



## Third quarter 2016

### Good sales growth in weaker market

#### Third quarter 2016

- Consolidated net sales amounted to SEK 25,752 million (25,517), an increase of 0.9%
- Operating profit excluding non-recurring items totalled SEK 1,376 million (1,321). Operating profit for the comparison period included costs of SEK 52 million associated with the acquisition and integration of Apotek Hjärtat
- Profit from continuing operations (ICA Gruppen excl. ICA Norway) was SEK 1,049 million (979). Profit includes capital gains on sales of non-current assets and impairment losses totalling SEK 20 million net (-43)
- Earnings per share for continuing operations were SEK 5.21 (4.83)
- Cash flow from operating activities for continuing operations amounted to SEK 550 million (955). Excluding ICA Bank the Cash flow was SEK 1,045 (624)

#### Events after the end of the quarter

- No significant events have taken place after the end of the quarter

#### January-September 2016

- Consolidated net sales amounted to SEK 76,735 million (74,732), an increase of 2.7%
- Operating profit excluding non-recurring items totalled SEK 3,489 m (3,114). Operating profit for the comparison period included costs of SEK 132 million associated with the acquisition and integration of Apotek Hjärtat
- Profit from continuing operations (ICA Gruppen excl. ICA Norway) was SEK 2,613 million (2,294). Profit includes capital gains on sales of non-current assets and impairment losses totalling SEK 0 million, net (6)
- Earnings per share for continuing operations were SEK 12.98 (11.11)
- Cash flow from operating activities for continuing operations amounted to SEK 2,733 million (3,861). Excluding ICA Bank the Cash flow was SEK 3,039 million (2,551)
- The corresponding period in 2015 included capital gains and proceeds from the divestment of ICA Norway, which affected profit by SEK 1.2 billion and cash flow by SEK 2.8 billion. The acquisition of Apotek Hjärtat affected the cash flow by SEK -3.5 billion

*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.*

	Third quarter		Jan-Sep		12 months	Full year
SEKm	2016	2015	2016	2015	Oct 2015 - Sept 2016	2015
<b>Group</b>						
Net sales	25,752	25,517	76,735	74,732	103,224	101,221
Operating profit before depreciation/amortisation (EBITDA)	1,768	1,708	4,663	4,302	6,552	6,191
Operating profit (EBIT) excluding non-recurring items	1,376	1,321	3,489	3,114	4,513	4,138
Operating profit (EBIT)	1,396	1,278	3,489	3,120	4,963	4,594
Profit before tax	1,301	1,185	3,213	2,832	4,606	4,225
Profit from continuing operations	1,049	979	2,613	2,294	4,040	3,721
Profit for the period	1,070	980	2,634	3,484	4,063	4,913
Cash flow from operating activities for continuing operations	550	955	2,733	3,861	4,595	5,723
Cash flow from operating activities	550	956	2,733	3,983	4,595	5,845
Operating margin excluding non-recurring items, %	5.3	5.2	4.5	4.2	4.4	4.1
Operating margin, %	5.4	5.0	4.5	4.2	4.8	4.5
Return on capital employed, %	-	-	10.8	9.6	10.8	9.8
Return on equity, %	-	-	13.6	15.4	13.6	16.6
Earnings per ordinary share, SEK	5.31	4.83	13.08	17.03	20.19	24.14
Earnings per ordinary share, continuing operations, SEK	5.21	4.83	12.98	11.11	20.08	18.21

# CEO's comments

*Compared with the market, we had good growth in our store sales during the third quarter. At the same time, in Sweden we saw clearly lower food price inflation and a significantly lower rate of growth in the market during the summer. Most of our businesses are showing improved earnings and have stable or growing margins. We are pleased with this, especially in view of the slightly higher level of costs we have in many parts of the Group for ongoing future investments.*

The Swedish ICA stores had good sales growth during the summer months and continuing into the autumn. The rate of growth has slowed, however, preliminary market data indicates that we are gaining market shares. To date during the year we have still opened relatively few stores, which makes our performance extra positive, since it shows that we have favourable like-for-like performance. During the fourth quarter we plan to open nine stores in Sweden which, all else equal, will increase our total stores sales at the end of the year. The rate of growth in the Swedish market during the summer was clearly at a lower level than previously, with very low price growth at present of just over zero per cent. This is considerably lower than both last year and the start of 2016 and indicates – if the trend continues – another market situation that could lead to a further intensification of competition. Continuing our work with customer offerings that provide value for money and developing the product range – not least our private label products – will be even more important. Stability in our logistics in southern Sweden has increased and is definitely moving in the right direction. We are now doing everything we can to sustain this trend.



