

Year-end report 2014

Strong sales trend, investments for continued growth

Fourth quarter of 2014 in summary

- Consolidated net sales amounted to SEK 23,180 million (21,820) in the fourth quarter, an increase of 6.2%. In local currency, net sales increased by 5.6% compared with the same period in 2013.
- Operating profit excluding non-recurring items amounted to SEK 1,081 million (1,058), an increase of 2.2% compared with the previous year.
- Operating profit amounted to SEK 1,065 million (753).
- Profit from continuing operations amounted to SEK 807 million (645).
- Earnings per share, continuing operations, SEK 3.73 (3.06).
- Cash flow from continuing operations amounted to SEK 1,676 million (2,011)
- ICA Norway was sold in October for SEK 2.8 billion on a debt-free basis. The divestment is subject to approval from the Norwegian Competition Authority.

- Apotek Hjärtat was acquired in November for SEK 5.7 billion on a debt-free basis.
- The Board of Directors proposes a dividend of SEK 9.50 (8.00) per ordinary share.

After the end of the quarter

- The Swedish Competition Authority approved ICA Gruppen's acquisition of Apotek Hjärtat. The acquisition could therefore be completed on 15 January 2015. Apotek Hjärtat is consolidated in ICA Gruppen from that date.
- ICA Bank received permission to conduct insurance business from the Swedish Financial Supervisory Authority on 15 January.



From the start of the third quarter of 2014 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. In the balance sheet, ICA Norway is recognised as "Assets held for sale" and "Liabilities held 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	October-December 2014	October-December 2013	January-December 2014	January-December 2013	Pro forma ¹ January-December 2013
Group					
Net sales	23,180	21,820	87,174	65,155	82,993
Operating profit before depreciation (EBITDA)	1,423	1,307	5,819	3,905	4,912
Operating profit (EBIT) excluding non-recurring items	1,081	1,058	3,937	3,015	3,695
Operating profit (EBIT)	1,065	753	4,097	10,787	3,482
Profit before tax	951	601	3,727	10,341	2,859
Profit from continuing operations	807	645	3,105	9,994	2,432
Profit for the period	879	531	2,667	9,446	1,424
Cash flow from continuing operating activities	1,676	2,011	3,794	4,263	5,638
Cash flow from operating activities	1,454	1,981	3,612	3,975	5,285
Operating margin, excluding non-recurring items, %	4.7%	4.8%	4.5%	4.6%	4.5%
Operating margin, %	4.6%	3.5%	4.7%	16.6%	4.2%
Return on capital employed, %	-	-	10.1%	8.3%	8.5%
Return on equity, %	-	-	9.3%	7.2%	6.0%
Earnings per ordinary share, SEK ²	4.09	2.49	12.53	49.68	7.18
Earnings per ordinary share, continuing operations ²	3.73	3.06	14.71	52.56	12.72

¹ Excluding acquisition effects

² Same figure for ordinary shares and C shares

CEO's comments

We can now look back on yet another eventful year, in which we achieved much of what we had planned – the divestment of ICA Norway, the acquisition of Apotek Hjärtat and, not least, in which the operations in our various segments have developed at a good pace and delivered good results.

In the final quarter of the year as well, the ICA stores in Sweden continued to gain market share with strong sales growth for all three months. We can thus conclude that again in 2014 we achieved our goal to grow faster than the market.

We can reach the same conclusion when we look at development in Rimi Baltic which had a very strong end to the year with high sales growth and a very good earnings trend.

ICA Real Estate's earnings development was stable and the slightly lower earnings are mainly due to changed rules for depreciation. Here we will focus on being an active investment and divestment player, strengthen the service offering and develop the local market-places, where the Barkarbystaden district north of Stockholm is an excellent example. ICA Real Estate is a sought-after partner so there are good opportunities for us to raise the level of activity.

Our banking operations continue to perform well despite a difficult interest rate situation. We can be pleased that the flow of new customers continues and despite the negative impact from net interest the bank has been able to maintain a good earnings level.

For the Portfolio Companies the quarter contained both pluses and minuses. Hemtex developed at a good pace, achieved a good fourth quarter and a profit for the full year. Cervera also reports a profit for 2014, for the first time for several years. On the other hand, development was less favourable for inkClub which has had problems, primarily with the new technical platform. For Cervera, a divestment process is now underway which marks a further step towards the finishing line with the plan we adopted at the end of 2013, to streamline the Group and sell operations that are not assessed as supporting our core business over time.

In ICA Norway we see the same problems as before with a sales development that is weaker than the Norwegian market in general. The Norwegian Competition Authority has extended its review of the divestment of ICA Norway and we expect a decision on this in May this year at the latest.

We now enter 2015 with a large number of major and important projects on the agenda. The acquisition of Apotek Hjärtat has been

approved by the relevant authorities and the build-up of our new pharmacy operations is now going at full speed. Now we must take advantage of all the opportunities that exist in our new pharmacy business. This work has gone well so far and I feel tremendous enthusiasm for what we will be able to achieve.

Many other activities are underway in different parts of the Group. Within ICA Sweden we are continuing our efforts to further strengthen our position. This relates to efficiency in logistics, sharpened offerings within private labels and non-food, a continued focus on sustainable choices and the cooperation with LRF, as well as a number of other initiatives. These naturally include the roll-out of our online platform where during the fourth quarter we completed a successful text launch which bodes well for the next phase.

In the Baltic countries, the pace of new store openings is undiminished and towards the end of the year ICA Bank will start its own insurance company in Sweden.

The Board proposes a dividend of SEK 9.50 per ordinary share for 2014. Well in line with our long-term target to pay a good and stable dividend.

This also looks like being an eventful year, which is just as it should be. Through ongoing development we create conditions for continued good growth in value.

Per Strömberg
CEO ICA Gruppen



Important events during the fourth quarter of 2014

October 2014 – ICA Norway sold

ICA Gruppen signed an agreement to divest all the shares in ICA Norway, which constitutes ICA Gruppen's grocery retail operations in Norway, 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. The completion of the transaction is subject to approval from the Norwegian Competition Authority, Konkurransetilsynet.

November 2014 – ICA's e-online solution test launched in Östergötland

A handful of ICA stores were the first to test ICA's online sales platform. Roll-out in the rest of Sweden will take place during 2015.

November 2014 – ICA Gruppen acquired Apotek Hjärtat AB

ICA Gruppen signed an agreement to acquire Apotek Hjärtat, Sweden's largest privately owned pharmacy chain, for SEK 5.7 billion on a debt-free basis. As a result of this acquisition, ICA Gruppen will be the second-largest player in the Swedish pharmacy market. The Swedish Medical Products Agency approved the deal on 5 December 2014.

November 2014 – Change in ICA Gruppen's Nomination Committee

Due to changes in shareholder structure, SEB Investment Management replaced AMF on ICA Gruppen's Nomination Committee.

