

Interim report January–March 2014

Good start to the year for ICA Gruppen

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.

First quarter of 2014 in summary

Comparative figures are pro forma and show the first quarter of 2013 as if ICA and Hakon Invest had been consolidated.

- Consolidated net sales amounted to SEK 23,509 million (23,644) in the first quarter, a decrease of 0.6%. Adjusted for currency fluctuations net sales rose by 0.3% compared with the first quarter last year.
- Operating profit excluding non-recurring items amounted to SEK 528 million (483), an increase of 9.3% compared with the previous year.
- Operating profit amounted to SEK 528 million (304).
- Profit for the period amounted to SEK 299 million (4).
- Earnings per share amounted to SEK 1.50 (0.09).

Events after the end of the period

- ICA Gruppen has signed an agreement to sell the holding in Kjell & Company. The capital gain is expected to amount to approximately SEK 440 million in the second quarter of 2014.



Mkr	January– March 2014	January– March 2013	Proforma ¹ January– March 2013	Proforma ¹ January– December 2013
Group				
Net sales	23,509	1,890	23,644	99,456
Operating profit before depreciation (EBITDA)	961	70	716	4,478
Operating profit (EBIT) excluding non-recurring items	528	38	483	3,004
Operating profit (EBIT)	528	8,089	304	2,547
Profit before tax	437	8,105	164	1,919
Profit for the period	299	8,109	4	1,424
Cash flow from operating activities	63	–301	966	5,256
Operating margin, excluding non-recurring items, %	2.2	2.0	2.0	3.0
Operating margin, %	2.2	428.0	1.3	2.6
Return on capital employed, %	6.7	1.5	6.7	6.1
Return on equity, %	7.0	1.9	0.2	6.0
Earnings per ordinary share, SEK	1.50	50,51	0.09	7.05
Earnings per C share, SEK	1.50	50,51	0.09	7.05

¹ Excluding acquisition effects

CEO's comments

The year started well for ICA Gruppen. Operating profit excluding non-recurring items increased by 9% in the first quarter due to improved earnings in ICA Norway, Rimi Baltic and the portfolio companies. At the same time, development in Sweden was good taking into account the fact that Easter occurred in the second quarter this year and in the first quarter last year. We have also successfully reached an agreement to divest our holding in Kjell & Company, in line with the decision made last autumn.

In Sweden, the ICA stores gained market shares during the first quarter of the year. Cura pharmacies continue to show good growth. Taken overall, ICA Sweden reports strong earnings for the first quarter, although slightly lower than in the previous year due to the Easter effect and somewhat weaker general market growth.

In Norway, the sales trend remained weak in the first quarter. On the other hand, earnings improved primarily due to improved margins and lower store costs than in the previous year. In February, the Norwegian Competition Authority issued an advance notice of their intention to stop the planned cooperation between ICA Norway and Norgesgruppen. We are currently evaluating alternative ways forward for ICA Norway.

Our Baltic operations are showing very good growth, with strong volume development and increased market shares in the first quarter. The strong sales, combined with higher margins, contributed to improved earnings. We see good opportunities for continued growth in the Baltic countries. Major expansion is planned during the current year and a total of some 15 new stores will be opened.

ICA Bank continues to grow in number of customers and business volume. However, the low repo rate, higher costs and a profit in the bond portfolio in the first quarter of last year, mean that earnings did not reach the previous year's level. In April, ICA Bank submitted an application to the Swedish Financial Supervisory Authority for permission to start non-life insurance operations in Sweden. Non-life insurance is an area which fits in well with ICA Bank's offering and where we see opportunities for growth by establishing our own insurance business. We expect that these operations will be underway by the end of 2015.

ICA Real Estate continued to show stable development in the first quarter. ICA Real Estate's major development in the Barkarby-staden district north of Stockholm will now be completed in May. The portfolio companies report overall increased sales and improved earnings for the first quarter. Forma and Cervera in particular improved their earnings compared with the previous year.

Our strategic priorities for 2014 mean that we have a number of key projects underway. These include the launch of the online offering this autumn. We are also making active efforts to strengthen our offering of private label products, ensure fair price perception and make better use of synergies within the Group. The common denominator is that through these initiatives we will strengthen our market presence and create scope for continued growth and good profitability for ICA Gruppen.

Per Strömberg
CEO ICA Gruppen



Important events during the first quarter of 2014

March 2014 – ICA Sweden funds sustainability projects in developing countries and joins Supply Chain Initiative

ICA Sweden will co-fund projects in developing countries intended to promote sustainable trade together with IDH, the Sustainable Trade Initiative. By putting a premium on selected private label products within fruit and vegetables, ICA Sweden will be able to participate and co-fund projects within sustainable agriculture, health and education. ICA Sweden has also joined the international framework for good trading practices, the Supply Chain Initiative.

