

Fourth quarter 2015

- Consolidated net sales amounted to SEK 26,489 million (23,180). Excluding acquisition and divestment effects, the increase was 4.8%
- Operating profit excluding non-recurring items was SEK 1,024 million (1,081). This includes costs of SEK 76 million related to the integration of Apotek Hjärtat
- Profit from continuing operations (ICA Gruppen excl. ICA Norway) was SEK 1,427 million (807). Profit includes capital gains of SEK 457 million (-5) from sales of non-current assets
- Earnings per share for continuing operations were SEK 7.10 (3.73)
- Cash flow from operating activities amounted to SEK 1,862 million (1,676)
- The Board of Directors proposes a dividend for 2015 of SEK 10.00 per share (9.50), corresponding to 41% of profit for the year

January–December 2015

- Consolidated net sales amounted to SEK 101,221 million (87,174). Excluding acquisition and divestment effects, the increase was 5.6%
- Operating profit excluding non-recurring items was SEK 4,138 million (3,937). This includes costs of SEK 208 million related to the acquisition and integration of Apotek Hjärtat
- Profit from continuing operations was SEK 3,721 m (3,105). Profit for the preceding year included an impairment loss of SEK -322 million for goodwill in inkClub
- Earnings per share for continuing operations were SEK 18.21 (14.71)
- Cash flow from operating activities amounted to SEK 5,723 million (3,794)

Events after the end of the quarter

- On 20 January all outstanding C shares were converted to ordinary shares

Apotek Hjärtat is included in ICA Gruppen as from 15 January 2015. Cura pharmacies, previously part of ICA Sweden, are included in the pharmacy segment for the entire period. Historical comparative figures for ICA Sweden have been adjusted to exclude Cura pharmacies. ICA Norway is reported as a discontinued operation through 13 April 2015.

SEK million	Fourth quarter		Full year	
	2015	2014	2015	2014
Group				
Net sales	26,489	23,180	101,221	87,174
Operating profit before depreciation/amortisation (EBITDA)	1,889	1,423	6,191	5,819
Operating profit (EBIT) excluding non-recurring items	1,024	1,081	4,138	3,937
Operating profit (EBIT)	1,474	1,065	4,594	4,097
Profit before tax	1,393	951	4,225	3,727
Profit from continuing operations	1,427	807	3,721	3,105
Profit for the period	1,429	879	4,913	2,667
Cash flow from operating activities for continuing operations	1,862	1,676	5,723	3,794
Cash flow from operating activities	1,862	1,454	5,845	3,612
Operating margin excluding non-recurring items, %	3.9	4.7	4.1	4.5
Operating margin, %	5.6	4.6	4.5	4.7
Return on capital employed, %	-	-	9.8	10.1
Return on equity, %	-	-	16.6	9.3
Earnings per ordinary share, SEK ¹	7.12	4.09	24.14	12.53
Earnings per ordinary share, continuing operations, SEK ¹	7.10	3.73	18.21	14.71

¹ Same figure for ordinary shares and C shares.

CEO's comments

We delivered a stable result for the full year 2015 and are pleased overall with our performance for the year. At the same time, we are seeing a tougher competitive situation in our markets, where during the second half of the year ICA Sweden began losing market shares for the first time in a long time. However, the slightly lower earnings during the fourth quarter compared with a year ago is mainly attributable to costs for expansion and investments in the future.

We can see that competition has grown tougher in all of our markets. After 16 quarters in which we grew in Sweden in pace with or faster than the market, during the second half of the year – and especially during the fourth quarter – we did not reach our targets. For Rimi Baltic we have talked some time about a tougher market, with a growing level of price competition. In the pharmacy market, new online players are growing at the same time that the competition has risen in product areas with higher margins. The banking and insurance market is also full of challenges, making ICA Bank's agenda well-filled.

Stable full-year, but slightly weaker close

Despite the challenging market scenario, ICA Sweden delivered good earnings and a stable margin, and Rimi Baltic continues to grow and gain market shares. Apotek Hjärtat has also continued to grow faster than the market, and given the circumstances, ICA Bank is showing a good underlying profit with steadily growing business volume and more customers. ICA Real Estate continues to deliver stable earnings and cash flow. Hemtex, on the other hand, had a weak fourth quarter.

Looking at the full year, we performed well with stable earnings and good cash flow. We achieved most of our operating targets. The pressure on margins that we experienced towards the end of the year are mainly attributable to our continued high activity level, with many store and pharmacy openings, investments in IT and, unfortunately, some disruptions in our logistics operations, which added costs for ICA Sweden. It is of course essential that we now make sure we get the full benefit of the capacity increase that we have carried out in our logistics infrastructure in Sweden. On this point we are not quite there yet. At Hemtex a number of measures will be taken to reverse the trend. A new CEO has been installed, and work is under way.

Investments continue

The priorities that we presented for 2016 are well in line with today's dynamic and ever-changing market. Digitalisation is a common thread that runs through much of what we are trying to achieve, and this trend will affect all parts of our operations. Here it is important that we are open to change and that we dare invest so that we can benefit from the advantages that this development offers.

This means that we will continue to invest in our continued growth. We will open more stores in Sweden and the Baltic countries in 2016 – as well as pharmacies – we will invest in our IT systems, and we will expend a great amount of energy on gaining the full effect of our online investment and our journey to have a leading omnichannel offering. I would also like to mention the major investment that we have decided to make in a new central warehouse in Riga. More efficient logistics have been a key factor in Rimi Baltic's earnings improvement, and we are now taking additional steps to be even better.

Raised dividend

The Board of Directors proposes an increase in the shareholder dividend, in line with our goal to deliver a sustainable, favourable return to our owners. With stable earnings and strong cash flows as a base, we have good conditions to achieve our goal over the long term to pay out at least half of annual profits over time. As I wrote in our previous interim report – we have a strong position. From this foundation we are now moving in to 2016 – yet another exciting year awaits us.

Per Strömberg
CEO, ICA Gruppen



“Stable full year, but the competition is growing”

Group performance

Net sales and earnings

Fourth quarter 2015

Consolidated net sales increased by 14.3%. On a like-for-like basis, sales rose for all segments. Adjusted for acquisition and divestment effects, sales rose 4.8%. Sales growth was driven by larger volumes in ICA Sweden's wholesale operations, and by newly opened stores and pharmacies. Higher food price inflation impacted sales growth in Sweden, while price increases in the Baltic countries remained limited.

Operating profit excluding non-recurring items amounted to SEK 1,024 million (1,081) for the quarter. The change in earnings includes a net effect of SEK 5 million from the acquisition of Apotek Hjärtat after integration costs of SEK 76 million, which were charged against profit. Adjusted for these effects, profit was SEK 62 million, or roughly 6%, lower than the same period a year ago. Taking also into account the divestment of Cervera, the earnings difference compared with a year ago was SEK -6 million. The operating margin excluding non-recurring costs was 3.9% (4.7%). The higher sales were countered by higher expansion-related costs in several segments, which are the main explanation for the slightly lower earnings.

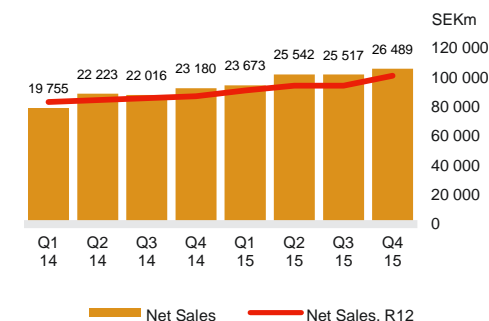
Profit for the period from continuing operations – ICA Gruppen excluding ICA Norway – was SEK 1,427 million (807). Profit includes capital gains of SEK 457 million (-5) from sales of non-current assets. Earnings per share from continuing operations were SEK 7.10 (3.73).

January–December 2015

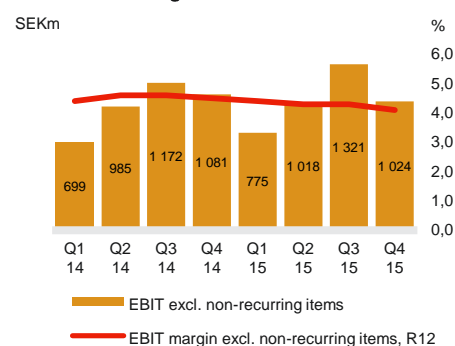
Consolidated net sales in 2015 amounted to SEK 101,221 million (87,174). Excluding effects of acquisitions and divestments, sales rose 5.6%. Operating profit excluding non-recurring items increased by 5.1% to SEK 4,138 million (3,937), while the operating margin narrowed to 4.1% (4.5%). Profit includes a net effect of SEK 142 million from the acquisition of Apotek Hjärtat after deducting SEK 208 million in costs related to the acquisition and integration of the pharmacy operations. Excluding acquisition effects, the profit increase was 1.5%.

Profit for the year from continuing operations was SEK 3,721 million (3,105), and earnings per share for continuing operations were SEK 18.21 (14.71). The earnings difference between the two years includes a net effect of SEK 296 million in non-recurring items (see note 3 on page 20).

