin, %	1.1	0.5	0.9
Number of Group-owned stores	62	71	65
Average number of employees during the period	1,385	1,454	1,422
Private label share	17.1	15.3	16.8

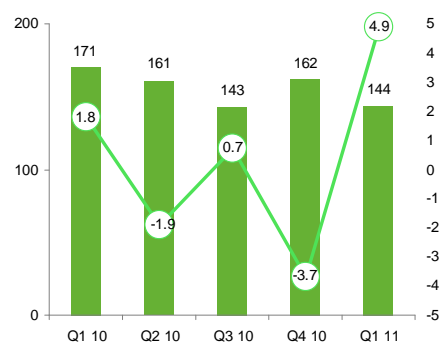
PrisXtra

First quarter

PrisXtra's sales totalled SEK 144 m (171) during the first quarter, a decrease of 15.8%. Like-for-like sales decreased by 12.7% during the period. Operating profit was SEK 7 m (3), and the operating margin was 4.9% (1.8%).

As previously, the two largest stores continue to be hurt by traffic re-routing and roadwork associated with construction of the Norra länken motorway in Stockholm. However, these store locations have strategic importance over time.

Sales, SEK m, and operating margin, %



Key ratios

SEK m	Q1 2011	Q1 2010	Full year 2010
Net sales	144	171	637
Change in like-for-like sales, %	-12.7	-6.0	-7.0
Operating profit	7	3	-5
Operating margin, %	4.9	1.8	-0.8
Number of Group-owned stores	5	6	5
Average number of employees during the period	150	170	164

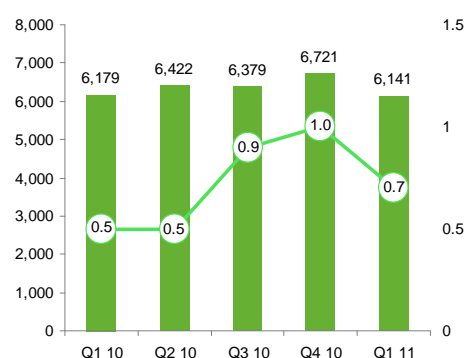
AXFOOD WHOLESALING

Dagab

First quarter

Dagab continued to show a high level of delivery reliability, 97.0%, and very good cost control. Sales during the first quarter totalled SEK 6,141 m (6,179). Operating profit for the first quarter was SEK 41 m (30), and the operating margin was 0.7% (0.5%). Collaboration with the Vi stores continued to develop well.

Sales, SEK m, and operating margin, %



Key ratios

SEK m	Q1 2011	Q1 2010	Full year 2010
Net sales	6,141	6,179	25,701
Distributed sales	4,160	4,174	17,408
Operating profit	41	30	189
Operating margin, %	0.7	0.5	0.7
Average number of employees during the period	947	899	932
Delivery reliability, %	97.0	97.1	97.2

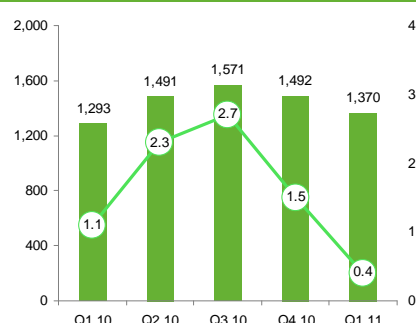
Axfood Närlivs

First quarter

Axfood Närlivs noted a continued favourable trend in sales, which rose 6.0% during the first quarter, to SEK 1,370 m (1,293).

Operating profit for the first quarter was SEK 6 m (14), and the operating margin was 0.4% (1.1%). Apart from the lack of an Easter effect on sales, earnings were affected by the re-launch of an e-commerce concept and the establishment of a new Snabbgross cash and carry store.

Sales, SEK m, and operating margin, %



Key ratios

SEK m	Q1 2011	Q1 2010	Full year 2010
Net sales	1,370	1,293	5,847
Distributed sales	1,204	1,120	5,070
Operating profit	6	14	113
Operating margin, %	0.4	1.1	1.9
Axfood Snabbgross, no. stores	19	19	19
Average number of employees during the period	679	624	667
Delivery reliability, %	97.9	97.6	97.4

SIGNIFICANT RISKS AND UNCERTAINTIES

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 2010 Annual Report.

SEASONAL EFFECTS

Axfood has no significant seasonal variations.

ENVIRONMENTAL IMPACT

One of Axfood's strategic objectives is to actively conduct work for environmentally sustainable development. In the day-to-day activities, sustainability aspects are integrated in product purchasing and selection as well as in logistics, transport and product flows, store operations and waste handling. Priority areas for Axfood's environmental sustainability work include energy use, transports and waste handling. All of these areas have major bearing on Axfood's business and large potential for improvement. One overall goal is to reduce the climate impact of the Group's operations by 75% by 2020. In 2011, work on energy efficiency improvement will continue to have high priority. A redoubled focus on recycling has also been initiated, where most waste will either be recycled into raw material for the recycling industry or converted to energy. A more detailed account of Axfood's work with environmental matters can be found on Axfood's website: www.axfood.se.

