

## Year-end report 2011

### Highlights 2011

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- Despite a challenging business climate, Axel Johnson reported its strongest-ever result. The profit after net financial items amounted to SEK 1,451 million (1,002).**  
 Six out of seven group companies performed better than in the previous year, with four, Axfood, Mekonomen, Novax and Svensk BevakningsTjänst, reporting record profits.
- A number of strategically important structural deals and acquisitions were carried out.**  
 Servera together with Martin Olsson formed the new company Martin & Servera. Mekonomen acquired Sørensen og Balchen and signed an agreement to acquire Meca. In addition, Axel Johnson International made seven acquisitions and Novax became co-owner in Medius and Global Health Online. After year-end, Novax became the majority owner of RCO.
- Axel Johnson invested over SEK 600 million in Axfood and Mekonomen.**  
 The holding in Axfood increased to over 50 percent and Axfood thus became a subsidiary of Axel Johnson.

### Financial position

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- The Group's income statement and balance sheet were affected by the fact that Axfood is now consolidated in Axel Johnson.**  
 As a result of the consolidation, sales increased by SEK 6,022 million, profit after net financial items by SEK 106 million and the equity ratio decreased by approximately 15 percentage points.
- Axel Johnson's financial position remains strong.**  
 Equity amounted to SEK 7,093 million (6,518). Cash and cash equivalents amounted to SEK 3,011 million (2,723) and net cash assets amounted to SEK 1,052 million (1,902).

	2009	2010	2011
Net sales (SEKm)	20,073	20,899	29,615
<i>Growth (%)</i>	1	4	42
Profit after net financial items (SEKm)	916	1,002	1,451
<i>Margin (%)</i>	4,6	4,8	4,9
Profit for the year (SEKm)	601	650	933
<i>Margin (%)</i>	3,0	3,1	3,1
Equity (SEKm)	6,258	6,518	7,093
<i>Equity ratio (%)</i>	61	60	45
<i>Return on equity (%)</i>	9,9	10,2	13,7

## **CEO's comments**

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Already at the end of 2010 the Swedish consumers started being more cautious. The media continued to forecast an economic upturn after the financial crisis, but in the second quarter of 2011 it became clear that the economy had turned and that Europe once again faced an uncertain economic outlook.

Despite the prevailing tough climate, the group's businesses performed well during 2011 and Axel Johnson reports the best-ever result in the company's history. Six of the group's seven businesses report higher profits than in the previous year, and Axfood, Mekonomen, Novax and Svensk BevakningsTjänst, achieved record-high earnings. Our strong financial position and our long-term perspective have also made it possible for us, despite the economic situation, to carry out a number of acquisitions and structural deals.

There is every indication that 2012 will be another challenging year with economic uncertainty in our business environment. At Axel Johnson we will continue our efforts to create sustainable value for our customers, employees and owner. We are well prepared to meet new challenges and take advantages of the opportunities that arise.

Stockholm, 24 February 2012

Fredrik Persson, President and CEO.



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*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, Martin & Servera (70%), Novax, Svensk BevakningsTjänst as well as partly owned listed companies Axfood (c. 50%) and Mekonomen (29%). The wholly and partly owned companies in the Axel Johnson group have total annual sales of approximately SEK 63 billion and about 19,000 employees (2011). Axel Johnson is a family-owned company in the fourth and fifth generation and is owned by Antonia Ax:son Johnson and her family.*  
[www.axeljohnson.se](http://www.axeljohnson.se)

*Axel Johnson AB is one of four independent groups in the Axel Johnson Group together with the property company AxFast, the U.S. company Axel Johnson Inc. and the asset management entity AltoCumulus.*

## Group companies

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Group company	Holding	Net sales (SEKm)		Profit after net financial items (SEKm)	
		2010	2011	2010	2011
Axel Johnson International	100%	5,230	5,664	192	276
Axfood	ca. 50%	34,260	34,795	1,172	1,214
Axstores	100%	6,657	7,116	164	74
Martin & Servera*	70%	7,732	9,312	57	144
Mekonomen	29%	3,374	4,140	485	523
Novax	100%	-	-	62	71
Svensk BevakningsTjänst	100%	754	885	62	79

\*2010 figures only relate to Servera

## AXEL JOHNSON INTERNATIONAL

Read more at [www.axinter.se](http://www.axinter.se)

