

# Year-End Report, Axfood AB (publ.)

for the period 1 January–31 December 2006

axfood



- Axfood's consolidated sales amounted to SEK 28,808 m (28,086) in 2006, an increase of 2.6%.
- Retail sales for Axfood's wholly owned stores rose 4.0% during the year. Like-for-like sales rose 1.0%.
- Operating profit for the year was SEK 1,204 m (1,040), including compensation of SEK 89 m from the settlement with the Vi retailers association.
- Profit after financial items for the year was SEK 1,183 m (1,026).
- Profit after tax for the year was SEK 852 m (729). Earnings per share were SEK 16.03 (13.37).
- The Board of Directors proposes a dividend of SEK 12 per share (9) based on profit for the year, plus an extra dividend of SEK 8 (6).

## Key ratios

SEK m	Oct.-Dec.		Jan.-Dec.	
	2006	2005	2006	2005
*Net sales	7 384	7 305	28 808	28 086
*Operating profit	266	215	1 204	1 040
*Operating margin, % <sup>1</sup>	3,6	3,0	3,9	3,7
*Profit after financial items	261	212	1 183	1 026
*Profit after tax	188	150	852	729
*Earnings per share, SEK <sup>2</sup>	3,59	2,75	16,03	13,37
Equity ratio, %	-	-	39,8	38,9
Return on capital employed, %	-	-	37,3	28,7
Return on shareholders' equity %	-	-	32,5	25,1
Net asset value per share, SEK	-	-	46,12	51,81

\* Starting in September 2005, Spar Finland is reported as a discontinued operation on a separate line in the profit and loss account, in accordance with IFRS 5. Key ratios marked with an asterisk pertain to continuing operations. Other key ratios apply for the comparison period for Axfood's total operations (including Spar Finland), since the balance sheets for the comparison periods have not been recalculated, in accordance with IFRS 5.

1) Operating margin for the full year 2006, excluding compensation of SEK 89 m from the settlement with Vi.

2) Pertains to continuing operations and earnings per share before dilution, where the number of shares has also been reduced by the number of treasury shares held.

## CEO's comments

In 2006 Axfood achieved its best result ever in the Group's history, when we posted an operating profit of SEK 1,204 m (1,040) on sales of SEK 28,808 m (28,086). Axfood has benefited from the high level of consumption in Sweden and greater integration within the Group. Despite continued tough competition, Axfood defended its market shares at the same time that we kept a close eye on margins and earnings. Willys continues to be the engine behind Axfood.

During the year, the market was characterized by continued fierce competition, especially from newly established stores. In some areas and in certain regions we are currently seeing saturation in the market. The offering is great, the variations are many, and customers are being offered more and more alternatives. Axfood is meeting its customers' needs through the Hemköp and Willys chains. We have also benefited from higher consumption in the restaurant segment via Axfood Närlivs and Snabbgross.

Today discount stores make up a clear segment for shoppers, with more or less distinct store formats that are run in chain form. I am happy to note that Willys which now has a nationwide presence, is a shining star in the discount market. The challenge is to maintain and strengthen this position in order to further increase our market shares. Nine new Willys stores were opened during the past year. In 2007 we will be focusing on organic growth throughout the chain. Willys hemma was integrated with the rest of the Willys chain in 2006.

Development at Hemköp is moving in the right direction, and in 2006 we saw the result of several changes in the product offering and stores. This work continues. We will need both this year and next to reach profitability levels that are satisfactory. Five new stores are planned for 2007 – three of our own and two under franchises. For Hemköp as well, the primary focus in 2007 will be on organic growth.

Dagab has gradually been transformed into a logistics partner for Axfood's wholly owned chains and franchise stores and now virtually all of its deliveries go to our own store profiles. A major step in Dagab's efficiency improvement work entailed the construction of a new high-rise warehouse in Gothenburg, which began operating in 2006.