## **Continued strong performance for Rimi Baltic**

Rimi Baltic showed continued strong performance during the third quarter, with higher market shares, a high pace of growth, and improved margins. We continue strengthen our position through store establishment, conversion of previously discount stores to Rimi stores, and continuous work with efficiency improvement and more compelling customer offerings. A bit further ahead in time we will also develop our digital offerings. I mentioned in our previous report that Lidl had opened a number of stores in Lithuania, and this has had a slightly negative impact on our stores sales there.

## **Good momentum at Apotek Hjärtat, ICA Bank's transformation continues, greater focus on sustainability**

Apotek Hjärtat had yet another good quarter, and like-for-like sales are outpacing growth in the market. Going forward we will dedicate resources into developing Apotek Hjärtat's online channel, increase the pace of marketing, renewals of existing pharmacies and continue to open new pharmacies, particularly at locations close to ICA stores. This will lead to higher costs in the near term. Apotek Hjärtat has a strong brand to build further upon, and I am happy to note that we recently won a Swedish Brand Award in the pharmacy category for the first time. This is a sign that we are doing a good job at meeting our customers' needs.

ICA Bank is currently in the midst of a sweeping transformation designed to enable a long-term favourable level of earnings. Given the challenges for the bank's traditional business model, we can see that this work has already paid off, as we have at least managed to offset the major impact of low interest rates and changed rules for card fees. At the same time, we have also achieved a good start for ICA Insurance.

I also want to mention that ICA Gruppen has won a UN award for its "Climate-right" project – which is an honour and proof that we are spot-on in our ambition and that we are at the vanguard in our environmental work. To further strengthen our sustainability work, Kerstin Lindvall, formerly SVP Corporate Responsibility for ICA Sweden, has been named as ICA Gruppen's Chief Corporate Responsibility Officer and as a member of ICA Gruppen's management team since October. Parallel with this, ICA Gruppen's board established a sustainability committee.

## **High pace of change**

We have pointed out on several occasions that the market is changing at a fast pace, with new competitors, offerings and demands from our customers on how they want to be met in tomorrow's market. We are now working intensively across a broad front throughout ICA Gruppen to ensure that we get things right in this development regardless of whether it pertains to new store formats, digital solutions, loyalty programmes, the product range, or offerings that give customers value for money. This will require changes, investments and new initiatives that will be necessary for us to develop and retain the leading position we have built up over nearly 100 years.

# Group performance

## Net sales and earnings

### Third quarter 2016

Consolidated net sales increased by 0.9% during the quarter compared with 2015. Sales thus grew at a slower pace than earlier in the year, which is mainly due to considerably lower food price inflation in Sweden. Divestments within Apotek Hjärtat have also affected the comparison with a year ago. Adjusted for these, sales grew by approximately 2%. In other respects, assortment mix effects have led to positive price effects for Non-food, Rimi Baltic and Hemtex, while volumes have grown primarily in Rimi Baltic, Apotek Hjärtat, and in ICA Sweden's wholesale operations. On the whole, however, the volume effect in ICA Sweden was negative due to the divestments of store subsidiaries in early 2016.

Operating profit excluding non-recurring items amounted to 1,376 million (1,321) during the quarter. Operating profit for the third quarter a year ago included costs of SEK 52 million associated with the acquisition and integration of Apotek Hjärtat. Adjusted for these costs, earnings were level with the preceding year. The operating margin excluding non-recurring items was 5.3% (5.2%).

Profit for the period from continuing operations – ICA Gruppen excluding ICA Norway – was 1,049 million (979). Profit includes capital gains on sales of non-current assets and impairment losses totalling SEK 20 million (-43) combined. Earnings per share for continuing operations were 5.21 (4.83).