December 2014 – Updated financial targets

ICA Gruppen's Board adopted partly revised financial targets for the Group. The target for the operating margin was raised from 4.0% to 4.5%, the target for return on capital employed was increased from 9% to 10% and the dividend target was adjusted from 50% to at least 50%. The debt/equity target and the growth target are unchanged.

December 2014 – Parts of IT operations outsourced

Decision to outsource parts of IT operations to Infosys which is expected to reduce annual IT costs by SEK 75 million by 2016.

December 2014 – Norwegian Competition Authority extended its review

The Norwegian Competition Authority announced that it will continue its review of Coop Norway's acquisition of ICA Norway. A final decision will be notified not later than May 2015.

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

Fourth quarter 2014

Consolidated net sales amounted to SEK 23,180 million (21,820), an increase of over 6%. In local currency, sales increased by 5.6%. Sales in Sweden were generally better, partly driven by new establishment of several large stores. Rimi Baltic also had a good sales growth in the quarter with increases in both existing and newly opened stores.

Operating profit excluding non-recurring items amounted to SEK 1,081 million (1,058), an increase of over 2% or SEK 23 million. This development is primarily explained by higher volumes which were partly counteracted by higher store costs. Operating profit amounted to SEK 1,065 million (753). Operating profit for the previous year included impairment of trademarks and goodwill relating to the portfolio companies as well as an earnings impact from the sale of Forma Books with a total of SEK -305 million.

Profit for the period for continuing operations was SEK 807 million (645) and earnings per share, continuing operations, amounted to SEK 3.73 (3.06).

January–December 2014

Consolidated net sales amounted to SEK 87,174 million (65,155).

Operating profit excluding non-recurring items amounted to SEK 3,937 million (3,015). Operating profit in the Group amounted to SEK 4,097 million (10,787). 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 3,105 million (9,994) and earning per share for continuing operations amounted to SEK 14.71 (52.56).

Net financial items and tax

ICA Gruppen's net financial items amounted to SEK -114 million (-152) in the fourth quarter. In the period January–December 2014, net financial items were SEK -370 million (-446).

The improvement in the fourth quarter and in the period January–December 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 -144 million (44) in the fourth quarter. The tax expense for the full year 2014 was SEK -622 million (-347). The effective tax rate was 16.7% (3.4).

Financial position

ICA Gruppen's total assets amounted to SEK 72,434 million (68,961) at 31 December 2014. The equity/assets ratio was 38.5% (38.5) on the same date.

ICA Gruppen's net debt, excluding pensions and ICA Bank, was SEK 7,058 million (9,190) at 31 December 2014.

At 31 December 2014 the Group's net debt amounted to 1.2 times EBITDA (calculated on EBITDA on a rolling 12-month basis). The corresponding key ratio was 1.9 at 31 December 2013.

Cash flow

Cash flow from operating activities amounted to SEK 1,454 million (1,981) in the fourth quarter of 2014. Excluding ICA Bank, cash flow from operating activities amounted to SEK 1,771 million (2,231). Cash flow from continuing operating activities amounted to SEK 1,676 million (2,011). The difference is due to development in working capital.

Cash flow from investing activities amounted to SEK -595 million (-189) in the fourth quarter. Cash flow from financing activities amounted to SEK 784 million (-1,276) in the fourth quarter.

For the full year 2014, cash flow from operating activities was SEK 3,612 million (3,975). Excluding ICA Bank, cash flow from operating activities was SEK 4,064 million (4,096).

In the same period, cash flow from investing activities amounted to SEK -563 million (-16,585). Cash flow from financing activities

Important events after the end of the quarter

January 2015 – Swedish Competition Authority approved acquisition of Apotek Hjärtat

On 9 January, the Swedish Competition Authority announced that the acquisition is approved. This enabled completion of the transaction on 15 January 2015.

January 2015 – ICA Bank received permission to conduct insurance business

The Swedish Financial Supervisory Authority gave ICA Bank permission to conduct insurance business. The plan is to offer customers non-life insurance at the end of 2015 via the subsidiary ICA Försäkring AB.

was SEK -767 million (16,203). 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 6,258 million (3,948) at year-end.

Investments

The Group's investments in property, plant and equipment and intangible assets amounted to SEK 742 million (650) in the fourth quarter and SEK 2,576 million (2,540) for the full year 2014. The largest investments comprise the extension of the warehouse in Helsingborg, Sweden, acquisition of a warehouse and office property in Latvia, investments in ICA Maxi stores in Barkarby, Stockholm, and Örebro, and a technical platform for online business.

Net sales and earnings January–December, pro forma 2013, as well as divestment of ICA Norway and acquisition of Apotek Hjärtat

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–December 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–December 2014

Consolidated net sales amounted to SEK 87,174 million (82,993), an increase of 5%.

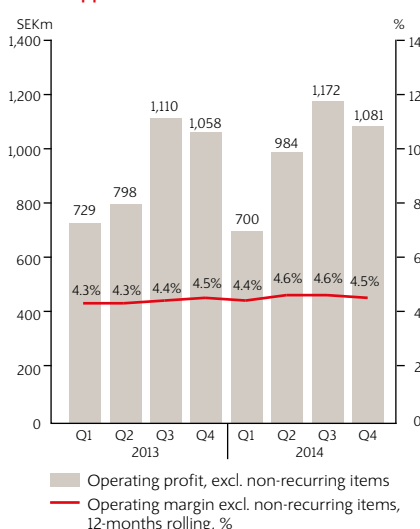
Operating profit excluding non-recurring items increased by SEK 242 million or just over 6% to SEK 3,937 million (3,695). Operating profit was SEK 4,097 million (3,482) and net financial items SEK -370 million (-623). The improvement in net financial items is explained by the change in the Group’s financing since the acquisition of the remaining shares in ICA AB was completed in spring 2013.

Profit for the year from continuing operations amounted to SEK 3,105 million (2,432) and earnings per share, continuing operations, amounted to SEK 14.71 (12.72).

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

Operating profit and operating margin ICA Gruppen



from the Norwegian Competition Authority Konkurransetsynet.

The operations comprise over 3,500 employees and 550 stores. The owned property

portfolio in Norway, which is part of ICA Real estate, is not included in the sale.

Earnings from ICA Norway are recognised as Profit/loss from discontinued operations in the consolidated income statement. Earnings are not charged with depreciation. Depreciation in the fourth quarter amounted to SEK 72 million (-114). The improvement is explained by the fact that depreciation is not carried out and a previously recognised cost provision of SEK 71 million, related to the cancelled sourcing agreement with Norgesgruppen, has been reversed.

Acquisition of Apotek Hjärtat

As a result of approval of the acquisition from the Swedish Medical Products Agency and the Swedish Competition Authority, the transaction could be finally closed on 15 January. With effect from that date, Apotek Hjärtat is included in ICA Gruppen and from and including the first quarter of 2015 will be reported as a separate segment which includes ICA Gruppen’s existing pharmacy operations in the Cura pharmacies.