PARENT COMPANY

Other operating revenue for the Parent Company during the period January–March amounted to SEK 44 m (43). After selling expenses, administrative expenses and other operating expenses, totalling SEK 64 m (53), and SEK -2 m (-4) in net financial items, the result after financial items was SEK -22 m (-14). Capital expenditures during the period totalled SEK 0 m (1).

The Parent Company's interest-bearing net debt was SEK 484 m at the end of the period, compared with SEK 931 m in December 2010. 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 approved 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.

FORECAST

Axfood's goal for 2011 is to achieve an operating profit at least at the same level as in 2010.

NEXT REPORT

The interim report for the period January–June 2011 will be released on 18 July 2011.

This interim report has not been reviewed by the Company's auditors.

Stockholm, 20 April 2011

Anders Strålman

President and CEO

PRESS RELEASES ISSUED DURING THE FIRST QUARTER

- 3 January 2011 More than SEK 2 million donated to Save the Children
- 27 January 2011 Invitation to press and analyst meeting in connection with the presentation of Axfood's 2010 Year-End Report
- 3 February 2011 Axfood initiates discussions with Vi stores on deeper cooperation
- 7 February 2011 Garant Sårklart puts climate first
- 9 February 2011 Nominating Committee proposes re-election of board members for Axfood AB
- 21 February 2011 Axfood invests in recycling
- 21 February 2011 Publication of Axfood's 2010 Annual Report on website
- 17 March 2011 Resolutions made at Axfood AB's Annual General Meeting

FINANCIAL STATEMENTS, GROUP

Condensed statement of comprehensive income, Group			
SEK m	Q1 2011	Q1 2010	Full year 2010
Net sales	8,257	8,210	34,260
Cost of goods sold	-7,111	-7,104	-29,587
Gross profit	1,146	1,106	4,673
Selling/administrative expenses, etc.	-905	-861	-3,464
Operating profit	241	245	1,209
Net financial items	-8	-10	-37
Profit after financial items	233	235	1,172
Tax	-61	-61	-310
Profit for the period	172	174	862
<i>Other comprehensive income</i>			
Change in fair value of forward exchange contracts	1	1	0
Tax attributable to components in other comprehensive income	0	0	0
<i>Other comprehensive income for the period</i>	1	1	0
Total comprehensive income for the period	173	175	862
Operating profit includes depreciation/amortization of	141	131	555
Earnings per share, SEK	3.28	3.31	16.42

Condensed statement of financial position, Group

<i>SEK m</i>	31/3/2011	31/3/2010	Full year 2010
Assets			
Goodwill	1,576	1,539	1,567
Other financial assets	32	33	32
Other non-current assets	2,425	2,182	2,364
Total non-current assets	4,033	3,754	3,963
Inventories	1,876	1,831	1,822
Accounts receivable – trade	648	685	660
Other current assets	969	904	904
Cash and bank balances	183	279	315
Total current assets	3,676	3,699	3,701
Total assets	7,709	7,453	7,664
Shareholders' equity and liabilities			
Equity attributable to owners of the parent	2,515	2,285	2,972
Total shareholders' equity	2,515	2,285	2,972
Non-current interest-bearing liabilities	400	396	398
Other non-current liabilities	218	205	219
Total non-current liabilities	618	601	617
Current interest-bearing liabilities	855	718	442
Accounts payable – trade	2,196	2,277	2,208
Other current liabilities	1,525	1,572	1,425
Total current liabilities	4,576	4,567	4,075
Total shareholders' equity and liabilities	7,709	7,453	7,664
Contingent liabilities	18	19	18
Pledged assets	16	14	16

Condensed statement of cash flows, Group

SEK m	Q1 2011	Q1 2010	Full year 2010
Operating activities			
Cash flow from operating activities before changes in working capital, before paid tax	370	368	1,750
Paid tax	-96	-109	-322
Changes in working capital	19	163	-63
<i>Cash flow from operating activities</i>	293	422	1,365
Investing activities			
Acquisitions of operations, net	-14	-1	-59
Acquisitions of non-current assets, net	-197	-198	-771
Change in financial non-current assets, net	-	-1	-1
<i>Cash flow from investing activities</i>	-211	-200	-831
Financing activities			
Change in interest-bearing liabilities	416	266	-10
Dividend paid out	-630	-525	-525
<i>Cash flow from financing activities</i>	-214	-259	-535
Cash flow for the period	-132	-37	-1

Condensed statement of changes in equity, Group

SEK m	31/3/2011	31/3/2010	Full year 2010
Amount at start of year	2,972	2,635	2,635
Total comprehensive income for the period	173	175	862
Dividend to shareholders	-630	-525	-525
Amount at end of period	2,515	2,285	2,972

