

## Press Release

Solna, 25 August 2015

*THIS PRESS RELEASE MAY NOT BE, DIRECTLY OR INDIRECTLY, DISTRIBUTED OR PUBLISHED TO OR WITHIN THE USA, AUSTRALIA, HONG KONG, JAPAN, CANADA, NEW ZEELAND OR SOUTH AFRICA. THE OFFER IS NOT BEING MADE TO (NOR WILL TENDER OF SHARES BE ACCEPTED FROM) PERSONS IN THESE COUNTRIES OR PERSONS IN ANY OTHER COUNTRIES WHERE TENDER OF SHARES WOULD DEMAND FURTHER DOCUMENTATION, FILINGS OR OTHER MEASURES IN ADDITION TO SWEDISH LAW.*

## **ICA Gruppen AB announces a cash offer to the shareholders of Hemtex AB**

*ICA Gruppen AB ("ICA Gruppen") hereby announces a cash offer to the shareholders of Hemtex AB (publ) ("Hemtex" or "the Company") to acquire all outstanding shares in Hemtex (the "Offer"). The Hemtex shares are listed on Nasdaq Stockholm, Small Cap.*

### **Summary of the Offer**

- ICA Gruppen offers 7.50 Swedish krona in cash for each share in Hemtex<sup>1</sup>. The Offer values all outstanding shares in Hemtex to approximately 719 million Swedish krona<sup>2</sup>.
- The Offer represents a premium of:
  - 44 per cent compared with the closing price for Hemtex' share on 24 August 2015 of 5.20 Swedish krona and
  - 38 per cent compared with the volume weighted average price paid for the share during the last 30 calendar days prior to the announcement of the Offer of 5.44 Swedish krona.
- ICA Gruppen today holds 65,655,195 shares in Hemtex, corresponding to 68.5 per cent of capital and votes.
- Bomax AS and AB Industrivärdens särskilda pensionsstiftelse, together representing 16.3 per cent of the capital and votes in Hemtex, have, subject to certain conditions, irrevocably undertaken to accept the Offer. ICA Gruppen will as such, together with its own shareholding, achieve an ownership of at least 84.8 per cent of the capital and votes in Hemtex if the Offer is completed.
- The Board of Hemtex will evaluate the Offer and revert with its opinion of the Offer and the reasons for this opinion no later than two weeks before expiry of the acceptance period.

<sup>1</sup> The offered price will be adjusted if Hemtex conducts a dividend or makes any other value transfer to shareholders prior to settlement of the Offer.

<sup>2</sup> Based on 95,835,506 outstanding shares.

- The acceptance period for the Offer is expected to commence 3 September 2015 and end 1 October 2015.

#### ***Background to and reasons for the Offer***

Hemtex has been a strategic holding for ICA Gruppen since the acquisition of the shares and the companies have during recent years further strengthened their relationship with joint purchasing and the joint customer offering ICA Home by Hemtex.

Hemtex has in recent years undergone an extensive transformation plan to improve profitability and efficiency throughout the organisation. The transformation plan has resulted in both increased sales and improved profitability, but it is ICA Gruppen's belief that Hemtex as a wholly owned subsidiary to ICA Gruppen is given better preconditions to continue the efforts to strengthen the offering and achieve continued positive sales development through an increased number of sales channels and through continued rationalisation of the business further improve the profitability.

ICA Gruppen places great value on Hemtex' management and employees, who are important for a successful development of the business. ICA Gruppen does not anticipate any significant effects from the Offer for the Company's employees, whether in terms of conditions of employment or employment at the locations where the Company conducts its business. There are no plans to significantly alter the existing strategy for Hemtex.

#### ***The Offer***

ICA Gruppen offers 7.50 Swedish krona in cash for each share in Hemtex<sup>3</sup>. No commission will be charged in connection with the Offer. The total value of the Offer amounts to approximately 719 million Swedish krona based on a total of 95,835,506 outstanding shares in Hemtex.

The Offer represents a premium of:

- 44 per cent compared with the closing price for Hemtex' share on 24 August 2015 of 5.20 Swedish krona and
- 38 per cent compared with the volume weighted average price paid for the share during the last 30 calendar days prior to the announcement of the Offer of 5.44 Swedish krona.

---

<sup>3</sup> See footnote 1 above.

The acceptance period for the Offer is expected to commence 3 September 2015 and end 1 October 2015. Settlement is expected to take place on 6 October 2015, provided that the conditions for the Offer have been fulfilled or waived.

The acquisition of Hemtex does not require approval from any competition authorities.

***Opinion from the Board of Hemtex and fairness opinion***

The Board of Hemtex has been provided with the terms of the Offer and will evaluate the Offer and revert with its opinion about the Offer and the reasons for this opinion no later than two weeks before expiry of the acceptance period. Two Board members of Hemtex, Stein Petter Ski and Liv Forhaug, are also senior executives of ICA Gruppen, which means that the related party rules in section III.3 of Nasdaq Stockholm's Takeover rules (the "Takeover rules") are applicable. These executives may not participate and have not participated in Hemtex' handling of the Offer. The Board will also, in accordance with section III.3 of the Takeover rules, obtain a fairness opinion from an independent expert, which will be made public no later than two weeks before expiry of the acceptance period. The Board's opinion and the fairness opinion will if possible be reproduced in its entirety in the offer document that will be prepared and published by ICA Gruppen.

