

Year end report 2010**“A good year for the Axel Johnson group”**

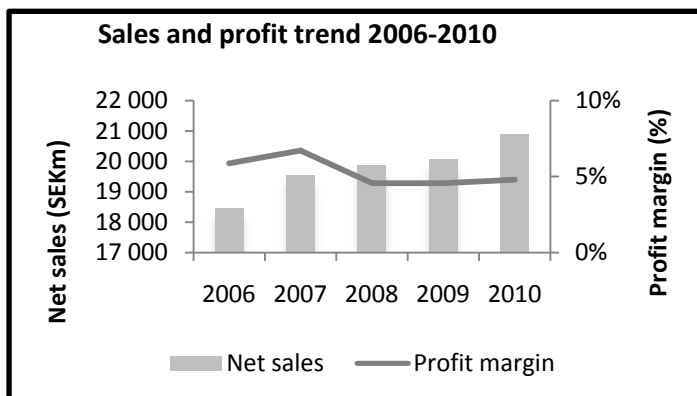
- Four out of seven group companies performed better than in the previous year, with two companies achieving their best earnings so far. Profit after net financial items increased to SEK 1,002 million (916).
- Axfood increased both profitability and sales during the year. Willys, Sweden's first eco-labeled retail food chain, increased its rate of store establishment and captured market shares in a weak market. Hemköp continued its positive development and increased same store sales.
- Axstores (formerly Åhléns group) acquired Norway's largest beauty chain Esthetique. Kicks Sweden reported its best earnings ever and launched online retailing. Åhléns took market shares and strengthened its position as Sweden's fourth largest fashion chain
- Mekonomen increased its profit after net financial items by 50 percent. The high rate of growth continued and during the year Mekonomen opened its two first units in Finland.
- Servera increased its sales by 6 percent in a weak market. During the year the new 45,000 square meter distribution center in Halmstad was inaugurated and an additional fruit and vegetable company was started in western Sweden, through the subsidiary Grönsakshallen Sorunda.
- Axel Johnson International improved its earnings substantially after the recession in 2009. A number of strategic acquisitions were made within service and aftermarket in France, Finland and the Netherlands.
- In Svensk BevakningsTjänst the business area Energy saw strong growth through an extended surveillance contract for the Ringhals nuclear power plant and a new contract for the Oskarshamn nuclear power plant.
- Novax invested in Trygga Hem (9%) and Studentum (28%). Novax sold 6.2 percent of its shares in WeSC during the year which generated a good capital gain.

Financial information

- Consolidated sales totaled SEK 20,899 million (20,073). Operating profit amounted to SEK 971 million (914). Profit after net financial items amounted to SEK 1,002 million (916).
- The group's financial position remains strong. Visible equity amounted to SEK 6,518 million (6,258). Cash and cash equivalents at year-end amounted to SEK 2,723 million (2,869) and net cash assets amounted to SEK 1,902 million.

Axel Johnson at a glance

Key figures	2010	2009
Net sales	20,899	20,073
Sales growth, %	4	1
Operating profit	971	914
Operating margin, %	5	5
Profit after net financial items	1,002	916
Profit for the year	650	601
Equity	6,518	6,258
Equity ratio, %	60	61
Return on equity, %	10.2	9.9



CEO's comments

2010 was a good year for our group. Sales increased and earnings improved to reach one billion kronor. Four of the group companies increased their earnings compared with the previous year and two of them, Axfood and Mekonomen, achieved record high earnings.

Market conditions varied considerably between our different businesses. The Swedish export industry experienced a strong recovery. We did not see the same recovery in other parts of Europe where the effects of financial anxiety continued to put pressure on demand. The Swedish krona became increasingly strong in step with rising uncertainty in Europe. Swedish consumption developed positively but not as fast as many had expected. Consumption of food retail products decreased for a number of months during the year.

During 2011 we will focus on profitable growth and what it is possible for us to achieve together. It is up to us to make 2011 another really good year for the group.

Stockholm, 25 February 2011

Fredrik Persson, President and CEO.

Axel Johnson AB is one of the Nordic region's leading trading groups which builds and develops businesses within trade and services in the European market, with the main focus on the Nordic region.

Group companies currently comprise Axel Johnson International, Axstores, Novax, Servera, Svensk BevakningsTjänst, as well as the partly owned listed companies Axfood (46%) and Mekonomen (29%). The wholly and partly owned companies in the Axel Johnson group have total annual sales of approximately SEK 59 billion, and about 17,000 employees (2010). Axel Johnson is a family-owned company in the fourth and fifth generation and is owned by Antonia Ax:son Johnson and her family.

Axel Johnson AB is one of three separate groups within the **Axel Johnson Group** together with AxFast and the U.S. company Axel Johnson Inc. The Group also has a holding in Nordstjärnan.

