

Interim report January–September 2014

ICA Norway sold, acquisition of Apotek Hjärtat

Third quarter of 2014 in summary

- Consolidated net sales amounted to SEK 22,016 million (20,800) in the third quarter, an increase of 5.8%. In local currency, net sales increased by 5.0% compared with the third quarter last year.
- Operating profit excluding non-recurring items amounted to SEK 1,172 million (1,110), an increase of 5.6% compared with the previous year.
- Operating profit amounted to SEK 904 million (1,109).
 - Goodwill impairment in inkClub is included with SEK -322 million.
 - Capital gains from property divestments, impairment of property values and store fixtures and fittings are included in a net amount of SEK 54 million (-1).
- Profit from continuing operations amounted to SEK 676 million (713).
- Earnings per share, continuing operations, amounted to SEK 3.19 (3.57).
- Forma Publishing sold for a purchase price of SEK 155 million.

After the end of the quarter

- On 6 October, it was announced that the retail operations in Norway, ICA Norway, will be divested for SEK 2.8 billion on a cash and debt-free basis. The transaction will generate a capital gain of approximately SEK 1 billion.
- On 12 November 2014, it was announced that ICA Gruppen is acquiring Apotek Hjärtat for SEK 5.7 billion on a cash and debt-free basis.



From the start of the third quarter ICA Norway is reported as "Profit from discontinued operations". This means that ICA Norway is not included in the Group's consolidated sales and operating profit. ICA Norway's earnings are reported on a line in the consolidated income statement before "Profit for the period". The consolidated income statement from 1 January 2012 will be changed in the same manner. In the

balance sheet, ICA Norway is recognised as "Assets available for sale" and "Liabilities available for sale" respectively. ICA Norway is included in consolidated cash flow. In ICA Gruppen's consolidated financial statements, ICA AB is included as a wholly owned subsidiary with effect from 27 March 2013 when the acquisition of Ahold's shares in ICA AB was completed.

SEKm	July–September 2014	July–September 2013	January–September 2014	January–September 2013	Pro forma ¹ January–September 2013	Pro forma ¹ January–December 2013
Group						
Net sales	22,016	20,800	63,994	43,335	61,173	82,993
Operating profit before depreciation (EBITDA)	1,616	1,408	4,396	2,599	3,605	4,912
Operating profit (EBIT) excluding non-recurring items	1,172	1,110	2,856	1,957	2,637	3,695
Operating profit (EBIT)	904	1,109	3,031	10,034	2,729	3,482
Profit before tax	823	948	2,775	9,740	2,259	2,859
Profit from continuing operations	676	713	2,297	9,349	1,787	2,432
Profit for the period	495	551	1,787	8,915	893	1,424
Cash flow from continuing operating activities	395	683	2,118	2,252	3,533	5,638
Cash flow from operating activities	551	626	2,158	1,994	3,275	5,285
Operating margin, excluding non-recurring items %	5.3%	5.3%	4.5%	4.5%	4.3%	4.5%
Operating margin, %	4.1%	5.3%	4.7%	23.2%	4.5%	4.2%
Return on capital employed, %	-	-	9.3%	9.7%	9.1%	8.0%
Return on equity, %	-	-	7.9%	7.1%	8.7%	6.0%
Earnings per ordinary share, SEK ²	2.29	2.76	8.44	50.07	4.69	7.18
Earnings per ordinary share, continuing operations, SEK ²	3.19	3.57	10.98	52.51	9.66	12.72

¹ Excluding acquisition effects

² Same figure for ordinary shares and C shares

CEO's comments

The events that had the biggest impact on this report both took place after the end of the quarter. In October, following a long period of analysis and consideration, we were able to present a long-term solution for our Norwegian retail operations, and today we can announce the acquisition of Apotek Hjärtat. With the sale of ICA Norway, we have reached a conclusion that is positive for everyone involved, our Norwegian stores and employees, Norwegian consumers and naturally for ICA Gruppen where at a stroke we have improved our earnings and strengthened our financial position in a decisive manner. The acquisition of Apotek Hjärtat provides development opportunities in an attractive and important sector and enables synergies with other businesses within ICA.

In Sweden, the Swedish ICA stores continued to outperform the market. This means that we gained market shares in the third quarter as well. Price development was once again close to zero in September which naturally has a negative impact on grocery retail growth. For ICA Sweden, this was yet another strong quarter with continued strong growth in our Cura pharmacies and favourable development for our wholesale operations.

In ICA Norway, losses decreased but if we look at sales development the problems remain. Our Norwegian stores continue to lose market share. There are bright spots, however, and I am convinced that with a new owner there will be opportunities for good long-term development. Completion of this transaction is conditional on the Norwegian Competition Authority's approval of the deal, something that we feel sure will happen.

In our Baltic operations, growth continued at a very good rate with a sales growth of more than 9%. The rate of increase in earnings is lower but should be seen in light of an ongoing ambitious programme for conversion of stores and new store openings, mainly in Lithuania. This costs money initially but builds a strong position over time. Performance in Latvia is particularly good and a sign of Rimi's strength there is that the brand was voted as the third most popular after Google and Inbox.

ICA Bank reports slightly lower earnings with slightly higher costs and is affected by the increasingly low interest rates. This interest rate situation is expected to continue for some time since today it is difficult to find signs of it changing in any decisive way. Gratifyingly enough both the number of bank customers and bank cards continue to rise.

ICA Real Estate continued to show stable development. A major property divestment was carried out during the quarter where properties for almost SEK 1 billion were sold to Ancore, the company we co-own with Alecta.

Hemtex and Cervera were the main contributors to improved earnings for the portfolio companies. inkClub is showing less favourable development which resulted in an

impairment loss in the company. During the quarter we also completed a further stage in our announced strategy to streamline the portfolio, with the successful divestment of Forma Publishing.

Then we come to the acquisition of Apotek Hjärtat which was announced today. We are now taking a substantial step forward in an attractive and important sector. We have successfully built up the Cura pharmacies so we already have knowledge of the pharmacy market. We are now adding a profitable and professional business and will be the second-largest player in the market. And this also creates excellent opportunities to strengthen our customer offering within pharmaceuticals, health and wellness, with high demands on safe and efficient drug management.

We are in a period with many ongoing projects designed to further strengthen our competitiveness. The list is long and in the short term this is a load on the organisation and is resource-intensive. In the long term this means that we will develop and strengthen our position. Standing still is not an alternative.

Per Strömberg
CEO ICA Gruppen



Important events during the third quarter of 2014

September 2014 – ICA Gruppen's Nomination Committee appointed

ICA Gruppen's 2014 Annual General Meeting resolved that the Nomination Committee shall consist of four members who represent the company's shareholders. The three largest shareholders in August, ICA-handlarnas Förbund, Industrivärden and AMF, have now nominated members of the Nomination Committee ahead of the 2015 Annual General Meeting.

September 2014 – ICA Real Estate divests ten retail properties to Ancore

ICA Fastigheter Sverige AB divested ten retail properties to Ancore Fastigheter AB, which is co-owned by ICA Fastigheter AB and Alecta. The underlying property value is SEK 918 million and the transaction generated a capital gain of SEK 59 million for ICA Gruppen.

September 2014 – ICA Sweden signs licensing agreement with Starbucks

ICA Sweden has signed a licensing agreement with Starbucks Coffee Company (Nasdaq: SBUX) to open Starbucks retail stores in the ICA stores in Sweden. The cafés will be operated by ICA according to the Starbucks licensing concept and under the Starbucks brand.

August 2014 – ICA Gruppen sells Forma

ICA Gruppen signed an agreement to sell Forma Publishing Group, with publications that include Icakuriren and Hus & Hem, to the Danish media company Egmont. In a separate deal, the trade magazines Icanheter and Market will be sold to ICA-handlarnas Förbund. The deal was approved by the Swedish Competition Authority on 3 October and will generate a minor positive earnings impact for ICA Gruppen. Final purchase price is SEK 155 million.

September 2014 - Goodwill impairment in inkClub

Earnings for the quarter were charged with a goodwill impairment in inkClub of SEK -322 million.

Group performance

ICA Gruppen's consolidated financial statements include ICA AB as a wholly owned subsidiary with effect from 27 March 2013, when the acquisition of Ahold's shares in ICA AB was completed. ICA Norway is included as "Profit from discontinued operations" in both results and comparative figures. This means that ICA Norway is not included in the Group's consolidated sales and operating profit.