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 reported pro forma for 2013 since earnings for these segments are affected by remeasurement of properties to market values, which took place in conjunction with the acquisition of ICA AB in spring 2013. ICA Norway will be included in the segment section until the divestment of ICA Norway has been completed.

ICA Sweden

	October-December 2014	October-December 2013	January-December 2014	January-December 2013
Net sales, SEKm	18,696	17,602	71,026	67,992
Operating profit excl. non-recurring items, SEKm	816	819	3,249	3,058
Operating margin excl. non-recurring items, %	4.4	4.7	4.6	4.5
Private label share of sales, %	-	-	22.7	21.5
Number of employees	-	-	8,213	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. Pharmacy operations is conducted in Cura apoteket. ICA Sweden also includes ICA Maxi Special which among other things conducts sales of non-food items at Maxi ICA Hypermarkets.

Fourth quarter 2014

ICA Sweden's net sales amounted to SEK 18,696 million (17,602), an increase of 6.2% compared with the previous year. Food Cupboard products and Fresh Foods accounted for the biggest increases in terms of value. In addition, Cura pharmacies had a high sales growth. Several newly opened stores also contributed to this performance.

ICA Sweden's operating profit excluding non-recurring items amounted to SEK 816 million (819). This slightly lower result can be explained by increased costs due to newly opened stores as well as a higher cost level due to a number of development projects

which are now in a more intensive phase. The gross margin for the quarter was largely unchanged compared with the previous year.

January-December 2014

ICA Sweden's net sales for the full year 2014 totalled SEK 71,026 million (67,992), an increase of 4.5% compared with the previous year. Higher sales within wholesale explain most of the increase but the store subsidiaries and Cura pharmacies also reported a strong growth in sales.

ICA Sweden's operating profit excluding non-recurring items amounted to SEK 3,249 million (3,058). The improvement is mainly explained by increased sales and higher profit shares from stores.

Cura pharmacies 2014

At the end of 2014 the number of Cura pharmacies totalled 67 (58). Net sales amounted to SEK 2,087 million (1,659) and operating profit was SEK 21 million (-32). Starting in the first quarter of 2015, the Cura pharmacies will become part of ICA Gruppen's new pharmacy operations which will be reported as a separate segment.

Store sales in Sweden

	October-December 2014			January-December 2014		
	SEKm	Change all stores	Change like-for-like	SEKm	Change all stores	Change like-for-like
Store sales, excl. VAT						
Maxi ICA Stormarknad	8,383	5.4%	3.3%	31,152	3.4%	2.2%
ICA Kvantum	6,653	5.9%	3.5%	25,230	4.5%	2.2%
ICA Supermarket	8,114	2.2%	2.6%	32,261	1.7%	1.4%
ICA Nära	3,835	2.7%	2.9%	15,712	1.3%	2.1%
TOTAL	26,985	4.2%	3.1%	104,356	2.8%	1.9%

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

Format	December 2013				December 2014	
	New	Converted	Closed			
Maxi ICA Stormarknad	77	2			79	
ICA Kvantum	122	2		-1	123	
ICA Supermarket	430	5		-4	431	
ICA Nära	688	4		-16	676	
ICA To Go	4	1			5	
TOTAL	1,321	14	0	-21	1,314	

ICA store sales

Sales in the Swedish ICA stores increased by 4.2% in the fourth quarter while the grocery market as a whole grew by 3.0%. ICA therefore continued to gain market share. The price effect in sales amounted to 1.4% for the quarter which represents volume growth of 2.8%. The increase in like-for-like sales was 3.1% and volume growth was 1.7%. The sales increase was driven by both a higher average spend and a higher number of customers. Sales of organic products continue to increase sharply. Food price inflation rose slightly towards the end of the year but for the full year 2014 remained at a low 0.6%.

The proportion of private label products accounted for 22.7% (21.5) of store sales in January-December 2014. The increase compared with last year is mainly explained by a higher proportion of private labels within fresh foods and 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.

	October-December 2014	October-December 2013	January-December 2014	January-December 2013
Net sales, SEKm	4,089	4,143	15,826	16,463
Operating profit/loss excl. non-recurring items, SEKm	1	-98	-423	-691
Operating margin excl. non-recurring items, %	0.0%	-2.4%	-2.7%	-4.2%
Private label share of sales	-	-	9.8%	9.7%
Number of employees	-	-	3,552	3,915
Average NOK exchange rate	1.0796	1.0746	1.0883	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.

Fourth quarter 2014

ICA Norway's net sales amounted to SEK 4,089 million (4,143) in the fourth quarter. Net sales decreased due to the closure of a number of unprofitable stores. Sales increased in the Rimi stores while the negative trend for the other store formats continued.

Operating profit excluding non-recurring items amounted to SEK 1 million (-98). Since ICA Norway is recognised as discontinued operations the operations have not been charged with depreciation since October 2014. Because of this, earnings compared to last year are positively impacted by SEK 107 million (0).

January-December 2014

ICA Norway's net sales amounted to SEK 15,826 million (16,463). Net sales decreased due to the closure of a number of unprofitable stores.

Operating loss excluding non-recurring items amounted to SEK 423 million (-691). The improvement is due to lower store costs and central costs, lower shrinkage and improved purchasing terms. In addition, earnings are positively impacted by SEK 107 million (0) because no depreciations are charged since 1 October 2014.

Divestment of ICA Norway

On 6 October, ICA Gruppen announced that ICA Norway is to be sold to Coop Norway.

The divestment is conditional on approval from the Norwegian Competition Authority, Konkurransetilsynet. In December 2014 Konkurransetilsynet announced that they intend to extend their review of this transaction. This means that a decision will be made in May 2015 at the latest.

Store sales in Norway

	October-December 2014			January-December 2014		
	NOKm	Change all stores	Change like-for-like	NOKm	Change all stores	Change like-for-like
Store sales excl. VAT						
Rimi	2,612	0.4%	1.5%	10,112	1.1%	1.2%
ICA Supermarked	1,174	-3.8%	-0.4%	4,435	-4.8%	-1.2%
Matkroken	406	-10.4%	-1.9%	1,735	-12.6%	-0.5%
TOTAL	4,191	-2.0%	0.7%	16,282	-2.2%	0.4%

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

Format	December 2013				December 2014	
	New	Converted	Closed			
Rimi	3	-1	-10	318	310	
ICA Supermarked			-1	76	75	
Matkroken	4	1	-17	177	165	
TOTAL	7	0	-28	571	550	

Rimi Baltic

	October-December 2014	October-December 2013	January-December 2014	January-December 2013
Net sales, SEKm	3,195	2,838	11,632	10,333
Operating profit excl. non-recurring items, SEKm	145	113	383	308
Operating margin excl. non-recurring items, %	4.5%	4.0%	3.3%	3.0%
Private label share of sales	-	-	19.9%	18.2%
Number of employees	-	-	8,995	8,248
Average EUR exchange rate	9.2802	8.8729	9.1093	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.