Axel Johnson's group companies

Financial information

Group company	Sales, SEKm		Sales growth, %	Profit after net financial items, SEKm		Profit margin, %	
	2010	2009	2010	2010	2009	2010	2009
Axel Johnson International	5,230	5,299	-1%	192	110	3.7%	2.1%
Axfood (c. 46%)*	34,260**	32,378	6%	1,172**	1,082	3.4%	3.3%
Axstores	6,657	6,202	7%	164	216	2.5%	3.5%
Mekonomen (29%)*	3,374**	3,129	8%	485**	323	14.4%	10.3%
Novax	--	--	--	62	9	--	--
Servera	7,732	7,303	6%	57	150	0.7%	2.1%
Svensk BevakningsTjänst	754	756	0%	62	76	8.3%	10.1%

*Figures in parentheses indicate share of share capital.

**Figures represent total sales and profit.

AXEL JOHNSON INTERNATIONAL

Rapid recovery

The past year

- Sales totaled SEK 5,230 million (5,299) and profit after net financial items SEK 192 million (110).
- Operations within Axel Johnson International saw increased demand during the year. The ability to act fast and meet customers' needs resulted in a stronger market position within all business areas. Forankra International established a new organization with three divisions, each specialized within its customer and product segment.
- Six companies were acquired during the year. These included AxIndustries' acquisition of the Finnish company Tauno Tassanto within bearings and transmissions. Forankra International's acquisition of the French sales company Olcoven, and AxFlow's acquisition of the Dutch system and service company Hendriks Techniek Flevo. Total sales in acquired companies amounted to SEK 92 million.

Ahead of 2011

All Axel Johnson International's operations are expected to develop well and to continue to capture market shares throughout Europe. The unchanged strategy is to achieve growth organically and through acquisitions, particularly within aftermarket and service.

Axel Johnson International owns and develops companies within technology trading. Operations focus on industrial products and comprise four business areas: AxFlow, Forankra, AxIndustries and AxImage.

axfood

Best-ever result

The past year

- Sales totaled SEK 34,260 million (32,378) and profit after net financial items was SEK 1,172 million (1,082).
- Willys gained market shares during the year and generated strong earnings. Ten new stores were opened in 2010. Hemköp's performance remained positive with more customers and increased like-for-like sales. Dagab's level of service was the best to date and the cooperation with the Vi stores was further developed during the year. Axfood Närlivs showed positive development and acquired Reitan Servicehandel's cold storage distribution center in Kungens Kurva, Stockholm.
- Axfood's sustainability initiatives continued at an increasing pace and among other things in 2010 all Willys stores achieved Good Environmental Choice certification. Sales of ecological and fair-trade labeled products are rising continuously in Axfood's store chains.
- Sales of private labels continued to be given priority during the year. At the end of 2010 private labels accounted for 22 percent of total sales, which is the highest proportion in the Swedish food retail sector.

Ahead of 2011

Axfood will continue to develop its concept in order to provide inspiration and exceed the expectations of its customers. One prioritized area is profitable growth. In order to achieve the goal to reduce climate impact by 75 percent by 2020, Axfood will increase the pace of energy efficiency measures in its stores. The target for 2011 is to achieve an operating profit at least at the 2010 level.

Axfood (ownership approximately 46%) is one of the largest listed companies in the Nordic grocery market, with both retail and wholesale operations. Retailing is conducted through the company's wholly owned chains Willys, Hemköp and PrisXtra and wholesaling through Dagab and Axfood Närlivs.



AXSTORES

Strengthened position within beauty

The past year

- Sales totaled SEK 6,657 million (6,202) and profit after net financial items reached SEK 164 million (216).
- In October, Axstores acquired the Norwegian beauty chain Esthetique, Norway's leading player in the beauty market with 76 stores.
- Kicks Sweden achieved its best-ever result and launched online sales. Åhléns upgraded several department stores during the year and launched a new beauty concept. Lagerhaus increased its sales and had a major focus during the year on further improving the in-store experience and customer offering. Two new Åhléns department stores were opened in Stockholm, nine new Kicks stores and two Lagerhaus stores.

Ahead of 2011

All the Axstores units are expected to increase sales and earnings. Within beauty further development of Kicks online sales and integration of Esthetique will be given priority. Åhléns focus on fashion is unchanged and additional activities will take place during the year to strengthen the company's position as one of Sweden's leading fashion players.

Axstores is one of the Nordic region's leading retail companies and consists of the Åhléns department stores, beauty expert Kicks, home furnishings chain Lagerhaus, Åhléns home interior stores in Norway, and the Norwegian beauty player Esthetique. Every day more than 360,000 people visit one of the Axstores' department or specialty stores.