March 2014 – Sven Lindskog new CFO of ICA Gruppen

Sven Lindskog has been appointed as the new CFO of ICA Gruppen. He will take up his position on 1 July 2014. Sven Lindskog joins ICA Gruppen from Höganäs, where he has been CFO since 2007.

February 2014 – Marie Halling new CEO of ICA Bank

In September 2014, Marie Halling will take up her position as CEO of ICA Bank replacing Jörgen Wennberg upon his retirement. Marie Halling has many years of experience from various positions within Swedbank, most recently as Head of East Region and a member of Swedbank's Group Executive Committee.

February 2014 – Advance notice from the Norwegian Competition Authority. ICA Gruppen submits statement in April

In February, the Norwegian Competition Authority issued an advance notice that they intend to stop the planned cooperation between ICA Norway and Norgesgruppen. ICA Gruppen addressed the Norwegian Competition Authority's notice in a statement submitted in April.

February 2014 – Last outstanding bridge loans refinanced

In February 2014, ICA Gruppen refinanced the last outstanding bridge loans with other debt financing. All bridge loans raised in conjunction with the acquisition of the remaining shares in ICA AB in spring 2013 are thereby refinanced.

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. The figures for the previous year relate to the Hakon Invest Group, where ICA AB was included as a joint venture and reported according to the equity method.

Net sales and earnings

First quarter 2014

Consolidated net sales amounted to SEK 23,509 million (1,890).

Operating profit in the Group amounted to SEK 528 million (8,089). The comparative figure for 2013 includes the earnings impact of the acquisition of ICA AB with SEK 8,051 million. Operating profit excluding non-recurring items amounted to SEK 528 million (38).

Profit for the period was SEK 299 million (8,109) and earnings per share amounted to SEK 1.50 (50.51).

Net financial items and tax

ICA Gruppen's net financial items amounted to SEK 91 million (16) in the first quarter. The less favourable net financial items are due to higher interest expenses in conjunction with the acquisition of the remaining shares in ICA.

ICA Gruppen's tax expense was SEK 138 million (+4) in the first quarter.

Financial position

ICA Gruppen's total assets amounted to SEK 68,405 million at 31 March 2014 (SEK 68,961 million at 31 December 2013). The equity/assets ratio was 39.1% at 31 March 2014 (38.5% at 31 December 2013).

ICA Gruppen's net debt, excluding pension liabilities and ICA Bank, amounted to SEK 9,909 million at 31 March 2014 (SEK 9,190 million at 31 December 2013). The Group's interest-bearing liabilities mainly comprise the bond issued in June 2013 and bank loans.

At 31 March 2014 the Group's net debt amounted to 2.1 times EBITDA (calculated on pro forma EBITDA on a rolling 12-month basis).

Cash flow

Cash flow from operating activities amounted to SEK 63 million (-301) in the first quarter. Excluding ICA Bank, cash flow from operating activities amounted to SEK -77 million (-301).

Cash flow from investing activities amounted to SEK -620 million (-14,559) in the first quarter. Cash flow from financing activities amounted to SEK 138 million (19,070) in the first quarter.

Consolidated cash and cash equivalents and short-term investments amounted to SEK 3,504 million at 31 March 2014 (SEK 3,948 million at 31 December 2013).

Investments

The Group's investments totalled SEK 689 million (15,739) in the first quarter. The largest investments comprised acquisition of a warehouse and office property in Latvia and investments in the Maxi stores in Barkarby, Stockholm, and Gnista, Uppsala. In the first quarter of the previous year, investments comprised acquisition of the remaining shares in ICA AB.

Important events after the end of the quarter

April 2014 – ICA conducts extra quality checks in Swedish stores

In addition to its ongoing extensive quality work, ICA is taking extra action with quality checks in Swedish stores which mince meat on the premises.

April 2014 – ICA Bank applies for permit to conduct insurance business

ICA Bank has submitted an application to the Swedish Financial Supervisory Authority for a permit to conduct non-life insurance for private individuals in Sweden. The new business is expected to be operational by the end of 2015.

April 2014 – ICA Gruppen sells Kjell & Company, capital gain c. SEK 440 million

ICA Gruppen has signed an agreement with FSN Capital to sell its 50% holding in Kjell & Company for a cash consideration of SEK 630 million. The sale is expected to generate a capital gain of approximately SEK 440 million in the second quarter of 2014.

April 2014 – ICA Sweden starts collaboration with LRF

ICA Sweden is starting a collaboration with the Federation of Swedish Farmers (LRF). The collaboration is intended to broaden the range of Swedish products in ICA stores.

Pro forma net sales and earnings 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 are pro forma and provide a view of how it would have looked financially if ICA Gruppen had had its present structure for the full year 2013.