Net sales



EBIT and EBIT margin



Net sales per segment (SEKm)

SEKm	Fourth quarter		Jan.-Dec.	
	2015	2014	2015	2014
ICA Sweden	18,904	18,216	72,624	69,248
Rimi Baltic	3,368	3,195	12,632	11,632
Apotek Hjärtat ^{1), 2)}	3,182	564	12,290	2,092
ICA Bank	218	207	859	848
ICA Real Estate	606	575	2,382	2,253
Portfolio companies	506	833	1,800	2,564
Other	35	31	113	97
Intra-Group sales	-330	-441	-1,479	-1,560
Net sales	26,489	23,180	101,221	87,174

Operating profit excluding non-recurring items per segment (SEKm)

SEKm	Fourth quarter		Jan.-Dec.	
	2015	2014	2015	2014
ICA Sweden	812	807	3,366	3,228
Rimi Baltic	128	145	415	383
Apotek Hjärtat ^{1), 2)}	20	9	209	21
ICA Bank	22	45	110	189
ICA Real Estate	112	95	456	409
Portfolio companies	39	116	-32	53
Other	-109	-136	-386	-346
Operating profit excluding non-recurring items	1,024	1,081	4,138	3,937

1) Includes acquisition- and integration-related costs of SEK -76 million in Q4 and SEK -208 million for January-December.
2) 2014 figures pertain to Cura pharmacies for all periods.

Net financial items and tax

Net financial items for the Group amounted to SEK -81 million (-114) during the fourth quarter and SEK -369 million (-370) for the full year. The positive change in the fourth quarter is due to lower interest on loans and pension liabilities. Added to this were currency effects and the fact that net financial items a year ago included the effects of derivative losses. These two items account for approximately SEK 20 million of the difference between the two quarters. For the full year, the positive effects of lower interest were countered by costs for currency hedges associated with the divestment of ICA Norway and by a charge for early redemption of a credit facility.

The tax expense for the fourth quarter was positive, SEK 34 million (-144), which is explained by a revaluation of tax-loss carry forwards in Hemtex and in Lithuania, and tax-exempt capital gains on sales of non-current assets.

The tax expense for the full year was SEK 504 million (622), representing a tax rate of 11.9% (16.7%). In both 2015 and 2014 the tax rate was lower than the nominal rate due to tax-exempt capital gains.

Financial position

Consolidated net debt (excluding ICA Bank and pension liabilities) amounted to SEK 11,697 million (7,058) at the end of the quarter. During the fourth quarter, net debt decreased by SEK 2.4 billion mainly owing to a positive cash flow and the completion of property sales. Net debt increased during the year as a result of the acquisition of Apotek Hjärtat and the early redemption of preference shares in July 2015 for a redemption amount of SEK 3.3 billion. At 31 December, net debt in relation to EBITDA (rolling 12 months) was 1.9 (1.2), which is in line with the Group's long-term target of <2.0.

Cash flow

Cash flow from operating activities (excluding ICA Bank) improved to SEK 224 million compared with the same period in 2014, owing to a positive change in working capital. Cash flow before financing activities amounted to SEK 2,720 million (1,185) during for the quarter. The difference between years is mainly attributable to the completed property sales, totalling approximately SEK 1.4 billion (SEK 141 million). For the full year 2015, the divestment of ICA Norway had a positive effect by approximately SEK 2.8 billion, while the acquisition of Apotek Hjärtat led overall to a lower cash flow before financing activities than in the preceding year.

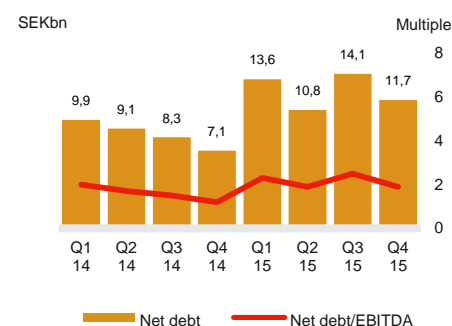
Consolidated cash flow statement, excluding ICA Bank

SEKm	Fourth quarter		Jan.-Dec.	
	2015	2014	2015	2014
Cash flow				
From operating activities before change in working capital	1,244	1,263	4,788	4,364
Change in working capital	751	508	-242	-300
From operating activities	1,995	1,771	4,546	4,064
Investing activities, net	725	-586	-1,739	-546
Before financing activities	2,720	1,185	2,807	3,518

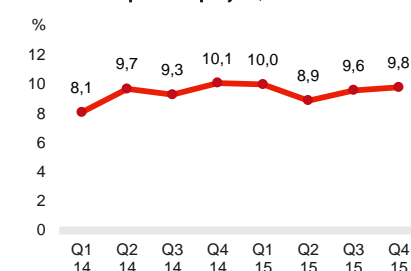
Investments

The Group's investments amounted to SEK 527 million (742) during the quarter. Of this total, SEK 141 million (369) was attributable to the real estate company. The lower level of investments is mainly explained by the investment in the warehouse in Långeberga and several major store investments, which drove up the total level of investments during the fourth quarter a year ago. Investments in 2015 (excluding company acquisitions) amounted to SEK 2,376 million (2,576), of which SEK 923 million (1,055) pertained to ICA Real Estate. During 2015 ICA Real Estate sold properties for SEK 1,178 million (1,037). Major investments in 2015 included the expansion of the warehouse in Långeberga outside Helsingborg, IT investments, and store investments in Sweden and in the three Baltic countries, mainly Lithuania.

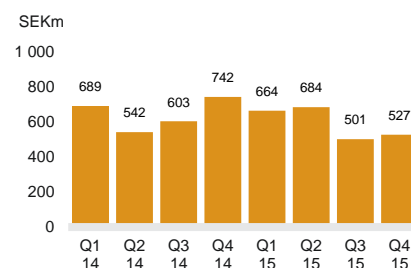
Net debt and Net debt/EBITDA



Return on capital employed, R12



Capex (cash-flow)



Excluding approx. SEK 3.5 bn related to acquisitions in Q1 2015

Important events during the quarter

- On 26 November it was announced that ICA Real Estate is forming a 50/50 joint venture, Secore Fastigheter, together with Första AP-fonden. In connection with this, ICA Real Estate is selling 13 properties worth SEK 1.1 billion to Secore.
- On 4 December it was announced that ICA Gruppen's board took the decision to invest a total of EUR 75 million, corresponding to approximately SEK 700 million, in the renovation and expansion of Rimi Baltic's central warehouse and head office in Riga, to be carried out between 2016 and 2018.
- On 17 December it was announced that ICA Bank will be selling all of the bank's past due loan receivables to Intrum Justitia, giving rise to a capital gain of SEK 185 million.

Events after the end of the quarter

- On 20 January 2016, all C shares in ICA Gruppen were converted to ordinary shares.

ICA Sweden

ICA Sweden conducts grocery retail business in cooperation with independent ICA retailers. The retailers own and manage their own stores, but have agreements with ICA Sweden in areas such as purchasing, logistics, market communication and store development. ICA Sweden also includes ICA Special, which conducts sales of non-food items at Maxi ICA (Hypermarket)

Net sales and earnings

Cura pharmacies, previously part of ICA Sweden, are included in the pharmacy segment since 1 January 2015. Historical comparative figures for ICA Sweden have been adjusted to exclude Cura.

Fourth quarter 2015

ICA Sweden's net sales increased by 3.8% compared with the same period a year ago. The sales increase was driven mainly by higher wholesale sales (volume and price) and newly opened stores. The Fruit & Vegetables, Dry Groceries and Fresh Foods categories continued to drive sales along with organic products, private label products, and a higher share of purchasing from ICA stores.

Operating profit excluding non-recurring items increased slightly to SEK 812 million (807). The earnings contribution of the sales increase was countered almost entirely by higher costs that were partly volume-driven or associated with the addition of newly opened stores. Costs mainly for logistics and IT also increased during the quarter. In addition, a revaluation of diesel hedges resulted in a charge of SEK 22 million against profit. A higher profit distribution from retailer-owned stores had a positive effect of SEK 18 million. The operating margin decreased slightly overall to 4.3% (4.4%).

January–December 2015

Net sales increased by 4.9% to SEK 72,624 million (69,248), and operating profit before non-recurring items rose 4.3% to SEK 3,366 million (3,228). In addition to increased sales, a higher profit distribution from retailer-owned stores contributed to earnings, SEK 53 million. For the full year, higher costs for logistics and IT, and structural costs had a negative impact. Added to this were higher costs in newly opened stores. The operating margin was slightly lower for the period, 4.6% (4.7%).

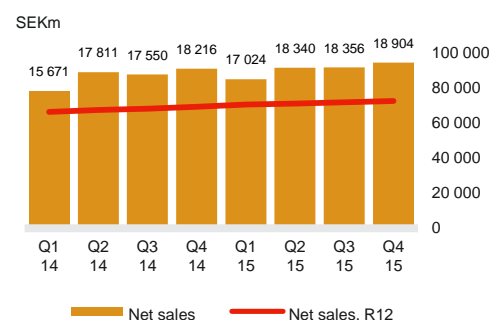
Other

At year-end 151 ICA stores were under way with online sales. The rollout has gone according to plan, even though certain disruptions in functionality have been identified and are now being remedied.