Net sales and earnings

Third quarter 2014

Consolidated net sales amounted to SEK 22,016 million (20,800), an increase of 5.8%. The increase was mainly driven by higher volumes. Price inflation remained low, particularly in Sweden. In local currency, sales increased by 5.0%.

Operating profit excluding non-recurring items amounted to SEK 1,172 million (1,110) in the quarter. The increased earnings were mainly due to improved results in ICA Sweden. Operating profit amounted to SEK 904 million (1 109). Operating profit includes gains from divestment of properties in Sweden and Norway in a net amount of SEK 51 million as well as gains from property divestments in Estonia and Latvia of SEK 53 million. Earnings were charged with impairment of property values and store fixtures and fittings totalling SEK -53 million in Sweden, Norway and the Baltic countries as well as goodwill impairment in inkClub of SEK -322 million.

Profit for the period from continuing operations was SEK 676 million (713) and earnings per share, continuing operations, amounted to SEK 3.19 (3.57).

January–September 2014

Consolidated net sales amounted to SEK 63,994 million (43,335).

Operating profit excluding non-recurring items amounted to SEK 2,856 million (1,957). Operating profit in the Group amounted to SEK 3,031 million (10,034). Gain from the divestment of Kjell & Company is included with SEK 445 million. The comparative figure for 2013 includes the earnings impact of the acquisition of ICA AB with SEK 8,051 million.

Profit for the period for continuing operations was SEK 2,297 million (9,349) and earnings per share amounted to SEK 10.98 (52.51).

Net financial items and tax

ICA Gruppen's net financial items amounted to SEK -81 million (-161) in the third quarter. In the period January–September 2014, net financial items were SEK -256 million (-294). The improvement in the third quarter and in the period January–September is explained

by the changes implemented in the financing of the Group since the acquisition of the remaining shares in ICA AB was completed in spring 2013.

ICA Gruppen's tax expense was SEK -147 million (-235) in the third quarter. In the period January–September 2014 the tax expense was SEK -478 million (-391).

Financial position

ICA Gruppen's total assets amounted to SEK 69,163 million at 30 September 2014 (SEK 68,961 million at 31 December 2013). The equity/assets ratio was 39.5% at 30 September 2014 (38.5% at 31 December 2013).

ICA Gruppen's net debt, excluding pension liabilities and ICA Bank, amounted to SEK 8,276 million at 30 September 2014 (SEK 9,190 million at 31 December 2013). The Group's interest-bearing liabilities mainly comprise bond and bank loans.

At 30 September 2014 the Group's net debt amounted to 1.5 times EBITDA (calculated on EBITDA on a rolling 12-month basis). The corresponding key ratio was 2.1 at 31 December 2013.

Cash flow

Cash flow from operating activities amounted to SEK 551 million (626) in the third quarter of 2014. Excluding ICA Bank, cash flow from operating activities amounted to SEK 454 million (789). Cash flow from continuing operating activities in the third quarter amounted to SEK 395 million (683). The decrease is mainly due to a calendar effect which resulted in a negative development for working capital.

Cash flow from investing activities amounted to SEK 561 million (-1 351) in the third quarter. Cash flow during the quarter was positively affected by SEK 1,306 million from completed property divestments.

Cash flow from financing activities amounted to SEK 281 million (478) in the third quarter.

In the period January–September 2014, cash flow from operating activities amounted to SEK 2,158 million (1,994). Excluding ICA Bank, cash flow from operating activities was SEK 2,293 million (1,865).

Important events after the end of the quarter

October 2014 – Margot Wallström leaves the Board of ICA Gruppen

Margot Wallström has left her position on the Board of ICA Gruppen. Her position on the Board will remain vacant until ICA Gruppen's Annual General Meeting on 22 April when a new Board will be appointed.

October 2014 – ICA Norway sold

ICA Gruppen is divesting all shares in ICA Norway, which constitutes ICA Gruppen's grocery retail operations in Norway to Coop Norway for SEK 2.8 billion on a cash and debt-free basis. The transaction will generate a capital gain of approximately SEK 1 billion. Completion of the transaction is conditional on approval from the Norwegian competition authority Konkurransetilsynet.

October 2014 – Acquisition of Apotek Hjärtat

ICA Gruppen has signed an agreement with Altor Fund III to acquire Apotek Hjärtat, Sweden's largest privately owned pharmacy chain, for SEK 5.7 billion on a cash and debt-free basis. As a result of this acquisition, ICA Gruppen will be the second-largest player in the Swedish pharmacy market.

Cash flow from investing activities amounted to SEK 32 million (-16,396) in the period January–September. In the same period, cash flow from financing activities amounted to SEK -1,551 million (17,479). The comparative figure for 2013 includes effects of the acquisition of the remaining shares in ICA AB.

Consolidated cash and cash equivalents and short-term investments amounted to SEK 4,528 million at 30 September 2014 (SEK 3,948 million at 31 December 2013).

Investments

The Group's investments in property, plant and equipment and intangible assets amounted to SEK 603 million (1,375) in the third quarter and SEK 1,834 million (1,890) in January–September 2014. The largest investments comprise acquisition of a warehouse and office property in Latvia, extension of a warehouse in Helsingborg, Sweden, and investments in ICA Maxi stores in Barkarby, Stockholm, and Gnista, Uppsala.

Pro forma net sales and earnings January–September in summary

The acquisition of the ICA Group was completed on 27 March 2013 which means that subsequently ICA AB is fully consolidated in the financial statements. The comparative figures below for January–June 2013 are pro forma and provide a view of how it would have looked financially if ICA Gruppen had had its present structure for the entire period. ICA Norway is included as “Profit from discontinued operations” in both results and comparative figures. This means that ICA Norway is not included in the Group’s consolidated sales and operating profit.

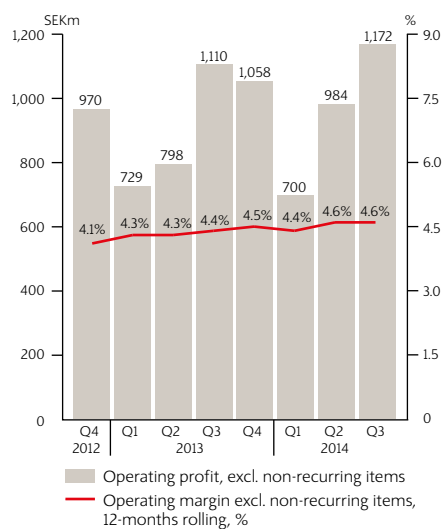
January–September 2014

Consolidated net sales amounted to SEK 63,994 million (61,173) during the period January–September 2014, an increase of 4.6%.

Operating profit excluding non-recurring items amounted to SEK 2,856 million (2,637). Operating profit for the same period was SEK 3,031 million (2,729) and net financial items amounted to SEK –256 million (–470).

Profit for the period from continuing operations amounted to SEK 2,297 million (1,787) and earnings per share, continuing operations, amounted to SEK 10.98 (9.66).

Operating profit and operating margin



Divestment of ICA Norway

On 6 October, ICA Gruppen announced that all the shares in ICA Norway, which constitutes ICA Gruppen’s grocery retail operations in Norway, are to be sold to Coop Norway for SEK 2.8 billion on a debt-free basis. The transaction will generate a capital gain of approximately SEK 1 billion. Completion of the transaction is conditional on approval from the Norwegian competition authority Konkurransetilsynet.

In the 12-month period until 30 June 2014, ICA Norway’s sales totalled SEK 15,890 million with an operating loss excluding non-recurring items of SEK 577 million. The operations comprise over 3,600 employees and 553 stores. The owned property portfolio in Norway which is part of ICA Real Estate, is not included in the sale.

From 1 October no depreciation is carried out in Norway. Depreciation in Norway in the third quarter amounted to SEK 121 million.



Segment performance

ICA Gruppen's operations are conducted in six segments: ICA Sweden, ICA Norway, Rimi Baltic, ICA Bank, ICA Real Estate and Portfolio Companies. ICA Real Estate and Rimi Baltic are affected by remeasurement of properties to market values in conjunction with the acquisition of ICA AB in the previous year and pro forma depreciation is reported from 1 January 2013. ICA Norway will be included in the segment section until the divestment of ICA Norway has been completed.