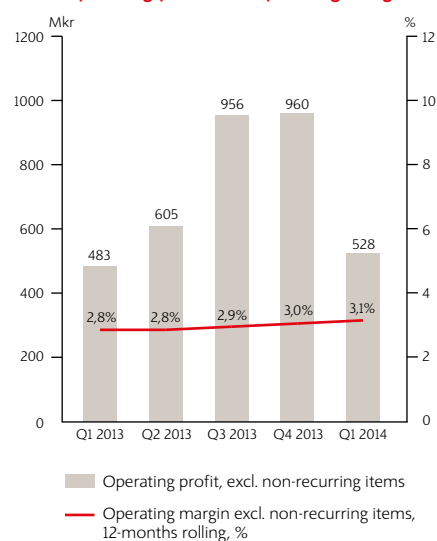
First quarter 2014

Consolidated net sales amounted to SEK 23,509 million (23,644) in the first quarter, a decrease of 0.6%. Adjusted for currency fluctuations, net sales increased by 0.3% compared with the first quarter in the previous year.

Operating profit in the Group amounted to SEK 528 million (304). Operating profit excluding non-recurring items amounted to SEK 528 million (483). Improved earnings in ICA Norway, Rimi Baltic and the portfolio companies contributed to the improvement in earnings. ICA Gruppen's net financial items amounted to SEK -91 million (-140) in the quarter. The lower net financial items are explained by reduced debt in the Group as a result of the new issue in the second quarter of last year. Profit for the period was SEK 299 million (4) and earnings per share amounted to SEK 1.50 (0.09).

Cash flow from operating activities amounted to SEK 63 million (966). Excluding ICA Bank, cash flow from operating activities was SEK -77 million during the quarter (921). Last year's comparative figures were positively affected by high trade payables due to disruptions when changing an IT system. Cash flow is normally at its lowest in the first quarter. In the first quarter of 2012, cash flow from operating activities was SEK 93 million.

Operating profit and operating margin



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. For the segments affected by remeasurement of properties to market values on conjunction with the acquisition of ICA AB in the previous year, pro forma depreciation is reported from 1 January 2013.

ICA Sweden

	January– March 2014	January– March 2013	Full year 2013
Net sales, SEKm	16,088	16,043	67,992
Operating profit excl. non-recurring items, SEKm	611	629	3,058
Operating margin excl. non-recurring items, %	3.8	3.9	4.5
Private label share of sales	23.5	21.6	21.4
Number of employees	7,925	7,394	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.

First quarter 2014

ICA Sweden's net sales amounted to SEK 16,088 million (16,043) in the first quarter, an increase of 0.3% compared with the previous year. The Easter effect, combined with a slightly weaker market in general, led to slower sales development during the quarter. Both wholesale and Cura pharmacies increased their net sales compared with the previous year.

ICA Sweden's operating profit excluding non-recurring items amounted to SEK 611 million (629).

ICA store sales

Sales in the Swedish ICA stores decreased by 0.1% in the first quarter. The decrease for like-for-like sales was 0.7%. The grocery market in general showed slightly weaker development during the quarter. The effect of the Easter holiday taking place in April this year and in March last year is assessed as having an impact on sales growth of approximately -1.3 percentage points during the quarter. Adjusted for calendar effects, ICA stores showed volume growth driven by higher sales of fresh foods, fruit and vegetables and ready-prepared food. Food price increases continued to weaken at the beginning of 2014 and at the end of March were less than 1% at an annualised rate.

The proportion of private labels continued to rise and accounted for 23.5% of store sales in the first quarter. The main increase is for fresh foods, including fruit and vegetables.

Store sales in Sweden

Store sales excl. VAT	January–March 2014		
	SEKm	Change all stores	Change like-for-like
Maxi ICA Stormarknad	6,998	-0.2%	-0.9%
ICA Kvantum	5,828	0.9%	-0.2%
ICA Supermarket	7,490	-0.5%	-1.2%
ICA Nära	3,577	-1.2%	-0.1%
Total	23,893	-0.1%	-0.7%

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

Format	December 2013	New	Converted	Closed	March 2014
Maxi ICA Stormarknad	77				77
ICA Kvantum	122				122
ICA Supermarket	430				430
ICA Nära	688			-1	687
ICA To Go	4				4
Total	1,321	0	0	-1	1,320

ICA Norway

	January- March 2014	January- March 2013	Full year 2013
Net sales	3,754	4,138	16,463
Operating profit/loss excl. non-recurring items, SEKm	-172	-246	-691
Operating margin excl. non-recurring items, %	-4.6	-5.9	-4.2
Private label share of sales	9.8	9.9	9.7
Number of employees	3,715	4,029	3,882

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.

First quarter 2014

ICA Norway's net sales amounted to SEK 3,754 million (4,138) in the first quarter. Net sales decreased due to weak sales and the closure of a number of unprofitable stores.

