
Interim Report Axfood AB (publ)

For the period 1 January–30 September 2008



2008

Q1

Q2

Q3

Q4

- Axfood's consolidated sales amounted to SEK 23,519 m (21,536) during the period, an increase of 9.2%.
- Like-for-like sales rose 5.6% during the period. Retail sales for wholly owned stores increased by 9.9%.
- Operating profit for the period January–September was SEK 800 m (857). Operating profit for the same period a year ago included a one-time positive effect of SEK 19 m.
- Profit after financial items for the period amounted to SEK 747 m (831).
- Profit after tax for the period was SEK 538 m (598), and earnings per share were SEK 10.26 (11.40).
- Axfood expects operating profit for 2008 to be level with 2007.

KEY RATIOS

	July-Sept.		Jan.-Sept.		Jan.-Dec.
SEK m	2008	2007	2008	2007	2007
Net sales	7,934	7,201	23,519	21,536	29,189
Operating profit	284	320	800	857	1,121
Operating margin, %	3.6	4.4	3.4	4.0	3.8
Profit after financial items	266	311	747	831	1,086
Profit after tax	192	224	538	598	781
Earnings per share, SEK ¹	3.66	4.26	10.26	11.40	14.88
Equity ratio, %	-	-	28.7	30.8	32.6
Return on capital employed, %	-	-	33.0	38.9	37.6
Return on shareholders' equity %	-	-	35.8	37.4	34.2
Net asset value per share, SEK	-	-	39.34	37.51	41.02

1) Before and after dilution.

CEO'S COMMENTS

Axfood continues to show a high growth in sales, good profitability, and good cost control. During the first nine months of the year, sales rose 9.2% to SEK 23,519 m (21,536), which can be credited mainly to the performance of Willys. Operating profit was SEK 800 m (857), with an operating margin of 3.4% (4.0%). Operating profit a year earlier included a positive one-time effect of SEK 19 m from Willys. The decrease in operating profit is mainly attributable to development at Hemköp.

Willys continues to post favourable growth and rising earnings. The operating margin was 4.4% (4.3%). This strong performance is attributable to a favourable price and assortment strategy, and the new marketing programme, which is contributing to a steady rise in the number of customers. At the same time, the renewal of the Willys concept is progressing according to plan. To date a total of eight stores have been successfully adapted to the new concept.

Hemköp's performance remains unsatisfactory. It is clear that Hemköp's prospects of achieving a positive operating margin in the immediate term have diminished in pace with the weaker economy. My ambition is to step up the pace of the ongoing action programme in an effort to improve and strengthen underperforming stores. As previously, the result of this realignment work is not expected to begin yielding positive effects until the end of the year at the earliest.

Our performance in other parts of the Group is stable and according to plan. The integration work is continuing at PrisXtra, and a sixth store was opened, in central Stockholm, on 1 October. During the period, Dagab commissioned its new cold storage warehouse in Borlänge. Närlivs continues to show steady, stable development, especially in its cash and carry business.

During the third quarter, an upgrading of Axfood's IT system was initiated. This project, which covers prices, assortment, product supply and finances, is expected to be completed by 2013. During the coming five-year period, the combined investment is expected to amount to between SEK 500 m and SEK 600 m. Over time, this will generate higher profitability.

In the current, turbulent business environment, indications are strong that the increases in food prices peaked during the third quarter. At the same time, it is difficult to judge at what pace and what levels prices will revert to. It is Axfood's intention that what we achieve in our negotiations with suppliers will be reflected in lower prices for our customers. We also want to offer our customers attractively priced, quality organic alternatives, which we will be doing through the Garant Ekologiska brand. The Garant brand is the newest addition to our private label product offering, and we expect our private label products together to account for 25% of our total sales by 2010.

Axfood's goal is to continue to be the most profitable company in the industry also in 2008, and as previously, we expect our operating profit for the full year to be level with 2007.