***ICA Gruppen's shareholding in Hemtex***

ICA Gruppen owns 65,655,195 shares in Hemtex, corresponding to 68.5 per cent of capital and votes. ICA Gruppen does not hold any other financial instruments that provide a financial exposure to Hemtex' shares. ICA Gruppen has not acquired or agreed to acquire any shares in the Company during the last six months prior to the announcement of the Offer. ICA Gruppen may during the acceptance period acquire, or enter into arrangements to acquire, shares in Hemtex. Such acquisitions or agreements shall be in accordance with applicable Swedish laws and regulations.

***Irrevocable undertakings***

Bomax AS and AB Industrivärdens särskilda pensionsstiftelse, together representing 16.3 per cent of the capital and votes in Hemtex, have, subject to certain conditions, irrevocably undertaken to accept the Offer. The commitments expire in the event a third party, before expiry of the acceptance period for the Offer, announces a public offer to acquire shares in Hemtex that exceeds the price per share in the Offer, given that ICA Gruppen does not revise its offer to at least the same level as the competing offer within five working days of its announcement. The commitments are to the longest in force up to and including 31 December 2015.

ICA Gruppen will as a result of the irrevocable undertakings, together with its own shareholding, achieve an ownership of at least 84.8 per cent of the capital and votes in Hemtex if the Offer is completed.

### ***Terms and conditions for completion of the Offer***

Completion of the Offer is conditional upon:

- (i) the Offer being accepted to such extent that ICA Gruppen will become the owner of more than 90 percent of the total shares in Hemtex;
- (ii) no circumstances that materially adversely affects, or may reasonably be expected to materially adversely affect, Hemtex' sales, results, liquidity, solvency, equity or assets, and which ICA Gruppen was not aware of at the time of announcement of the Offer, have occurred;
- (iii) neither the Offer nor the acquisition of Hemtex is wholly or partly prevented or materially adversely affected by any legislation or other regulation, court decision, public authority decision or similar circumstance, which is, or may be expected, and that ICA Gruppen could not reasonably have foreseen at the time of the announcement of the Offer;
- (iv) Hemtex does not take any action that is likely to impair the prerequisites for making or completing the Offer;
- (v) Hemtex has published all the information Hemtex has to publish and no information published by Hemtex is materially inaccurate, incomplete or misleading; and
- (vi) no other party announces an offer to acquire shares in Hemtex on terms that are more favourable to the shareholders of Hemtex than the terms of the Offer.

ICA Gruppen reserves the right to withdraw the Offer in the event it becomes clear that any of the above conditions are not fulfilled or cannot be fulfilled. In regards to condition (ii) - (vi), a withdrawal may further only be made given that non-fulfilment of such conditions is of material importance for ICA Gruppen's acquisition of Hemtex.

ICA Gruppen reserves the right to, wholly or partly, waive one or more of the above conditions, which inter alia includes the right for ICA Gruppen to complete the Offer at an acceptance level of less than 90 per cent.

### ***Overview of ICA Gruppen and the financing of the Offer***

ICA Gruppen AB (corp. reg. no. 556048-2837) is a leading retail company with a focus on food and health. The Group includes ICA Sweden and Rimi Baltic, which mainly operates grocery stores, ICA Fastigheter which owns and manages properties, and ICA Banken which offers financial services. Since January 2015, Apotek Hjärtat which conducts pharmacy operations, is included in the Group. The Group also includes two wholly or partly owned portfolio companies; inkClub and Hemtex.



In 2014, ICA Gruppen had revenues of approximately 87 billion Swedish krona and had over 19,000 employees, mainly in Sweden and the Baltic countries. Approximately 50,000 persons work within ICA Gruppen, in offices, in logistics, or in any of ICA Gruppen's wholly owned stores or stores owned by independent ICA retailers. ICA Gruppen's share is listed on Nasdaq Stockholm, Large Cap, since 8 December 2005.

ICA Gruppen will finance the Offer with existing cash. The Offer is thus not subject to any financing condition.

***Due diligence***

ICA Gruppen has not undertaken, and will not undertake, any due diligence investigation of Hemtex in relation to the Offer.

***Related parties***

ICA Gruppen is the parent company of Hemtex (and Hemtex is a subsidiary of ICA Gruppen) and two members of Hemtex' Board of Directors, Stein Petter Ski and Liv Forhaug, are also senior executives of ICA Gruppen, which means that the related party rules in section III.3 of the Takeover rules are applicable. These executives may not participate and have not participated in Hemtex' handling of the Offer. Furthermore, the acceptance period will run for at least four weeks and Hemtex must obtain and announce a fairness opinion.