Operating loss excluding non-recurring items amounted to SEK 172 million (-246). The improvement compared with the previous year is mainly explained by improved margins, lower shrinkage and lower store costs.

Action programme

In February 2014, the Norwegian Competition Authority announced that it intends to stop the planned cooperation between ICA Norway and Norgesgruppen within sourcing

and logistics, since this cooperation is considered as contravening Norwegian competition legislation. ICA Norway subsequently submitted a statement to the Competition Authority in which the Authority's position was refuted. The Authority's final decision is expected before summer 2014.

The cooperation between ICA Norway and Norgesgruppen is intended to improve ICA Norway's purchasing power through joint sourcing as well as achieving more efficient logistics in the supply chain in central and northern Norway. This cooperation marks a key step in ICA Norway's action plan for achieving profitability.

Store sales in Norway

Store sales excl. VAT	January-March 2014		
	NOKm	Change all stores	Change like-for-like
Rimi	2,442	2.3%	1.1%
ICA Supermarked	1,091	-5.8%	-1.8%
Matkroken	409	-17.5%	-1.4%
Total	3,942	-2.4%	0.1%

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

Format	December 2013	New	Converted	Closed	March 2014
Rimi	318	2			320
ICA Supermarked	76				76
Matkroken	177	2		-3	176
Total	571	4	0	-3	572

Rimi Baltic

	jan-mars 2014	jan-mars 2013	Helår 2013
Net sales, SEKm	2,597	2,366	10,333
Operating profit excl. non-recurring items, SEKm	59	38	306
Operating margin excl. non-recurring items, %	2.3	1.6	3.0
Private label share of sales	20.2	17.7 ¹	18.1 ¹
Number of employees	8,699	7,991	8,248

¹ Changed definition.

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.

First quarter 2014

Rimi Baltic's net sales amounted to SEK 2,597 million (2,366) in the first quarter. Sales in local currency increased by 5.1%, mainly due to a good performance in Latvia and Lithuania. Easter had a negative effect on sales during the quarter.

Operating profit excluding non-recurring items amounted to SEK 59 million (38). The increase is mainly due to higher sales and improved margins.

In the first quarter, Rimi Baltic acquired an office and warehouse property in Riga, Latvia, which among other things houses the company's head office.

Store sales in the Baltic countries

Store sales excl. VAT	January-March 2014		
	EURm	Change all stores	Change like-for-like
Estonia	85	0.8%	-1.4%
Latvia	152	6.2%	5.2%
Lithuania	54	9.3%	3.0%
Total	291	5.1%	2.8%

Number of stores in the Baltic countries

Country	December 2013	New	Closed	March 2014
Estonia	83			83
Latvia	113		-1	112
Lithuania	39	1		40
Total	235	1	-1	235

ICA Bank

	January- March 2014	January- March 2013	Full year 2013
Revenues, SEKm	216	219	850
Operating profit excl. non-recurring items, SEKm	39	54	201
Operating margin excl. non-recurring items, %	18.1	24.7	23.6
Number of employees	317	307	312
Business volume, SEKm	24,855	23,620	24,772
Capital adequacy ratio	1.93	1.38	1.95

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.

First quarter 2014

ICA Bank's revenues amounted to SEK 216 million (219). During the quarter net interest decreased as a result of a reduced repo rate and a profit in the bond portfolio in the previous year. Net commission increased at the same time due to higher business volumes within among other things cards and ATMs.

Operating profit excluding non-recurring items amounted to SEK 39 million (54). Lower net interest and increased costs for IT and consultants contributed to the decline in earnings. Consultant costs relate, among other things, to adjustments to new regulatory requirements.

ICA Real Estate

	January- March 2014	January- March 2013	Full year 2013
Net sales, SEKm	556	561	2,255
Depreciation, SEKm	129	105	421
Operating profit excl. non-recurring items, SEKm	94	117	473
Operating margin, %	16.9	20.9	21.0
Number of employees	78	75	75
Number of properties owned	202	200	202
Number of square metres owned	813,736	750,596	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.

First quarter 2014

ICA Real Estate's net sales amounted to SEK 556 million (561) in the first quarter.

Operating profit excluding non-recurring items amounted to SEK 94 million (117). As a result of changed useful life assessments for property components, depreciation increased by SEK 25 million in the first quarter of 2014.

Portfolio companies

	January– March 2014	January– March 2013	Full year 2013
Net sales, SEKm	565	566	2,657
Operating profit/loss excl. non-recurring items, SEKm	–36	–60	21
Operating margin excl. non-recurring items, %	–6.4	–10.6	0.8
Number of employees	1,024	1,100	1,126

The portfolio companies are Forma, Kjell & Company, Cervera, Hemtex and inkClub. Starting in the second quarter of 2013, the portfolio companies are reported as a single segment in ICA Gruppen.