### January-September 2016

Consolidated net sales increased by 2.7% compared with 2015. Operating profit excluding non-recurring items amounted to SEK 3,489 Mkr (3,114), an increase of SEK 375 million, or 12%. Operating profit for the same period a year ago included costs of SEK 132 million associated with the acquisition and integration of Apotek Hjärtat. Adjusted for these costs, the earnings increase was SEK 243 million, or approximately 8%. The operating margin excluding non-recurring items was 4.5% (4.2%). All segments except ICA Bank showed earnings improvement.

Profit for the period from continuing operations – ICA Gruppen excluding ICA Norway – was SEK 2,613 million (2,294). Profit includes capital gains on sales of non-current assets and impairment losses totalling SEK 0 million (6) combined. Earnings per share for continuing operations were SEK 12.98 (11.11).

#### Net sales per segment (SEKm)

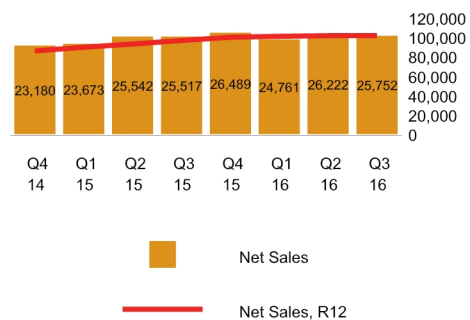
SEKm	Third quarter		Jan-Sep		12 months	Full year
	2016	2015	2016	2015	Oct 2015 - Sept 2016	2015
ICA Sweden	18,598	18,356	54,946	53,720	73,850	72,624
Rimi Baltic	3,363	3,196	9,876	9,264	13,244	12,632
Apotek Hjärtat	3,021	3,113	9,333	9,108	12,515	12,290
ICA Real Estate	594	600	1,769	1,776	2,375	2,382
ICA Bank	189	221	639	641	857	859
Other segments	252	380	947	1,294	1,453	1,800
Other	190	232	640	695	877	932
Intra-Group sales	-455	-581	-1,415	-1,766	-1,947	-2,298
<b>Net sales</b>	<b>25,752</b>	<b>25,517</b>	<b>76,735</b>	<b>74,732</b>	<b>103,224</b>	<b>101,221</b>

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

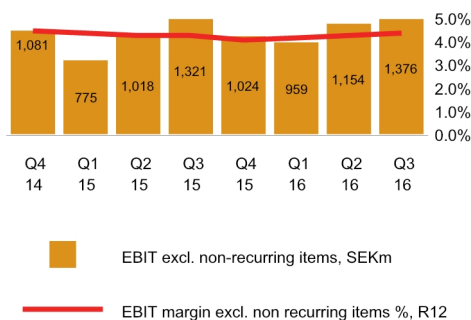
SEKm	Third quarter		Jan-Sep		12 months	Full year
	2016	2015	2016	2015	Oct 2015 - Sept 2016	2015
ICA Sweden	1,020	996	2,667	2,554	3,479	3,366
Rimi Baltic	134	110	359	287	487	415
Apotek Hjärtat <sup>1)</sup>	129	85	334	189	354	209
ICA Real Estate	142	134	352	344	464	456
ICA Bank	21	48	45	88	67	110
Other segments	-1	18	-33	-71	6	-32
Other	-69	-70	-235	-277	-344	-386
<b>Operating profit excluding non-recurring items</b>	<b>1,376</b>	<b>1,321</b>	<b>3,489</b>	<b>3,114</b>	<b>4,513</b>	<b>4,138</b>

<sup>1)</sup> Includes acquisition and integration costs of SEK -52 million for the third quarter, SEK -132 million accumulated, and SEK -208 million for the full year 2015.

### Net Sales, SEKm



### EBIT and EBIT margin



### Net financial items and tax

Net financial items amounted to SEK -95 million during the quarter (-93). Financial income decreased as a previous shareholder loan in Ancore was converted to shareholders' equity on 1 July. Financial expenses were also slightly lower.

The tax expense for the quarter was SEK 252 million (206), corresponding to a tax rate of 19.4% (17.4%). Paid tax during the quarter totalled SEK -188 million (-217).