Anders Strålman
President and CEO

IMPORTANT EVENTS DURING THE THIRD QUARTER

- Thomas Evertsson took office as President of Willys on 1 September 2008.
- Anders Strålmán, President and CEO of Axfood, was appointed to serve also as president of Hemköp on 22 September.
- Axfood launched the Garant Ekologiska brand of organic products, which will be sold in all of the Group's store concepts.

IMPORTANT EVENTS EARLIER IN THE YEAR

- Axfood's acquisition of PrisXtra was completed on 28 January.
- In April, Axfood acquired a Vi store in the Solna Centrum shopping centre, with annual sales of approximately SEK 130 m. Following the takeover, the store was converted to Hemköp.
- Two new Willys stores were opened – in Uppsala and Älvsjö.
- Axfood Närlivs renewed its contract with OKQ8.
- Dagab's new high-bay storage facility in Jordbro was inaugurated in June.

IMPORTANT EVENTS AFTER THE END OF THE PERIOD

- On 1 October, a new PrisXtra store was opened on Fleminggatan in Stockholm.

CHANGE IN STORE STRUCTURE, JAN.-SEPT. 2008

	Dec. 2007	Establish- ment	Acquisitions	Sales/ closures	Conversions to/from	Sept. 2008
Hemköp	79		1	-1		79
Willys ¹⁾	138	2		-2		138
PrisXtra			5			5
Total, wholly owned	217	2	6	-3	-	222
Hemköp franchises	86		2			88

1) Of which, Willys hemma 31 (33).

NET SALES, OWN AND FRANCHISE STORES

	July-Sept. 2008, SEK m	% 1)	Like-for-like sales %1)	Jan.-Sept. 2008, SEK m	% 1)	Like-for-like sales %1)
Hemköp	1,322	-1.8	-3.6	4,146	0.2	-2.4
Hemköp franchises	1,002	9.2	3.7	2,934	8.2	3.8
Hemköp total	2,324	2.7	-0.5	7,080	3.4	0.1
Willys total	4,188	11.4	9.0	12,421	9.4	8.1
PrisXtra	151	-	-	450	-	-
Total	6,663	10.6	5.7	19,951	9.6	5.3

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

SALES AND EARNINGS FOR THE AXFOOD GROUP

Consolidated wholesale and retail sales for the Axfood Group totalled SEK 23,519 m (21,536) during the period, an increase of 9.2%. Store sales for the Axfood Group (wholly owned stores and Hemköp franchises) amounted to SEK 19,951 m (18,198), an increase of 9.6%. Sales by Axfood-owned stores increased during the period by 9.9%, with a 5.6% rise in like-for-like sales.

Operating profit for the period was SEK 800 m (857). Operating profit for the corresponding period in 2007 included a positive one-time effect of SEK 19 m. The operating margin for the period was 3.4% (4.0%).

Net financial items totalled SEK -53 m (-26), and profit after financial items was SEK 747 m (831). The margin after financial items was 3.2% (3.9%). Profit after tax was SEK 538 m (598).

FINANCIAL POSITION

Cash flow from operating activities for the period before paid tax was SEK 1,008 m (1,144). Paid tax amounted to SEK -254 m (-322). Cash and cash equivalents held by the Group amounted to SEK 181 m, compared with SEK 471 m in December 2007. Interest-bearing assets amounted to SEK 207 m at the end of the period, compared with SEK 497 m in December 2007. Interest-bearing liabilities and provisions totalled SEK 1,457 m at the end of the period, compared with SEK 967 m in December 2007. Interest-bearing net debt was SEK 1,250 m at the end of the period, compared with SEK 470 m in December 2007. Payout of the shareholder dividend affected cash flow by SEK -630 m (-1,049).

The equity ratio was 28.7%, compared with 32.6% in December 2007.

CAPITAL EXPENDITURES

Total capital expenditures during the period amounted to SEK 939 m (387). Of these, SEK 475 m (63) pertained to acquisitions of businesses, SEK 281 m (164) to investment in non-current assets in retail operations, SEK 80 m (71) to non-current assets in wholesale operations, and SEK 98 m (80) to IT.