First quarter 2014

The portfolio companies' net sales amounted to SEK 565 million (566), a decrease of 0.2% compared with the previous year. Adjusted for Forma Books, which was sold last autumn, net sales rose by 4.2% during the quarter.

The portfolio companies' operating loss excluding non-recurring items amounted to SEK 36 million (–60). Forma and Cervera in particular improved their earnings.

Divestment of Kjell & Company

ICA Gruppen has signed an agreement to sell its 50% holding in Kjell & Company to FSN Capital for a cash consideration of SEK 630 million. The sale is expected to generate a capital gain for ICA Gruppen of approximately SEK 440 million which will be recognised in the second quarter of 2014.

In 2013, ICA Gruppen performed an evaluation of the portfolio companies in parallel with a new non-food strategy for the Group. As a result of the evaluation it was decided that Forma, Kjell & Company and Cervera will be sold, while Hemtex and inkClub will be retained with unchanged ownership. Forma, Kjell & Company and Cervera are recognised as assets held for sale in the consolidated balance sheet.

Store sales

Store sales excl. VAT	January–March 2014		
	SEKm	Change all stores	Change like-for-like
Cervera	178	1.3%	7.0%
Hemtex	215	2.9%	2.0%
Kjell & Co	226	10.1%	6.4%
Total	619		

Number of stores, incl. franchise stores

Format	December 2013	New	Closed	March 2014
Cervera	73		–3	70
Hemtex	158		–4	154
Kjell & Co	72	3	–1	74
Total	303	3	–8	298

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.

Parent Company performance

The Parent Company's net sales amounted to SEK 13 million (0) in the first quarter. Loss before tax amounted to SEK 402 million (+807) in the first quarter. The operations

previously conducted by ICA AB were transferred to ICA Gruppen AB on 1 January 2014. The change in result before tax is explained by this as well as higher interest

expenses after the acquisition of ICA AB and the fact that the company did not receive a dividend from ICA AB in the first quarter.

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 March 2014

	Number of shares	Share of capital and voting rights, %
Largest shareholders		
ICA-handlarnas Förbund	103,163,599	51.3
AB Industrivärden	20,125,000	10.0
AMF – Insurance and Funds	3,809,622	1.9
Lannebo Funds	2,394,166	1.2
SEB Investment Management	2,379,561	1.2
Swedbank Robur Funds	2,008,742	1
Jönsson, Leif	1,254,651	0.6
Robur Försäkring	1,230,102	0.6
Danske Capital Sverige AB	1,209,845	0.6
Avanza Pension	1,148,901	0.6
Ten largest shareholders total:	138,724,189	60.0
ICA Gruppen's holding	141,655	0.0
Other shareholders	62,280,951	30.7
Total	201,146,795	100

Source: Euroclear Sweden AB

2014 Annual General Meeting

ICA Gruppen's 2014 Annual General Meeting was held on Friday, 11 April 2014 at Friends Arena in Solna.

The Annual General Meeting re-elected Board members Peter Berlin, Göran Blomberg, Cecilia Daun Wennborg, Andrea Gisle Joosen, Fredrik Häggglund, Bengt Kjell, Magnus Moberg, Jan Olofsson, Claes-Göran

Sylvén and Margot Wallström for the period until the next Annual General Meeting. Claes-Göran Sylvén was re-elected as Chairman of the Board. The Meeting resolved that total fees to members of the Board should amount to SEK 3,780,000, of which SEK 900,000 to the Chairman of the Board and SEK 320,000 to each of the other members elected by the Meeting.

Dividend

The Annual General Meeting of ICA Gruppen resolved that a dividend of SEK 8 per ordinary share be paid for the 2013 financial year, or a total of SEK 951 million. The record date was 16 April 2014. In the previous year no dividend was paid as a result of the acquisition of the remaining shares in ICA AB and the subsequent new issue.

Financial statements

Condensed consolidated statement of comprehensive income

Mkr	Note	January- March 2014	January- March 2013	Full year 2013
Net sales	3	23,509	1,890	77,702
Cost of goods sold		-20,384	-1,511	-66,074
Gross profit		3,125	379	11,628
Other operating income		69	3	191
Selling expenses		-1,995	-330	-7,271
Administrative expenses		-678	-97	-2,446
Share of profits of associates and joint ventures	4	7	83	121
Effects of acquisition of ICA AB	2	-	8,051	8,051
Operating profit	3, 5	528	8,089	10,274
Financial income		13	7	47
Financial expense		-104	-7	-512
Change in fair value of financial instruments		-	16	16
Profit before tax		437	8,105	9,825
Tax		-138	4	-379
Profit for the period		299	8,109	9,446
Other comprehensive income, items that may not be reclassified to profit or loss				
Actuarial gains or losses defined benefit pensions		-92	0	214
Other comprehensive income, items that may be reclassified to profit or loss				
Change in translation reserve		60	4	81
Change in fair value reserve		0	0	0
Change in hedging reserve		-49	0	0
Share of other comprehensive income of joint ventures		-16	0	20
Items reclassified to profit or loss at acquisition of ICA AB		-	-259	-259
Total items that may be reclassified to profit or loss		-5	-255	-158
Comprehensive income for the period		202	7,854	9,502
Profit for the period attributable to				
Owners of the parent		302	8,121	9,439
Non-controlling interests		-3	-12	7
Comprehensive income for the period attributable to				
Owners of the parent		208	7,866	9,495
Non-controlling interests		-6	-12	7
Earnings per share before and after dilution, SEK				
Ordinary share		1.50	50.51	49.68
C share		1.50	50.51	49.68