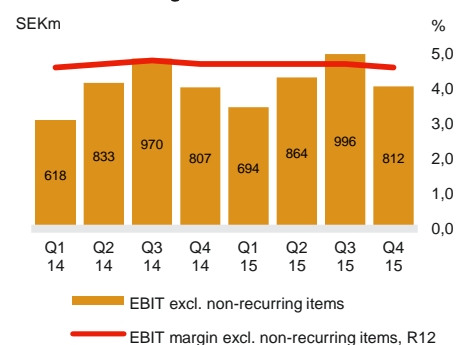
ICA Sweden

	Fourth quarter		Jan.-Dec.	
	2015	2014	2015	2014
Net sales, SEKm	18,904	18,216	72,624	69,248
Operating profit before depreciation/ amortisation (EBITDA), SEKm	934	909	3,784	3,581
Operating profit excl. non-recurring items, SEKm	812	807	3,366	3,228
Operating margin excl. non-recurring items, %	4.3	4.4	4.6	4.7
Investments, SEKm	176	200	780	596
Depreciation/amortisation, SEKm	122	104	418	358
Number of employees	-	-	8,242	7,512
Private label share of store sales, %	-	-	23.3	22.2

Net sales



EBIT and EBIT margin



The market and ICA store sales¹

The Swedish grocery retail market grew by 4.8% during the fourth quarter and by 4.0% for the full year 2015. Food price inflation continued to be at a higher level than in 2014, but decreased at the end of the year. The price effect for the fourth quarter was 2.6% (1.4%), while it is estimated to be 2.5% (0.6%) for the full year.

Sales (excluding VAT) in the Swedish ICA stores increased by 3.7% during the quarter and by 3.1% in like-for-like stores. The corresponding figures for the full year 2015 were 3.8% and 3.1%, respectively. The growth in sales is mainly attributable to price increases and thus an average higher spend, however, a larger number of customers also contributed to the increase.

Product categories that performed strongly during the final quarter included Fruit & Vegetables, Flowers, Confectionery, Beverages, Seafood and Deli, in addition to several non-food categories, such as Apparel and Toys/Baby. The share of fresh products continued to rise along with the Private Label Products, Health and Organic categories.

Given the overall market performance, ICA stores lost market share during the fourth quarter and for the year as a whole. Adjusted for price and calendar effects, volume grew 0.7% for the quarter and was unchanged in like-for-like stores. The corresponding figures for the full year 2015 were 1.3% and 0.5%, respectively.

Private label products as a share of accumulated sales amounted to 23.3% (22.2%) and thereby reached the goal of increasing this share by one percentage point per year.

The slightly weaker sales performance relative to the market is partly contributable to higher campaign and price activity by competitors and a slower than normal pace of establishment for ICA stores in 2015.

Emphasis in 2016 will be on developing and strengthening ICA's offerings in the areas of Health (Hälsa), Organic (Ekologiskt), Local (Lokalproducerade färskvaror) and Price & Promotion (Prisvärdhet) in the four market concepts "Come along & feel good", "Choose organic", "From here" and "It pays". Focus will also be on developing the private label product range and further improving precision in customer-specific offers via the loyalty programme.

The number of new store establishments is expected to increase in 2016, especially during the second half of the year. In all, 15 to 20 new stores are planned to be established in 2016 according to the current long-term plan.

ICA store sales, incl. retailer-owned stores

Store sales in Sweden

Store sales excl. VAT	Fourth quarter 2015			January-December 2015		
	SEKm	Change all stores	Change like-for-like	SEKm	Change all stores	Change like-for-like
Maxi ICA Stormarknad	8,811	5.1	3.0	32,935	5.7	3.4
ICA Kvantum	6,872	3.7	3.3	26,244	4.4	3.4
ICA Supermarket	8,346	2.7	2.7	33,024	2.2	2.5
ICA Nära	3,968	3.1	3.5	16,150	2.4	2.8
Total	27,997	3.7	3.1	108,353	3.8	3.1

Number of stores in Sweden

Format	December 2014				December 2015	
	December 2014	New	Converted	Closed	December 2015	Change
Maxi ICA Stormarknad	79	2	0	0	81	2
ICA Kvantum	123	2	-1	-1	123	0
ICA Supermarket	431	2	0	-2	431	0
ICA Nära ¹⁾	681	4	1	-15	671	-10
Total	1,314	10	0	-18	1,306	-8

¹⁾ Includes 5 earlier To Go stores in 2014 and 4 in 2015

¹ Market data is based on HUI Research/Statistics Sweden's Retail Sales Index (DHI) and is preliminary. Data may be revised. For details, see revision policy in the monthly Retail Sales Index, which can be downloaded from <http://www.hui.se/statistik-rapporter/index-och-barometrar/dhi>.

Rimi Baltic

Rimi Baltic conducts grocery retail business via 256 wholly owned stores in Estonia, Latvia and Lithuania. Rimi Baltic includes the store formats 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.

Net sales and earnings

Fourth quarter 2015

The total market for the three Baltic countries grew by 3.3% during the fourth quarter, with an overall price inflation of around 0%. Rimi Baltic's net sales increased by 5.4% during the fourth quarter, driven primarily by volume. The increase in local currency was 5.2%. Sales decreased by 0.4% on a like-for-like basis, owing to a more aggressive competitive situation. Rimi Baltic opened five new stores during the quarter, entailing a total of 16 new stores for the full year 2015. Taken overall, Rimi Baltic grew its market share in the region. Gross profit improved slightly despite a high level of campaign activity, however, higher operating costs led to a lower profit than for the same period a year ago. The cost increases are explained primarily by new stores, wage inflation and project costs. Operating profit excluding non-recurring items decreased by 12% to SEK 128 million (145). The operating margin narrowed to 3.8% (4.5%). A number of measures have been initiated to ensure continued favourable earnings performance, including increasing sales in new stores, reducing purchasing prices, a lower level of campaign activity and reviewing certain costs.

January–December 2015

Net sales grew by approximately 9% to SEK 12,632 million (11,632), and by just under 6% in local currency. Operating profit excluding items affecting comparability increased to SEK 415 million (383), or by just over 8%. The earnings improvement was driven primarily by higher volume and an improved gross profit, which was counteracted by higher operating costs. The operating margin was unchanged at 3.3% (3.3%).

Other

A capital gain from of SEK 38 million (-) from the sale of properties was recognised as a non-recurring item during the fourth quarter. The corresponding result for the full year 2015 was SEK 102 million (54). In addition, impairment losses of SEK -9 million (-22) were recognised during the year, of which SEK -4 million in the fourth quarter (-10).

Rimi Baltic

	Fourth quarter		Jan.-Dec.	
	2015	2014	2015	2014
Net sales, SEKm	3,368	3,195	12,632	11,632
Operating profit before depreciation/ amortisation (EBITDA), SEKm	240	218	807	722
Operating profit excl. non-recurring items, SEKm	128	145	415	383
Operating margin excl. non-recurring items, %	3.8	4.5	3.3	3.3
Investments, SEKm	101	64	384	500
Depreciation/amortisation, SEKm	74	72	290	285
Number of employees	-	-	9,562	8,995
Private label share of sales, %	-	-	21.3	19.9
EUR/SEK exchange rate, average	9.3013	9.2802	9.3528	9.1093

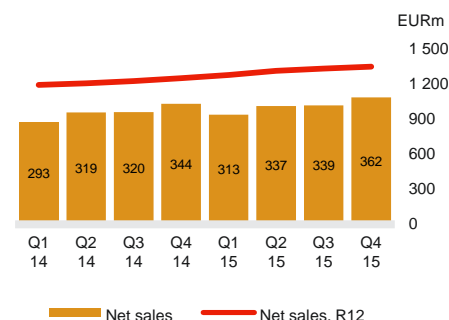
Store sales in the Baltic countries

	Fourth quarter 2015			January-December 2015		
	EURm	Change all stores	Change like-for-like	EURm	Change all stores	Change like-for-like
Store sales excl. VAT						
Estonia	96	0.9	0.2	368	1.3	-0.2
Latvia	183	3.4	-0.2	688	4.5	1.7
Lithuania	81	15.3	-1.8	288	15.7	0.3
Total	360	5.1	-0.4	1,344	5.8	0.9

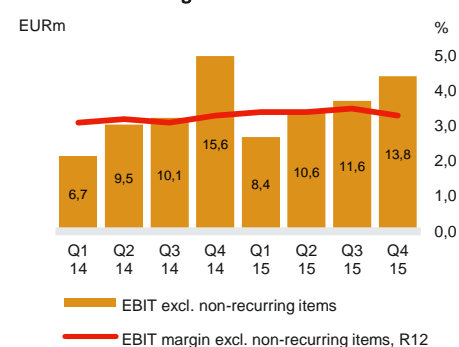
Number of stores in Baltic countries

Country	December 2014		December 2015	
	December 2014	New	Closed	December 2015
Estonia	84	4	-1	87
Latvia	112	6	-1	117
Lithuania	46	6	0	52
Total	242	16	-2	256

Net sales



EBIT and EBIT margin



Apotek Hjärtat

Apotek Hjärtat has been part of ICA Gruppen since the start of 2015. With 390 pharmacies in Sweden, Apotek Hjärtat is the second-largest player in the Swedish pharmacy market.

Net sales and earnings

Apotek Hjärtat has been part of ICA Gruppen since 15 January. The comparative figures below pertain to Cura pharmacies. Cura is included in the pharmacy segment for the entire period.

Fourth quarter 2015

The total pharmacy market in Sweden grew by 5.5% during the quarter compared with the same period in 2014. During the last 12-month period, over-the-counter drugs, which account for approximately 10% of total sales in the market, saw the highest growth, by 9.0%. Apotek Hjärtat's growth in the fourth quarter was 6.7% compared to the same period in 2014.