On 28 January 2008 Axfood took over as the owner of PrisXtra Förvaltning AB (PrisXtra). At the time of the acquisition, PrisXtra conducted retail trade via five stores plus an online service in the Stockholm area. Annual sales for PrisXtra at the time of acquisition were calculated at approximately SEK 700 m. The purchase price was SEK 400 m and was paid in cash during the period. Acquired assets and liabilities pertaining to PrisXtra are stated in Axfood's balance sheet at fair value. In connection with the acquisition, the following intangible assets are reported: trademarks SEK 80 m, customer relations SEK 15 m, leaseholds SEK 14 m and goodwill SEK 286 m. Identified goodwill is entirely attributable to the synergies that will be available to Axfood in connection with the acquisition. On 1 October 2008, PrisXtra opened an additional store in central Stockholm.

In addition to PrisXtra, one store and three service counters were acquired for a combined purchase price of SEK 75 m. The purchase price was paid in cash during the period. Acquired goodwill amounts to SEK 66 m. No intangible assets other than goodwill have been identified.

EMPLOYEES

The Axfood Group had an average of 6,731 employees (6,393) during the period. Of the Group's employees, approximately 75% work in stores and slightly more than 20% in the wholesaling operations.

STORE OPERATIONS

WILLYS

Sales for Willys totalled SEK 12,421 m (11,349) for the period January–September, an increase of 9.4% compared with a year earlier. Like-for-like sales rose 8.1% during the same period. Sales for the third quarter totalled SEK 4,188 m (3,759). Sales growth as well as earnings continue to follow the favourable trend that Willys has shown since the start of the year. Both Willys and Willys hemma have noted a steady rise in customer numbers.

The strong performance is a result of a good price and assortment strategy, and the new marketing programme. At the same time, the renewal of the Willys concept is progressing according to plan. This concept entails, among other things, a focus on fresh products and organic products, as well as an expansion of the product offering by approximately 1,000 items. To date a total of eight stores have been successfully adapted to the new concept.

Operating profit for the period was SEK 549 m (488). Profit for the same period a year ago included a one-time effect of SEK 19 m, attributable to the valuation of store inventories. The operating margin was 4.4% (4.3%). Operating profit for the third quarter was SEK 197 m (185).

The private label share as of September was 22.4% (25.5%) for Willys and 26.2% (28.1%) for Willys hemma.

The Willys chain comprises 138 wholly owned stores, including 31 Willys hemma stores.

HEMKÖP

Sales for Hemköp's stores – both wholly owned and franchises – rose 3.4% during the period January–September. Sales for wholly owned Hemköp stores totalled SEK 4,146 m (4,138) during the period, an increase of 0.2%. Like-for-like sales for wholly owned stores decreased by 2.4% during the period.

Sales for franchise stores totalled SEK 2,934 m (2,712), an increase of 8.2%, with a 3.8% rise in like-for-like sales.

Sales for wholly owned stores totalled SEK 1,322 m (1,345) during the third quarter.

An operating loss of SEK -18 m (51) was reported for the period January–September. The operating margin for the period was -0.4% (1.2%). An operating loss of SEK -5 m (12) was posted for the third quarter.

Hemköp's performance remains unsatisfactory. It is clear that Hemköp's prospects of achieving a positive operating margin in the immediate term have diminished in pace with the weaker economy. Axfood's ambition is to step up the pace of the ongoing action programme in an effort to improve and strengthen underperforming stores. As previously, the result of this realignment work is not expected to begin yielding positive effects until the end of the year at the earliest.

Hemköp's new customer loyalty card continues to grow, and at the end of the period 187,000 cards were in issue. The goal for the year is to reach 200,000 cardholders. This is a key part of a long-term initiative to boost customer loyalty and thus sales and market shares.

Hemköp's private label share (incl. franchise stores) was 13.8% as of June (13.8%).

Hemköp had 167 stores at the end of the period, of which 79 were wholly owned.