Axfood Närlivs and Snabbgross have had outstanding development in recent years. Snabbgross has done very well with its expansion in the food service and restaurant segment, and this focus will continue. Axfood Närlivs supplies products to the Handlar'n and Tempo chains, as well as to service stations and other convenience stores. In all there are some 150 stores operating under the Tempo concept and about 230 Handlar'n stores.

In 2006 Axfood reached a settlement with the Vi retailers association, and we chose to go our own ways.

We expect the fierce level of competition to continue in 2007. At Axfood our focus is on growing organically through existing units.

Axfood expects operating profit for 2007 to be level with 2006, excluding the compensation from the settlement with Vi.

Anders Strålmán  
*President and CEO*

### Important events during the fourth quarter:

- Axfood's board of directors appointed Göran Ennerfelt as Chairman of Axfood AB. He succeeded Mats Jansson, who resigned from his position as Chairman and company director.
- Willys – two new stores were opened and one was closed. Willys hemma closed one store.
- Hemköp – one store was closed and one was converted to a franchise.

### Important events earlier in the year:

- Axfood reached a settlement with the Vi retailers association, which had a favourable net profit impact of SEK 89 m.
- Axfood signed a long-term cooperation agreement with SABA on fruit and vegetable purchasing. The new set-up will be in operation by April 2007 at the latest.
- Per Uebel was appointed as President of Hemköpskedjan, Håkan Åkerström was appointed as President of Dagab, and Cecilia Giertha was appointed as Head of Corporate Communications for Axfood AB.
- Axfood's board decided to merge Willys and Willys hemma. Integrating Willys hemma with Willys will enable Axfood to save costs, strengthen integration and achieve other synergies.
- Willys – seven new stores were opened and four were closed. Willys hemma opened one store, sold one store, and closed four stores.
- Hemköp – five stores were closed and three were converted to franchises.
- A total of 2,116,150 shares were repurchased during the period January–September.

### Change in store structure, Jan.-Dec. 2006

	Dec. 2005	Establish- ment	Acquisitions	Sales/ closures	Conversions to/from	Dec. 2006
Hemköp	87	-	-	-10	-1	76
Willys	100	9	-	-5	1	105
Willys hemma	48	1	-	-6	-	43
<b>Total, wholly owned</b>	<b>235</b>	<b>10</b>	<b>-</b>	<b>-21</b>	<b>-</b>	<b>224</b>
Hemköp franchises	77	-	6	-1	-	82

## Net sales, own and franchise stores

	Oct.-Dec. 2006, SEK m	% <sup>1)</sup>	Like-for-like sales % <sup>1)</sup>	Jan.-Dec. 2006, SEK m	% <sup>1)</sup>	Like-for-like sales % <sup>1)</sup>
Hemköp	1 477	-8,3	-1,6	5 779	-6,1	-0,2
Hemköp franchise	849	4,5	0,7	3 362	13,5	3,6
<b>Hemköp total</b>	<b>2 326</b>	<b>-4,0</b>	<b>-0,8</b>	<b>9 141</b>	<b>0,2</b>	<b>1,1</b>
Willys	3 587	7,0	2,1	13 926	9,9	1,6
Willys hemma	292	-6,5	-1,9	1 189	-5,0	-3,1
<b>Willys total</b>	<b>3 879</b>	<b>5,8</b>	<b>1,8</b>	<b>15 115</b>	<b>8,5</b>	<b>1,3</b>
<b>Total</b>	<b>6 205</b>	<b>1,9</b>	<b>0,9</b>	<b>24 256</b>	<b>5,3</b>	<b>1,3</b>

1) % change compared with corresponding period a year ago.

## Sales and earnings for the Axfood Group

Consolidated wholesale and retail sales for the Axfood Group totalled SEK 28,808 m (28,086) in 2006, an increase of 2.6%. Store sales for the Axfood Group (in wholly owned stores and through Hemköp franchises) amounted to SEK 24,256 m (23,045), an increase of 5.3%. Sales by Axfood's wholly owned stores in Sweden increased during the year by 4.0%, with a 1.0% rise in like-for-like sales

Operating profit for the year was SEK 1,204 m (1,040). The operating margin for the year was 3.9% (3.7%), excluding the compensation from the Vi retailers association.