Fourth quarter 2014

Rimi Baltic's net sales amounted to SEK 3,195 million (2,838) in the fourth quarter, an increase of more than 12%. In local currency, sales rose 7.7% and sales increased in all three countries. The substantial increase in Lithuania is related to an ongoing programme to establish new stores. Like-for-like consolidated sales increased by 3.9%. Taken overall, Rimi Baltic continued to gain market shares in the fourth quarter.

Operating profit excluding non-recurring items amounted to SEK 145 million (113). In addition to higher sales the earnings improve-

ment is due to improved margins from lower purchasing prices, a higher proportion of private label sales and a better sales mix between the different store formats.

January-December 2014

Rimi Baltic's net sales for 2014 amounted to SEK 11,632 million (10,333). In local currency, sales rose 7.0% with a good rate of increase in Latvia and a substantial positive effect from newly opened stores in Lithuania. Like-for-like sales increased by 4.2% with Latvia making the biggest contribution.

Operating profit excluding non-recurring items amounted to SEK 383 million (308). The improvement is due to higher sales, better purchasing prices and positive mix effects.

Store sales in the Baltic countries

Store sales excl. VAT	October-December 2014			January-December 2014		
	EURm	Change all stores	Change like-for-like	EURm	Change all stores	Change like-for-like
Estonia	95	1.8%	0.8%	363	0.6%	-0.8%
Latvia	176	7.3%	5.1%	658	8.1%	7.2%
Lithuania	71	18.1%	5.7%	249	14.7%	4.4%
TOTAL	342	7.7%	3.9%	1,270	7.0%	4.2%

Number of stores in the Baltic countries

Country	December 2013		December 2014	
	December 2013	New	Closed	December 2014
Estonia	83	1		84
Latvia	113	2	-3	112
Lithuania	39	9	-2	46
TOTAL	235	12	-5	242

ICA Bank

	October-December 2014	October-December 2013	January-December 2014	January-December 2013
Revenues, SEKm	207	215	848	850
Operating profit excl. non-recurring items, SEKm	45	51	189	201
Operating margin excl. non-recurring items, %	21.7%	23.7%	22.3%	23.6%
Number of employees	-	-	322	312
Business volume, SEKm	-	-	26,353	24,772
Capital adequacy ratio, %	-	-	16.3	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.

Fourth quarter 2014

ICA Bank's revenues amounted to SEK 207 million (215). Lower net interest, driven by low interest rates, is the 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 45 million (51). The lower revenues were compensated by cost savings. As in the previous year a reversal of provisions for loan losses was recognised. The positive earnings impact from the reversal was SEK 7 million lower than last year.

Business volume, primarily lending, continued to increase in the fourth quarter and the number of customers rose by 13,000 to 656,000.

January-December 2014

ICA Bank's revenues amounted to SEK 848 million (850). Net commission increased but not sufficiently to compensate for the lower net interest. The bank's business volume continued to rise.

Operating profit excluding non-recurring items amounted to SEK 189 million (201). Compared with 2013 it is primarily increases in personnel and IT costs that explain the lower result. Cost increases are essentially due to adjustments to new regulations and a slightly higher number of employees.

ICA Real Estate

	October-December 2014	October-December 2013	January-December 2014	January-December 2013
Net sales, SEKm	575	573	2,253	2,255
Depreciation, SEKm	130	107	515	421
Operating profit excl. non-recurring items, SEKm	95	123	409	473
Operating margin excl. non-recurring items, %	16.5%	21.5%	18.2%	21.0%
Number of employees	-	-	77	75
Number of properties owned	-	-	187	203
Number of square metres owned	-	-	780,985	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.

Fourth quarter 2014

ICA Real Estate's net sales amounted to SEK 575 million (573) in the fourth quarter.

Operating profit excluding non-recurring items amounted to SEK 95 million (123). As a result of changed useful life assessments for property components, depreciation increased by approximately SEK 24 million. In addition, earnings decreased by just over SEK 20 million due to completed divestments. The negative earnings effects were compensated to some extent by cost reductions and revenues from new establishments.

January-December 2014

ICA Real Estate's net sales amounted to SEK 2,253 million (2,255).

Operating profit excluding non-recurring items amounted to SEK 409 million (473). Changed depreciation affected earnings by SEK -99 million compared with the previous year.

Earnings effects from Långeberga (warehouse in southern Sweden) and other investments partly compensated for the negative effect from higher depreciation.

Portfolio Companies

	October-December 2014	October-December 2013	January-December 2014	January-December 2013
Net sales, SEKm	833	892	2,564	2,657
Operating profit excl. non-recurring items, SEKm	116	131	53	21
Operating margin excl. non-recurring items, %	13.9%	14.7%	2.1%	0.8%
Number of employees	-	-	1,025	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.

Fourth quarter 2014

The portfolio companies' net sales totalled SEK 833 million (892). Adjusted for the divestment of Forma, net sales amounted to SEK 831 million (808), an increase of 2.8%. The increase is mainly due to higher sales in Hemtex.

The portfolio companies' operating profit excluding non-recurring items amounted to SEK 116 million (131). At a like-for-like level, excluding Kjell & Company and Forma, earnings were largely unchanged at SEK 117 million (118). Hemtex improved its earnings while inkClub had lower earnings than in the same period in 2013.

January-December 2014

The portfolio companies' net sales totalled SEK 2,564 million (2,657). Adjusted for Forma, net sales amounted to SEK 2 376 million (2 301), which represents an increase of 3.3%.

Operating profit excluding non-recurring items amounted to SEK 53 million (21). Like-for-like earnings, excluding Kjell & Company and Forma, improved by SEK 27 million to SEK 40 million. The improved earnings can to a great extent be attributed to performance in Hemtex, but Cervera also improved its operating profit and reported a profit for the full year.

Divestments

During the year ICA Gruppen sold Kjell & Company, Forma Publishing and the trade magazines Icanyheter and Market. The total earnings impact of these divestments for the full year was SEK 443 million (-82).

The divestments are in line with the strategy adopted in autumn 2013 which means that Forma, Kjell & Company and Cervera are to be sold. A sales process for Cervera has been initiated.

Store sales

	October-December 2014			January-December 2014		
	SEKm	Change all stores	Change like-for-like	SEKm	Change all stores	Change like-for-like
Store sales excl. VAT						
Cervera	377	-3.2%	-1.0%	931	-1.8%	1.8%
Hemtex	377	5.7%	5.4%	1,075	4.8%	3.9%

Number of stores, incl. franchise stores

Format	December 2013		December 2014	
	New	Closed/sold	New	Closed/sold
Cervera	73	-3		70
Hemtex	158	5	-6	157
TOTAL	231	5	-9	227

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 as well as 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 in the third quarter of 2014.