ICA Sweden

	July- September 2014	July- September 2013	January- September 2014	January- September 2013	Full year 2013
Net sales, SEKm	17,997	17,171	52,330	50,390	67,992
Operating profit excl. non-recurring items, SEKm	982	891	2,433	2,239	3,058
Operating margin excl. non-recurring items, %	5.5%	5.2%	4.6%	4.4%	4.5%
Private label share of sales, %	-	-	22.7%	21.4%	21.4%
Number of employees	-	-	8,121	7,551	7,617

ICA Sweden conducts grocery retail in cooperation with independent ICA retailers. The retailers own and manage their own stores but have agreements with ICA Sweden in areas such as coordinated purchasing, logistics, marketing communications and retail development. ICA Sweden also conducts pharmacy operations in Cura. ICA Sweden also includes ICA Maxi Special which among other things conducts sales of non-food items at Maxi ICA Hypermarkets.

Third quarter 2014

ICA Sweden's net sales amounted to SEK 17,997 million (17,171) in the third quarter, an increase of 4.8% compared with the previous year. Near Food and Fruit & Vegetables showed the highest growth rates in the wholesale operations. In addition, Cura pharmacies had a continued high growth rate. ICA Sweden's operating profit excluding non-recurring items amounted to SEK 982 million (891). The increased earnings are due to higher wholesale sales, increased profit shares from stores compared with the previous year and improved earnings in Cura pharmacies and owned stores. At the same

time, costs increased as a result of several development projects entering a more intensive phase.

January-September 2014

ICA Sweden's net sales amounted to SEK 52,330 million (50 390) in the period January-September 2014, an increase of 3.9% compared with the previous year. Higher wholesale sales explain most of the increase.

ICA Sweden's operating profit excluding non-recurring items amounted to SEK 2,433 million (2,239). The improvement is explained by increased sales, higher profit shares from stores, and good earnings development for the Cura pharmacies and ICA Special.

At the end of September 2014 the number of Cura pharmacies totalled 64 (55).

Store sales in Sweden

Store sales, excl. VAT	July-September 2014			January-September 2014		
	SEKm	Change all stores	Change like-for-like	SEKm	Change all stores	Change like-for-like
Maxi ICA Stormarknad	7,708	3.1%	1.9%	22,768	2.7%	1.8%
ICA Kvantum	6,326	5.2%	2.4%	18,577	4.0%	1.8%
ICA Supermarket	8,398	2.1%	1.9%	24,148	1.5%	0.8%
ICA Nära	4,284	1.6%	2.6%	11,880	0.9%	1.8%
TOTAL	26,716	3.0%	2.1%	77,374	2.4%	1.5%

Number of stores in Sweden, incl. retailer-owned stores

Format	December 2013				September 2014
	New	Converted	Closed	Net change	
Maxi ICA Stormarknad	77	1			78
ICA Kvantum	122	2			124
ICA Supermarket	430	2		-3	429
ICA Nära	688	4		-14	678
ICA To Go	4				4
TOTAL	1,321	9	0	-17	1,313

ICA store sales

Sales in the Swedish ICA stores increased by 3.0% in the third quarter while the grocery market as a whole grew 2.4%. ICA therefore contained to gain market share during the quarter. The price effect in sales amounted to 0.5% for the quarter representing a volume growth of 2.5%. The increase in like-for-like sales was 2.1% and volume growth was 1.6%. The sales increase was driven by both higher average spend and more customers. Above all sales increased for fresh foods, fruit and vegetables and ready-prepared food. Food price inflation remains at a low level and at the end of September was 0.4% at an annualised rate.

The proportion of private label products accounted for 22.7% (21.4) of store sales in the period January-September 2014. The increase compared with last year is mainly explained by a higher proportion of private labels within fruit and vegetables.

ICA Norway

With effect from the third quarter of 2014, ICA Norway is not included in the Group's consolidated sales and operating profit but will in future be reported as a segment until the divestment of ICA Norway is completed.

	July- September 2014	July- September 2013	January- September 2014	January- September 2013	Full year 2013
Net sales SEKm	4,021	4,030	11,737	12,319	16,463
Operating profit/loss excl. non-recurring items	-100	-154	-425	-593	-691
Operating margin excl. non-recurring items, %	-2.5%	-3.8%	-3.6%	-4.8%	-4.2%
Private label share of sales	-	-	9.7%	9.7%	9.7%
Number of employees	-	-	3,581	3,915	3,882
Average NOK exchange rate	1.1099	1.0942	1.0914	1.1207	1.1087

ICA Norway sells groceries in Norway in wholly owned and franchise stores in the Norwegian market. The store formats are Rimi, ICA Supermarked and Matkroken.

Third quarter of 2014

ICA Norway's net sales amounted to SEK 4,021 million (4,030) in the third quarter. Net sales decreased due to closure of a number of unprofitable stores. Like-for-like sales increased but at a lower rate than market growth.

Operating loss excluding non-recurring items amounted to SEK 100 million (-154). The improvement compared with the previous year is mainly explained by improved purchasing terms, lower shrinkage and lower costs both in stores and centrally.

January-September 2014

ICA Norway's net sales amounted to SEK 11,737 million (12,319) in the period January-September 2014. Net sales decreased due to closure of a number of unprofitable stores.

Operating loss excluding non-recurring items amounted to SEK 425 million (-593).

Divestment of ICA Norway

On 6 October, ICA Gruppen announced that ICA Norway is to be sold to Coop Norway. Completion of the transaction is conditional on approval from the Norwegian competition authority, Konkurransettilsynet.

Store sales in Norway

Store sales excl. VAT	July-September 2014			January-September 2014		
	NOKm	Change all stores	Change like-for-like	NOKm	Change all stores	Change like-for-like
Rimi	2,514	0.7%	1.6%	7,500	1.3%	1.1%
ICA Supermarked	1,092	-3.5%	-0.4%	3,261	-5.1%	-1.5%
Matkroken	474	-10.4%	0.2%	1,329	-13.2%	0.1%
TOTAL	4,080	-1.8%	0.9%	12,091	-2.3%	0.3%

Number of stores in Norway, incl. retailer-owned stores

Format	December 2013				September 2014
	New	Converted	Closed		
Rimi	318	2	-8		312
ICA Supermarked	76				76
Matkroken	177	3	-15		165
TOTAL	571	5	0	-23	553

Rimi Baltic

	July- September 2014	July- September 2013	January- September 2014	January- September 2013	Full year 2013
Net sales, SEKm	2,952	2,548	8,437	7,495	10,333
Operating profit excl. non-recurring items, SEKm	93	85	238	195	308
Operating margin excl. non-recurring items, %	3.2%	3.4%	2.8%	2.6%	3.0%
Private label share of sales	-	-	20.0%	18.0%	18.1%
Number of employees	-	-	8,846	8,179	8,248
Average EUR exchange rate	9.2153	8.6783	9.0463	8.5757	8.6553

Rimi Baltic conducts grocery sales in wholly owned stores in Estonia, Latvia and Lithuania. The store formats are Rimi Hypermarket, Rimi Supermarket and the discount chains Säästumarket and Supernetto. Rimi Baltic also includes the properties owned by the Group in the Baltic countries.

Third quarter 2014

Rimi Baltic's net sales amounted to SEK 2,952 million (2,548) in the third quarter. In local currency sales rose 9.2%, mainly due to a strong performance in Latvia and Lithuania. Like-for-like sales rose by 6.2%. Taken overall, Rimi Baltic continued to gain market shares during the third quarter.

Operating profit excluding non-recurring items amounted to SEK 93 million (85). The positive effect, primarily in Latvia, from increased sales was partly offset by increased costs linked to a higher number of stores,

store conversions and the establishment of new stores.

Rimi was voted as the third most popular brand in Latvia after Google and Inbox.

January-September 2014

Rimi Baltic's net sales amounted to SEK 8,437 million (7,495) in the period January-September 2014. Sales in local currency rose 6.8%, mainly due to a good performance in Latvia and Lithuania. Like-for-like sales rose 4.3%.

Operating profit excluding non-recurring items amounted to SEK 238 million (195). The improvement was mainly due to higher sales, better purchase prices and mix.

Store sales in the Baltic countries

Store sales excl. VAT	July-September 2014			January-September 2014		
	EURm	Change all stores	Change like-for-like	EURm	Change all stores	Change like-for-like
Estonia	91	1.5%	0.0%	268	0.1%	-1.4%
Latvia	164	10.4%	9.6%	482	8.4%	7.9%
Lithuania	64	19.0%	7.2%	178	13.4%	3.9%
TOTAL	319	9.2%	6.2%	928	6.8%	4.3%

Non-recurring items from divestment and impairment of properties

Two properties were divested for SEK 324 million during the quarter which generated a capital gain of SEK 53 million (0). At the same time, impairment of store fixtures and fittings provided a negative non-recurring effect of SEK 12 million (1).

