

Axel Johnson AB - 2000 Year-end Report

- **Axfood established**
- **AxFast sold within Axel Johnson Group**
- **Equity/assets ratio rose to 48 percent (27)**
- **Earnings improvements for Servera and Åhléns**

Axel Johnson's profit after net financial items in 2000 amounted to SEK 309 M (744), of which SEK 124 M (381) was attributable to items affecting comparability. Consolidated net sales for the year totaled SEK 7,181 M (14,515). The decrease was due to the fact that food operations, which are now part of jointly owned Axfood, are no longer consolidated. The balance sheet was strengthened and the equity/assets ratio rose to 48 percent (27).

During the year, **Servera** continued to increase its market shares. Excluding reallocated funds from Alecta (formerly SPP), Servera's earnings increased by 28 percent to SEK 60 M. Profit after net financial items amounted to SEK 68 M (47).

Åhléns modernized a number of its department stores during the year and continued to establish specialty stores within the Home business area. Excluding reallocated funds from Alecta, Åhléns' earnings improved by 10 percent to SEK 111 M. Profit after net financial items amounted to SEK 195 M (101).

During the year, **NovAx** made further investments in Bevakningstjänst AB and Sumo AB. Most of the holding in Utfors AB and all shares held in both Unisafe AB and Advancée AB were sold during the year. Profit after net financial items amounted to SEK 33 M (2).

Axfood was established in the beginning of 2000. The company is being restructured and a cost-rationalization program is underway to reduce cost levels by SEK 150 M per year. After net financial items, the company broke even with earnings of SEK 0 M (261). Axel Johnson has a 45-percent interest in this company.

Saba Trading reported profit after net financial items of SEK 126 M (108) in 2000. Axel Johnson has a 25-percent interest in this company.

Axel Johnson's 45-percent holding in **AxFast AB** was sold during the year to the parent company with the aim of streamlining Axel Johnson and strengthening the company's balance sheet. The intention is that AxFast will become a fourth independent group within the Axel Johnson Group.

Income statement

(M SEK)	2000	1999
Net sales	7 181	14 515
Cost of goods sold	-5 450	-10 990
Gross profit	1 731	3 525
Selling expenses	-1 404	-3 002
Administrative expenses	-230	-356
Items affecting comparability	124	381
Other operating income and expense, net	40	124
Result from participation in associated companies	94	120
Operating profit	355	792
<i>Result from financial investments:</i>		
Result from other securities	-3	3
Other interest income and similar profit/loss items	88	92
Interest expense and similar profit/loss items	-131	-143
Profit before tax	309	744
Tax on profit for the year	-29	-83
Profit after tax	280	661
Minority participations	-1	-65
Net profit for the year	279	596

Balance sheet

(M SEK)	2000	1999
Assets		
Intangible assets	83	127
Tangible assets	584	1 023
Financial assets	327	949
Total fixed assets	994	2 099
Inventories, etc	881	1 355
Current receivables	1 212	1 987
Cash and bank balances	402	459
Total current assets	2 495	3 801
TOTAL ASSETS	3 489	5 900
Equity and liabilities		
Shareholders' equity	1 698	1 409
Minority interest	2	208
Provisions	288	398
Long-term liabilities	181	1 149
Current liabilities	1 320	2 736
TOTAL EQUITY AND LIABILITIES	3 489	5 900

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The Axel Johnson Group consists of three legally and financially independent groups with a common owner, Antonia Ax:son Johnson and family. It is a fourth-generation family-owned company originating in the A. Johnson & Co. trading company, which was founded in 1873.

Axel Johnson AB operates in food products and other consumer goods, through import, distribution and retail operations. The operations are conducted in the Nordic market, with a focus on Sweden. In total, subsidiaries and affiliated companies have sales of nearly SEK 40 billion - excluding VAT - and some 13,000 employees.

Axel Johnson International AB conducts trading and distribution operations, primarily focusing on industrial products in the European market. Annual sales amount to SEK 4 billion, with 1,200 employees.

Axel Johnson Inc. conducts operations in North America. The Group is active in manufacturing and trading, within the business areas Energy, Telecommunications and Environment. Annual sales amount to approximately SEK 23 billion, with 1,600 employees, primarily in the U.S.