Condensed consolidated statement of financial position

SEKm	Note	2014-03-31	2013-03-31	2013-12-31
ASSETS				
Non-current assets				
Goodwill		11,867	12,119	11,867
Trademarks		13,065	13,136	13,065
Other intangible assets		830	735	770
Interests in companies recognised according to the equity method	4	694	820	712
Deferred tax assets		385	238	369
Non-current receivables in ICA Bank		6,261	5,541	6,270
Land and buildings		16,867	16,075	16,778
Other non-current assets		2,462	2,554	2,521
Total non-current assets		52,431	51,218	52,352
Current assets				
Inventories		4,218	4,463	4,253
Short-term investments		1	6	1
Current receivables in ICA Bank		2,892	3,130	2,931
Other current assets		4,493	5,856	4,833
Cash and cash equivalents in ICA Bank		2,952	2,709	2,814
Cash and cash equivalents		552	1,791	1,134
Total current assets		15,108	17,955	15,966
Available-for-sale assets		866	12	643
TOTAL ASSETS		68,405	69,185	68,961
EQUITY AND LIABILITIES				
Equity		26,753	16,883	26,541
Non-current liabilities				
Provisions		2,058	2,278	1,909
Deferred tax liabilities		4,908	4,806	4,925
Non-current interest-bearing liabilities		7,615	12,690	6,770
Other non-current liabilities		35	2	8
Total non-current liabilities		14,616	19,776	13,612
Current liabilities				
Deposits ICA Bank		10,580	10,352	10,600
Current interest-bearing liabilities		2,817	7,122	3,523
Other current liabilities		13,205	15,052	14,173
Total current liabilities		26,602	32,526	28,296
Available-for-sale liabilities		434	-	512
TOTAL EQUITY AND LIABILITIES		68,405	69,185	68,961

Condensed consolidated statement of cash flows

SEKm	Note	January- March 2014	January- March 2013	Full year 2013
Operating profit		528	8,089	10,274
Effects of acquisition of ICA AB		-	-8,051	-8,051
Depreciation and impairment		433	32	1,551
Other non-cash items		-6	-106	-124
Income tax paid		-285	-10	-429
Cash flow from operating activities before change in working capital		670	-46	3,221
Change in working capital				
Inventories		34	-23	-37
Current receivables		292	-123	822
Current liabilities		-959	-109	252
ICA Bank's net of deposits, lending and investments		26	-	-283
Cash flow from operating activities		63	-301	3,975
Acquisition of ICA AB		-	-15,739	-15,739
Acquisition of tangible and intangible non-current assets		-689	0	-2,540
Sale of tangible and intangible non-current assets		8	0	518
Investments in joint ventures		0	-	-30
Change in financial assets		50	1,175	1,171
Interest received		11	5	35
Cash flow from investing activities		-620	-14,559	-16,585
New issue ICA Gruppen AB		-	-	5,017
New issue preference shares in subsidiary		-	-	3,000
Dividend paid		-	-	-
Change in loans		196	19,075	8,663
Interest paid		-58	-5	-477
Cash flow from financing activities		138	19,070	16,203
Cash flow for the period	6	-419	4,210	3,593
Cash and cash equivalents at 1 January		3,948	291	291
Exchange differences in cash and cash equivalents		-25	-1	64
Cash and cash equivalents at end of the period	6	3,504	4,500	3,948

Condensed consolidated statement of changes in equity

SEKm	Note	Attributa- ble to own- ers of the parent	Attributa- ble to non- controlling interests	Total
Opening equity, 1 January 2014		23,363	3,178	26,541
Change in non-controlling interests			10	10
Comprehensive income for the period		208	-6	202
Closing equity, 31 March 2014		23,571	3,182	26,753

SEKm	Note	Attributa- ble to own- ers of the parent	Attributa- ble to non- controlling interests	Total
Opening equity, 1 January 2013		8,882	139	9,021
Acquired non-controlling interests		-	8	8
Comprehensive income for the period		7,866	-12	7,854
Closing equity, 31 March 2013		16,748	135	16,883