Net sales for the quarter amounted to SEK 3,182 million (564), and operating profit excluding non-recurring items was SEK 20 million (9). Operating profit includes costs of SEK 76 million related to the integration of Apotek Hjärtat. The operating margin was 0.6% (1.6%). Excluding integration costs, the operating margin was 3.0%.

The integration work has proceeded according to plan. Among other things, all Cura pharmacies have now been reprofiled to the new brand. Six new pharmacies opened during the fourth quarter, for a total of 17 in 2015.

January-December 2015

Apotek Hjärtat's net sales in 2015 amounted to SEK 12,290 million (2,092), with an operating profit of SEK 209 million (21) excluding non-recurring costs. Earnings included total costs of SEK 208 million for the acquisition and integration of Apotek Hjärtat. All integration costs were charged against 2015 earnings.

The previous announcement remains unchanged that the acquisition is expected to provide net annual synergies of approximately SEK 70 million from 2016 and approximately SEK 80 million from 2019. Synergies already began to be realised in 2015, particularly in relation to purchasing.

Apotek Hjärtat

	Fourth quarter		Jan.-Dec.	
	2015	2014	2015	2014
Net sales, SEKm				
<i>Of which:</i>	3,182	564	12,290	2,092
– Prescription drugs	2,391	348	9,193	1,260
– OTC drugs	341	122	1,345	471
– Other products and services	450	94	1,752	361
Operating profit before depreciation/ amortisation (EBITDA), SEKm	54	14	354	58
Operating profit excl. non-recurring items, SEKm	20	9	209	21
Operating margin excl. non-recurring items, %	0.6	1.6	1.7	1.0
Investments, SEKm	56	6	95	30
Depreciation/amortisation, SEKm	45	5	155	37
Number of employees	-	-	3,113	701
Private label share of other products, %	-	-	14.2	6.9

Number of pharmacies

	December 2014	Acquired	New	Closed	December 2015
Apotek Hjärtat	67	307	17	-1	390

ICA Real Estate

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

Net sales and earnings

Fourth quarter 2015

Net sales increased by 5% during the quarter, to SEK 606 million (575). Rental income from owned properties rose by almost 5%, or SEK 13 million. Greater income from the warehouse in Långeberga outside Helsingborg accounted for most of the increase. Newly established stores also contributed to the increase.

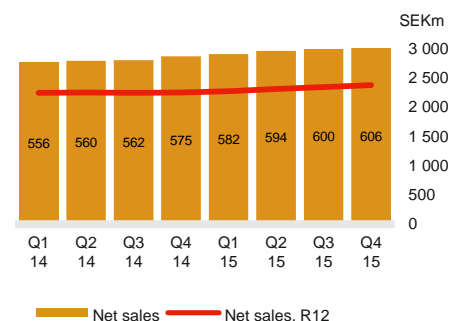
Operating profit excluding non-recurring items increased to SEK 112 million (95), or by 18%. The earnings growth is attributable to higher rental income and to income from Ancore, which was partly countered by slightly higher costs.

Investments were lower than in the same period in 2014, owing to a higher level of investment in Långeberga and in a few major store projects in the preceding year. Sales of the Norwegian properties were initiated on a small scale during the quarter, and the remaining properties will be sold in 2016 and 2017. The estimated market value of the remaining properties in Norway is approximately NOK 2.4 billion. In November ICA Real Estate formed the 50/50 jointly owned company Secore Fastigheter together with Första AP-fonden. Secore thereafter acquired 13 properties from ICA Real Estate for approximately SEK 1.1 billion. The transaction gave rise to a capital gain of SEK 151 million, which was recognised as a non-recurring item in the fourth quarter.

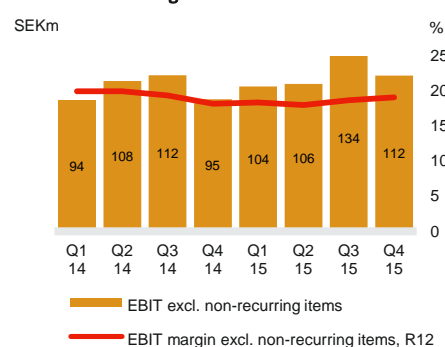
January–December 2015

Net sales increased to SEK 2,382 million (2,253), of which income from owned properties totalled SEK 1,187 million (1,147). Operating profit, excluding non-recurring items, increased by SEK 47 million. Higher income and improved earnings from joint ventures were counteracted by slightly higher costs, including higher depreciation.

Net sales



EBIT and EBIT margin



ICA Real Estate

	Fourth quarter		Jan.-Dec.	
	2015	2014	2015	2014
Net sales, SEKm	606	575	2,382	2,253
Of which, rental income from owned properties, SEKm	293	280	1,187	1,147
Operating profit before depreciation/amortisation (EBITDA), SEKm	402	222	1,145	973
Operating profit excl. non-recurring items, SEKm	112	95	456	409
Operating margin excl. non-recurring items, %	18.5	16.5	19.1	18.2
Investments, SEKm	141	369	924	1,055
Divestments, SEKm	1,169	38	1,178	1,037
Depreciation/amortisation, SEKm	128	130	524	515
Yield, %	-	-	7.4	6.9
Occupancy rate, %	-	-	98.3	98.3
Number of owned properties	-	-	175	187
Number of owned square metres, 000 sq. m.	-	-	768	781
Number of employees	-	-	86	77

ICA Bank

ICA Bank offers a full range of financial services and insurance 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.

Revenue and earnings

Fourth quarter 2015

ICA Bank's revenue grew by just over 5% during the quarter, mainly driven by an increase in net commissions and higher card revenues. Net interest income was lower than in the same period of 2014 and remained under continued pressure from the low repo rate. Net commissions improved as result of a higher volume of home mortgages and prepaid cards. Business volume developed favourably, especially with respect to home mortgages and deposits. The number of bank customers continued to rise during the quarter and is now over 681,000.

Operating profit excluding non-recurring items was SEK 23 million lower than the same period a year ago. Higher revenues and slightly lower costs were countered by costs of SEK 24 million (9) for ICA's newly started insurance company. In addition, during the corresponding period in 2014 a provision for credit losses was dissolved, giving rise to a positive earnings effect of SEK 11 million. Taking these two items into account, the bank's underlying profit was slightly higher than the same period a year ago.

The insurance company began operating as planned on 1 October and has initially made only a negligible contribution to the bank's revenue.

January–December 2015

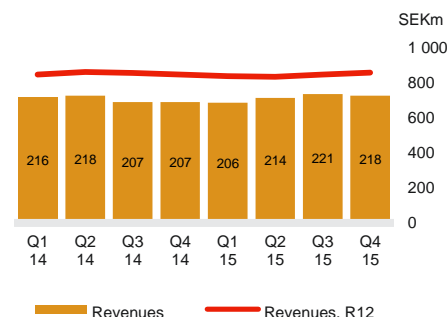
The bank's revenue rose slightly to SEK 859 million (848), while operating profit excluding non-recurring items was SEK 79 million lower than in 2014. Net interest income decreased, but higher net commissions, mainly driven by home mortgages and card revenues, led overall to higher revenue for the year.

Earnings included accumulated costs of SEK 56 million (9) for the start-up of the insurance company. In other respects the comparison against the preceding year was affected by the dissolution of loan loss provisions, which in 2014 entailed a positive earnings effect of SEK 31 million. The bank's costs were otherwise lower than in 2014.

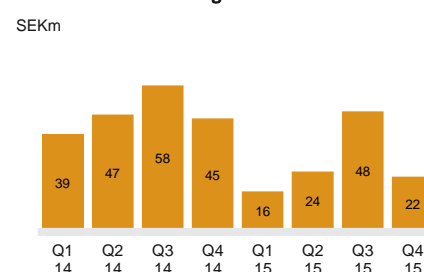
Other – non-recurring items in the fourth quarter

In December ICA Bank sold its past due loan receivables to Intrum Justitia, giving rise to a capital gain of SEK 185 million during the quarter. Intrum Justitia will also successively take over the bank's loan receivables that have become past due. In addition, during the quarter all of the shares in MasterCard were sold, generating a capital gain of SEK 82 million.

Revenues



EBIT excl. non-recurring items



ICA Bank

	Fourth quarter		Jan.-Dec.	
	2015	2014	2015	2014
Revenues, SEKm	218	207	859	848
Of which, net interest income, SEKm	92	100	395	418
Operating profit before depreciation/ amortisation (EBITDA), SEKm	297	52	406	219
Operating profit excl. non-recurring items, SEKm	22	45	110	189
C/I ratio, %	-	-	84.0	78.9
Return on equity, %	-	-	19.3	8.0
Loan loss ratio, %	-	-	1.9	0.1
Common Equity Tier I ratio, % (ICA Banken AB)	-	-	18.0	16.3
Business volume, SEKm	-	-	28,859	26,353
Number of employees	-	-	338	322

Portfolio companies

Hemtex is a home textile retail chain with stores in Sweden, Finland and Estonia. With a total of 162 stores, Hemtex is the Nordic region's leading home textile chain. inkClub conducts online sales of a range of consumables to customers in 10 European countries.

Net sales and earnings

Fourth quarter 2015

The portfolio companies' net sales amounted to SEK 506 million (833), a decrease of SEK 327 million, which is mainly explained by divestments carried out in 2014 and 2015. Adjusted for completed divestments (Kjell & Company, Forma Publishing, Beauty Planet and Cervera), sales increased from SEK 497 million to SEK 506 million, or just under 2%. Total operating profit excluding non-recurring items and adjusted for completed divestments was SEK 39 million (59). For inkClub, the text below pertains to the company's historical performance adjusted for the divestment of Beauty Planet.