PRISXTRA

PrisXtra's sales amounted to SEK 450 m during the period February–September, which is according to budget. Operating profit for the period February–September was SEK 8 m, and the operating margin for the period was 1.8%. PrisXtra is consolidated in Axfood as from February, and priority has been given to work on integrating operations with the Group. Among other things, Dagab began delivering to PrisXtra in early March.

On 1 October a new store was opened in central Stockholm. At present the chain has six stores plus an online service in the Stockholm area.

AXFOOD PARTIHANDEL (WHOLESALE)

DAGAB AND AXFOOD NÄRLIVS

Dagab's sales for the period January–September totalled SEK 17,374 m (15,597). Sales during the third quarter totalled SEK 5,832 m (5,135). Operating profit for the period was SEK 93 m (88). The operating margin for the period was 0.5% (0.6%). Operating profit for the third quarter was SEK 33 m (33). Development is proceeding according to plan, with good cost control and a continued high degree of delivery reliability. During the period, Dagab commissioned its new cold storage warehouse in Borlänge. In addition, implementation of the autoorder system was initiated towards the end of the period.

Sales for Axfood Närlivs during the period January–September totalled SEK 4,268 m (4,062). Sales during the third quarter totalled SEK 1,505 m (1,426). Operating profit for the period was SEK 88 m (78). The operating margin for the period was 2.1% (1.9%). Operating profit for the third quarter was SEK 46 m (36). Axfood Närlivs continues to show steady, stable sales in a competitive market, especially in the cash and carry segment.

SIGNIFICANT RISKS AND UNCERTAINTIES

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

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

Axfood works continuously with risk identification and assessment. A thorough account of the risks that affect the Group can be found in the 2007 Annual Report.

The price increases announced in 2007 by suppliers on account of higher raw material and transport costs have continued in 2008. However, Axfood believes that these price increases have now culminated.

One of the most significant operating 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.

ENVIRONMENTAL IMPACT

Axfood works actively with environmental matters, and in cooperation with the trade organization Svensk Dagligvaruhandel, Axfood has taken the initiative on an industry-wide standard for climate labelling of products in the retail food trade. Together with other members of this trade organization, Axfood is working on formulating long-term goals for reducing carbon dioxide emissions. Axfood is also participating in a pilot study on the use of biogas-powered delivery trucks.

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

- transports to and from stores, warehouses and suppliers,
- sorting of waste at offices and in stores, and
- electricity consumption in offices, warehouses and stores.

One concrete result of the Group's environmental effort is the adoption of a new fish policy, which stipulates, among other things, that fish and shellfish from threatened fishing waters may not be sold in Axfood's stores.

PARENT COMPANY

Other operating revenue for the Parent Company during the period January–September amounted to SEK 125 m (119). After selling expenses, administrative expenses and other operating expenses, totalling SEK 154 m (141), and SEK -32 m (-11) in net financial items, the result after financial items was SEK -61 m (-33). Capital expenditures during the period amounted to SEK 402 m (6).

Cash and cash equivalents held by the Parent Company totalled SEK 0 m, compared with SEK 0 m in December 2007. Interest-bearing net debt was SEK 1,408 m at year-end, compared with SEK 1,090 m in December 2007.

No shares were repurchased during the period. The Parent Company has no significant transactions with related parties, other than transactions with subsidiaries.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting principles and methods of calculation have been used as in the most recent annual report.

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

Effective 1 January 2008, three new IFRIC interpretations take effect: IFRIC 11, 12 and 14. IFRIC 12 and 14 have not yet been approved by the EU and therefore are not applied. The interpretations have no effect on the Axfood Group's income statement, balance sheet, cash flow statement or shareholders' equity.

PARENT COMPANY

The same accounting principles and calculation methods as in the most recent annual report have been used. The Parent Company complies with the Swedish Annual Accounts Act and recommendation RFR 2.1 – Reporting for Legal Entities, issued by the Swedish Financial Reporting Board (RFR). Application of RFR 2.1 entails that in interim reporting for legal entities, the Parent Company is to apply all IFRSs and interpretations approved by the EU as far as possible within the framework of the Swedish Annual Accounts Act, the Pension Obligations Vesting Act, and taking into account the connection between accounting and taxation.