***Preliminary timetable***

2 September 2015	Announcement of the offer document
3 September-1 October 2015	Acceptance period
6 October 2015	Estimated settlement

ICA Gruppen reserves the right to extend the acceptance period, as well as to postpone settlement of the Offer. ICA Gruppen will announce any such extension of the acceptance period, and/or postponement of the settlement by a press release in accordance with applicable laws and regulations.

***Compulsory redemption and delisting***

As soon as possible after ICA Gruppen has acquired shares representing more than 90 per cent of the capital and votes in Hemtex, ICA Gruppen intends to initiate compulsory redemption of the remaining shares. In relation herewith, ICA Gruppen intends to promote a delisting of Hemtex' shares from Nasdaq Stockholm.

### ***Governing law and regulations***

The Offer and the agreements entered into between ICA Gruppen and Hemtex' shareholders in relation to the Offer, shall be governed by and interpreted in accordance with Swedish law. Disputes concerning, or arising in connection to the Offer, shall be settled exclusively by Swedish courts, with the Stockholm District Court of first instance.

The Takeover rules and the Swedish Securities Council's rulings and statements regarding interpretation and application of the Takeover rules, and, where appropriate, the Securities Council's rulings and clearance regarding interpretation and application of the Swedish Industry and Commerce Stock Exchange Committee's rules previously applicable to public takeover offers on the stock market, are applicable to the Offer. ICA Gruppen has, in accordance with act (2006: 451) concerning public takeover offers on the stock market, on 19 August 2015 entered into an agreement with Nasdaq Stockholm to comply with mentioned rules, rulings and statements, and to adhere to the sanctions that Nasdaq Stockholm may impose on ICA Gruppen for breach of the Takeover rules. ICA Gruppen has on 25 August 2015 informed the Swedish Financial Supervisory Authority about the Offer and about the above obligations to Nasdaq Stockholm.

### ***Advisors***

Handelsbanken Capital Markets is financial advisor and Gernandt & Danielsson Advokatbyrå is legal advisor to ICA Gruppen in connection to the Offer.

### ***For more information***

ICA Gruppen press service, Telephone number: +46 10 422 52 52

Frans Benson, Investor Relations ICA Gruppen: +46 8 561 500 20

ICA Gruppen discloses the information provided herein pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 8:00 a.m. (CET) on 25 August 2015.

***IMPORTANT INFORMATION***

This press release has been published in Swedish and English. In the event of any discrepancy between the two language versions, the Swedish version shall prevail.

The Offer, pursuant to the terms and conditions presented in this press release, is not being made to persons whose participation in the Offer requires that an additional offer document is prepared or registration effected or that any other measures are taken in addition to those required under Swedish laws and regulations.

This press release and any related Offer documentation are not being distributed and must not be mailed or otherwise distributed or sent in or into any country in which the distribution or offering would require any such additional measures to be taken or would be in conflict with any law or regulation in such country – any such action will not be permitted or sanctioned by ICA Gruppen. Any purported acceptance of the Offer resulting directly or indirectly from a violation of these restrictions may be disregarded.

The Offer is not being and will not be made, directly or indirectly, in or into, or by use of mail or any other means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States. This includes, but is not limited to facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic transmission. The Offer cannot be accepted and shares may not be tendered in the Offer by any such use, means, instrumentality or facility of, or from within Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States or by persons located or resident in Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States. Accordingly, this press release and any related Offer documentation are not being and should not be mailed or otherwise transmitted, distributed, forwarded or sent in or into Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States or to any Australian, Hong Kong, Japanese, Canadian, New Zealand, South African or U.S. persons or any persons located or resident in Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States.

Any purported tender of shares in an Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of shares made by a person located in Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States or any agent fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the

United States will be invalid and will not be accepted. Each holder of shares participating in the Offer will represent that it is not an Australian, Hong Kong, Japanese, Canadian, New Zealand, South African or U.S. person, is not located in Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States and is not participating in such Offer from Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States or that it is acting on a non-discretionary basis for a principal that is not an Australian, Hong Kong, Japanese, Canadian, New Zealand, South African or U.S. person, that is located outside Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States and that is not giving an order to participate in such offer from Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States. ICA Gruppen will not deliver any consideration from the Offer into Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States.

For purposes of this section “United States” and “U.S.” means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island, and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

#### ***Forward-looking information***

Statements in this press release relating to future status and circumstances, including statements regarding future performance, growth and other projections as well as benefits of the Offer, are forward-looking statements. These statements may generally, but not always, be identified by the use of words such as “anticipates”, “expects”, “believes”, or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There can be no assurance that actual results will not differ materially from those expressed or implied by these forward-looking statements due to many factors, many of which are outside the control of ICA Gruppen. Any such forward-looking statements speak only as of the date on which they were made and ICA Gruppen has no obligation (and undertakes no such obligation) to update or revise any of them, whether as a result of new information, future events or otherwise, except for in accordance with applicable laws and regulations.