Hemtex's sales amounted to SEK 379 million (370), and operating profit excluding non-recurring items amounted to SEK 27 million (58). Despite the slight increase in sales, the gross margin came under pressure from campaign prices which, together with higher costs, led to a considerably lower profit than in the preceding year. A sweeping action programme will now be carried out to reverse the negative trend in the company.

inkClub's sales were at the same level as a year ago, SEK 127 million (127), while operating profit excluding non-recurring items showed a sharp improvement, from SEK 1.6 million to SEK 12.6 million. The earnings improvement can be credited in part to a slightly higher gross profit, but above all to sharply lower costs as a result of completed cost-cutting measures.

January–December 2015

Net sales amounted to SEK 1,800 million (2,564) for the period. On a like-for-like basis, sales increased by 5% at the same time that operating profit fell from SEK 31 million to a loss of SEK -5 million. Hemtex's sales for the period amounted to SEK 1,108 million (1,046), and operating profit was SEK -23 million (20). inkClub's sales amounted to SEK 500 million (485), and operating profit grew from SEK 10.7 million to SEK 17.5 million.

Other

Compulsory redemption of the remaining shares in Hemtex has been initiated. As per 31 December ICA Gruppen owns 99% of all of the shares in Hemtex.

Portfolio companies

	Fourth quarter		Jan.-Dec.	
	2015	2014	2015	2014
Net sales, SEKm	506	833	1,800	2,564
Operating profit/loss after depreciation/amortisation (EBITDA), SEKm	49	125	-2	537
Operating profit/loss excl. non-recurring items, SEKm	39	116	-32	53
Operating margin excl. non-recurring items, %	7.7	13.9	-1.8	2.1
Investments, SEKm	6	12	33	49
Depreciation/amortisation, SEKm	10	11	41	41
Number of employees	-	-	725	1 025

Store sales

	Fourth quarter 2015			January-December 2015		
		Change all stores	Change like-for-like	SEKm	Change all stores	Change like-for-like
Store sales excl. VAT, SEKm						
Hemtex	370	3.2	2.6	1,074	5.3	4.5

Number of stores, incl. franchise stores

	December 2014	New	Closed	December 2015
Hemtex	157	8	-3	162

Other, Group

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 the 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 planning 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 Swedish and Baltic grocery retail sector. Economic downturns and political decisions are factors that could have a negative impact on the Group's sales and earnings. ICA Gruppen's finance policy stipulates how financial risks are to be managed and mitigated. The policy also provides a framework for the Group's treasury management. More information about risk management is provided on pages 16–20 of ICA Gruppen's 2014 Annual Report.

Related party transactions

No significant transactions took place between ICA Gruppen and related parties during the fourth quarter, except for the sale of 13 properties to Secore Fastigheter AB during the fourth quarter of 2015.

Share information

ICA Gruppen's share capital 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 was 82,067,892 and the number of ordinary shares was 119,078,903. Ordinary shares and C shares carry the same voting rights but a different dividend entitlement. Ordinary shares have an unlimited dividend entitlement, while C shares do not carry entitlement to cash profit distribution. All C shares were converted to ordinary shares on 20 January 2016, which means that the company thereafter has only one class of share in the form of ordinary shares with dividend entitlement. The total number of shares is unchanged after the conversion.

Ownership structure – Largest identified shareholders in ICA Gruppen as per 31 Dec. 2015

	Number of shares	Share of capital and votes, %
ICA-handlarnas förbund	103,163,599	51.3%
Industrivärden	21,125,000	10.5%
Handelsbanken	3,054,499	1.5%
SEB	2,412,787	1.2%
Skandia	1,998,607	1.0%
Swedbank Robur	1,570,610	0.8%
L Jönsson	1,259,601	0.6%
Folksam	696,112	0.3%
U Davidson	630,000	0.3%
C-G Sylvén	617,889	0.3%
Ten largest shareholders total:	136,528,704	67.9%
Other shareholders	64,618,091	32.1%
Total	201,146,795	100.0%

Source: Euroclear Sweden AB. (The table includes sums of holdings per owner)

Parent Company

The Parent Company's net sales amounted to SEK 16 million (13) during the fourth quarter and SEK 45 million (44) for the year. Profit before tax amounted to SEK 382 million (437) for the fourth quarter and SEK 3,658 million (4,192) for the year. The change in earnings can mainly be attributed to a difference in Group contributions.

Annual General Meeting 2016

ICA Gruppen's 2016 Annual General Meeting will be held at 14.00 CET on Wednesday, 20 April 2016, at Friends Arena, Entrance A, Råsta Strandväg 1, in Solna.

To be able to participate in the Annual General Meeting shareholders must be listed in the share register maintained by Euroclear Sweden AB, and must have notified their intention to attend the Annual General Meeting. Notice of ICA Gruppen's Annual General Meeting will be published on Thursday, 17 March 2016 through a press release and on the company's website, as well as through advertisements in the Official Swedish Gazette, Dagens Nyheter, Svenska Dagbladet and Dagens Industri, on 21 March 2016.

Shareholders who wish to have a matter considered at the Annual General Meeting must submit such request no later than Friday, 4 March 2016. Such requests shall be addressed "To the Chairman of the Board" and be sent to Per Behm, General Counsel, ICA Gruppen AB, Svetsarvägen 16, SE-171 93 Solna.

Nomination Committee

ICA Gruppen's 2015 Annual General Meeting resolved that the Nomination Committee shall consist of four members who represent the company's shareholders. Two of the members are to be appointed by the largest shareholder, and two members are to be appointed by the next two largest shareholders. The three largest shareholders as per 30 August 2015 were ICA-handlarnas Förbund (the Association of ICA Retailers), Industrivärden and Skandia Investment Management. On 25 November it was announced that the composition of the Nomination Committee had changed due to changed ownership in the company. The change entailed that SEB Investment Management replaced Skandia Investment Management on the Nomination Committee.

ICA-handlarnas Förbund has appointed Claes Ottosson, ICA retailer in Hovås, and Anna-Karin Liljeholm, General Counsel at ICA-handlarnas Förbund as its representatives on the Nomination Committee. Industrivärden has appointed Annika Lundius as its representative, and SEB Investment Management has appointed Deputy CEO Hans Ek as its representative on the Nomination Committee.

Annual Report

ICA Gruppen's 2015 Annual Report will be published on the company's website on Wednesday, 9 March 2016, and will be available in a printed version starting in the week of 21 March 2016.

Dividend

ICA Gruppen's board of directors proposes a dividend of SEK 10.00 per share (9.50), corresponding to a total dividend of SEK 2,011 million (1,130). The dividend amount corresponds to 41% of profit for the year. The dividend proposal is in line with the ambition to pay a favourable and stable dividend over time. ICA Gruppen's dividend target is to pay, over time, a shareholder dividend of at least 50% of profit for the year.

Financial statements

Consolidated statement of comprehensive income

SEKm	Note	Fourth quarter		Jan.-Dec.	
		2015	2014	2015	2014
Net sales		26,489	23,180	101,221	87,174
Cost of goods sold		-22,914	-19,867	-87,504	-75,038
Gross profit		3,575	3,313	13,717	12,136
Other operating income		546	67	904	883
Selling expenses		-1,848	-1,670	-6,966	-6,185
Administrative expenses		-718	-634	-2,809	-2,362
Other operating expenses		-84	-11	-267	-386
Share of profits of associates and joint ventures	2	3	0	15	11
Operating profit	3	1,474	1,065	4,594	4,097
Financial income		10	7	42	38
Financial expenses		-91	-121	-411	-408
Profit before tax		1,393	951	4,225	3,727
Tax		34	-144	-504	-622
Profit for the period from continuing operations		1,427	807	3,721	3,105
Profit/loss from discontinued operations	7	2	72	1,192	-438
Profit for the period		1,429	879	4,913	2,667
Other comprehensive income, items that may not be reclassified to profit or loss					
Remeasurement defined benefit pensions		124	-227	227	-246
Other comprehensive income, items that may be reclassified to profit or loss, net after tax					
Change in translation reserve		-98	-61	-166	145
Change in hedging reserve		29	-1	-89	-73
Share of other comprehensive income of joint ventures		9	7	12	-61
Total items that may be reclassified to profit or loss		-60	-55	-243	11
Comprehensive income for the period		1,493	597	4,897	2,432
Profit for the period attributable to					
Owners of the parent		1,430	819	4,855	2,518
Non-controlling interests		-1	60	58	149
Comprehensive income for the period attributable to					
Owners of the parent		1,490	543	4,838	2,301
Non-controlling interests		3	54	59	131
Earnings per share before and after dilution, SEK¹					
Ordinary share		7.12	4.09	24.14	12.53
Ordinary share, continuing operations		7.10	3.73	18.21	14.71
Ordinary share, discontinued operations		0.02	0.36	5.93	-2.18

¹ Same figures for ordinary shares as for C shares. Earnings per share have been decreased by an amount corresponding to the dividend to preference shareholders in ICA Fastigheter Sweden AB. The effect is SEK 0.19 per share per quarter through the second quarter of 2015.