Parent Company performance

The Parent Company's net sales amounted to SEK 13 million (3) in the fourth quarter. Profit before tax amounted to SEK 437 million (5,164). 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 44 million (5) in the period January–December 2014. Profit before tax amounted to SEK 4,192 million (5,649). The change in profit before tax is mainly

explained by an increase in administrative expenses and by a decrease in dividends from subsidiaries of SEK 800 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 31 December 2014

	Number of shares	Share of capital and voting rights, %
ICA-handlarnas Förbund – Solna	103,163,599	51.3
AB Industrivärden & Investment AB Promotion	21,125,000	10.5
SEB Investment Management	2,936,296	1.5
Swedbank Robur Funds	1,556,340	0.8
Jönsson, Leif – Lidingö	1,254,651	0.6
AMF – Insurance and Funds	1,195,992	0.6
Robur Försäkring	1,128,437	0.6
Handelsbanken Funds	904,113	0.4
Handelsbanken Pension Fund	900,000	0.4
Handelsbanken Pension Foundation	850,000	0.4
Ten largest shareholders total	135,014,428	67.1
Other shareholders	66,132,367	32.9
Total	201,146,795	100.0

Source: Euroclear Sweden AB

2015 Annual General Meeting

ICA Gruppen's 2015 Annual General Meeting will be held at 09.30 CET on Wednesday, 22 April 2015 at the Ericsson Globe Arena in Stockholm.

In order to participate in the Annual General Meeting shareholders must be entered in the share register at Euroclear Sweden AB, and have notified their intention to attend the Annual General Meeting no later than Thursday, 16 April 2015. Notice of ICA Gruppen's Annual General Meeting will be published on Wednesday, 18 March 2015.

A shareholder who wishes to have a matter considered at the Annual General Meeting shall submit such request no later than Wednesday, 4 March 2015. Such requests shall be addressed "To the Chairman of the Board" and send to General Counsel Per Behm, ICA Gruppen AB, Svetsarvägen 16, SE-171 93 Solna.

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 of the members should be appointed by the largest

shareholder and two members appointed by the next two largest shareholders. The three largest shareholders at 29 August 2014 were ICA-handlarnas Förbund (the Association of ICA Retailers), Industrivärden and AMF – Försäkring och Fonder. These three shareholders nominated members for the Nomination Committee ahead of the 2015 Annual General Meeting. On 18 November 2014 it was announced that the composition of the Nomination Committee had changed due to a changed ownership structure. The change meant that SEB Investment Management replaced AMF on the Nomination Committee.

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 and SEB Investment Management has appointed Deputy CEO Hans Ek.

Shareholders who have proposals and views relating to the work of the Nomination Committee are invited to submit these as

soon as possible, however no later than Monday, 2 March 2015 to ICA Gruppen AB (publ), Valberedningen, c/o Koncernjuridik, SE-171 93 Solna.

Annual Report

ICA Gruppen's Annual Report for 2014 will be published on the company's website on Wednesday, 4 March 2015 and be available in a printed version with effect from Monday, 9 March 2015.

Dividend

The Board of Directors proposes a dividend of SEK 9.50 per ordinary share, corresponding to SEK 1,130 million. The dividend amount corresponds to 42% of profit for the year. The dividend proposal is adapted to the ambition to be able to pay a good and stable dividend over time taking into account the fact that starting next year the number of shares carrying dividend entitlement will increase from the present 118.9 million to 201.1 million. ICA Gruppen's dividend target over time is to pay a dividend to shareholders of at least 50% of profit for the year.

Financial statements

Condensed consolidated statement of comprehensive income

SEKm	Note	October- December 2014	October- December 2013	January- December 2014	January- December 2013
Net sales	3	23,180	21,820	87,174	65,155
Cost of goods sold ¹		-19,867	-18,308	-75,038	-55,102
Gross profit		3,313	3,512	12,136	10,053
Other operating income		67	62	883	191
Selling expenses ^{1,2}		-1,681	-2,072	-6,571	-5,530
Administrative expenses ¹		-634	-778	-2,362	-2,099
Share of profits of associates and joint ventures	4	0	29	11	121
Effects of acquisition of ICA AB	2	-	-	-	8,051
Operating profit	3, 5	1,065	753	4,097	10,787
Financial income		7	19	38	58
Financial expenses		-121	-171	-408	-504
Profit before tax		951	601	3,727	10,341
Tax		-144	44	-622	-347
Profit for the period from continuing operations		807	645	3,105	9,994
Profit/loss from discontinued operations	9	72	-114	-438	-548
Profit for the period		879	531	2,667	9,446
Other comprehensive income, items that may not be reclassified to profit or loss					
Actuarial gains or losses defined benefit pensions		-227	1	-246	214
Other comprehensive income, items that may be reclassified to profit or loss, net after tax					
Change in translation reserve		-61	64	145	81
Change in fair value reserve		0	0	0	0
Change in hedging reserve		-1	-17	-73	20
Share of other comprehensive income of joint ventures		7	0	-61	0
Items reclassified to profit or loss at acquisition of ICA AB		-	-	-	-259
Total items that may be reclassified to profit or loss		-55	47	11	-158
Comprehensive income for the period		597	579	2,432	9,502
Profit for the period attributable to					
Owners of the parent		819	500	2,518	9,439
Non-controlling interests		60	31	149	7
Comprehensive income for the period attributable to					
Owners of the parent		543	548	2,301	9,495
Non-controlling interests		54	31	131	7
Earnings per share before dilution, SEK³					
Ordinary share		4.09	2.49	12.53	49.68
Ordinary share, continuing operations		3.73	3.06	14.71	52.56
Ordinary share, discontinued operations		0.36	-0.57	-2.18	-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 310 million while selling and administrative expenses decreased by SEK 248 million and SEK 62 million respectively in the fourth quarter. Accumulated these amounts are SEK 1,140 million, SEK 901 million and SEK 239 million. This change does not affect operating profit.

² In selling expenses 2014 impairment in inkClub is recognised with SEK -322 million. The fourth quarter of 2013 includes impairment of Cervera and Hemtex as well as a loss on the sale of Forma Books with a total of SEK 305 million.

³ Same figures for ordinary shares and C shares.