Net financial items at year-end totalled SEK -21 m (-14). Profit after financial items was SEK 1,183 m (1,026). The margin after financial items was 4.1% (3.7%). Profit after tax was SEK 852 m (729).

## Financial position

Cash flow from operating activities for the year before paid taxes was SEK 1,160 m (1,170). Paid taxes amounted to SEK -684 m (-241), of which SEK -284 Mkr (-) is an effect of a dissolution of tax allocation reserves. Cash and cash equivalents held by the Group amounted to SEK 369 m, compared with SEK 639 m in December 2005. Interest-bearing assets at year-end amounted to SEK 406 m, compared with SEK 639 m in December 2005. Interest-bearing liabilities and provisions totalled SEK 467 m at year-end, compared with SEK 414 m in December 2005.

The equity ratio was 39.8%, compared with 38.9% in December 2005.

Share repurchases had a cash flow effect of SEK -430 m (-).

## Capital expenditures

Total capital expenditures during the period amounted to SEK 587 m (1,036). Of these, SEK 321 m (347) pertained to fixed assets in retail operations, SEK 99 m (65) to fixed assets in wholesale operations, and SEK 160 m (124) to IT. Capital expenditures a year ago included SEK 352 m in store acquisitions and SEK 108 m pertaining to Spar Finland.

No goodwill was acquired during the year (SEK 250 m).

## Employees

The Axfood Group had an average of 7,007 employees (7,066) during the year. Of the Group's employees, approximately 75% work in stores and approximately 18% work in the wholesaling operation.

## Store operations

### *Hemköp*

Sales for Hemköp's stores – both wholly owned and franchises – rose 0.2% during the year. Sales for wholly owned Hemköp stores during the year totalled SEK 5,779 m (6,158), a decrease of 6.1% resulting from store closures and conversions to franchises.

Like-for-like sales for wholly owned stores decreased by 0.2% during the same period

Sales for franchise stores totalled SEK 3,362 m (2,961), an increase of 13.5%, with a 3.6% increase in like-for-like sales.

Sales for wholly owned stores during the fourth quarter amounted to SEK 1,477 m (1,611).

Operating profit for the year was SEK 79 m (30). The operating margin for the year was 1.4% (0.5%). Operating profit for the fourth quarter was SEK 17 m (-7).

Hemköp's private label share (including franchise stores) was 13.4% as of December (13.6%).

During the year, four stores were converted to franchises, one was converted to Willys and six were closed. The Hemköp chain has 76 wholly owned stores and 82 franchise stores. In all, the Hemköp chain has 158 stores.

### *Willys (including Willys hemma)*

Sales for the Willys group totalled SEK 15,115 m for the year (13,926), an increase of 8.5% compared with a year earlier. Like-for-like sales rose 1.3% during the same period. Sales during the fourth quarter totalled SEK 3,879 m (3,665).

Operating profit for the year was SEK 558 m (506). The operating margin was 3.7% (3.6%). Operating profit for the fourth quarter was SEK 135 m (110).

The private label share as of December was 23.6% for Willys (23.9%) and 27.0% for Willys hemma (27.8%).

During the year, nine new Willys stores were established, five were closed and one was converted from Hemköp. Willys has 105 wholly owned stores and three that are operated under franchise.

During the year, one Willys hemma store was opened, one was sold, and five were closed. Willys hemma has 43 stores.

***Axfood Partihandel (wholesaling) – Dagab and Axfood Närlivs***

Dagab's sales for the year totalled SEK 20,572 m (19,487). Sales during the fourth quarter totalled 5,399 m (5,235).

Operating profit for the year was SEK 226 m (272). The operating margin was 1.1% for the year (1.4%). Operating profit for the fourth quarter was SEK 68 m (72). Profit was lower due to a change in the customer and product mix.