Condensed consolidated statement of financial position

	Note	31 December 2015	31 December 2014
ASSETS			
Non-current assets			
Goodwill		16,301	11,545
Trademarks		13,630	13,112
Other intangible assets		978	803
Interests in joint ventures and associates	2	758	757
Deferred tax assets		456	254
Lending and investments in ICA Bank		6,962	7,159
Land, buildings and investment properties		14,546	15,923
Other non-current assets		2,200	1,703
Total non-current assets		55,831	51,256
Current assets			
Inventories		4,452	3,566
Lending and investments in ICA Bank		2,918	3,075
Other current assets		6,766	4,926
Cash and cash equivalents in ICA Bank		3,875	2,380
Cash and cash equivalents		736	3,711
Total current assets		18,747	17,658
Assets held for sale	4	338	3,520
TOTAL ASSETS		74,916	72,434
EQUITY AND LIABILITIES			
Equity			
		28,075	27,911
Non-current liabilities			
Provisions		2,159	2,342
Deferred tax liabilities		4,919	4,839
Non-current interest-bearing liabilities		7,721	9,658
Other non-current liabilities		146	156
Total non-current liabilities		14,945	16,995
Current liabilities			
Deposits ICA Bank		11,966	11,031
Current interest-bearing liabilities		4,712	1,277
Other current liabilities		15,199	13,298
Total current liabilities		31,877	25,606
Liabilities held for sale	4	19	1,922
TOTAL EQUITY AND LIABILITIES		74,916	72,434
Pledged assets		1,298	2,361
Contingent liabilities		100	208

Condensed consolidated statement of cash flows, incl. ICA Norway

SEKm	Note	Fourth quarter		Jan.-Dec.	
		2015	2014	2015	2014
Operating profit		1,475	1,137	5,750	3,664
Depreciation, amortisation and impairment		416	358	1,597	2,136
Other non-cash items		-448	-62	-1,669	-587
Income tax paid		-176	-123	-829	-673
Cash flow from operating activities before change in working capital		1,267	1,310	4,849	4,540
Change in working capital:					
Inventories		-92	-281	-157	-335
Current receivables		-546	-835	-1,050	-525
Current liabilities		1,298	1,577	1,041	533
ICA Bank's net of deposits, lending and investments		-65	-317	1,162	-601
Cash flow from operating activities		1,862	1,454	5,845	3,612
Acquisitions of property, plant and equipment and intangible assets		-527	-742	-2,376	-2,576
Sales of property, plant and equipment and intangible assets		1,403	141	1,607	2,074
Acquisition of Apotek Hjärtat		-	-	-3,499	-
Sales of subsidiaries		50	5	2,656	54
Investments in joint ventures		-138	-158	-138	-158
Change in financial assets		-2	147	3	3
Interest received		11	12	40	40
Cash flow from investing activities		797	-595	-1,707	-563
Sale of treasury shares		-	-	43	-
Acquisition of shares in Hemtext AB		-219	-	-219	-
Dividend paid		-	-38	-1,243	-1,079
Redemption of preference shares		-	-	-3,300	-
Change in loans		-2,100	929	-780	656
Interest paid		-90	-107	-368	-344
Cash flow from financing activities		-2,409	784	-5,867	-767
Cash flow for the period	5	250	1,643	-1,729	2,282
Cash and cash equivalents at start of period		4,298	4,528	6,258	3,948
Exchange differences in cash and cash equivalents		63	87	82	28
Cash and cash equivalents at end of period	5	4,611	6,258	4,611	6,258
Cash and cash equivalents are recognised on the following lines					
Cash and cash equivalents		4,611	6,091	4,611	6,091
Assets held for sale		-	167	-	167
		4,611	6,258	4,611	6,258

Disclosure on cash flow from discontinued operations

ICA Norway's operating profit amounted to SEK 0 million (74) for the fourth quarter and SEK 1,167 million (-433) accumulated. ICA Norway's cash flow is included in cash flow from operating activities in the amount of SEK 0 million (-222) for the fourth quarter and SEK 122 million (-182) accumulated; in cash flow from investing activities in the amount of SEK 0 million (-88) for the fourth quarter and SEK 2,448 million (-213) accumulated; and in cash flow from financing activities in the amount of SEK 0 million (-1) for the fourth quarter and SEK -1 million (-4) accumulated.

Condensed consolidated statement of changes in equity

SEKm	Note	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Opening equity, 1 January 2015		24,706	3,205	27,911
Change in non-controlling interests		-	-14	-14
Acquisition of Hemtex		-116	-103	-219
Dividend		-1,130	-113	-1,243
Early redemption of preference shares		-300	-3,000	-3,300
Sale of treasury shares		43	-	43
Comprehensive income for the period		4,838	59	4,897
Closing equity, 31 December 2015		28,041	34	28,075

SEKm	Note	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
Transfer		-15	15	0
Lower issue costs for preference shares		2	-	2
Reversal of unpaid share dividends		6	-	6
Comprehensive income for the period		2,301	131	2,432
Closing equity, 31 December 2014		24,706	3,205	27,911

Supplementary disclosures – Group

NOTE 1, ACCOUNTING PRINCIPLES

This year-end report is prepared in accordance with the rules for interim financial reporting in the Swedish Annual Accounts Act and IAS 34 Interim Financial Reporting.

New standards and interpretations applied as from 2015

For 2015 only minor amendments have been published by IASB and IFRIC. These amendments have not had any impact on ICA Gruppen's financial statements.

New accounting policies 2016

For 2016 only minor amendments have been published by IASB and IFRIC. These amendments have not had any impact on ICA Gruppen's financial statements.

New standards from IASB with relevance for ICA Gruppen that have not been endorsed by the EU IFRS 15 *Revenues from Contracts with Customers* was published in May 2014 with a decision in 2015 to push back its effective date to financial years that begin on 1 January 2018 or later. In addition, in 2015 IASB published a draft clarifying certain parts of IFRS 15. IFRS 15 is expected to be endorsed by the EU during the second quarter of 2016. Within ICA Gruppen an analysis is being conducted of the effects that implementation will have on the financial statements. This analysis is expected to be completed in 2016. The main source of revenue for ICA Gruppen consists of sales of goods in which ICA Gruppen's performance undertaking is usually clear in its character. However, certain contracts exist in which ICA Gruppen's role needs to be analysed in relation to the rules of IFRS 15 in order to be able to determine the effect of implementation.

IFRS 9 *Financial instruments* was published in July 2014. The standard will replace IAS 39 *Financial Instruments: Recognition and Measurement*. It contains rules for classification and measurement of financial assets and liabilities, impairment of financial instruments, and hedge accounting. It takes effect for financial years that begin on 1 January 2018 or later. ICA Gruppen is working on assessing the effects of IFRS 9, particularly with respect to the measurement of loan losses.

IFRS 16 *Leasing* was published in January 2016. Provided that the EU endorses the standard, IFRS 16 will come into force in 2019. IFRS 16 addresses lessees' reporting of their leases. Lessors are to continue reporting leases in the manner prescribed by the current IAS 17 *Leases*. IFRS 16 requires lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The asset is expensed over the term of the lease. Lease payments are split into an interest component and amortisation of the debt. ICA Gruppen has a large number of lease contracts. In terms of value, the most significant lease contracts pertain to properties that ICA Gruppen leases in and in many cases leases out to non-consolidated ICA retailers. ICA Gruppen will begin work on implementing IFRS 16 in 2016. This work will involve an analysis of the standard and its effect on ICA Gruppen's financial statements, and whether there is a need for new system support. At present it is not possible to quantify the effects of implementation of IFRS 16, however, implementation will have a major effect on ICA Gruppen's financial statements.

Important assumptions and assessments

Preparation of the financial statements in accordance with IFRS requires management to make assessments, estimates and assumptions that affect application of the accounting principles and the amounts reported in the income statement and carried on 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 these estimates and assessments.

NOTE 2, INTERESTS IN JOINT VENTURES AND ASSOCIATES

SEKm	Book value 31 December		Share of profit Jan.-Dec.	
	2015	2014	2015	2014
Trade Press AS	-	12	0	1
Kjell & Co Elektronik AB	-	-	-	11
Ancore Fastigheter AB	667	742	14	-1
Secore Fastigheter AB	85	-	0	-
Fastighetsaktiebolaget Postgården AB	3	-	-	-
Other	3	3	1	0
Total	758	757	15	11

Information regarding Ancore Fastigheter AB

Ancore Fastigheter AB is joint arrangement between the pension insurance company Alecta and ICA Gruppen. The parties each own 50% of the company. All significant decisions about the operations of Ancore must be made as a joint understanding between the two owners. Ancore Fastigheter AB owns and manages 30 properties in Sweden that house ICA stores in which operations are conducted by non-consolidated ICA retailers. Based on this arrangement, Ancore Fastigheter AB constitutes a joint venture. Consolidation is done according to the equity method.