Condensed Parent Company income statement

SEKm	Note	January- March 2014	January- March 2013	Full year 2013
Net sales		13	0	5
Gross profit		13	0	5
Administrative expenses		-91	-14	-83
Operating profit/loss		-78	-14	-78
Financial income		0	-	32
Financial expenses		-107	-	-432
Dividend from ICA AB		-	800	800
Profit/loss from participations in group companies		-217	21	5,354
Profit/loss after financial items		-402	807	5,676
Appropriations		-	-	-27
Profit/loss before tax		-402	807	5,649
Tax		41	15	132
Profit/loss for the period		-361	822	5,781

Condensed Parent Company balance sheet

SEKm	Note	2014-03-31	2013-03-31	2013-12-31
ASSETS				
Non-current assets				
Investments in group companies		29,910	24,237	30,034
Other intangible assets		47	-	-
Deferred tax assets		325	208	325
Non-current receivables group companies		-	735	-
Other non-current assets		126	27	-
Total non-current assets		30,408	25,207	30,359
Current assets				
Short-term investments		1	5	-
Current receivables group companies		77	801	33
Other current assets		61	108	26
Cash and cash equivalents		-	178	-
Total current assets		139	1,092	59
TOTAL ASSETS		30,547	26,299	30,418
EQUITY AND LIABILITIES				
Equity		16,785	7,166	17,146
Provisions		297	32	8
Non-current liabilities				
Non-current interest-bearing liabilities		6,724	12,000	5,971
Liabilities to group companies		3,000	-	3,000
Total non-current liabilities		9,724	12,000	8,971
Current liabilities				
Current interest-bearing liabilities		1,233	7,000	2,286
Current liabilities to group companies		2,229	71	1,929
Other current liabilities		279	30	78
Total current liabilities		3,741	7,101	4,293
TOTAL EQUITY AND LIABILITIES		30,547	26,299	30,418

Notes

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 for the following EU endorsed IFRS standards that are relevant to ICA Gruppen which 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. IFRIC 21 is expected to be endorsed by the EU in the second quarter of 2014.

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, SEGMENT

	January– March 2014	January– March 2013	Full year 2013
Net sales per segment (SEKm)			
ICA Sweden	16,088	938	52,887
ICA Norway	3,754	222	12,547
Rimi Baltic	2,597	136	8,102
ICA Bank	216	11	643
ICA Real Estate	556	30	1,723
Portfolio Companies	565	566	2,657
Other	24	2	47
Intra-group sales	-291	-15	-904
Net sales¹	23,509	1,890	77,702

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

	January– March 2014	January– March 2013	Full year 2013
Operating profit/loss excl. non-recurring items per segment			
ICA Sweden	611	36	2,465
ICA Norway	-172	-17	-462
Rimi Baltic	59	4	272
ICA Bank	39	3	150
ICA Real Estate	94	9	359
Portfolio Companies	-36	-60	21
ICA	-	78	78
Other	-67	-15	-329
Operating profit before non-recurring items¹	528	38	2,554

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

NOTE 4, INTERESTS IN COMPANIES RECOGNISED ACCORDING TO THE EQUITY METHOD

	Book value 31 March		Share of profits January–March	
SEKm	2014	2013	2014	2013
ICA AB	-	-	-	79
Bra förlag AB ¹	-	9	0	0
Trade Press AS ¹	-	10	0	0
Kjell & Co Elektronik AB ¹	-	138	8	4
Ancore Fastigheter AB	686	655	-2	-
Other	8	8	1	-
Total	694	820	7	83

¹ Recognised as available-for-sale assets since December 2013.

NOTE 5, NON-RECURRING ITEMS

SEKm	January– March 2014	January– March 2013	Full year 2013
Operating profit excl. non-recurring items	528	38	2,554
Capital gains on sale of non-current assets			
Portfolio Companies, Forma	–	–	–82
ICA Real Estate	–	–	14
Other	4	–	1
Impairment			
Portfolio Companies	–	–	–223
ICA Norway	–4	–	–24
Rimi Baltic	–	–	–17
Other non-recurring items			
Effects of acquisition	–	8,051	8,051
Operating profit	528	8,089	10,274

NOTE 6, CONSOLIDATED CASH FLOW STATEMENT

SEKm	Group 2014	ICA Bank 2014	Group excl. ICA Bank
Cash flow from operating activities before change in working capital	670	17	653
Change in working capital			
Inventories	34		34
Current receivables	292	88	204
Current liabilities	–959	9	–968
ICA Bank's net of deposits, lending and investments	26	26	0
Cash flow from operating activities	63	140	–77
Cash flow from investing activities	–620	–1	–619
Cash flow from financing activities	138	–1	139
Cash flow for the period	–419	138	–557
Cash and cash equivalents at the beginning of the period	3,948	2,814	1,134
Exchange differences in cash and cash equivalents	–25	0	–25
Cash and cash equivalents at the end of the period	3,504	2,952	552

NOTE 7, FINANCIAL INSTRUMENTS

At 31 March 2014 financial assets measured at fair value in ICA Gruppen amounted to SEK 2,460 million. Financial liabilities measured at fair value amounted to SEK 71 million at 31 March 2014. All financial assets are attributable to level 2 in the fair value hierarchy. For financial instruments recognised at amortised cost there is no significant difference between carrying amount and fair value.