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

### The past year

- Sales rose 8 percent in a market characterized by good demand within all business areas with the exception of AxImage's operations Fujifilm Norway.
- Profit after net financial items increased to SEK 276 million (192) due to sales growth, a higher gross margin and improved cost control. All operating areas improved their earnings and AxIndustries reported its highest-ever profit.
- AxFlow launched its own pump brand RealAx in France, AxIndustries took a large number of initiatives designed to shorten delivery times and AxLoad strengthened its position as a leading supplier of lifting and lashing equipment in Europe.
- Seven acquisitions were made during the year with total annual sales of approximately SEK 170 million. AxFlow purchased four businesses with a focus on strengthening its service offering. AxIndustries acquired Tekniika Center which strengthened the market position for the Bearings & Transmissions product area in Finland. AxLoad acquired Kompetanseteknikk in Norway and Inkalift with operations in Finland and the Baltic countries.

### Ahead of 2012

- During 2012 the focus will continue to be on geographic expansion, mainly through acquisitions, as well as development of combined service and product offerings. Axel Johnson International will also invest further in management development and is therefore starting the AxInter Business School.



Read more at [www.axfood.se](http://www.axfood.se)

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Axfood 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.

### The past year

- Axfood increased its sales by 2 percent in a market that only increased by 1 percent. Like-for-like sales decreased by 2 percent.
- Axfood achieved its best-ever result despite the weak market. Profit after net financial items increased to SEK 1,214 million (1,172) due to a good control of costs, high efficiency and a record-high proportion of private labels. The proportion of private labels at year-end amounted to 24.2 percent, which is explained among other things by the successful launch of the Garant brand. Hemköp achieved an operating margin of 2 percent during 2011.
- During the year 43 Vi stores were converted to Hemköp. Willys continued to establish new stores and modernize existing ones at a fast rate. Dagab increased its efficiency and both productivity and level of service were very good. Axfood Närlivs signed a new agreement with Statoil and agreed to acquire 50 percent of the wholesale company Hall Miba, a supplier of automotive-related consumer products to service stations and retailers.

### Ahead of 2012

- One target for 2012 is that by year-end private labels will account for 25 percent of sales. Furthermore, the focus will be on maintaining a high rate of new establishment, store renewal and implementation of the new business system. Work with sustainability remains center stage with a focus on reducing energy consumption, further reductions in emissions from transports and evaluation of alternative energy sources.



AXSTORES

Read more at [www.axstores.se](http://www.axstores.se)

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Axstores is one of the Nordic region's leading retail companies and consists of the Åhléns department stores, beauty experts Kicks, home furnishings chain Lagerhaus, Åhléns home interior stores in Norway, and the Norwegian beauty player Esthetique. Every day more than 300,000 people visit one of Axstores' department or specialty stores

### The past year

- Axstores increased its sales despite the weak development in the retail trade. Sales rose by 7 percent as a result of the acquisition of the Norwegian cosmetics chain Esthetique as well as sales growth in Kicks and Lagerhaus. Åhléns' sales were in line with the previous year's level.
- Profit after net financial items decreased to SEK 74 million (164) as sales growth did not compensate for cost increases in operations. The result was positively affected by cost-reduction programs which will have full effect in 2012.

- In Sweden, Åhléns gained market shares within Fashion and Home. Kicks took market shares in Sweden, launched its private label and increased sales within online retailing. In Norway, Esthetique was integrated and strengthened.

### **Ahead of 2012**

- During 2012 Axstores will work to strengthen its market positions through improved and additional unique offerings (including private labels), better shopping locations, more inspiring sales environments, and personnel development. Work within sustainability will continue and include a strengthening of the sustainable product range.

# **martin&servera**

Read more at [www.martinservera.se](http://www.martinservera.se)

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*Martin & Servera is Sweden's leading specialist for restaurants and the food service sector. The company has 35 sales offices, 15 distribution centers, 5 cash-and-carry outlets and 2,500 employees throughout Sweden.*

### **The past year**

- Servera and Martin Olsson merged in September 2011. The starting gun for the new company, Martin & Servera, was fired on 1 January 2012. The new company has joint functions for purchasing, IT, finance, HR, environment and quality as well as logistics, while the Martin Olsson and Servera brands will continue as independent sales companies.
- Despite a decline in the market, sales grew 20 percent. Excluding the effect of the merger, Servera's sales increased by 11 percent.
- Profit after net financial items amounted to SEK 144 million (57). The positive development is explained by investments made in 2010 in a new business system and distribution center which have improved efficiency. Martin Olsson's profit from September to December had a positive impact while nonrecurring costs were recognized in conjunction with the integration.
- During the year Servera started its own production of products such as minced meat as well as sliced and diced meat at a facility in Mantorp. Sjöbergs frukt i Jönköping was acquired and a decision was made to build a joint distribution center for Grönsakshallen Sorunda and Fällmans kött.