SEKm	Fourth quarter		Jan.-Dec.	
	2015	2014	2015	2014
Income	98	98	391	325
Expenses	-41	-44	-164	-135
Operating profit	57	54	227	190
Net financial items	-45	-47	-178	-168
Tax	-7	-6	-21	-19
Profit for the period	5	1	28	3
Other comprehensive income	18	-35	25	-121
Comprehensive income for the period	23	-34	53	-118
Non-current assets			4,772	4,826
Current assets			85	122
Total assets			4,857	4,948
Equity			-59	-112
Shareholder loan			1,326	1,526
Non-current liabilities			3,275	3,138
Current liabilities			315	396
Total equity and liabilities			4,857	4,948

Information regarding Secore Fastigheter AB

Secore Fastigheter AB is a joint arrangement between Första AP-fonden and ICA Gruppen that was started in December 2015 through Secore's acquisition of 13 store properties from ICA Gruppen. The company's purpose is to acquire and own ICA stores in strategic locations. The stores are operated by non-consolidated ICA retailers. The parties each own 50% of the company. All significant decisions about the operations of Secore must be made as a joint understanding between the two owners. Based on all relevant data in the joint arrangement, Secore Fastigheter AB is classified as a joint venture. Consolidation is done according to the equity method.

SEKm	Fourth quarter		Jan.-Dec.	
	2015	2014	2015	2014
Income	6	-	6	-
Expenses	-3	-	-3	-
Operating profit	3	-	3	-
Net financial items	-2	-	-2	-
Tax	-1	-	-1	-
Profit for the period	0	-	0	-
Other comprehensive income	-	-	-	-
Comprehensive income for the period	0	-	0	-
Non-current assets			1,113	-
Current assets			50	-
Total assets			1,163	-
Equity			58	-
Shareholder loan			410	-
Non-current liabilities			654	-
Current liabilities			41	-
Total equity and liabilities			1,163	-

NOTE 3, NON-RECURRING ITEMS

SEKm	Fourth quarter		Jan.-Dec.	
	2015	2014	2015	2014
Operating profit excl. non-recurring items	1,024	1,081	4,138	3,937
Capital gains on sale of non-current assets				
Portfolio companies, Forma	-	-2	-7	-2
Portfolio companies, Kjell & Co	-	-	-	445
Portfolio companies, inkClub	-	-	2	-
Portfolio companies, Cervera	-	-	-8	-
ICA Real Estate	161	-3	165	49
Rimi Baltic	38	-	102	54
Apotek Hjärtat	-10	-	-10	-
ICA Bank	267	-	267	-
Others	1	-	3	0
Impairment				
Portfolio companies	-	-	-	-322
ICA Real Estate	-3	-1	-49	-42
Rimi Baltic	-4	-10	-9	-22
Operating profit	1,474	1,065	4,594	4,097

NOTE 4, ASSETS AND LIABILITIES HELD FOR SALE

SEKm	ICA Real Estate 31 Dec. 2015
Property, plant and equipment	338
Total assets held for sale	338
Current liabilities	19
Total liabilities held for sale	19

NOTE 5, CONSOLIDATED CASH FLOW STATEMENT

SEKm	Group 2015	ICA Bank 2015	Group excl. Bank
Cash flow from operating activities before change in working capital	4,849	61	4,788
Change in working capital			
Inventories	-157	0	-157
Current receivables	-1,050	-45	-1,005
Current liabilities	1,041	121	920
ICA Bank's net of deposits, lending and investments	1,162	1,162	0
Cash flow from operating activities	5,845	1,299	4,546
Cash flow from investing activities	-1,707	32	-1,739
Cash flow from financing activities	-5,867	164	-6,031
Cash flow for the period	-1,729	1,495	-3,224
Cash and cash equivalents at the beginning of the period	6,258	2,380	3,878
Exchange differences in cash and cash equivalents	82	0	82
Cash and cash equivalents at the end of the period	4,611	3,875	736

NOTE 6, FINANCIAL INSTRUMENTS

At 31 December 2015 financial assets measured at fair value in ICA Gruppen amounted to SEK 2,979 million (5,289). Financial liabilities measured at fair value amounted to SEK 333 million (220) at 31 December 2015. In the fair value hierarchy, SEK 2,223 million (0) of financial assets is attributable to level 1 and SEK 756 million (5,289) is attributable to level 2. The carrying amount corresponds to fair value for all financial assets and liabilities apart from bond issues, where fair value exceeds the carrying amount by SEK 216 million (277).

NOTE 7, DISCONTINUED OPERATIONS

SEKm	Fourth quarter		Jan.-Dec.	
	2015	2014	2015	2014
Net sales	0	4,089	4,235	15,826
Other income	0	71	1	108
Expenses	0	-4,087	-4,228	-16,367
Operating profit/loss	0	73	8	-433
Net financial items	0	-1	-1	-5
Tax	0	0	0	0
Profit/loss from operations	0	72	7	-438
Gain from divestment	2	0	1,185	0
Profit/loss from discontinued operations	2	72	1,192	-438

ICA Norway has been classified as a discontinued operation since 30 September 2014. No impairment arose upon measurement to fair value after deduction for selling costs. On 13 April 2015 all the conditions for completion of the transaction were met, and ICA Norway is reported as a divested operation from that date.

NOTE 8, ACQUISITION OF APOTEK HJÄRTAT

As part of efforts to strengthen its position in the Swedish pharmacy market, ICA Gruppen announced on 12 November 2014 that an agreement had been signed with Altor Fund III to acquire all of the shares in Apotek Hjärtat AB for a purchase price of SEK 5.7 billion on a debt-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 2014. Approval was received from the Swedish Competition Authority on 9 January 2015, and the acquisition was completed on 15 January 2015.

At the time of acquisition, Apotek Hjärtat had approximately 2,000 employees and more than 300 pharmacies. Starting in 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. In addition, ICA Gruppen sees opportunities for further value creation through an expanded customer offering and stronger assortment development, marketing, and e-commerce. The acquisition was initially financed through a combination of cash and existing credit facilities.

The total consideration transferred was SEK 3,787 million, which exceeds the net fair value of all identifiable assets and liabilities in the acquisition. Acquisition-related costs of SEK 33 million have been expensed. In the preliminary purchase price allocation, surplus values were attributable to customer relationships, trademarks and goodwill. For 2015 the acquisition of Apotek Hjärtat affected net sales by SEK 9,776 million and operating profit excluding non-recurring items by SEK 142 million. If the acquisition had taken place as per 1 January 2015, ICA Gruppen's net sales for the year would have amounted to SEK 101,574 million, and profit excluding non-recurring items would have amounted to SEK 4,140 million.

SEKm	
Value according to preliminary purchase price allocation	
Trademarks	550
Customer relationships	28
Other intangible assets	62
Property, plant and equipment	200
Other non-current assets	6
Inventories	800
Other current assets	782
Cash and cash equivalents	288
Provisions	-1
Non-current liabilities	-9
Deferred tax liabilities	-126
Current liabilities	-3,549
Acquired, identifiable net assets	-969
Goodwill	4,756
Acquired, identifiable net assets including goodwill	3,787
Consideration transferred	3,787
Cash and cash equivalents in Apotek Hjärtat AB	-288
Change in consolidated cash and cash equivalents	3,499

Condensed Parent Company income statement

SEKm	Fourth quarter		Jan.-Dec.	
	2015	2014	2015	2014
Net sales	16	13	45	44
Administrative expenses	-123	-152	-424	-399
Operating profit/loss	-107	-139	-379	-355
Financial income	5	0	10	0
Financial expenses	-51	-91	-275	-403
Profit/loss from investments in Group companies	-59	-492	3,708	3,791
Profit/loss after financial items	-212	-722	3,064	3,033
Appropriations	594	1,159	594	1,159
Profit before tax	382	437	3,658	4,192
Tax	-95	-209	10	-111
Profit for the period	287	228	3,668	4,081

Condensed Parent Company balance sheet

SEKm	31 December 2015	31 December 2014
ASSETS		
Non-current assets		
Investments in Group companies	30,105	29,774
Other intangible assets	103	77
Deferred tax assets	223	214
Other non-current assets	108	120
Total non-current assets	30,539	30,185
Current assets		
Current receivables from Group companies	3,264	2,314
Other current assets	107	68
Cash and cash equivalents	-	-
Total current assets	3,371	2,382
TOTAL ASSETS	33,910	32,567
EQUITY AND LIABILITIES		
Equity	22,857	20,276
Provisions	351	316
Non-current liabilities		
Non-current interest-bearing liabilities	6,478	8,482
Liabilities to Group companies	-	3,000
Other non-current liabilities	6,478	11,482
Total non-current liabilities		
Current liabilities	3,859	171
Current interest-bearing liabilities	9	20
Current liabilities to Group companies	356	302
Other current liabilities	4,224	493
Total current liabilities		
TOTAL EQUITY AND LIABILITIES	33,910	32,567