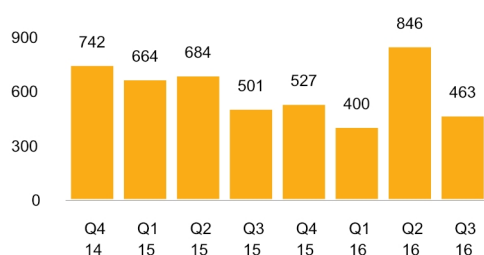
### Cash flow

Cash flow from operating activities (excluding ICA Bank) was SEK 421 million higher than in the same period a year ago. Apart from a higher underlying operating profit, the improvement is attributable to a lower increase in working capital than in 2015.

#### Consolidated cash flow statement, excluding ICA Bank

SEKm	Third quarter		Jan-Sep		12 months	Full year
	2016	2015	2016	2015	Oct 2015 - Sept 2016	2015
<b>Cash flow</b>						
<b>From operating activities before change in working capital</b>	<b>1,541</b>	<b>1,361</b>	<b>3,875</b>	<b>3,544</b>	<b>5,119</b>	<b>4,788</b>
Change in working capital	-496	-737	-836	-993	-85	-242
<b>From operating activities</b>	<b>1,045</b>	<b>624</b>	<b>3,039</b>	<b>2,551</b>	<b>5,034</b>	<b>4,546</b>
Investing activities, net	-362	-470	-911	-2,464	-186	-1,739
<b>Before financing activities</b>	<b>683</b>	<b>154</b>	<b>2,128</b>	<b>87</b>	<b>4,848</b>	<b>2,807</b>

### Capex (cash flow), SEKm



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

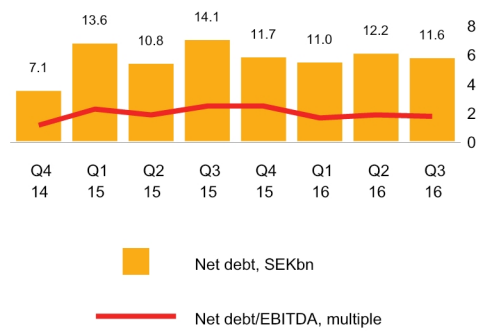
### Investments

The Group's investments amounted to SEK 463 million (501) during the quarter. Of this total, SEK 158 million (166) is attributable to the real estate company. During the third quarter ICA Real Estate sold properties for SEK 81 million (9).

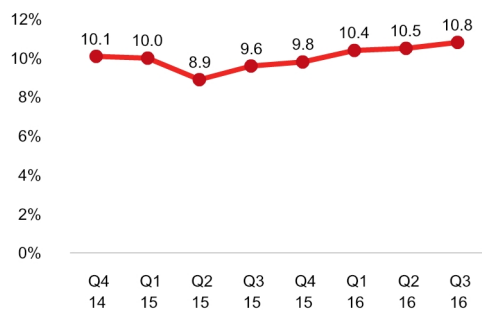
### Financial position

Consolidated net debt (excluding ICA Bank and pension liabilities) amounted to SEK 11.6 billion (14.1) at the end of the quarter. The lower level of net debt is attributable to a positive cash flow, lower capital expenditures, and divestments of properties and of inkClub. At 30 September, net debt in relation to EBITDA (rolling 12 months) was 1.8 (2.5), which is in line with the Group's long-term target of <2.0.

**Net debt and Net debt/EBITDA**



**Return on capital employed, R12**



**Important events during the quarter**

- Kerstin Lindvall was appointed as Chief Corporate Responsibility Officer and member of ICA Gruppen's management team.

**Important events after the end of the quarter**

- No significant events have taken place after the end of the quarter

# 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) stores.

## Net sales and earnings

### Third quarter 2016

ICA Sweden's net sales increased by 1.3% compared with the same period a year ago, mainly owing to higher wholesale volume. Dry Groceries, Fresh Foods, and Fruit & Vegetables were the product categories that performed best.