Key ratios and other data, Group

	Q1 2011	Q1 2010	Full year 2010
Operating margin, %	2.9	3.0	3.5
Margin after financial items, %	2.8	2.9	3.4
Equity ratio, %	32.6	30.7	38.8
Debt-equity ratio, net, multiple	0.4	0.4	0.2
Debt-equity ratio, multiple	0.5	0.5	0.3
Interest coverage, multiple	26.9	24.5	31.3
Capital employed, SEK m	3,770	3,399	3,812
Return on capital employed, %	33.7	33.6	33.2
Return on shareholders' equity, %	35.8	37.5	30.7
Capital expenditures, SEK m	220	204	862
Earnings per share, SEK ¹	3.28	3.31	16.42
Dividend per share, SEK	-	-	12.00
Shareholders' equity per share, SEK ^{1, 2}	47.93	43.55	56.64
Cash flow per share, SEK ¹	-2.5	-0.7	0.0
Number of shares outstanding ¹	52,467,678	52,467,678	52,467,678
Average number of employees during the year	6,969	6,669	6,895

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.

Quarterly overview

	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10	Q4 10	Q1 11
Sales	8,216	8,049	8,431	8,210	8,583	8,582	8,885	8,257
Operating profit	269	335	290	245	279	364	321	241
Operating margin, %	3.3	4.2	3.4	3.0	3.3	4.2	3.6	2.9
Earnings per share, SEK ¹	3.63	4.57	3.83	3.31	3.79	5.00	4.32	3.28
Shareholders' equity per share, SEK ¹	41.78	46.35	50.22	43.55	47.34	52.30	56.64	47.93
Return on shareholders' equity, %	36.7	35.2	32.4	37.5	34.8	32.3	30.7	35.8
Cash flow from operating activities per share, SEK	5.9	6.1	10.3	8.0	5.5	6.3	6.2	5.6
Capital expenditures	184	120	194	204	250	138	270	220

FINANCIAL STATEMENTS, PARENT COMPANY

Condensed income statement, Parent Company

SEK m	Q1 2011	Q1 2010	Full year 2010
Net sales	-	-	-
Selling/administrative expenses, etc.	-20	-10	-47
Operating profit	-20	-10	-47
Net financial items	-2	-4	-6
Profit after financial items	-22	-14	-53
Appropriations	-	-	4
Profit before tax	-22	-14	-49
Tax	5	4	13
Net profit for the period	-17	-10	-36
Operating profit includes depreciation/amortization of	0	2	6

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

Condensed balance sheet, Parent Company

SEK m	31/3/2011	31/3/2010	Full year 2010
Assets			
Property, plant and equipment	3	7	4
Participations in Group companies	3,468	3,468	3,468
Other financial non-current assets	4	3	3
Deferred tax assets	10	10	11
Total non-current assets	3,485	3,488	3,486
Receivables from Group companies ¹	1,110	1,342	2,102
Other current assets	65	61	8
Cash and bank balances	-	-	0
Total current assets	1,175	1,403	2,110
Total assets	4,660	4,891	5,596
Shareholders' equity and liabilities			
Restricted shareholders' equity	262	262	262
Unrestricted shareholders' equity	2,755	2,549	3,402
Total shareholders' equity	3,017	2,811	3,664
Untaxed reserves	1	5	1
Non-current interest-bearing liabilities	32	31	32
Noninterest-bearing non-current liabilities	7	7	7
Total non-current liabilities	39	38	39
Current interest-bearing liabilities	823	681	406
Liabilities to Group companies ²	743	1,323	1,404
Accounts payable – trade	13	6	15
Other current noninterest-bearing liabilities	24	27	67
Total current liabilities	1,603	2,037	1,892
Total shareholders' equity and liabilities	4,660	4,891	5,596
Contingent liabilities	357	360	357
Pledged assets	-	-	-
1) Of which, interest-bearing receivables	1,110	1,341	872
2) Of which, interest-bearing liabilities	740	1,321	1,364

FINANCIAL DEFINITIONS

Average number of employees during the year: 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 after dilution: Share price in relation to earnings per share after dilution.

P/E multiple before 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 123, Hydro, Bilisten and Preem service station chains.

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.



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About Axfood

Axfood AB conducts food retail and wholesale business in Sweden. Retail business is conducted through the wholly owned store chains Willys, Hemköp and PrisXtra.

- The Group has 229 stores. In addition, Axfood collaborates with approximately 840 proprietor-run stores.
- Wholesale business is conducted through Dagab and Axfood Närlivs. Axfood Snabbgross has 19 cash and carry stores.
- Axfood is listed on Nasdaq OMX Stockholm AB's Large Cap list.
- Axfood has an approximate 20% share of the food retail market in Sweden.

Axfood aspires to be the most profitable company in the Swedish food retail market and aims to grow its market shares by strengthening and developing its position. Axfood's long-term goal is to attain an operating margin of 4%. Achieving this requires activities at every level aimed at boosting sales, efficiency and profitability.