### **Ahead of 2012**

- The focus in 2012 will be on developing the new business. Martin & Servera's plans include a major focus on locally produced items. Grönsakshallen Sorunda, including RP Frukt and Fällmans Kött, will also expand and become established in Nyköping, Mora, Östersund and Umeå.

# Mekonomen

Read more at [www.mekonomen.se](http://www.mekonomen.se)

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Mekonomen is Sweden's largest automotive spare parts chain with offerings for both consumers and companies. With more than 330 stores and over 1,600 affiliated workshops, the aim is to make CarLife simpler for all customer groups.

## The past year

- Mekonomen increased its sales by 23 percent in a weak market. Excluding the acquisition of Sørensen og Balchen, sales rose 5 percent.
- Profit after net financial items was the highest ever and amounted to SEK 523 million (485). The increase is an effect of sales growth, the acquisition of Sørensen og Balchen and an improvement in profitability in the Danish operations. Earnings were charged with market investments as well as non-recurring costs linked to acquisitions.
- Mekonomen grew both organically and through acquisitions. The Norwegian company Sørensen og Balchen was acquired and Mekonomen signed an agreement to acquire Meca. Marinshopen was acquired and a marine product range was introduced in selected stores in Sweden. The focus on Finland continued and Mekonomen Fleet acquired several large new customers. In addition, Mekonomen achieved ISO certification for environment, working environment and quality.

## Ahead of 2012

- 2012 will be a year of consolidation with a focus on improved profitability in what will probably be a continued weak market. In Finland, efforts to develop Mekonomen into a significant player will continue.

# NOVAX

Read more at [www.novax.se](http://www.novax.se)

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Novax invests in and develops growth companies mainly in the retail and service sector. Through active and long-term ownership Novax creates value in its wholly or partly owned companies which today include Filippa K, DesignTarget, Studentum, Trygga Hem, Medius and RCO.

## The past year

- Profit after net financial items amounted to SEK 71 million (62) and was the strongest ever. The high profit is mainly an effect of record earnings in Filippa K but also strong development in Studentum.
- All companies increased their sales. Filippa K opened seven new units and acquired its Belgian agency business. Studentum celebrated its ten-year anniversary and the group changed name to Educations.com Media Group (EMG). Trygga Hem broadened its offering within home alarms to include fire detectors with image verification and smart functions. DesignTarget opened three new units and four shop-in-shops.
- Novax made two new investments and thus became a co-owner of the IT company Medius and the company Global Health Online, which is part of the EMG Group. The holding in Himla was sold back to the company's founder.

- After the end of the period, Novax has acquired 60 percent of the security company RCO and the holding in WeSC has been sold.

### **Ahead of 2012**

- During 2012 Novax plans to continue to maintain a high pace within new investment activities. Plans for growth and profitability are in place in the existing companies with preparedness to take action if the market situation develops worse than anticipated.

## **BEVAKNINGSTJÄNST**

Read more at [www.bevakningstjanst.com](http://www.bevakningstjanst.com)

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*Svensk BevakningsTjänst is Sweden's third largest security company. With quality assurance and environmental certification and some 2,200 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*

### **The past year**

- Svensk BevakningsTjänst increased its sales by 17 percent which significantly exceeded market growth. The strong growth is explained by significant development in the Energy business area while price competition was intense in other local markets, above all in the public sector.
- Profit after net financial items amounted to SEK 79 million (62) and was the highest ever. The improvement is mainly explained by the positive development in the Energy business area.
- Svensk BevakningsTjänst was commissioned to deliver new services to the Ringhals nuclear power plant. As a result, the company Synenergy was formed, which will offer peripheral services within service and logistics. Svensk BevakningsTjänst was also the first security company to receive certification for systematic work environment management.

### **Ahead of 2012**

- Svensk BevakningsTjänst's goal in 2012 is to continue to gain market shares in a tough market. The company will among other things set up operations in one or two new locations.