Condensed consolidated statement of financial position

SEKm	Note	31 Dec. 2014	31 Dec. 2013
ASSETS			
Non-current assets			
Goodwill		11,545	11,867
Trademarks		13,112	13,065
Other intangible assets		803	770
Interests in joint ventures and associates	4	757	712
Deferred tax assets		254	369
Non-current receivable's in ICA Bank		7,159	6,270
Land and buildings		15,923	16,778
Other non-current assets		1,703	2,521
Total non-current assets		51,256	52,352
Current assets			
Inventories		3,566	4,253
Current receivables in ICA Bank		3,075	2,931
Other current assets		4,926	4,834
Cash and cash equivalents in ICA Bank		2,380	2,814
Cash and cash equivalents		3,711	1,134
Total current assets		17,658	15,966
Assets held for sale	6	3,520	643
TOTAL ASSETS		72,434	68,961
EQUITY AND LIABILITIES			
Equity			
27,911		27,911	26,541
Non-current liabilities			
Provisions		2,342	1,909
Deferred tax liabilities		4,839	4,925
Non-current interest-bearing liabilities		9,658	6,770
Other non-current liabilities		156	8
Total non-current liabilities		16,995	13,612
Current liabilities			
Deposits ICA Bank		11,031	10,600
Current interest-bearing liabilities		1,277	3,523
Other current liabilities		13,298	14,173
Total current liabilities		25,606	28,296
Liabilities held for sale	6	1,922	512
TOTAL EQUITY AND LIABILITIES		72,434	68,961
Pledged assets		2,361	816
Contingent liabilities		208	205

Condensed consolidated statement of cash flows

SEKm	Note	January- December 2014	January- December 2013
Operating profit		3,664	10,274
Effects of acquisition of ICA AB		-	-8,051
Depreciation and impairment		2,136	1,551
Other non-cash items		-587	-124
Income tax paid		-673	-429
Cash flow from operating activities before change in working capital		4,540	3,221
Change in working capital:			
Inventories		-335	-37
Current receivables		-525	822
Current liabilities		533	252
ICA Bank's net of deposits, lending and investments		-601	-283
Cash flow from operating activities		3,612	3,975
Acquisition of ICA AB		-	-15,739
Acquisition of property, plant and equipment and intangible assets		-2,576	-2,540
Sale of property, plant and equipment and intangible assets		2,128	518
Investments in joint ventures		-158	-30
Change in financial assets		3	1,171
Interest received		40	35
Cash flow from investing activities		-563	-16,585
New issue ICA Gruppen AB		-	5,017
New issues preference shares in subsidiary		-	3,000
Dividend paid		-1,079	-
Change in loans		656	8,663
Interest paid		-344	-477
Cash flow from financing activities		-767	16,203
Cash flow for the period	7	2,282	3,593
Cash and cash equivalents at 1 January		3,948	291
Exchange differences in cash and cash equivalents		28	64
Cash and cash equivalents at the end of the period	7	6,258	3,948
Cash and cash equivalents are reported on the following lines			
Cash and cash equivalents		6,091	3,948
Assets held for sale	6	167	-
		6,258	3,948

Disclosures on cash flow from discontinued operations

ICA Norway's operating loss amounted to SEK 433 million (-476). ICA Norway's cash flow is included with SEK -182 million (-288) in cash flow from operating activities, with SEK -213 million (-228) in cash flow from investing activities and with SEK -4 million (0) 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	-	9	9
Dividend	-951	-128	-1,079
Reclassification	-15	15	0
Lower issue costs for preference shares	2	-	2
Reversal of unpaid dividends	6	-	6
Comprehensive income for the period	2,301	131	2,432
Closing equity, 31 December 2014	24,706	3,205	27,911

SEKm	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Opening equity, 1 January 2013	8,882	139	9,021
Change in non-controlling interests	-	32	32
Incentive programme	5	-	5
New issue	5,017	-	5,017
New issue preference shares in subsidiary	-36	3,000	2,964
Comprehensive income for the period	9,495	7	9,502
Closing equity, 31 December 2013	23,363	3,178	26,541

Condensed parent company income statement

SEKm	October- December 2014	October- December 2013	January- December 2014	January- December 2013
Net sales	13	3	44	5
Cost of goods sold		-		-
Gross profit	13	3	44	5
Administrative expenses	-152	-25	-399	-83
Operating profit/loss	-139	-22	-355	-78
Financial income	0	26	0	32
Financial expenses	-91	-149	-403	-432
Dividend from ICA AB	-	-	-	800
Profit from investments in group companies	-492	5,336	3,791	5,354
Profit/loss after financial items	-722	5,191	3,033	5,676
Appropriations	1,159	-27	1,159	-27
Profit before tax	437	5,164	4,192	5,649
Tax	-209	117	-111	132
Profit for the period	228	5,281	4,081	5,781

Condensed Parent Company balance sheet

SEKm	31 Dec. 2014	31 Dec. 2013
ASSETS		
Non-current assets		
Investments in group companies	29,774	30,034
Other intangible assets	77	-
Deferred tax assets	214	325
Other non-current assets	120	-
Total non-current assets	30,185	30,359
Current assets		
Current receivables group companies	2,314	33
Other current assets	68	26
Total current assets	2,382	59
TOTAL ASSETS	32,567	30,418
EQUITY AND LIABILITIES		
Equity	20,276	17,146
Provisions	316	8
Non-current liabilities		
Non-current interest-bearing liabilities	8,482	5,971
Liabilities to group companies	3,000	3,000
Total non-current liabilities	11,482	8,971
Current liabilities		
Current interest-bearing liabilities	171	2,286
Current liabilities to group companies	20	1,929
Other current liabilities	302	78
Total current liabilities	493	4,293
TOTAL EQUITY AND LIABILITIES	32,567	30,418

Supplementary disclosures

– Group

NOTE 1, ACCOUNTING PRINCIPLES

This year-end report is prepared according to the rules for interim reporting in the Swedish Annual Account Act and IAS 34 Interim Financial Reporting.

New standards and interpretations applied from 2014

IFRS 10 Consolidated Financial Statements,
IFRS 11 Joint Arrangements
IFRS 12 Disclosures 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.

New accounting principles 2015

For 2015, only a few minor changes have been published by IASB and IFRIC. These changes have not had any impact on ICA Gruppen's financial reporting.

New standards from IASB not endorsed by the EU relevant to ICA Gruppen

IFRS 15 *Revenues from Contracts with Customers* was published in May 2014. It comes into force for the financial year that starts on 1 January 2017. In a preliminary analysis, ICA Gruppen's assessment is that the effect on the financial statements will be limited when it is introduced.

IFRS 9 *Financial instruments* was published in July 2014. It comes into force for the financial year that starts on 1 January 2018. It has not yet been possible to assess the effects of its introduction, but the standard of relevance, among other things, for recognition of credit losses, and therefore in particular for ICA Bank, as well as for hedge accounting.

Important assumptions and estimates

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. The assumptions and estimates that management regards as most significant include sale and leaseback transactions with subleasing, measurement of goodwill and trademarks, measurement of non-current assets other than goodwill and trademarks and liabilities for pensions.

