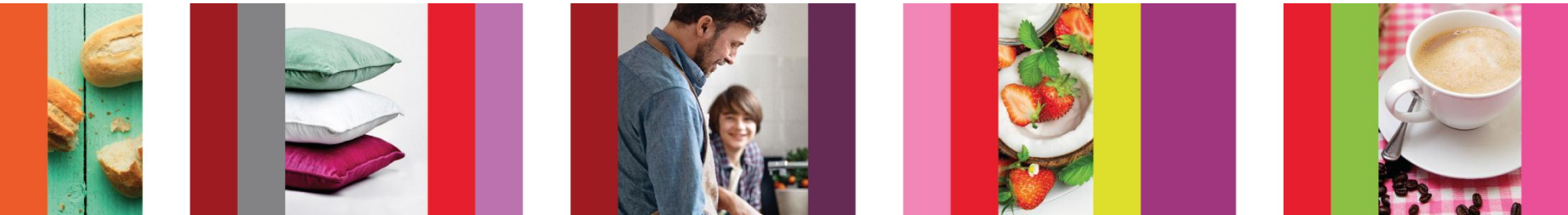




ICA Group to acquire Apotek Hjärtat AB

12 November 2014, Stockholm



Acquisition in brief

- ICA Gruppen has signed an agreement with Altor Fund III to acquire Apotek Hjärtat for a consideration of SEK 5.7bn on a cash and debt free basis
- Apotek Hjärtat had sales and EBITA of SEK 7,050m and SEK 339m, respectively, for the period January-September 2014
- The acquisition will initially be financed using a combination of available cash and existing credit facilities
- The acquisition creates significant cost- and revenue synergies with the ICA system
- The effect of the acquisition on ICA Gruppen earnings per share is expected to be accretive during 2015, adjusted for acquisition related one-offs
- Completion of the acquisition is subject to approvals from the Swedish Competition Authority (Konkurrensverket) and the Medical Products Agency (Läkemedelsverket), expected to be received in April 2015 at the latest
- Apotek Hjärtat and Cura apoteket will be combined into a separate subsidiary of ICA Gruppen. Anders Nyberg is contemplated as CEO of the new entity



Transaction background

- ICA Gruppen has a strong financial position and stable cash flows with capacity to invest in, strengthen and grow the business
- Pharmacy retail is an interesting and important sector with significant opportunities
 - Similarities with grocery retail (low cyclical financial profile)
 - Growth potential within traded goods, e-commerce and through development of product offering
- ICA Gruppen has experience and expertise in pharmacy retail
 - Successful establishment of Cura apoteket
- The transaction supports and strengthens ICA Gruppen business and customer offering
 - The most comprehensive offering in health, medicine and well-being
- Apotek Hjärtat is a well-run and successful business with a strong brand and is highly complementary to Cura apoteket's pharmacy network