Mekonomen

Record earnings and new market

The past year

- Sales amounted to SEK 3,374 million (3,129) and profit after net financial items was 485 SEK million (323).
- Mekonomen launched new stores and concepts during the year in both existing and new markets. Mekonomen Denmark reports improved earnings and operations were established in Finland with the opening of two Mega units in Helsinki.
- During the autumn Mekonomen entered the aftermarket for marine products and snowmobiles as well as continuing its focus on women and families with the launch of the M by Mekonomen store concept in Liljeholmen, Stockholm. The Mekonomen Fleet business area continued to develop well and concluded 14 new contracts during the year.
- Two companies were acquired in 2010, the workshop chain Speedy whose business concept is to provide fast service and FG Skandinavia which sells alcohol safety interlocks in the Scandinavian market.

Ahead of 2011

The establishment rate for new stores and workshops will remain high in 2011, in both existing and new markets. During the first quarter, Mekonomen will open its first unit in Reykjavik, Iceland. In the year ahead the goal is to become market leader within the aftermarket for marine and snowmobiles. In January 2011, an agreement was concluded to acquire the Norwegian car parts chain Sørensen og Balchen. The acquisition is expected to be completed in the first quarter.

Mekonomen (ownership 29%) is Sweden's largest automotive spare parts chain with offerings for both consumers and companies. With 230 stores and over 1,300 affiliated workshops, the aim is to make CarLife simpler for all customer groups.



Profitable growth and new investments

The past year

- Profit after net financial items was 62 SEK million (9).
- Novax made two new investments during the year and thus became a co-owner of Studentum, Sweden's leading player within marketing and education programs via the internet, and Trygga Hem which offers home security products and services to companies and private individuals.
- Novax made a partial exit during the year in WeSC by selling 6.2 percent of the shares with a good capital gain.
- All companies within Novax showed good sales growth and strengthened their operating profits. Filippa K gave a strong performance and improved its profitability substantially due to an aggressive focus on product development, a larger proportion of own store sales and good control of costs.

Ahead of 2011

Novax will continue to maintain a high pace within new investment activities. Continued profitable growth in existing companies is expected during the year.

Novax invests in and develops growth companies within retail, services and business-to-business. Through active and long-term ownership Novax creates value in its wholly or partly owned companies which today include Filippa K, DesignTarget, Himla, Studentum, Trygga Hem and WeSC.



Increased sales focus and reduced environmental impact

The past year

- Sales totaled SEK 7,732 million (7,303) and profit after net financial items was SEK 57 million (150).
- The new distribution center in Halmstad went into operation during 2010 which meant that the company improved logistics efficiency and reduced its environmental impact during the year. Major investments in the new warehouse and a new business system had a negative impact on Servera's earnings.
- During 2010, Servera increased its sales by 6 percent in a weak market. The focus was on attracting new customers and increasing sales to existing customers.
- Servera Support and Servera Training were launched during the year, services which will enable Servera's customers to focus on their business and reduce costs.

Ahead of 2011

Servera will have a greater focus on cost efficiency combined with an even higher level of service and delivery reliability. Work with corporate sustainability will continue with the aim of further reducing environmental impact and increasing the proportion of ecological and locally produced items in the product range. Digitalization of Servera's business through both online sales and other digital customer communication will be intensified during the year.

Servera is Sweden's leading wholesaler and specialist for restaurants and the food service sector. The company's 17,000 customers cover the full range of the professional meals market – from the local day care center to the trendy luxury restaurant. Servera has four subsidiaries: Grönsakshallen Sorunda, Fällmans Kött, RP Frukt and Matsäljarna Väst.

BEVAKNINGSTJÄNST

Strong growth in the business area Energy

The past year

- Sales amounted to SEK 755 million (756) and profit after net financial items was SEK 62 million (76).
- Svensk BevakningsTjänst delivered its second best earnings so far in 2010. The business area Energy saw strong growth during the year. Surveillance of the Ringhals nuclear power plant was extended by another five years and surveillance of the Oskarshamn nuclear power plant started in September.
- The company strengthened its presence in Ystad and Trelleborg and established new operations in Mjölby, Oskarshamn and Ängelholm.
- The number of employees increases continuously and the company had over 2,000 employees in 2010. Training continues to be a prioritized area and during the year more than 100 of the company's group leaders received training in leadership, accounting and working environment.

Ahead of 2011

Svensk BevakningsTjänst will continue to strengthen its positions in central and southern Sweden. During 2011 the company will reinforce its sales organization in order to further increase the pace and approach the long-term goal, Sweden's second largest security company.

Svensk BevakningsTjänst is Sweden's third largest security company. With quality assurance and environmental certification and over 2,000 well-trained employees, the company provides security to companies, authorities and private individuals, round the clock, round the country. Services include alarm systems, traditional guard services, personal protection, fire protection, advisory services and training.

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