Number of stores in the Baltic countries

Country	December 2013	New	Closed	September 2014
Estonia	83			83
Latvia	113	2	-2	113
Lithuania	39	4	-1	42
TOTAL	235	6	-3	238

ICA Bank

	July- September 2014	July- September 2013	January- September 2014	January- September 2013	Full year 2013
Revenues, SEKm	207	213	641	635	850
Operating profit excl. non-recurring items, SEKm	58	64	144	150	201
Operating margin excl. non-recurring items, %	28.0%	30.0%	22.5%	23.6%	23.6%
Number of employees	-	-	321	311	312
Business volume, SEKm	-	-	25,850	24,529	24,772
Capital adequacy ratio, %	-	-	15,0	10.8	15.6

ICA Bank offers a full range of financial banking services to private individuals in Sweden. The goal is to increase customer loyalty to ICA and to reduce transaction costs for ICA stores and ICA Gruppen.

Third quarter 2014

ICA Bank's revenues amounted to SEK 207 million (213). Lower net interest, driven by low interest rates, is the main reason for the decline in revenues compared with the previous year. Net commission remained at the same level.

Operating profit excluding non-recurring items amounted to SEK 58 million (64). As well as lower revenues, increased costs also led to some decline in earnings compared with the third quarter last year. The increased costs primarily consist of ongoing adjustments to new regulations and higher personnel costs. As in the previous year a reversal of provisions for loan losses was

recognised. The positive earnings impact in the quarter was SEK 9 million higher than in the corresponding period in 2013.

Business volume continued to increase in the third quarter and the number of customers rose by 13,000 to 643,000.

January-September 2014

ICA Bank's revenues amounted to SEK 641 million (635).

Net interest decreased but was compensated by higher net commission.

Operating profit excluding non-recurring items amounted to SEK 144 million (150). Compared with 2013, the result from loan losses improved earnings by SEK 12 million.

ICA Real Estate

	July- September 2014	July- September 2013	January- September 2014	January- September 2013	Full year 2013
Net sales, SEKm	562	564	1,678	1,686	2,255
Depreciation, SEKm	126	106	385	312	421
Operating profit excl. non-recurring items, SEKm	112	126	314	350	473
Operating margin excl. non-recurring items, %	19.9%	22.2%	18.7%	20.8%	21.0%
Number of employees	-	-	76	75	75
Number of properties owned	-	-	190	203	202
Number of square metres owned	-	-	770,498	824,466	814,040

ICA Real Estate's mission is to satisfy ICA Gruppen's future needs for premises in the right marketplaces in Sweden and Norway. The real estate company both develops shopping centres from scratch and buys strategic properties with existing ICA stores. ICA Real Estate is an active buyer and seller of properties in the Swedish and Norwegian markets.

Third quarter 2014

ICA Real Estate's net sales amounted to SEK 562 million (564) in the third quarter.

Operating profit excluding non-recurring items amounted to SEK 112 million (126). As a result of changed useful life assessments for property components, depreciation increased by approximately SEK 25 million which was partly compensated by higher revenues from new investments.

Ten retail properties were sold to Ancore during the quarter. The value of the divested properties amounted to SEK 918 million and the net capital gain was SEK 59 million. The effect on cash flow amounted to SEK 710 million. Other divestments during the

quarter generated a minor capital loss and for the quarter as a whole divestments resulted in a capital gain of SEK 51 million (0).

January-September 2014

ICA Real Estate's net sales amounted to SEK 1,678 million (1,686) in the period January-September.

Operating profit excluding non-recurring items amounted to SEK 314 million (350). Changed depreciation affected earnings by SEK -75 million compared with the previous year. A positive earnings impact from new investments partly offset the higher depreciation.

Market valuation of properties

DTZ performed a market valuation in September of all properties owned by ICA Real Estate in Sweden and Norway. Assessed market value, including properties owned by the jointly owned company Långeberga Logistik, amounts to SEK 14.1 billion compared with the book value of these properties of SEK 13.4 billion. The market valuation also resulted in impairment being recognised in a few properties, where ICA had either left the store location or there are large areas of unleased space, totalling SEK 42 million in the third quarter.

Portfolio companies

	July- September 2014	July- September 2013	January- September 2014	January- September 2013	Full year 2013
Net sales, SEKm	579	586	1,731	1,765	2,657
Operating profit excl. non-recurring items, SEKm	-13	-15	-63	-110	21
Operating margin excl. non-recurring items, %	-2.2%	-2.6%	-3.6%	-6.2%	0.8%
Number of employees	-	-	1,054	1,112	1,126

With effect from the fourth quarter, the portfolio companies are Cervera, Hemtex and inkClub. The portfolio companies have been reported as a single segment in ICA Gruppen since the start of the second quarter of 2013.

Third quarter 2014

The portfolio companies' net sales amounted to SEK 579 million (586). Adjusted for the divestment of Forma Books, which was sold in autumn 2013, net sales in the corresponding period in 2013 amounted to SEK 551 million. This represents an increase of 5.1%. All companies reported higher sales.

The portfolio companies' operating loss excluding non-recurring items was SEK 13 million (-15). At a comparative level, excluding Kjell & Company and Forma Books, earnings increased by SEK 4 million. The increase is due to lower losses in Hemtex and Cervera.

January-September 2014

The portfolio companies' net sales amounted to SEK 1,731 million (1,765). Adjusted for Forma Books, net sales in 2013 amounted to SEK 1,677 million, which represents an increase of 3.2%.

The portfolio companies' operating loss excluding non-recurring items was SEK 63 million (-110). Comparative earnings, excluding Kjell & Company and Forma Books, improved by SEK 23 million mainly due to lower losses in Hemtex and Cervera.

Divestment of Forma Publishing

ICA Gruppen has sold Forma Publishing to the Danish media group Egmont. In a separate deal, the trade magazines Icanyheter and Market were sold to ICA-handlarnas förbund. Since the transaction was completed on 3 October, the final financial impact has not been established. The purchase price amounted to SEK 155 million and the cash flow effect was SEK 108 million. Payment will be made in the fourth quarter of 2014. The transaction will have a minor positive earnings impact on ICA Gruppen.

The divestment of Forma Publishing is in line with the strategy adopted in autumn 2013 which means that Forma, Kjell & Company and Cervera are to be sold. Kjell & Company was sold in the second quarter and a sales process for Cervera will be initiated shortly.

Store sales

	July-September 2014			January-September 2014		
	SEKm	Change all stores	Change like-for-like	SEKm	Change all stores	Change like-for-like
Store sales excl. VAT						
Cervera	170	-2.0%	3.9%	554	-0.9%	3.6%
Hemtex	254	4.6%	3.8%	698	4.2%	3.5%

Number of stores, incl. franchise stores

Format	December 2013	New	Closed/sold	September 2014
Cervera	73		-3	70
Hemtex	158	2	-6	154
TOTAL	231	2	-9	224

inkClub impairment

Impairment testing for goodwill and brands was carried out in the third quarter. This resulted in a goodwill impairment in inkClub of SEK -322 million. The impairment is mainly based on delayed effects from a new technical platform and brand strategy.

Other

Seasonal variations

Grocery retail sales are affected by national holidays and when these occur. Christmas and Easter in particular are key holidays for groceries. For a large part of the retail sector the fourth quarter is seasonally the strongest quarter of the year.

Risks and uncertainties

ICA Gruppen works at Group level to systematically identify and manage the risks associated with its operations. The risk management process is an integrated part of the strategy

and budget work of each unit. Risks are consolidated and risk management is reported to and monitored by ICA Gruppen's Executive Management and Board of Directors. The key risk areas are legal risks, market risks, sustainability and product safety risks, brand risks and continuity risks.

ICA Gruppen has significant exposure to the Nordic and Baltic grocery sector. Economic downturns and political decisions are factors which could have a negative impact on the Group's sales and earnings. ICA Gruppen's finance policy stipulates how

financial risks should be managed and curtailed. The policy also provides a framework for the Group's treasury management. More information about risk management is provided on pages 91-92 of ICA Gruppen's Annual Report for 2013.

Related-party transactions

No significant transactions took place between ICA Gruppen and related parties during the period except for the divestment of ten properties to Ancore Fastigheter AB.