Quarterly overview

The table below shows the Group's performance per quarter from 1 January 2012 through 31 March 2014. Through 30 June 2013, the figures are pro forma, excluding effects of acquisition of ICA AB.

	Q 2 2012	Q 3 2012	Q 4 2012	Q 1 2013	Q 2 2013	Q 3 2013	Q 4 2013	Q 1 2014
Net sales, SEKm	25,411	24,402	25,865	23,644	25,018	24,830	25,964	23,509
Operating profit before depreciation (EBITDA), SEKm	1,206	1,255	1,237	716	1,059	1,374	1,329	961
Operating profit (EBIT) excl. non-recurring items, SEKm	596	856	809	483	605	956	960	528
Operating margin excl. non-recurring items, %	2.3	3.5	3.1	2.0	2.4	3.9	3.7	2.2
Operating profit (EBIT), SEKm	528	807	812	304	655	947	641	528
Operating margin, %	2.1	3.3	3.1	1.3	2.6	3.8	2.5	2.2
Profit before tax, SEKm	372	674	699	164	482	785	487	437
Profit for the period, SEKm	219	-836	713	4	338	551	531	299
Earnings per share, SEK ¹	1.38	-4.88	4.11	0.09	1.84	2.76	2.49	1.50
Equity per share, SEK ¹	108.06	99.85	104.19	104.24	110.56	113.70	116.23	117.27
Return on equity, %	-	-	1.1%	0.2%	2.9%	8.7%	6.0%	7.0%
Return on capital employed, %	-	-	7.0%	6.7%	7.5%	7.5%	6.1%	6.7%
Cash flow from operating activities, SEKm	1,964	805	1,857	966	1,691	618	1,981	63
Cash flow from operating activities per share, SEK ¹	11.56	4.74	10.93	5.69	8.99	3.07	9.86	0.31
Investments (cash flow), SEKm	518	598	695	388	524	1,376	646	689
Net debt, SEKm	-	-	-	-17,988	-13,211	-13,854	-9,190	-9,909
Net debt/EBITDA	-	-	-	3.7	2.7	2.8	2.1	2.1

¹ Same figures for ordinary shares and C shares.

Key figures for ICA Gruppen

	January- March 2014	January- March 2013	Full year 2013
Operating profit before depreciation EBITDA, SEKm	961	70	3,774
Operating margin excl. non-recurring items, %	2.2	2.0	3.3
Operating margin, %	2.2	428.0	13.2
Net margin, %	12.2	429.0	12.2
Return on capital employed, %	6.7	1.5	6.6
Return on equity, %	7.0	1.9	6.5
Equity/assets ratio, %	39.1	24.4	38.5
Net debt, SEKm	-9,909	-17,988	-9,190
Net debt/EBITDA	2.1	3.7	2.1
Share data			
Earnings per ordinary share continuing operations, SEK	1.50	50.51	49.68
Earnings per C share continuing operations, SEK	1.50	50.51	49.68
Share price at the end of the period, SEK	234.90	167.60	201.00
Dividend per ordinary share, SEK	-	-	8
Dividend, SEKm	-	-	951
Dividend payout ratio, %	-	-	68
Equity per share, SEK	117.27	104.23	116.23
Cash flow from operating activities per share, SEK	0.31	-1.87	20.90
Number of ordinary shares	118,937,248	78,597,674	118,937,248
Number of C shares	82,067,892	82,067,892	82,067,892
Total number of shares at the end of the period	201,005,140	160,665,566	201,005,140
Average number of shares	201,005,140	160,665,566	190,006,752
Average number of shares after dilution	201,146,795	160,792,286	190,194,330

Definitions of key figures

Capital adequacy ratio

Refers to ICA Bank. The bank's capital base in relation to capital requirement.

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.

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 a limited product range.

Joint venture

Cooperation project, a joint venture company.

MTN

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

Non food

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

Private labels

Own brand products.

Stockholm, 7 May 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, 7 May 2014. 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, Västra Trädgårdsgatan 15, Stockholm on Wednesday, 7 May 2014 at 10.00 CET. CEO Per Strömberg and acting CFO Merlin Poljak 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 50 55 64 74.

Financial calendar

20 August 2014	Interim report January–June 2014
12 November 2014	Interim report January–September 2014

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 www.icagruppen.se