Quarterly overview

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Net sales, SEKm	19,755	22,223	22,016	23,180	23,673	25,542	25,517	26,489
Operating profit before depreciation/amortisation (EBITDA), SEKm	1,028	1,752	1,616	1,423	1,146	1,448	1,708	1,889
Operating profit (EBIT) excl. non-recurring items, SEKm	699	985	1,172	1,081	775	1,018	1,321	1,024
Operating margin excl. non-recurring items, %	3.5	4.4	5.3	4.7	3.3	4.0	5.2	3.9
Operating profit (EBIT), SEKm	704	1,424	904	1,065	777	1,065	1,278	1,474
Operating margin, %	3.6	6.4	4.1	4.6	3.3	4.2	5.0	5.6
Profit before tax, SEKm	615	1,338	823	951	686	961	1,185	1,393
Profit from continuing operations, SEKm	477	1,145	676	807	529	786	979	1,427
Profit/loss from discontinued operations, SEKm	-178	-151	-181	72	10	1,179	1	2
Profit for the period, SEKm	299	994	495	879	539	1,965	980	1,429
Earnings per share, continuing operations, SEK ¹	2.39	5.40	3.19	3.74	2.51	3.77	4.83	7.10
Earnings per share, discontinued operations, SEK ¹	-0.89	-0.75	-0.90	0.36	0.05	5.86	0.00	0.02
Earnings per share, SEK ¹	1.50	4.65	2.29	4.09	2.56	9.63	4.83	7.12
Equity per share, SEK ¹	117.27	117.33	120.21	122.91	123.12	127.76	132.57	139.41
Return on equity, %	7.0	8.6	7.9	9.3	10.2	15.3	15.4	16.6
Return on capital employed, %	8.1	9.7	9.3	10.1	10.0	8.9	9.6	9.8
Cash flow from operating activities, continuing operations, SEKm	201	1,522	395	1,676	221	2,685	955	1,862
Cash flow from operating activities, discontinued operations, SEKm	-138	22	156	-222	95	26	1	0
Cash flow from operating activities, SEKm	63	1,544	551	1,454	316	2,711	956	1,862
Cash flow per share from operating activities, continuing operations, SEKm ¹	1.00	7.57	1.96	8.34	1.10	13.35	4.75	9.26
Cash flow per share from operating activities, discontinued operations, SEKm ¹	-0.69	0.11	0.78	-1.11	0.47	0.13	0.00	0.00
Cash flow per share from operating activities, SEKm ¹	0.31	7.68	2.74	7.23	1.57	13.48	4.75	9.26
Investing activities, continuing operations (cash flow), SEKm	615	496	558	682	4,144	684	501	527
Investing activities, discontinued operations (cash flow), SEKm	74	46	45	60	19	0	0	0
Investing activities (cash flow), SEKm	689	542	603	742	4,163	684	501	527
Net debt, SEKm	-9,909	-9,084	-8,276	-7,058	-13,596	-10,845	-14,132	-11,697
Net debt/EBITDA	2.0	1.7	1.5	1.2	2.3	1.9	2.5	1.9

¹ Same figures for ordinary shares as for C shares.

Quarterly data by segment

Net sales by segment

SEKm	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
ICA Sweden	15,671	17,811	17,550	18,216	17,024	18,340	18,356	18,904
Rimi Baltic	2,597	2,888	2,952	3,195	2,932	3,136	3,196	3,368
Apotek Hjärtat	469	535	524	564	2,783	3,212	3,113	3,182
ICA Bank	216	218	207	207	206	214	221	218
ICA Real Estate	556	560	562	575	582	594	600	606
Portfolio companies	565	587	579	833	521	393	380	506
Other	24	22	20	31	26	27	25	35
Intra-Group sales	-343	-398	-378	-441	-401	-374	-374	-330
Net sales	19,755	22,223	22,016	23,180	23,673	25,542	25,517	26,489

Operating profit before depreciation/amortisation by segment (EBITDA)

SEKm	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
ICA Sweden	702	914	1,056	909	787	961	1,102	934
Rimi Baltic	128	156	220	218	150	235	182	240
Apotek Hjärtat	3	17	24	14	61	114	125	54
ICA Bank	46	55	66	52	23	31	55	297
ICA Real Estate	223	238	290	222	234	243	266	402
Portfolio companies	-28	437	3	125	-30	-51	30	49
Other	-46	-65	-43	-117	-79	-85	-52	-87
Operating profit before depreciation/amortisation (EBITDA)	1,028	1,752	1,616	1,423	1,146	1,448	1,708	1,889

Operating profit excluding non-recurring items by segment

SEKm	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
ICA Sweden	618	833	970	807	694	864	996	812
Rimi Baltic	59	86	93	145	78	99	110	128
Apotek Hjärtat	-7	7	12	9	25	79	85	20
ICA Bank	39	47	58	45	16	24	48	22
ICA Real Estate	94	108	112	95	104	106	134	112
Portfolio companies	-36	-14	-13	116	-43	-46	18	39
Other	-68	-82	-60	-136	-99	-108	-70	-109
Operating profit excluding non-recurring items	699	985	1,172	1,081	775	1,018	1,321	1,024

Depreciation/amortisation by segment

SEKm	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
ICA Sweden	84	83	87	104	93	97	106	122
Rimi Baltic	69	70	74	72	72	72	72	74
Apotek Hjärtat	10	10	12	5	36	35	39	45
ICA Bank	7	8	8	7	7	7	7	8
ICA Real Estate	129	129	127	130	130	137	129	128
Portfolio companies	8	11	11	11	11	10	10	10
Other	17	17	17	19	20	21	19	22
Depreciation/amortisation	324	328	336	348	369	379	382	409

Key figures ICA Gruppen

SEKm	Fourth quarter		Jan.-Dec.	
	2015	2014	2015	2014
Operating profit before depreciation/amortisation (EBITDA), SEKm	1,889	1,423	6,191	5,819
Operating margin excl. non-recurring items, %	3.9	4.7	4.1	4.5
Operating margin, %	5.6	4.6	4.5	4.7
Net margin, %	5.4	3.8	4.9	3.1
Return on capital employed, %			9.8	10.1
Return on equity, %			16.6	9.3
Equity/assets ratio, %			37.5	38.5
Net debt, SEKm			-11,697	-7,058
Net debt/EBITDA			1.9	1.2
Share data				
Earnings per share, continuing operations, SEK	7.10	3.73	18.21	14.71
Earnings per share, discontinued operations, SEK	0.02	0.36	5.93	-2.18
Earnings per share, SEK	7.12	4.09	24.14	12.53
Share price at the end of period, SEK			307.40	305.80
Dividend per ordinary share, SEK			10.00	9.50
Dividend, SEKm			2,011	1,130
Dividend payout ratio, %			41	42
Equity per share, SEK			139.41	122.91
Cash flow from operating activities per share, SEK	9.26	7.23	29.06	17.97
Number of ordinary shares	119,078,903	118,937,248	119,078,903	118,937,248
Number of C shares	82,067,892	82,067,892	82,067,892	82,067,892
Total number of shares at end of period	201,146,795	201,005,140	201,146,795	201,005,140
Average number of shares	201,146,795	201,005,140	201,097,895	201,005,140
Average number of shares after dilution	201,146,795	201,146,795	201,146,795	201,146,795

Definitions of key ratios

Capital employed

Equity plus interest-bearing liabilities.

Cash flow from operating activities per share

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

C/I ratio (ICA Bank)

Total costs in relation to total income.

Common Equity Tier I ratio (ICA Bank)

The bank's capital base in relation to risk-weighted assets.

Earnings per C share

Same definition as for earnings per ordinary share, since ordinary shares and C shares carry entitlement to equal participation in profit and equity. C shares do not carry entitlement to a cash dividend as from 2016.

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 before depreciation, amortisation and impairment.

Equity/assets ratio

Equity including non-controlling interests in relation to total assets.

Equity per share

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

Gross profit

Net sales less cost of goods sold.

Investments

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

Loan loss ratio (ICA Bank)

Loan losses in relation to average lending.

Net debt

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

Net interest (ICA Bank)

The difference between the bank's interest income and interest expense.

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.

Occupancy rate (ICA Real Estate)

Market rents for rented properties divided by total rental value (contracted annual rent + market rent for unrented premises).

Operating margin

Operating profit as a percentage of net sales.

Return on capital employed

Profit after financial income in relation to 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 for the period in relation to average equity. ICA Bank's operations are excluded from both the income statement and balance sheet when calculating return on equity.

Yield (ICA Real Estate)

Operating net in relation to the average book value of properties.

Glossary

Hard discount

Distinctively low price store with limited product range.

Joint venture

A partnership project, a joint venture company.

MTN

A medium-term note (MTN) is a continuously offered debt note with a set maturity date.

Near Food

Items such as household products, pet food and over-the-counter drugs.

Non-food

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

Private label products

Own-brand products.

Stockholm, 10 February 2016
Per Strömberg
CEO ICA Gruppen

The information in this year-end report is such that ICA Gruppen is obligated to 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, 10 February 2016. The report has not been reviewed by the company's auditors.

Contacts and calendar

For further information, please contact:

Frans Benson, VP Investor Relations
tel. +46 8-561 500 20

ICA Gruppen press service
Tel +46 10 422 52 52

Press and analyst meeting

ICA Gruppen is arranging a press and analyst meeting at Tändstickspalatset, Stockholm, on Wednesday, 10 February 2016 at 10.00 CET. CEO Per Strömberg and CFO Sven Lindskog will present the year-end report. The meeting will be webcast and can be followed at www.icagruppen.se/investerare. There is also an opportunity to call in on tel. +46 8 566 426 69, or +44 203 008 9809.

Calendar

9 March 2016	Publication of ICA Gruppen's 2015 Annual Report
20 April 2016	Annual General Meeting
4 May 2016	Interim report January–March 2016
17 August 2016	Interim report January–June 2016
9 November 2016	Interim report January–September 2016
8 February 2017	Year-end report 2016

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, Apotek Hjärtat, which conducts pharmacy operations, ICA Real Estate, which owns and manages properties, and ICA Banken, which offers financial services to the Swedish retail market. The Group also includes the wholly owned companies Hemtex and inkClub.

For more information see icagruppen.se.
ICA Gruppen AB (publ)
Svetsarvägen 16
SE-171 93 Solna
Tel. +46 8 561 500 00
www.icagruppen.se
Reg. no. 556048-2837