Today 99% of Dagab's distributed sales from warehouses are derived from Axfood's own store concepts.

Sales for Axfood Närlivs totalled SEK 4,570 m for the year (4,680). Sales during the fourth quarter totalled SEK 1,152 m (1,178).

Axfood Närlivs' operating profit for the year was SEK 108 m (103). The operating margin for the year was 2.4% (2.2%). Operating profit for the fourth quarter was SEK 20 m (17).

**Parent Company**

Other operating revenue for the Parent Company during the year amounted to SEK 253 m (99). After selling and administrative expenses of SEK 211 m (178) and SEK 2 m (-9) in net financial items, profit after financial items was SEK 44 m (-88). The Parent Company's profit was favourably affected by the proceeds from the settlement with Vi, totalling SEK 89 m. Capital expenditures amounted to SEK 1 m (33).

Cash and cash equivalents held by the Parent Company amounted to SEK 1 m, compared with SEK 358 m in December 2005. Interest-bearing net debt was SEK 744 m at year-end, compared with SEK 605 m in December 2005.

A total of 2,116,150 shares were repurchased during the year. The average holding of treasury shares during the year was 1,415,979. Share repurchases affected the Parent Company's and Group's cash flow in the amount of SEK -430 m (-). During the year, the number of shares increased by 52,450 through conversion of the convertible debenture.

**Accounting principles**

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and RR31 Interim Financial Reporting for Groups. The same accounting principles and methods of calculation have been used as in the most recent annual report. The new/revised IFRSs that took effect on 1 January 2006 have no effect on the Axfood Group's profit and loss account, balance sheet, cash flow statement or shareholders' equity.

On 7 September 2005 Axfood signed an agreement to sell its holding in Spar Finland, and on 12 January 2006 the deal was completed. Spar Finland is reported as from 7 September as a discontinued operation, which entails that the company's net profit/loss from the start of the year is reported on a separate line in the profit and loss account – "Loss for the period from discontinued opera-

tion". Comparison figures in the profit and loss account have been recalculated. Starting on 1 September 2005 and onward, assets and liabilities pertaining to Spar Finland are reported separately on the balance sheet. The balance sheet for the comparison quarter is not affected, in accordance with IFRS 5.

In order to prepare the financial reports in accordance with generally accepted accounting practice, the Board and company management make estimations and assumptions that affect the company's earnings and position as well as other disclosed information. These estimations and assumptions are based on historical experience and are reviewed on a regular basis.

Starting on 1 January 2007, Axfood applies IFRS 7 Financial Statements: Disclosures and the IAS 1 Amendment: Presentation of Financial Statements.

IFRS 7 entails no change in the accounting and valuation of financial statements. However, it does entail the addition of certain disclosure requirements compared with the previous requirements under IAS 32. Among other things, it entails an improvement in the current disclosure requirements with respect to exposures and the management of risks from financial instruments. In view of IFRS 7, the disclosure requirements of IAS 1 have been amended. Among other things, descriptions must be provided with respect to the capital base, external capital requirements and the extent to which these have been met or not. In addition to IFRS 7 and the IAS 1 Amendment are four IFRIC interpretations – IFRIC 7, 8, 9 and 10. IFRS 7, the IAS 1 Amendment and IFRIC interpretations 7,8,9 and 10 have no effect on the Axfood Group's profit and loss account, balance sheet, cash flow statement or shareholders' equity. Axfood does not apply in advance the recommendations and interpretations that are to be applied starting in 2007.

## Future outlook

Axfood expects operating profit for 2007 to be level with 2006, excluding the compensation from the settlement with Vi.

## Next reporting date

The interim report for the period January–March 2007 will be released on 18 April 2007.