Parent Company performance

The Parent Company's net sales amounted to SEK 7 million (0) in the third quarter. Loss before tax amounted to SEK 148 million (-153). The operations previously conducted by

ICA AB were transferred to ICA Gruppen AB on 1 January 2014. The Parent Company's net sales amounted to SEK 31 million (2) in the period January–September 2014. Profit before

tax was SEK 3,755 million (485). The change in profit before tax is mainly explained by an increase in dividends from subsidiaries of SEK 3,700 million.

Share information

Share capital in ICA Gruppen amounts to SEK 502,866,988 distributed among 201,146,795 shares, each with a quota value of SEK 2.50. At the end of the period the number of C shares amounted to 82,067,892 and the number of ordinary shares amounted to 119,078,903, of which 141,655 ordinary shares are held by ICA Gruppen. Ordinary shares and C shares carry the same voting rights but a different dividend entitlement. While ordinary shares have an unlimited dividend entitlement, C shares do not carry entitlement to cash profit distribution. All C shares will be converted into ordinary shares on 1 January 2016, which means that thereafter the company will only have one class of share in the form of ordinary shares with dividend entitlement. The total number of shares will remain unchanged after the conversion.

Ownership structure

Largest shareholders in ICA Gruppen at 30 September 2014

	Number of shares	Share of capital and voting rights, %
ICA-handlarnas Förbund - Solna	103,163,599	51.3
AB Industrivärden & Investment AB Promotion	21,117,174	10.5
SEB Investment Management	2,761,612	1.4
AMF - Försäkring och Fonder	2,330,279	1.2
Swedbank Robur Funds	1,992,460	1.0
Danske Capital Sverige AB	1,402,845	0.7
Jönsson, Leif - Lidingö	1,254,651	0.6
Robur Försäkring	1,248,316	0.6
Fourth Swedish National Pension Fund	1,036,001	0.5
Handelsbanken Funds	915,948	0.5
Ten largest shareholders total:	137,222,885	68.2
Other shareholders	63,923,910	31.8
Total	201,146,795	100.0

Source: Euroclear Sweden AB

Annual General Meeting 2015

ICA Gruppen's Annual General Meeting will be held on 22 April 2015 at Stockholm Globe Arena.

Nomination Committee Appointed

ICA Gruppen's 2014 Annual General Meeting resolved that the Nomination Committee shall consist of four members who represent the company's shareholders. Two members are to be appointed by the largest shareholder and two members are appointed by the next two largest shareholder. The three

largest shareholders on 29 August 2014 were ICA-handlarnas Förbund, Industrivärden and AMF - Försäkring och Fonder. These three shareholders have nominated members of the Nomination Committee ahead of the 2015 Annual General Meeting.

ICA-handlarnas Förbund has appointed Claes Ottosson, ICA retailer in Hovås, and Anna-Karin Liljeholm, legal counsel at ICA-handlarnas Förbund, as its representatives on the Nomination Committee. Industrivärden has appointed Anders Nyberg, General

Counsel at Industrivärden, as its representative on the Nomination Committee, and AMF Fonder has appointed Anders Oscarsson, Head of Equity at AMF, as its representative on the Nomination Committee.

Shareholders who wish to submit proposals and views regarding the work of the Nomination Committee are requested to do so as soon as possible, but not later than Monday, 2 March 2015 to ICA Gruppen AB (Publ.), Valberedningen, c/o Koncernjuridik, SE-171 93 Solna.

Financial statements

Condensed statement of comprehensive income

SEKm	Note	July- September 2014	July- September 2013	January- September 2014	January- September 2013	Full year 2013
Net sales	3	22,016	20,800	63,994	43,335	65,155
Cost of goods sold ¹		-18,914	-17,654	-55,171	-36,794	-55,102
Gross profit		3,102	3,146	8,823	6,541	10,053
Other operating income		213	59	816	129	138
Selling expenses ^{1,2}		-1 860	-1,545	-4 891	-3,458	-5,477
Administrative expenses ¹		-552	-560	-1,728	-1,321	-2,099
Share of profits of associates and joint ventures	4	1	9	11	92	121
Effects of acquisition of ICA AB	2	-	-	-	8,051	8,051
Operating profit	3, 5	904	1,109	3,031	10,034	10,787
Financial income		5	3	31	23	42
Financial expense		-86	-164	-287	-333	-504
Change in fair value of financial instruments		-	-	-	16	16
Profit before tax		823	948	2,775	9,740	10,341
Tax		-147	-235	-478	-391	-347
Profit for the period from continuing operations		676	713	2,297	9,349	9,994
Profit/loss from discontinued operations	9	-181	-162	-510	-434	-548
Profit for the period		495	551	1,787	8,915	9,446
Other comprehensive income, items that may not be reclassified to profit or loss						
Actuarial gains or losses defined benefit pensions		73	213	-19	213	214
Other comprehensive income, items that may be reclassified to profit or loss, net after tax						
Change in translation reserve		54	-163	206	17	81
Change in fair value reserve		0	0	0	0	0
Change in hedging reserve		-1	0	-72	0	0
Share of other comprehensive income of joint ventures		-11	-10	-68	37	20
Items reclassified to profit or loss at acquisition of ICA AB		-	-	-	-259	-259
Total items that may be reclassified to profit or loss		42	-173	66	-205	-158
Comprehensive income for the period		610	591	1,834	8,923	9,502
Profit for the period attributable to						
Owners of the parent		461	555	1,698	8,939	9,439
Non-controlling interests		34	-4	89	-24	7
Comprehensive income for the period attributable to						
Owners of the parent		580	595	1,757	8,947	9,495
Non-controlling interests		30	-4	77	-24	7
Earnings per share before after dilution, SEK ³						
Ordinary share		2.29	2.76	8.44	50.07	49.68
Ordinary share, continuing operations		3.19	3.57	10.98	52.51	52.56
Ordinary share, discontinued operations		-0.90	-0.81	-2.54	-2.44	-2.88

¹ Starting in 2014, costs for sold services are recognised in Cost of goods sold. Previously, these costs were included in selling and administrative expenses. Cost of goods sold has therefore increased by SEK 256 million while selling and administrative expenses decreased by SEK 196 million and SEK 60 million respectively in the third quarter. Accumulated these amounts are SEK 830 million, SEK 653 million and SEK 177 million. This change does not affect operating profit.

² In selling expenses 2014, impairment of goodwill in inkClub is included with SEK -322 million.

³ Same figures for ordinary shares and C shares.

Condensed consolidated statement of financial position

SEKm	Note	30 Sep 2014	30 Sep 2013	31 Dec 2013
ASSETS				
Non-current assets				
Goodwill		11 545	12,120	11,867
Trademarks		13,084	13,163	13,065
Other intangible assets		740	769	770
Interests in companies recognised according to the equity method	4	773	834	712
Deferred tax assets		350	369	369
Non-current receivables in ICA Bank		6,931	6,127	6,270
Land and buildings		15,702	17,017	16,778
Other non-current assets		1,599	2,372	2,521
Total non-current assets		50,724	52,771	52,352
Current assets				
Inventories		3,313	4,306	4,253
Short-term investments		1	0	1
Current receivables in ICA Bank		2,923	2,949	2,931
Other current assets		4,063	4,712	4,833
Cash and cash equivalents in ICA Bank		2,749	2,837	2,814
Cash and cash equivalents		1,608	576	1,134
Total current assets		14,657	15,380	15,966
Assets available for sale	6	3,782	20	643
TOTAL ASSETS		69,163	68,171	68,961
EQUITY AND LIABILITIES				
Equity				
Equity		27,352	22,977	26,541
Non-current liabilities				
Provisions		2,021	2,071	1,909
Deferred tax liabilities		4,827	4,837	4,925
Non-current interest-bearing liabilities		7,514	12,765	6,770
Other non-current liabilities		107	21	8
Total non-current liabilities		14,469	19,694	13,612
Current liabilities				
Deposits ICA Bank		10,972	10,648	10,600
Current interest-bearing liabilities		2,506	1,666	3,523
Other current liabilities		11,526	13,186	14,173
Total current liabilities		25,004	25,500	28,296
Liabilities available for sale	6	2,338	-	512
TOTAL EQUITY AND LIABILITIES		69,163	68,171	68,961
Pledged assets		1,566	817	816
Contingent liabilities		205	190	205