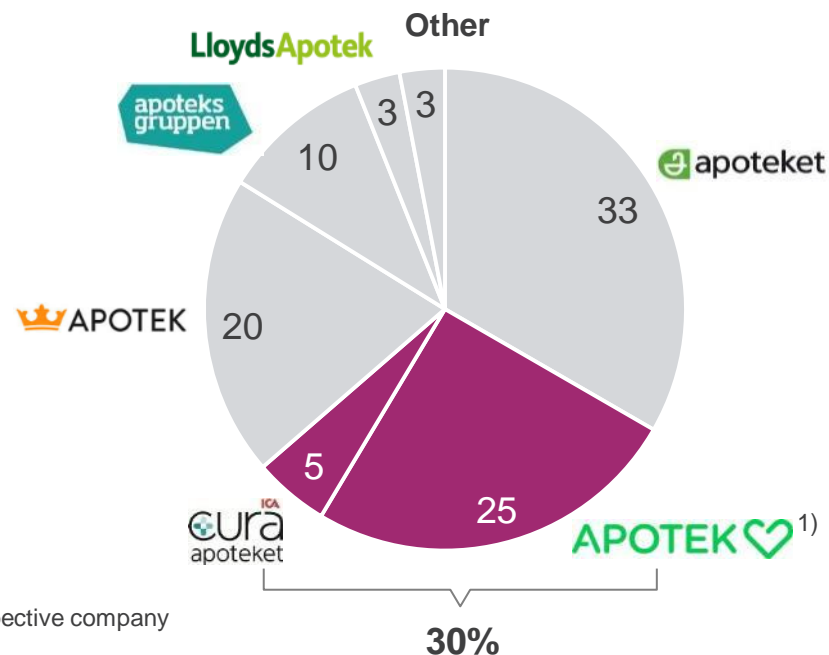


The Swedish pharmacy market

- On 1 July 2009, the Swedish pharmacy monopoly was abolished
- In 2013, the pharmacy market in Sweden had sales totalling approximately SEK 33.9bn
 - C. 76% sales of prescription drugs, c. 10% non-prescription drugs (OTC) and c. 14% traded goods
- Stable underlying market growth in line with GDP
 - Growth driven by demographic trends and pharma developments
 - Higher growth within traded goods and OTC
 - Increasing focus on health and well-being
- Opportunities within traded goods (incl. private label), OTC, e-commerce, health services, product offering development

The pharmacy market 2013

Market shares in terms of sales, %



Sources: eHälsomyndigheten, Sveriges Apoteksörening, Annual reports for the respective company

1) Includes sales for the full year 2013 for Vårdapoteket

Apotek Hjärtat and Cura apoteket

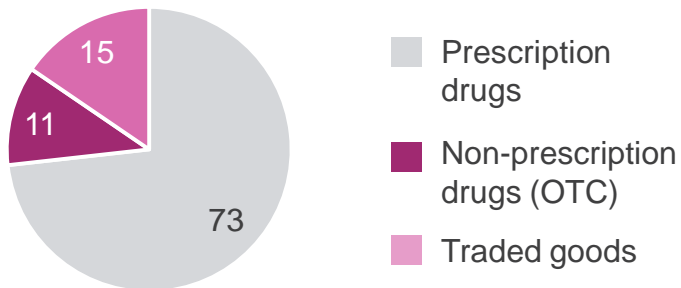
Apotek Hjärtat

- Sweden's largest private pharmacy retailer
- C. 2,700 employees and 306 pharmacies
- Loyalty program with 1.4 million members
- Pharmacy retail (e-commerce since 2014), inpatient and animal pharmaceuticals business

Cura apoteket

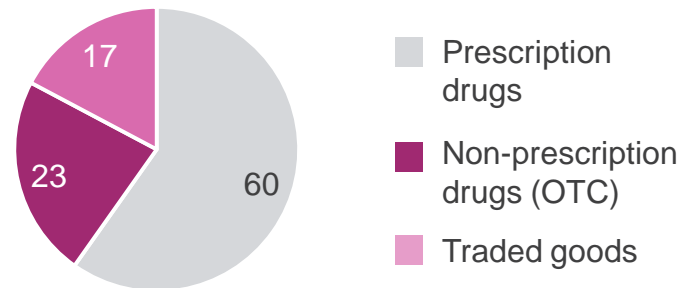
- ICA Gruppen own pharmacy retail chain located in large ICA stores with c. 700 employees and 65 pharmacies
 - Today included in ICA Sweden
- The operations include pharmacy retail

Share of net sales²⁾, %



2) 2014 9M (excl. Vårdapoteket business)