## Annual General Meeting

The 2007 Annual General Meeting will be held on 8 March 2007, at 5 p.m., at the Grand Hotel in Stockholm. The 2006 Annual Report will be published on 21 February 2007 on Axfood's website and will be available at Axfood's head offices in Solna. Printed versions of the Annual Report will be presented at the Annual General Meeting. Printed versions will also be distributed by post to shareholders upon request

Stockholm, Sweden, 2 February 2007

Anders Strålman, President and CEO of Axfood AB (publ.)



This year-end report has not been reviewed by Axfood AB's auditors.

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## Net sales per business unit

SEK m	Oct.-Dec.		Jan.-Dec.	
	2006	2005	2006	2005
Hemköp	1 489	1 623	5 829	6 198
Willys <sup>1</sup>	3 879	3 665	15 115	13 926
Axfood Närlivs <sup>2</sup>	1 152	1 178	4 570	4 680
Dagab <sup>3</sup>	5 399	5 235	20 572	19 487
Other <sup>4</sup>	254	224	947	848
Internal sales <sup>5</sup>	-4 789	-4 620	-18 225	-17 053
<b>Net sales from continuing operations</b>	<b>7 384</b>	<b>7 305</b>	<b>28 808</b>	<b>28 086</b>
Net sales from discontinued operations <sup>6</sup>	-	1 226	-	4 920
<b>Net sales, total</b>	<b>7 384</b>	<b>8 531</b>	<b>28 808</b>	<b>33 006</b>

## Operating profit for the period (EBIT), broken down by business

SEK m	Oct.-Dec.		Jan.-Dec.	
	2006	2005	2006	2005
Hemköp	17	-7	79	30
Willys <sup>7</sup>	135	110	558	506
Axfood Närlivs	20	17	108	103
Dagab	68	72	226	272
Other <sup>4</sup>	26	23	233	129
<b>Operating profit for the period from continuing operations</b>	<b>266</b>	<b>215</b>	<b>1 204</b>	<b>1 040</b>
Operating loss for the period from discontinued operation <sup>6</sup>	-	-37	-	-49
<b>Operating profit for the period, total</b>	<b>266</b>	<b>178</b>	<b>1 204</b>	<b>991</b>

<sup>1</sup> Of which, net sales for Willys hemma, SEK 1,189 m (1,251) for January-December and SEK 292 m (312) for October-December.

<sup>2</sup> Of which, distributed sales SEK 3,798 m (3,814) for January-December and SEK 951 m (960) for October-December.

<sup>3</sup> Of which, distributed sales SEK 13,428 m (13,274) for January-December and SEK 3,564 m (3,514) for October-December.

<sup>4</sup> Includes joint-Group functions, the support company Axfood IT, and the proceeds from the settlement with Vi, totalling SEK 89 m.

<sup>5</sup> Of which, Dagab SEK 17,445 m (16,390) for January-December and SEK 4,579 m (4,439) for October-December.

<sup>6</sup> Pertains to sales and profit/loss from the operations of Spar Finland Abp, which is reported as a discontinued operation as from September 2005, in accordance with IFRS 5.

<sup>7</sup> Of which, operating result for Willys hemma SEK -11 m (-16) for January-December and SEK -2 m (-7) for October-December.

## Condensed profit and loss account

SEK m.	Oct.-Dec.		Jan.-Dec.	
	2006	2005	2006	2005
<b>Continuing operations</b>				
Net sales	7 384	7 305	28 808	28 086
Cost of goods sold	-6 347	-6 316	-24 760	-24 172
Gross profit	1 037	989	4 048	3 914
Selling/administrative expenses, etc.	-771	-774	-2 844	-2 874
Operating profit	266	215	1 204	1 040
Net financial items	-5	-3	-21	-14
Profit after financial items	261	212	1 183	1 026
Tax	-73	-62	-331	-297
Profit for the period from continuing operations	188	150	852	729
Loss for the period from discontinued operation <sup>1</sup>	-	-40	-	-47
<b>Net profit for the period</b>	<b>188</b>	<b>110</b>	<b>852</b>	<b>682</b>
Of which, majority owner's share	188	111	852	687
Of which, minority owner's share	-	-1	-	-5
Operating profit for continuing operations includes depreciation/amortization of	123	119	474	438
Earnings per share, SEK	3,59	2,03	16,03	12,59
Earnings per share after dilution, SEK	3,59	2,03	16,03	12,58
Earnings per share for continuing operations	3,59	2,75	16,03	13,37
Earnings per share after dilution for continuing operations	3,59	2,75	16,03	13,35