FUTURE OUTLOOK

Axfood expects operating profit for 2008 to be level with 2007¹.

NEXT REPORTING DATE

The year-end report for the period January–December 2008 will be released on 3 February 2009.

¹ Unchanged compared with the preceding report.

ANNUAL GENERAL MEETING

The 2008 Annual General Meeting will be held at 5 p.m. on 10 March 2009 in Stockholm. The 2008 Annual Report will be published on 23 February 2009 on Axfood's website and will be on hand at Axfood's head offices in Solna. In addition, printed versions will be distributed by post to shareholders approximately one week before the Annual General Meeting upon request.

This interim report has been reviewed by the Company's auditors. The review report can be found on page 10.

Stockholm, 14 October 2008

Anders Strålman
President and CEO

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AUDITORS' REVIEW REPORT

To the Board of Directors of Axfood AB (publ)
Reg. no. 556542-0824

INTRODUCTION

We have reviewed the accompanying interim report for Axfood AB (publ.) for the period 1 January – 30 September 2008. The Board of Directors and the President are responsible for the preparation and presentation of the interim report in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We have conducted our review in accordance with the Swedish standard for such reviews, SÖG 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Swedish generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, a review does not enable us to express a conclusion with the same degree of assurance that an audit would do.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act and that the parent company interim financial information, in all material respects, is not prepared in accordance with the Annual Accounts Act.

Stockholm, 14 October 2008
KPMG AB

Thomas Thiel
Authorized Public Accountant

FINANCIAL STATEMENTS, GROUP

NET SALES PER BUSINESS UNIT

SEK m	July-Sept.		Jan.-Sept.		Jan.-Dec.
	2008	2007	2008	2007	2007
Hemköp	1,337	1,359	4,189	4,178	5,674
Willys	4,188	3,759	12,421	11,349	15,382
PrisXtra	151	-	450	-	-
Axfood Närlivs ¹	1,505	1,426	4,268	4,062	5,465
Dagab ²	5,832	5,135	17,374	15,597	21,294
Other ³	500	306	1,411	841	1,230
Internal sales ⁴	-5,579	-4,784	-16,594	-14,491	-19,856
Net sales, total	7,934	7,201	23,519	21,536	29,189

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

SEK m	July-Sept.		Jan.-Sept.		Jan.-Dec.
	2008	2007	2008	2007	2007
Hemköp	-5	12	-18	51	53
Willys	197	185	549	488	666
PrisXtra	2	-	8	-	-
Axfood Närlivs	46	36	88	78	101
Dagab	33	33	93	88	131
Other ³	11	54	80	152	170
Operating profit for the period, total	284	320	800	857	1,121

¹ Of which, distributed sales of SEK 3,431 m (3,264) for January–September and SEK 4,389 m for January–December.

² Of which, distributed sales of SEK 11,305 m (10,164) for January–September and SEK 13,921 m for January–December.

³ Includes joint-Group functions and the support company Axfood IT. Figures for the third quarter have been affected by a change in internal pricing, in the amount of approximately SEK 30 m. This does not affect the Axfood Group's consolidated earnings. The item "other" also includes charges for, among other things, amortization of surplus value pertaining to the acquisition of PrisXtra.

⁴ Of which, SEK 15,298 m (13,759) for Dagab for January–September and SEK 18,769 m for January–December.