Share of net sales¹⁾, %



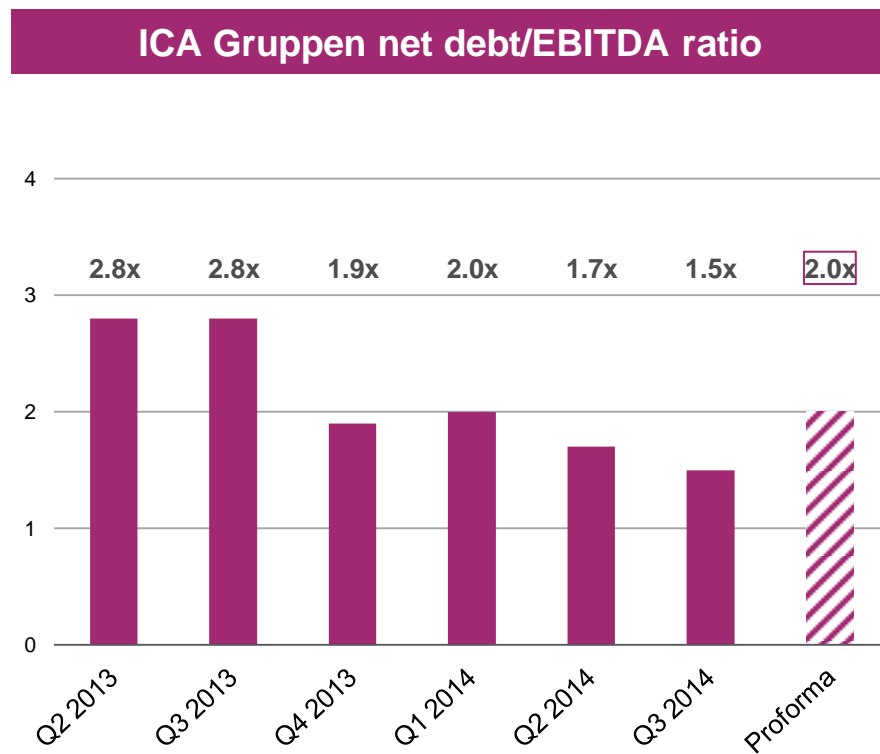
1) 2014 9M

Financial effects of the acquisition

- Total expected cost synergies of SEK 100m by 2016 and 150m per year from 2019
 - Mainly related to overhead, purchasing and logistics
- Revenue synergy potential
 - Product offering, private label, marketing and e-commerce
- Realisation of synergies enabled through access to ICA Sweden's infrastructure which is funded by ICA-retailers in line with ICA Gruppen business model
 - Includes infrastructure for marketing, IT, CRM, logistics and procurement
- Apotek Hjärtat will therefore contribute to the cost cover funding of the common infrastructure through a sales-based royalty
 - c. SEK 60m in 2016
 - c. SEK 70m p.a. as of 2019
- Combined yearly impact on ICA Gruppen of c. SEK 80m by 2019 (cost synergies less royalty)

Financial position remains strong

- Upon completion of the acquisition, the debt level will temporarily exceed the long-term target of 2.0x
- Following completion of the divestment of ICA Norway, however, leverage is expected to be c. 2.0x (pro-forma)
 - The divestment of real estate in Norway is not included in pro-forma



Combined business – pro-forma

- Combined sales and EBITA for Apotek Hjärtat and Cura apoteket for the period January-September 2014 of SEK 8,575m¹⁾ and SEK 351m, respectively¹⁾²⁾
- Apotek Hjärtat and Cura apoteket will be reported as a separate segment post completion of the transaction

SEKm	Cura ¹⁾			Apotek Hjärtat ¹⁾			Combined proforma ¹⁾		
	Jan-dec		Jan-sep	Jan-dec		Jan-sep	Jan-dec		Jan-sep
	2013	2013	2014	2013 ³⁾	2013 ³⁾	2014	2013 ³⁾	2013 ³⁾	2014
Net sales	1,671	1,217	1,525	8,266	5,943	7,050	9,937	7,160	8,575
EBITA ²⁾	-32	-23	12	345	261	339	313	238	351
% margin	n.a.	n.a.	0.8	4.2	4.4	4.8	3.1	3.3	4.1

1) Excluding synergies

2) Before non-recurring items

3) Vårdapoteket was acquired in June 2013

Summary

- The transaction positions ICA Gruppen as the second largest player in the Swedish pharmacy retail market
- Interesting and important sector with significant opportunities
- Existing experience and expertise in pharmacy retail
- The acquisition supports and strengthens ICA Gruppen customer offering and provides significant synergies
- ICA Gruppen financial position remains strong after the transaction. The transaction alone does not affect ICA Gruppen dividend policy
- The transaction is expected to be earnings accretive from 2015, adjusted for acquisition related one-offs
- Completion of the acquisition is subject to approvals from the Swedish Competition Authority (Konkurrensverket) and the Medical Products Agency (Läkemedelsverket), expected to be received in April 2015 at the latest



Thanks