<sup>1)</sup> Starting on 1 September 2005, Spar Finland is reported as a discontinued operation in accordance with IFRS 5, entailing that the net profit/loss from Spar Finland's business from the start of the year is reported on a separate line. Spar Finland's net sales and all expenses have been extracted from the consolidated profit and loss account, which from 1 January 2005 only includes continuing operations. Spar Finland is valued as per 31 December 2005 at the lower of its reported and fair value, less selling costs.

## Condensed balance sheet

SEK m	31/12/2006	31/12/2005
<b>Assets</b>		
Goodwill	1 131	1 131
Interest-bearing receivables	24	–
Financial fixed assets	31	32
Other fixed assets	1 736	1 684
<b>Total fixed assets</b>	<b>2 922</b>	<b>2 847</b>
Inventories	1 473	1 598
Accounts receivable — trade	514	486
Interest-bearing receivables	13	–
Other current assets	784	810
Cash and bank balances	369	639
Assets held for sale	–	1 189
<b>Total current assets</b>	<b>3 153</b>	<b>4 722</b>
<b>Total assets</b>	<b>6 075</b>	<b>7 569</b>
<b>Shareholders' equity and liabilities</b>		
Majority owner's share of shareholders' equity	2 420	2 825
Minority owner's share of shareholders' equity	–	119
<b>Total shareholders' equity</b>	<b>2 420</b>	<b>2 944</b>
Interest-bearing long-term liabilities	385	383
Noninterest-bearing long-term liabilities	157	157
<b>Total long-term liabilities</b>	<b>542</b>	<b>540</b>
Current interest-bearing liabilities	82	31
Accounts payable — trade	1 753	1 782
Other current noninterest-bearing liabilities	1 278	1 510
Liabilities tied to assets held for sale	–	762
<b>Total current liabilities</b>	<b>3 113</b>	<b>4 085</b>
<b>Total shareholders' equity and liabilities</b>	<b>6 075</b>	<b>7 569</b>
<b>Contingent liabilities</b>	<b>29</b>	<b>28</b>
<b>Pledged assets</b>	<b>2</b>	<b>3</b>

Starting on 1 September 2005, Spar Finland is reported as a discontinued operation in accordance with IFRS 5. This entails separate reporting of Spar Finland's assets and liabilities as from 1 September 2005. As from 2006, Spar Finland is not reported on Axfood's balance sheet.

## Condensed cash flow statement

SEK m	Jan.-Dec.	
	2006	2005
<b>Operating activities</b>		
–Cash flow from operating activities before changes in working capital before taxes paid	1 693	1 487
–Taxes paid <sup>1</sup>	-684	-241
–Changes in working capital	151	-76
<i>Cash flow from changes in working capital</i>	1 160	1 170
<b>Investing activities</b>		
–Company acquisitions, net	236	-311
–Acquisitions of fixed assets, net	-559	-552
–Reduction of financial fixed assets	2	13
<i>Cash flow from investing activities</i>	-321	-850
<b>Financing activities</b>		
–Change in interest-bearing liabilities	47	11
–Share repurchases	-430	–
–Dividend paid out	-811	-590
<b>Cash flow from financing activities</b>	-1 194	-579
<b>Cash flow for the period</b>	<b>-355</b>	<b>-259</b>
<b>Of which, cash flow from discontinued operation</b>		
–Cash flow from operating activities	–	24
–Cash flow from investing activities	–	-118
–Cash flow from financing activities	–	53
<b>Cash flow for the period from discontinued operation</b>	<b>–</b>	<b>-41</b>

Starting on 1 September 2005, Spar Finland is reported as a discontinued operation in accordance with IFRS 5.