CONDENSED INCOME STATEMENT

SEK m	July-Sept.		Jan.-Sept.		Jan.-Dec.
	2008	2007	2008	2007	2007
Net sales	7,934	7,201	23,519	21,536	29,189
Cost of goods sold	-6,903	-6,173	-20,371	-18,497	-25,119
<i>Gross profit</i>	1,031	1,028	3,148	3,039	4,070
Selling/administrative expenses, etc.	-747	-708	-2,348	-2,182	-2,949
<i>Operating profit</i>	284	320	800	857	1,121
Net financial items	-18	-9	-53	-26	-35
<i>Profit after financial items</i>	266	311	747	831	1,086
Tax	-74	-87	-209	-233	-305
Net profit for the period	192	224	538	598	781
Operating profit includes depreciation/amortization of	133	119	393	355	477
Earnings per share, SEK	3.66	4.26	10.26	11.40	14.88

CONDENSED BALANCE SHEET

SEK m	30/9/2008	30/9/2007	31/12/2007
Assets			
Goodwill	1,534	1,181	1,182
Interest-bearing receivables	13	25	13
Other financial assets	29	28	30
Other non-current assets	1,996	1,693	1,755
Total non-current assets	3,572	2,927	2,980
Inventories	1,578	1,465	1,597
Accounts receivable — trade	679	583	685
Interest-bearing receivables	13	13	13
Other current assets	1,172	1,056	862
Cash and bank balances	181	336	471
Total current assets	3,623	3,453	3,628
Total assets	7,195	6,380	6,608
Shareholders' equity and liabilities			
Equity attributable to equity holders of the parent	2,064	1,968	2,152
Total shareholders' equity	2,064	1,968	2,152
Interest-bearing non-current liabilities	693	586	587
Noninterest-bearing non-current liabilities	238	166	168
Total non-current liabilities	931	752	755
Current interest-bearing liabilities	764	423	380
Accounts payable — trade	1,859	1,738	1,850
Other current noninterest-bearing liabilities	1,577	1,499	1,471
Total current liabilities	4,200	3,660	3,701
Total shareholders' equity and liabilities	7,195	6,380	6,608
Contingent liabilities	26	27	23
Pledged assets	2	2	2

CONDENSED CASH FLOW STATEMENT

	Jan.-Sept.		Jan.-Dec.
SEK m	2008	2007	2007
Operating activities			
–Cash flow from operating activities before changes in working capital before paid tax	1,121	1,156	1,531
–Paid tax	-254	-322	-330
–Changes in working capital	-113	-12	-35
<i>Cash flow from operating activities</i>	754	822	1,166
Investing activities			
–Company acquisitions, net	-457	-51	-54
–Acquisitions of non-current assets, net	-435	-294	-471
–Reduction of financial non-current assets	-	-	13
<i>Cash flow from investing activities</i>	-892	-345	-512
Financing activities			
–Change in interest-bearing liabilities	478	539	497
–Dividend paid out	-630	-1,049	-1,049
<i>Cash flow from financing activities</i>	-152	-510	-552
Cash flow for the period	-290	-33	102

CHANGE IN SHAREHOLDERS' EQUITY, 30/9/2008

SEK m	Total
Amount at start of year	2,152
Change in fair value of forward exchange contracts	4
Total changes in net worth reported directly against shareholders' equity, excluding transactions with the company's owners	4
Profit for the period	538
Total changes in net worth, excluding transactions with the company's owners	542
Dividend to shareholders	-630
Amount at end of period	2,064

CHANGE IN SHAREHOLDERS' EQUITY, 30/9/2007

SEK m	Total
Amount at start of year	2,420
Change in fair value of forward exchange contracts	-1
Total changes in net worth reported directly against shareholders' equity, excluding transactions with the company's owners	-1
Profit for the period	598
Total changes in net worth, excluding transactions with the company's owners	597
Dividend to shareholders	-1,049
Amount at end of period	1,968

CHANGE IN SHAREHOLDERS' EQUITY, 31/12/2007

SEK m	Total
Amount at start of year	2,420
Change in fair value of forward exchange contracts	0
Total changes in net worth reported directly against shareholders' equity, excluding transactions with the company's owners	0
Profit for the period	781
Total changes in net worth, excluding transactions with the company's owners	781
Dividend to shareholders	-1,049
Amount at year-end	2,152

Since the start of 2007, no part of shareholders' equity is affected by minority interests; all shareholders' equity is attributable to the majority owner.