Condensed consolidated statement of cash flows, incl. ICA Norway

SEKm	Note	January- September 2014	January- September 2013	Full year 2013
Operating profit		2,527	9,633	10,274
Effects of acquisition of ICA AB		-	-8,051	-8,051
Depreciation and impairment		1,778	863	1,551
Other non-cash items		-525	-116	-124
Income tax paid		-550	-287	-429
Cash flow from operating activities before change in working capital		3,230	2,042	3,221
Change in working capital:				
Inventories		-54	120	-37
Current receivables		310	1,034	822
Current liabilities		-1,044	-1,092	252
ICA Bank's net of deposits, lending and investments		-284	-110	-283
Cash flow from operating activities		2,158	1,994	3,975
Acquisition of ICA AB		-	-15,739	-15,739
Acquisition of tangible and intangible non-current assets		-1,834	-1,890	-2,540
Sale of tangible and intangible non-current assets		1,982	37	518
Investments in joint ventures		-	-	-30
Change in financial assets		-144	1,172	1,171
Interest received		28	24	35
Cash flow from investing activities		32	-16,396	-16,585
New issue ICA Gruppen AB		-	5,002	5,017
New issue preference shares in subsidiary		-	-	3,000
Dividend paid		-1,041	-	-
Change in loans		-273	12,789	8,663
Interest paid		-237	-312	-477
Cash flow from financing activities		-1,551	17,479	16,203
Cash flow for the period	7	639	3,077	3,593
Cash and cash equivalents at 1 January		3,948	291	291
Exchange differences in cash and cash equivalents		-59	45	64
Cash and cash equivalents at the end of the period	7	4,528	3,413	3,948
Cash and cash equivalents are reported on the following lines				
Cash and cash equivalents		4,357	3,413	3,948
Assets available for sale	6	171	-	-
		4,528	3,413	3,948
Disclosures on cash flow from discontinued operations				

ICA Norway's cash flow is included with SEK 40 million (-258) in cash flow from operating activities, with SEK -125 million (-214) in cash flow from investing activities and with SEK 50 million (465) in cash flow from financing activities.

Condensed consolidated statement of changes in equity

SEKm	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Opening equity, 1 January 2014	23,363	3,178	26,541
Change in non-controlling interests	-	10	10
Dividend	-951	-90	-1,041
Reclassification	-15	15	0
Lower issue costs for preference shares	2	-	2
Reversal of unpaid dividends	6	-	6
Comprehensive income for the period	1,757	77	1,834
Closing equity, 30 September 2014	24,162	3,190	27,352

SEKm	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Opening equity, 1 January 2013	8,882	139	9,021
Acquired non-controlling interests	-	12	12
New issue	5,021	-	5,021
Comprehensive income for the period	8,947	-24	8,923
Closing equity, 30 September 2013	22,850	127	22,977

Condensed Parent Company income statement

SEKm	July- September 2014	July- September 2013	January- September 2014	January- September 2013	Full year 2013
Net sales	7	0	31	2	5
Gross profit	7	0	31	2	5
Administrative expenses	-65	-8	-247	-58	-83
Operating profit/loss	-58	-8	-216	-56	-78
Financial income	0	1	0	6	32
Financial expenses	-90	-146	-312	-283	-432
Dividend from ICA AB	-	-	-	800	800
Profit from participations in group companies	-	-	4,283	18	5,354
Profit/loss after financial items	-148	-153	3,755	485	5,676
Appropriations	-	-	-	-	-27
Profit/loss before tax	-148	-153	3,755	485	5,649
Tax	32	0	98	15	132
Profit/loss for the period	-116	-153	3,853	500	5,781

Condensed Parent Company balance sheet

SEKm	30 Sep 2014	30 Sep 2013	31 Dec 2013
ASSETS			
Non-current assets			
Investments in group companies	29,910	24,277	30,034
Other intangible assets	87	-	-
Deferred tax assets	308	208	325
Non-current receivables group companies	-	710	-
Other non-current assets	118	-	-
Total non-current assets	30,423	25,195	30,359
Current assets			
Short-term investments	1	-	-
Current receivables group companies	989	801	33
Other current assets	160	66	26
Cash and cash equivalents	-	2	-
Total current assets	1,150	869	59
TOTAL ASSETS	31,573	26,064	30,418
EQUITY AND LIABILITIES			
Equity	20,048	11,864	17,146
Provisions	308	5	8
Non-current liabilities			
Non-current interest-bearing liabilities	6,478	11,968	5,971
Liabilities to group companies	3,000	-	3,000
Other non-current liabilities	-	1	-
Total non-current liabilities	9,478	11,969	8,971
Current liabilities			
Current interest-bearing liabilities	1,484	-	2,286
Current liabilities to group companies	13	2,184	1,929
Other current liabilities	242	42	78
Total current liabilities	1,739	2,226	4,293
TOTAL EQUITY AND LIABILITIES	31,573	26,064	30,418

Supplementary disclosures

– Group

NOTE 1, ACCOUNTING PRINCIPLES

This interim report is prepared according to IAS 34. The same accounting principles and calculation methods are applied as those used in the 2013 Annual Report with exception that cost of sold services is now recognised in costs for sold goods. Previously, these costs were reported in selling and administrative expenses. In addition, the following EU endorsed IFRS standards that are relevant to ICA Gruppen are applied from 2014.

IFRS 10 Consolidated Financial Statements
IFRS 11 Joint Arrangements
IFRS 12 Disclosure of Interests in Other Entities
IFRIC 21 Levies

IFRS 10 *Consolidated Financial Statements* replaces those parts of IAS 27 *Consolidated and Separate Financial Statements* that address when and how an investor should prepare consolidated financial statements. IFRS 10 contains rules on when a company should be consolidated and the basis is control. The objective of IFRS 10 is to have a single basis for consolidation of all entities, regardless of the nature of the investee. That single basis is control. Application of IFRS 10 has not had any material impact on ICA Gruppen's reporting.

IFRS 11 *Joint Arrangements* replaces IAS 31 *Interests in Joint Ventures and SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers*.

IFRS 11 classifies joint arrangements either as a joint operation or as a joint venture. Classification as a joint operation or a joint venture is determined by the contractual rights and obligations of the parties. According to IFRS 11 the equity method is used for interests in joint ventures. Application of IFRS 11 has not had any material impact on ICA Gruppen's reporting.

IFRS 12 *Disclosure of Interests in Other Entities* is applied for disclosures on interests in subsidiaries, joint arrangements, associates or non-consolidated structured companies. IFRS 12 involves changed disclosure requirements.

IFRIC 21 *Levies* provides guidance on the point at which an obligating event occurs which requires recognition of a liability for a levy imposed by a government or similar body. IFRIC 21 will not have any effect on ICA Gruppen's financial statements.

The preparation of the financial statements in accordance with IFRS requires management to make assessments, estimates and assumptions that affect the application of the accounting principles and the carrying amounts in the income statement and the balance sheet. Estimates and assumptions are based on historical experience and a number of factors that are considered reasonable based on the circumstances. The results of these estimates and assumptions are used to assess the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from the estimates and assessments.

NOTE 2, ACQUISITION OF ICA

On 27 March 2013, Hakon Invest acquired the remaining 60% of the shares in ICA AB from Ahold for a cash consideration of SEK 20 billion. ICA AB is reported as a subsidiary in the Hakon Invest Group with effect from 27 March 2013. In conjunction with the Annual General Meeting held on 20 May 2013, the name Hakon Invest was changed to ICA Gruppen.

NOTE 3, SEGMENTS

Net sales per segment (SEKm)	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Full year 2013
ICA Sweden	17,997	17,171	52,330	35,285	52,887
ICA Norway	-	-	-	-	-
Rimi Baltic	2,952	2,548	8,437	5,265	8,102
ICA Bank	207	213	641	427	643
ICA Real Estate	562	564	1,678	1,151	1,723
Portfolio Companies	579	586	1,731	1,765	2,657
Other	20	20	66	24	47
Intra-group sales	-301	-302	-889	-582	-904
Net sales¹	22,016	20,800	63,994	43,335	65,155

¹ ICA Gruppen's consolidated financial statements include ICA AB as a wholly owned subsidiary from 27 March 2013.

Operating profit excl. non-recurring items (SEKm)	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Full year 2013
ICA Sweden	982	891	2,433	1,646	2,465
ICA Norway	-	-	-	-	-
Rimi Baltic	93	85	238	159	272
ICA Bank	58	64	144	99	150
ICA Real Estate	112	126	314	236	359
Portfolio Companies	-13	-15	-63	-110	21
ICA	-	-	-	78	78
Other	-60	-41	-210	-151	-330
Operating profit excl. non-recurring items¹	1,172	1,110	2,856	1,957	3,015

¹ ICA Gruppen's consolidated financial statements include ICA AB as a wholly owned subsidiary from 27 March 2013.