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)	Oct.–Dec. 2014	Oct.–Dec. 2013	Jan.–Dec. 2014	Jan.–Dec. 2013
ICA Sweden	18,696	17,602	71,026	52,887
ICA Norway	-	-	-	-
Rimi Baltic	3,195	2,838	11,632	8,102
ICA Bank	207	215	848	643
ICA Real Estate	575	573	2,253	1,723
Portfolio Companies	833	892	2,564	2,657
Other	31	20	97	47
Intra-group sales	-357	-320	-1,246	-904
Net sales¹	23,180	21,820	87,174	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)	Oct.–Dec. 2014	Oct.–Dec. 2013	Jan.–Dec. 2014	Jan.–Dec. 2013
ICA Sweden	816	819	3,249	2,465
ICA Norway	-	-	-	-
Rimi Baltic	145	113	383	272
ICA Bank	45	51	189	150
ICA Real Estate	95	123	409	359
Portfolio Companies	116	131	53	21
ICA	-	-	-	78
Other	-136	-179	-346	-330
Operating profit excl. non-recurring items¹	1,081	1,058	3,937	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 31 Dec.		Share of profit Jan.-Dec.	
	2014	2013	2014	2013
ICA AB	-	-	-	78
Bra förlag AB	-	-	0	0
Trade Press AS	12	-	1	1
Kjell & Co Elektronik AB	-	-	11	34
Ancore Fastigheter AB	742	703	-1	6
Other	3	9	0	2
Total	757	712	11	121

Information relating Ancore Fastigheter AB

SEKm	Oct.-Dec. 2014	Oct.-Dec. 2013	Jan.-Dec. 2014	Jan.-Dec. 2013
Income	98	71	325	273
Expenses	-44	-29	-135	-116
Operating profit	54	42	190	157
Net financial items	-47	-34	-168	-135
Tax	-6	3	-19	-5
Profit for the year	1	11	3	17
Other comprehensive income	14	-6	-121	40
Comprehensive income for the year	15	5	-118	57

Non-current assets		4,826	3,775
Current assets		122	84
Total assets		4,948	3,859

Equity		-112	-8
Shareholder loan		1,526	1,226
Non-current liabilities		3,138	2,458
Current liabilities		396	183
Total equity and liabilities		4,948	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. The figures for Ancore provided above relate to the full year 2013.

NOTE 5, NON-RECURRING ITEMS

SEKm	Oct.-Dec. 2014	Oct.-Dec. 2013	Jan.-Dec. 2014	Jan.-Dec. 2013
Operating profit excl. non-recurring items	1,081	1,058	3,937	3,015
Capital gains on sale of non-current assets				
Portfolio Companies, Forma	-2	-82	-2	-82
Portfolio Companies, Kjell & Co	-	-	445	-
ICA Real Estate	-3	14	49	14
Rimi Baltic	0	-	54	-
Other	0	2	0	1
Impairment				
Portfolio Companies	-	-223	-322	-223
ICA Real Estate	-1	1	-42	-
Rimi Baltic	-10	-15	-22	-17
Other	-	1	-	-
Other non-recurring items				
Effects of acquisition	-	-	-	8,051
Other with counterpart within discontinued operations	-	-3	-	28
Operating profit	1,065	753	4,097	10,787

NOTE 6, ASSETS AND LIABILITIES HELD FOR SALE

	ICA Norway	Cervera	ICA Real Estate	Total
Intangible assets	128	1	-	129
Property, plant and equipment	1,371	8	25	1,404
Financial assets	12	11	-	23
Inventories	1,028	189	-	1,217
Other current assets	493	87	-	580
Cash and cash equivalents	167			167
Total assets held for sale	3,199	296	25	3,520
Provisions	93	-	-	93
Current liabilities	1,615	214	-	1,829
Total liabilities held for sale	1,708	214	0	1,922

NOTE 7, CONSOLIDATED CASH FLOW STATEMENT

SEKm	Group 2014	ICA Bank 2014	Group excl. Bank
Cash flow from operating activities before change in working capital	4,540	176	4,364
Change in working capital			
Inventories	-335	0	-335
Current receivables	-525	-37	-488
Current liabilities	533	10	523
ICA Bank's net of deposits, lending and investments	-601	-601	0
Cash flow from operating activities	3,612	-452	4,064
Cash flow from investing activities	-563	-17	-546
Cash flow from financing activities	-767	35	-802
Cash flow for the period	2,282	-434	2,716
Cash and cash equivalents at the beginning of the period	3,948	2,814	1,134
Exchange differences in cash and cash equivalents	28	0	28
Cash and cash equivalents at the end of the period	6,258	2,380	3,878

NOTE 8, FINANCIAL INSTRUMENTS

At 31 December 2014 financial assets measured at fair value in ICA Gruppen amounted to SEK 5,289 million. Financial liabilities measured at fair value amounted to SEK 220 million at 31 December 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 277 million.

NOTE 9, DISCONTINUED OPERATIONS

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

SEKm	Oct.-Dec. 2014	Oct.-Dec. 2013	Jan.-Dec. 2014	Jan.-Dec. 2013
Net sales	4,089	4,143	15,826	12,546
Other income	108	1	108	1
Expenses	-4,123	-4,256	-16,367	-13,023
Operating profit/loss	74	-112	-433	-476
Net financial items	-2	-2	-5	-6
Tax	0	0	0	-66
Profit/loss from discontinued operations	72	-114	-438	-548

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

NOTE 10 ACQUISITION OF APOTEK HJÄRTAT

As part of strengthening its position in the Swedish pharmacy market, ICA Gruppen announced on 12 November that an agreement had been signed with Altor Fund III to acquire all the shares in Apotek Hjärtat AB for a purchase price of SEK 5.7 billion on a cash-free basis. Completion of this transaction was subject to approval from the Swedish Competition Authority and the Swedish Medical Products Agency. Approval from the Medical Products agency was received on 5 December. Approval was received from the Swedish Competition Authority on 9 January and the acquisition was completed on 15 January 2015.

Apotek Hjärtat has approximately 2,000 employees and over 300 pharmacies. Apotek Hjärtat and ICA Gruppen's own Cura pharmacies will have combined annual sales in excess of SEK 11 billion and be the second-largest player in the Swedish market with a market share of approximately 30%. From 2019 the acquisition is expected to provide annual cost synergies for ICA Gruppen of approximately SEK 80 million. Synergies will mainly arise within central overhead costs, purchasing and logistics. The acquisition will initially be financed through a combination of cash and existing credit facilities. Apotek Hjärtat is expected to make a positive contribution to ICA Gruppen's net earnings per share for 2015, before non-recurring acquisition-related costs.

Due to the brief period between the date of this acquisition and the publication date of this report, there is insufficient information to be able to provide more than an overall assessment of the financial effects of the acquisition. The total surplus values from the acquisition amount to approximately SEK 5 billion where almost the entire surplus value comprises goodwill and the remainder is primarily trademarks.

For 2014, sales totalled SEK 9,596 million, with an operating profit of SEK 401 million and profit after tax of SEK 103 million.