KEY RATIOS AND OTHER DATA

	30/9/2008	30/9/2007	31/12/2007
Operating margin, %	3.4	4.0	3.8
Margin after financial items, %	3.2	3.9	3.7
Equity ratio, %	28.7	30.8	32.6
Debt-equity ratio, net, multiple	0.6	0.3	0.2
Debt-equity ratio, multiple	0.71	0.51	0.45
Interest coverage, multiple	13.9	27.8	25.7
Capital employed, SEK m	3,521	2,977	3,119
Return on capital employed, %	33.0	38.9	37.6
Return on shareholders' equity, %	35.8	37.4	34.2
Capital expenditures, SEK m	939	387	576
Earnings per share, SEK ^{1, 2}	10.26	11.40	14.88
Ordinary dividend per share, SEK	-	-	12.00
Net asset value per share, SEK ^{1, 2}	39.34	37.51	41.02
Number of shares outstanding ²	52,467,678	52,467,678	52,467,678
Weighted average number of shares ^{1, 2}	52,467,678	52,467,678	52,467,678
Weighted average number of shares after dilution ^{1, 2}	52,467,678	52,467,678	52,467,678
Number of treasury shares held	-	-	-
Average number of employees during the year ³	6,731	6,393	6,463

1) Axfood has no outstanding incentive programmes that entail a dilutive effect.

2) Axfood had no holdings of treasury shares. The same applies for the comparison periods.

3) In calculating the average number of employees as per 30 September 2008, the normal number of hours worked per year has been changed from 1,800 to 1,920 hours. The comparison figures for 30 September 2007 have been changed.

FINANCIAL STATEMENTS, PARENT COMPANY

CONDENSED INCOME STATEMENT, PARENT COMPANY

	July-Sept.		Jan.-Sept.		Jan.-Dec.
SEK m.	2008	2007	2008	2007	2007
Net sales	-	-	-	-	-
Selling/administrative expenses, etc.	-9	-4	-29	-22	-32
<i>Operating profit</i>	-9	-4	-29	-22	-32
Net financial items	-12	-5	-32	-11	-18
<i>Profit after financial items</i>	-21	-9	-61	-33	-50
Appropriations	-	-	-	-	3
<i>Profit before tax</i>	-21	-9	-61	-33	-47
Tax	6	4	19	10	13
Net profit for the period	-15	-5	-42	-23	-34
Operating profit includes depreciation/amortization of	3	2	7	6	8

CONDENSED BALANCE SHEET, PARENT COMPANY

SEK m	30/9/2008	30/9/2007	31/12/2007
Assets			
Property, plant and equipment	19	26	25
Participations in Group companies	3 468	2 958	2 958
Interest-bearing receivables	13	25	13
Other financial non-current assets	3	4	3
Deferred tax assets	10	9	9
Total non-current assets	3 513	3 022	3 008
Receivables from Group companies ¹⁾	730	661	1 779
Interest-bearing receivables	13	13	13
Other current assets	219	214	14
Cash and bank balances	-	-	0
Total current assets	962	888	1 806
Total assets	4 475	3 910	4 814
Shareholders' equity and liabilities			
Restricted shareholders' equity	262	262	262
Unrestricted shareholders' equity	1 968	1 889	2 639
Total shareholders' equity	2 230	2 151	2 901
Untaxed reserves	6	9	6
Interest-bearing non-current liabilities	328	226	226
Noninterest-bearing non-current liabilities	7	6	6
Total non-current liabilities	335	232	232
Current interest-bearing liabilities	733	401	354
Liabilities to Group companies ²⁾	1 143	1 074	1 263
Accounts payable — trade	4	7	9
Other current noninterest-bearing liabilities	24	36	49
Total current liabilities	1 904	1 518	1 675
Total shareholders' equity and liabilities	4 475	3 910	4 814
Contingent liabilities	370	369	367
Pledged assets	-	-	-
1) Of which, interest-bearing receivables	727	650	697
2) Of which, noninterest-bearing liabilities	1 100	1 031	1 233



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