NOTE 4, INTERESTS IN JOINT VENTURES AND ASSOCIATES

SEKm	Book value 30 Sep		Share of profits Jan-Sep	
	2014	2013	2014	2013
ICA AB	-	-	-	78
Bra förlag AB	-	9	0	0
Trade Press AS	12	11	0	0
Kjell & Co Elektronik AB	-	124	11	15
Ancore Fastigheter AB	750	682	1	-2
Other	11	8	-1	1
Total	773	834	11	92

Information relating to Ancore Fastigheter AB

SEKm	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Full year 2013
Income	76	67	227	202	273
Expenses	-29	-27	-91	-87	-116
Operating profit	47	40	136	115	157
Net financial items	-41	-34	-121	-101	-135
Tax	-3	0	-13	-8	-5
Profit for the year	3	6	2	6	17

	30 Sep 2014	30 Sep 2013	31 Dec 2013
Non-current assets	4,813	3,353	3,775
Current assets	111	128	84
Total assets	4,924	3,481	3,859
Equity	59	31	43
Shareholder loan	1,526	1,166	1,226
Non-current liabilities	3,182	2,176	2,472
Current liabilities	157	108	118
Total equity and liabilities	4,924	3,481	3,859

Ancore Fastigheter AB is co-owned with Alecta pensionsförsäkring and comprises a joint venture. ICA Fastigheter AB's holding is 50%. Ancore fastigheter AB owns and manages 30 properties in Sweden which contain ICA stores. During the year, 10 properties were acquired from ICA and one from Alecta. Carrying amount of share of equity includes long-term loans made to Ancore of SEK 763 million.

NOTE 5, NON-RECURRING ITEMS

SEKm	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Full year 2013
Operating profit excl. non-recurring items	1,172	1,110	2,856	1,957	3,015
Capital gains on sale of non-current assets					
Portfolio Companies, Forma	-	-	-	-	-82
Portfolio Companies, Kjell & Co	5	-	445	-	-
ICA Real Estate	51	-	52	-	14
Rimi Baltic	53	-	53	-	-
Other	-2	-	0	-1	1
Impairment					
Portfolio Companies	-322	-	-322	-	-223
ICA Real Estate	-41	-	-41	-1	-
Rimi Baltic	-12	-1	-12	-2	-17
Other	-	-	-	-1	-
Other non-recurring items					
Effects of acquisition	-	-	-	8,051	8,051
Other with counterpart within discontinued operations	-	-	-	31	28
Operating profit	904	1,109	3,031	10,034	10,787

NOTE 6, ASSETS AND LIABILITIES AVAILABLE FOR SALE

SEKm	ICA Norway	Cervera	Forma	ICA Real Estate	Total
Intangible assets	132	2	132	-	266
Property, plant and equipment	1,402	6	10	87	1,505
Financial assets	13	12	6	-	31
Inventories	1,048	224	5	-	1,277
Other current assets	441	69	22	-	532
Cash and cash equivalents	171	-	-	-	171
Total assets available for sale	3,207	313	175	87	3,782
Provisions	165	-	132	-	297
Current liabilities	1,774	205	62	-	2,041
Total liabilities available for sale	1,939	205	194	0	2,338

NOTE 7, CONSOLIDATED CASH FLOW STATEMENT

SEKm	Group 2014	ICA Bank 2014	Group excl. ICA Bank
Cash flow from operating activities before change in working capital	3,230	129	3,101
Change in working capital			
Inventories	-54	0	-54
Current receivables	310	-2	312
Current liabilities	-1,044	22	-1,066
ICA Bank's net of deposits, lending and investments	-284	-284	0
Cash flow from operating activities	2,158	-135	2,293
Cash flow from investing activities	32	-8	40
Cash flow from financing activities	-1,551	78	-1,629
Cash flow for the period	639	-65	704
Cash and cash equivalents at the beginning of the period	3,948	2,814	1,134
Exchange differences in cash and cash equivalents	-59	0	-59
Cash and cash equivalents at the end of the period	4,528	2,749	1,779

NOTE 8, FINANCIAL INSTRUMENTS

At 30 September 2014 financial assets measured at fair value in ICA Gruppen amounted to SEK 3,800 million. Financial liabilities measured at fair value amounted to SEK 133 million at 30 September 2014. All financial assets are attributable to level 2 in the fair value hierarchy. Carrying amount corresponds to fair value for all financial assets and liabilities apart from bond loans where fair value exceeds carrying amount by SEK 217 million.

NOTE 9, DISCONTINUED OPERATION

ICA Norway is classified as a discontinued operation since 30 September 2014.

SEKm	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Full year 2013
Income	4,021	4,030	11,737	8,403	12,547
Expenses	-4,201	-4,191	-12,243	-8,767	-13,023
Operating loss	-180	-161	-506	-364	-476
Net financial items	-1	-1	-4	-4	-6
Tax	0	0	0	-66	-66
Profit/loss from dis- continued operation	-181	-162	-510	-434	-548

No impairment arose at measurement to fair value after deduction for selling costs.

NOTE 10 ACQUISITION OF APOTEK HJÄRTAT

On 11 November ICA Gruppen signed an agreement with Altor Fund III to acquire Apotek Hjärtat, Sweden's largest privately held pharmacy chain, for SEK 5.7 billion on a cash and debt-free basis. As a result of this acquisition, ICA Gruppen will be the second largest in the Swedish pharmacy market.

For the full year 2013, Apotek Hjärtat had net sales of SEK 8,266 million and an operating profit before non-recurring items of SEK 345 million. The preliminary PPA has not been completed.

Quarterly overview

Through 30 June 2013, the figures are pro forma, excluding effects of acquisition of ICA AB

SEKm	Q 4 2012	Q 1 2013	Q 2 2013	Q 3 2013	Q 4 2013	Q 1 2014	Q 2 2014	Q 3 2014
Net sales	21,184	19,506	20,867	20,800	21,820	19,755	22,223	22,016
Operating profit before depreciation (EBITDA)	1,273	1,028	1,169	1,408	1,307	1,028	1,752	1,616
Operating profit (EBIT) excl. non-recurring items	970	729	798	1,110	1,058	700	984	1,172
Operating margin excl. non-recurring items, %	4.6%	3.7%	3.8%	5.3%	4.8%	3.5%	4.4%	5.3%
Operating profit (EBIT)	976	741	879	1,109	753	704	1,424	904
Operating margin, %	4.6%	3.8%	4.2%	5.3%	3.5%	3.6%	6.4%	4.1%
Profit before tax	871	605	705	948	601	615	1,338	823
Profit/loss from continuing operations	852	479	594	713	645	477	1,145	676
Profit/loss from discontinued operations	-139	-475	-256	-162	-114	-178	-151	-181
Profit for the period	713	4	338	551	531	299	994	495
Earnings per ordinary share, continuing operations, SEK ¹	4.93	2.89	3.20	3.57	3.06	2.39	5.40	3.19
Earnings per ordinary share, discontinued operations, SEK ¹	-0.82	-2.80	-1.36	-0.81	-0.57	-0.89	-0.75	-0.90
Earnings per ordinary share, SEK ¹	4.11	0.09	1.84	2.76	2.49	1.50	4.65	2.29
Equity per ordinary share, SEK ¹	104.19	104.24	110.56	113.70	116.23	117.27	117.33	120.21
Return on equity, %	1.1%	0.2%	2.9%	8.7%	6.0%	7.0%	8.6%	7.9%
Return on capital employed, %	8.4%	8.5%	9.3%	9.3%	8.0%	8.1%	9.7%	9.3%
Cash flow from operating activities continuing operations	2,065	1,041	1,816	676	2,105	201	1,522	395
Cash flow from operating activities discontinued operations	-208	-75	-125	-58	-95	-138	22	156
Cash flow from operating activities	1,857	966	1,691	618	2,010	63	1,544	551
Cash flow from operating activities continuing operations ¹	12.16	6.13	9.65	3.36	10.47	1.00	7.57	1.96
Cash flow from operating activities discontinued operations ¹	-1.23	-0.44	-0.66	-0.29	-0.47	-0.69	0.11	0.78
Cash flow from operating activities per share, SEK ¹	10.93	5.69	8.99	3.07	10.00	0.31	7.68	2.74
Investing activities continuing operations (cash flow)	599	315	438	1311	562	615	496	558
Investing activities discontinued operations (cash flow)	96	73	86	65	84	74	46	45
Investing activities (cash flow)	695	388	524	1,376	646	689	542	603
Net debt	-	-17,988	-13,211	-13,854	-9,190	-9,909	-9,084	-8,276
Net debt/EBITDA	-	3.6	2.8	2.8	1.9	2.0	1.7	1.5