1) Of which SEK -284 m is an effect of a dissolution of tax allocation reserves in 2005.

## Change in shareholders' equity, 31/12/2006

SEK m	Majority owner's	Minority owner's	Total
Amount at start of year	2 825	119	2 944
Accumulated exchange rate difference attributable to discontinued operation	-20	–	-20
Minority interest attributable to discontinued operation	–	-119	-119
Change in fair value of forward exchange contracts	0	–	0
<b>Total changes in net worth reported directly against shareholders' equity, excluding transactions with the company's owners</b>	-20	-119	-139
Profit for the period	852	–	852
<b>Total changes in net worth, excluding transactions with the company's owners</b>	832	-119	713
Share repurchases	-430	–	-430
New issue	4	–	4
Dividend to shareholders	-811	–	-811
<b>Amount at end of period</b>	<b>2 420</b>	<b>–</b>	<b>2 420</b>

## Change in shareholders' equity, 31/12/2005

SEK m	Majority owner's	Minority owner's	Total
Amount at start of year	2 644	119	2 763
Change of accounting principle, IAS 39	0	–	0
Minority in acquired operation	–	1	1
Change in fair value of forward exchange contracts	-2	–	-2
Exchange rate difference	15	5	20
<b>Total changes in net worth reported directly against shareholders' equity, excluding transactions with the company's owners</b>	13	6	19
Profit/loss for the period	687	-5	682
<b>Total changes in net worth, excluding transactions with the company's owners</b>	700	1	701
Dividend to shareholders	-589	-1	-590
New issue	70	–	70
<b>Amount at end of period</b>	<b>2 825</b>	<b>119</b>	<b>2 944</b>

## Key ratios and other data

	31/12/2006	31/12/2005
*Operating margin, % <sup>1)</sup>	3,9	3,7
*Margin after financial items, %	4,1	3,7
Equity ratio, %	39,8	38,9
Debt-equity ratio, net, multiple	0,0	0,0 <sup>2)</sup>
Debt-equity ratio, multiple	0,19	0,22
Interest coverage, multiple	43,2	31,6
Capital employed, SEK m	2 887	3 603
Return on capital employed, %	37,3	28,7
Return on shareholders' equity, % <sup>3)</sup>	32,5	25,1
Capital expenditures, SEK m	587	1 036
Earnings per share, SEK <sup>3)</sup>	16,03	12,59
Earnings per share after dilution, SEK <sup>3)</sup>	16,03	12,58
Dividend per share, SEK	20,00 <sup>4)</sup>	15,00
Net asset value per share, SEK <sup>3)</sup>	46,12	51,81
Net asset value per share after dilution, SEK <sup>3)</sup>	46,12	51,76
Number of shares outstanding <sup>5)</sup>	52 467 678	54 531 378
Weighted average number of shares	53 162 625	54 531 378
Weighted average number of shares after dilution <sup>6)</sup>	53 162 625	54 583 928
Number of treasury shares held	2 116 150	–
*Average number of employees during the year	7 007	7 066

\* Spar Finland is reported as a discontinued operation as from 1 September 2005. Key ratios marked with an asterisk pertain to continuing operations. Comparison figures have been recalculated. Other key ratios pertain to Axfood's total operations (including Spar Finland), since the balance sheet for the comparison periods is not recalculated, in accordance with IFRS 5.

<sup>1)</sup> Operating margin excluding compensation for the settlement with Vi.

<sup>2)</sup> Axfood reports a negative debt-equity ratio as per 31/12/2005.

<sup>3)</sup> Based on majority owner's share and pertaining to total operations (including Spar Finland) for the comparison period.

<sup>4)</sup> Proposed by the Board of Directors.

<sup>5)</sup> The number of shares outstanding less holdings of treasury shares.

<sup>6)</sup> Average number of shares plus the shares that would be added through full conversion of the convertible debenture.



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