Quarterly overview

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

SEKm	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Net sales	19,506	20,867	20,800	21,820	19,755	22,223	22,016	23,180
Operating profit before depreciation (EBITDA)	1,028	1,169	1,408	1,307	1,028	1,752	1,616	1,423
Operating profit (EBIT) excl. non-recurring items	729	798	1,110	1,058	699	985	1,172	1,081
Operating margin excl. non-recurring items %	3.7%	3.8%	5.3%	4.8%	3.5%	4.4%	5.3%	4.7%
Operating profit (EBIT)	741	879	1,109	753	704	1,424	904	1,065
Operating margin, %	3.8%	4.2%	5.3%	3.5%	3.6%	6.4%	4.1%	4.6%
Profit before tax	605	705	948	601	615	1,338	823	951
Profit from continuing operations	479	594	714	645	477	1,145	676	807
Profit/loss from discontinued operations	-475	-256	-163	-114	-178	-151	-181	72
Profit for the period	4	338	551	531	299	994	495	879
Earnings per ordinary share, continuing operations, SEK ¹	2.89	3.20	3.57	3.06	2.39	5.40	3.19	3.73
Earnings per ordinary share, continuing operations, SEK ¹	-2.80	-1.36	-0.81	-0.57	-0.89	-0.75	-0.90	0.36
Earnings per share, SEK ¹	0.09	1.84	2.76	2.49	1.50	4.65	2.29	4.09
Equity per share, SEK ¹	104.24	110.56	113.70	116.23	117.27	117.33	120.21	122.91
Return on equity, %	0.2%	2.9%	8.7%	6.0%	7.0%	8.6%	7.9%	9.3%
Return on capital employed, %	8.5%	9.3%	9.3%	8.5%	8.1%	9.7%	9.3%	10.1%
Cash flow from operating activities continuing operations	1,041	1,816	676	2,105	201	1,522	395	1,676
Cash flow from operating activities discontinued operations	-75	-125	-58	-95	-138	22	156	-222
Cash flow from operating activities	966	1,691	618	2,010	63	1,544	551	1,454
Cash flow from operating activities continuing operations per share, SEK ¹	6.13	9.65	3.36	10.47	1.00	7.57	1.96	8.34
Cash flow from operating activities discontinued operations per share, SEK ¹	-0.44	-0.66	-0.29	-0.47	-0.69	0.11	0.78	-1.11
Cash flow from operating activities per share, SEK ¹	5.69	8.99	3.07	10.00	0.31	7.68	2.74	7.23
Investing activities continuing operations (cash flow)	315	438	1,311	562	615	496	558	682
Investing activities discontinued operations (cash flow)	73	86	65	84	74	46	45	60
Investing activities (cash flow)	388	524	1,376	646	689	542	603	742
Net debt	-17,988	-13,211	-13,854	-9,190	-9,909	-9,084	-8,276	-7,058
Net debt/EBITDA	3.6	2.8	2.8	1.9	2.0	1.7	1.5	1.2

¹ Same figures for ordinary shares and C shares.

Net sales per segment

SEKm	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
ICA Sweden	16,043	17,177	17,171	17,602	16,088	18,245	17,997	18,696
ICA Norway	-	-	-	-	-	-	-	-
Rimi Baltic	2,366	2,581	2,548	2,838	2,597	2,888	2,952	3,195
ICA Bank	219	203	213	215	216	218	207	207
ICA Real Estate	561	557	564	573	556	560	562	575
Portfolio Companies	566	613	586	892	565	587	579	833
Other	30	28	20	20	24	22	20	31
Intra-group sales	-279	-292	-302	-320	-291	-297	-301	-357
Net sales	19,506	20,867	20,800	21,820	19,755	22,223	22,016	23,180

Operating profit excl. non-recurring items per segment

SEKm	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
ICA Sweden	629	719	891	819	611	840	982	816
ICA Norway	-	-	-	-	-	-	-	-
Rimi Baltic	38	70	87	113	59	86	93	145
ICA Bank	54	32	64	51	39	47	58	45
ICA Real Estate	117	107	126	123	94	108	112	95
Portfolio Companies	-60	-35	-15	131	-36	-14	-13	116
Other	-49	-95	-43	-179	-67	-83	-60	-136
Operating profit excl. non-recurring items	729	798	1,110	1,058	700	984	1,172	1,081

SEKm	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Depreciation in ICA Real Estate	105	103	106	107	129	130	126	130

Key figures ICA Gruppen

	October-December 2014	October-December 2013	January-December 2014	January-December 2013
Operating profit before depreciation EBITDA, SEKm	1,423	1,307	5,819	3,905
Operating margin excl. non-recurring items, %	4.7%	4.8%	4.5%	4.6%
Operating margin, %	4.6%	3.5%	4.7%	16.6%
Net margin, %	3.8%	2.4%	3.1%	14.5%
Return on capital employed, %			10.1%	8.3%
Return on equity, %			9.3%	7.2%
Equity/assets ratio, %			38.5%	38.5%
Net debt, SEKm			-7,058	-9,190
Net debt/EBITDA			1.2	1.9
Share data				
Earnings per share continuing operations, SEK	3.73	3.06	14.71	52.56
Earnings per share discontinued operations, SEK	0.36	-0.57	-2.18	-2.88
Earnings per share, SEK	4.09	2.49	12.53	49.68
Share price at the end of the period, SEK			305.80	201.00
Dividend per ordinary share, SEK			9.50	8.00
Dividend, SEKm			1,130	951
Dividend payout ratio, %			42	68
Equity per share, SEK			122.91	116.23
Cash flow from operating activities per share, SEK			17.97	17.87
Number of ordinary shares	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
Total number of shares at the end of the period	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	190,006,752
Average number of shares after dilution	201,146,795	201,146,795	201,146,795	190,194,330

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.

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.

Stockholm, 11 February 2015
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, 11 February 2015. The report has not been reviewed by the company's auditors.

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Press and analyst meeting

ICA Gruppen is arranging a press and analyst meeting at Tändstickspalatset, Stockholm on Wednesday, 11 February 2015 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, +44 20 319 405 50.

Financial calendar

22 April 2015	AGM 2015
4 March 2015	The annual report is published
6 May 2015	Interim report January–March 2015
19 August 2015	Interim report January–June 2015
11 November 2015	Interim report January–September 2015
10 February 2016	Interim report January–December 2015

ICA Gruppen AB (publ) is a leading retail company with a focus on food and health. The Group includes ICA Sweden and Rimi Baltic which mainly conduct grocery retail, ICA Real Estate which owns and manages properties, ICA Bank which offers financial services and, since January 2015, Apotek Hjärtat which conducts pharmacy operations. The Group also includes ICA Norway which is being divested, the wholly owned portfolio company inkClub and the partly owned portfolio companies Cervera and Hemtex. For more information see icagruppen.se