¹ Same figures for ordinary shares and C shares

Net sales per segment

SEKm	Q 4 2012	Q 1 2013	Q 2 2013	Q 3 2013	Q 4 2013	Q 1 2014	Q 2 2014	Q 3 2014
ICA Sweden	17,184	16,043	17,177	17,171	17,602	16,088	18,245	17,997
ICA Norway	-	-	-	-	-	-	-	-
Rimi Baltic	2,625	2,366	2,581	2,548	2,838	2,597	2,888	2,952
ICA Bank	207	219	203	213	215	216	218	207
ICA Real Estate	555	561	557	564	573	556	560	562
Portfolio Companies	854	566	613	586	892	565	587	579
Other	28	30	28	20	20	24	22	20
Intra-group sales	-269	-279	-292	-302	-320	-291	-297	-301
Net sales	21,184	19,506	20,867	20,800	21,820	19,755	22,223	22,016

Operating profit excl. non-recurring items per segment

SEKm	Q 4 2012	Q 1 2013	Q 2 2013	Q 3 2013	Q 4 2013	Q 1 2014	Q 2 2014	Q 3 2014
ICA Sweden	801	629	719	891	819	611	840	982
ICA Norway	-	-	-	-	-	-	-	-
Rimi Baltic	101	38	70	85	113	59	86	93
ICA Bank	26	54	32	64	51	39	47	58
ICA Real Estate	144	117	107	126	123	94	108	112
Portfolio Companies	32	-60	-35	-15	131	-36	-14	-13
Other	-134	-49	-95	-41	-179	-67	-83	-60
Operating profit excl. non-recurring items	970	729	798	1,110	1,058	700	984	1,172

SEKm	Q 4 2012	Q 1 2013	Q 2 2013	Q 3 2013	Q 4 2013	Q 1 2014	Q 2 2014	Q 3 2014
Depreciation in ICA Real Estate	98	105	103	106	107	129	130	126

Key figures for ICA Gruppen

	July- September 2014	July- September 2013	January- September 2014	January- September 2013	Full year 2013
Operating profit before depreciation EBITDA, SEKm	1,616	1,408	4,396	2,599	3,906
Operating margin excl. non-recurring items, %	5.3%	5.3%	4.5%	4.5%	4.6%
Operating margin, %	4.1%	5.3%	4.7%	23.2%	16.6%
Net margin, %	2.2%	2.6%	2.8%	20.6%	14.5%
Return on capital employed, %			9.3%	8.7%	8.3%
Return on equity, %			7.9%	7.1%	7.2%
Equity/assets ratio, %			39.5%	33.7%	38.5%
Net debt, SEKm			-8,276	-13,854	-9,190
Net debt/EBITDA			1.5	2.8	1.9
Share data					
Earnings per ordinary share, continuing operations, SEK ¹	3.19	3.57	10.98	52.51	52.56
Earnings per ordinary share, discontinued operations, SEK ¹	-0.90	-0.81	-2.54	-2.44	-2.88
Earnings per ordinary share, SEK ¹	2.29	2.76	8.44	50.07	49.68
Share price at the end of the period, SEK			235.90	197.80	201.00
Dividend per ordinary share, SEK			-	-	8
Dividend, SEKm			-	-	951
Dividend payout ratio, %			-	-	68
Equity per share, SEK			120.21	113.70	116.23
Cash flow from operating activities per share, SEK			10.73	11.16	20.90
Number of ordinary shares	118,937,248	118,937,248	118,937,248	118,937,248	118,937,248
Number of C shares	82,067,892	82,067,892	82,067,892	82,067,892	82,067,892
Total number of shares at the end of the period	201,005,140	201,005,140	201,005,140	201,005,140	201,005,140
Average number of shares	201,005,140	201,005,140	201,005,140	178,515,568	190,006,752
Average number of shares after dilution	201,146,795	201,146,795	201,146,795	178,657,223	190,194,330

¹ Same figures for ordinary shares and C shares

Definitions of key figures

Capital adequacy ratio

Refers to ICA Bank. The bank's capital base in relation to risk-weighted items.

Capital employed

Total assets less non-interest bearing liabilities and provisions.

Cash flow from operating activities per share

Cash flow from operating activities for the period divided by the average number of shares outstanding.

Earnings per C share

Same definition as Earnings per ordinary share, since ordinary shares and C shares provide entitlement to equal participation in earnings and equity. C shares do not carry entitlement to a cash dividend, however, which is the case for ordinary shares.

Earnings per ordinary share

Profit for the period, excluding non-controlling interests, divided by the average number of shares outstanding.

EBITDA

(Earnings Before Interest, Taxes, Depreciation and Amortisation) Operating profit, excluding acquisition effects, before depreciation and impairment.

Equity/assets ratio

Equity including non-controlling interests as a percentage of total assets.

Equity per share

Equity, excluding non-controlling interests, divided by the total number of shares outstanding.

Investments

Investments paid during the period according to the statement of cash flows.

Net debt

Interest-bearing liabilities excluding pensions, ICA Bank and cash and cash equivalents.

Net margin

Profit for the period as a percentage of net sales

Non-recurring items

Gain/loss on disposal of non-current assets, impairment of non-current assets as well as major structural changes. The term also includes the gain which arose in 2013 when the remaining shares in ICA AB were acquired.

Operating margin

Operating profit as a percentage of net sales.

Return on capital employed

Profit after financial income, excluding acquisition effects, as a percentage of average capital employed. ICA Bank's operations are excluded from both the income statement and balance sheet when calculating return on capital employed.

Return on equity

Profit after tax, excluding acquisition effects, as a percentage of average equity. ICA Bank's operations are excluded from both the income statement and balance sheet when calculating return on equity.

Glossary

Hard discount

Distinctly low price store with limited product range.

Joint venture

Cooperation project, a joint venture company.

MTN

A medium-term note in a continuously offered debt note with predetermined maturity date.

Near Food

Items such as household products, pet food and non-prescription drugs.

Non food

Items that are not food, such as clothing and footwear.

Private labels

Own brand products.

This interim report has been reviewed by the company's auditors.
The review report is provided below.

Stockholm, 12 November 2014
Per Strömberg
CEO ICA Gruppen

The information in this interim report is such that ICA Gruppen must disclose pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication at 07.00 CET on Wednesday, 12 November 2014.

Report of review of Interim Financial Information

ICA Gruppen AB, reg. no. 556048-2837

Introduction

We have reviewed the condensed interim financial information (interim report) of ICA Gruppen AB (publ) as of 30 September 2014 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim

Report Performed by the Independent Auditor of the Entity. A review 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 International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all

material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 12 November 2014
Ernst & Young AB

Erik Åström
Authorised Public Accountant

For further information, please contact:

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ICA Gruppen press service,
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Press and analyst meeting (in Swedish)

ICA Gruppen is arranging a press and analyst meeting at Tändstickspalatset, Stockholm on Wednesday, 12 November at 09.00 CET. CEO Per Strömberg and CFO Sven Lindskog will present the interim report

The meeting will be webcast and can be followed at www.icagruppen.se/investors. There is also an opportunity to call in on tel. +46 8 519 993 55.

Financial calendar

11 February 2015	Year-end report 2014
22 April 2015	AGM 2015
6 May 2015	Interim report January-March 2015
19 August 2015	Interim report January-June 2015
11 November 2015	Interim report January-September 2015

Capital Markets Day December 10, 2014

ICA Gruppen invites institutional investors, analysts and representatives from media to a Capital Markets Day on December 10 at Spårvagnshallarna in Stockholm, Sweden. The presentations start at 13.00 and ends at 17.00 followed by a reception. The Capital Markets Day will give an insight into ICA Gruppen's strategy and an update of the group's operational and financial development. To attend, please visit: <http://www.icagruppen.se/en/investors>

ICA Gruppen AB (publ) is one of the Nordic region's leading retail companies, with around 2,400 of its own and retailer-owned stores in Sweden, Norway, Estonia, Latvia and Lithuania. The Group includes the retail companies ICA Sweden, ICA Norway and Rimi Baltic, ICA Real Estate, which owns and manages properties and ICA Bank, which offers financial services to Swedish customers. For more information see icagruppen.se.