Operating profit excluding non-recurring items increased by 2.4% to SEK 1,020 million (996), and the operating margin grew slightly to 5.5% (5.4%). The volume effect on earnings was negative, as the increase in sales volume from the wholesale operations was countered by lower volume resulting from the sale of several store subsidiaries at the start of the year. The price effect, however, was positive, owing to assortment mix effects in the Non-food category and store subsidiaries. Logistics costs were negligibly higher than in 2015, as higher current costs were offset by a revaluation of diesel hedges, which had a positive earnings impact of SEK 31 million. Other costs decreased compared with 2015, mainly attributable to lower store costs. Profit distribution from ICA stores was SEK 15 million lower than a year ago.

### January-September 2016

ICA Sweden's net sales increased by 2.3% compared with the same period a year ago, and operating profit excluding non-recurring items rose 4.4% to SEK 2,667 million (2,554). Profit for the period included a gain of SEK 27 million related to divestment of store subsidiaries to independent retailers. The operating margin grew to 4.9% (4.8%).

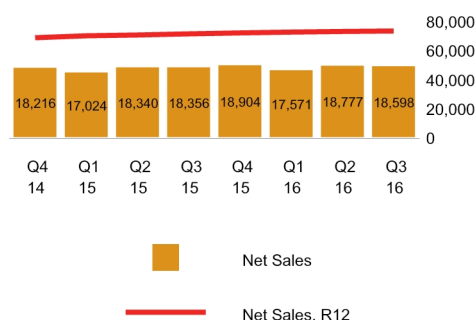
### Other

At the end of the period, 193 ICA stores were active with online sales, and a large number of stores offered the ICA Matkassen pre-packed grocery bag concept. Total online sales increased by 46% during the third quarter compared with the same period in 2015.

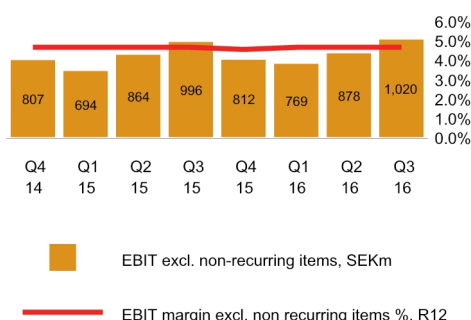
### ICA Sweden

	Third quarter		Jan-Sep		12 months	Full Year
	2016	2015	2016	2015	Oct 2015 - Sept 2016	2015
Net sales, SEKm	18,598	18,356	54,946	53,720	73,850	72,624
Operating profit before depreciation/amortisation (EBITDA), SEKm	1,124	1,102	2,990	2,850	3,924	3,784
Operating profit excl. non-recurring items, SEKm	1,020	996	2,667	2,554	3,479	3,366
Operating margin excl. non-recurring items, %	5.5	5.4	4.9	4.8	4.7	4.6
Investments, SEKm	146	173	415	527	668	780
Depreciation/amortisation, SEKm	103	106	320	296	442	418
Number of employees	—	—	7,569	8,164	—	8,242
Private label share of store sales, %	—	—	24.0	23.3	—	23.3

### Net Sales, SEKm



### EBIT and EBIT margin



## The market and ICA store sales

The Swedish grocery retail market grew by 0.1% during the third quarter, according to preliminary data from HUI Research, which will publish definitive market data for the third quarter on 28 November.

Sales (excluding VAT) for Swedish ICA stores increased by 1.6% during the quarter and by 1.3% on a like-for-like basis. The price effect, by ICA Gruppen's estimation, was 0.5% (2.8%) during the quarter. The price effect in the preceding quarter was 1.2%. Adjusted for price and calendar effects, volume growth for the quarter was 0.7%, and 0.5% on a like-for-like basis. Based on the preliminary data for total market development, ICA stores' market share increased slightly during the third quarter.

The sales growth can be credited primarily to a larger number of customer visits, but also to a higher average spend. Product categories that performed strongly during the quarter included Flowers, Beverages, and Bakery. In the Non-food area, the Kitchen and Home categories showed the best performance, while total non-food sales were down slightly during the quarter. Sales of organic products continued to grow, as did sales via the ICA online channel.

Private label products as a share of accumulated sales amounted to 24.0% (23.3%).

Emphasis in 2016 is 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 on further improving precision in customer-specific offers via the loyalty programme.

Three new stores opened during the third quarter, entailing that a total of eight new stores have opened during the year to date. In all, 17 new stores are planned to be established in 2016, compared with ten in 2015.

## ICA store sales, incl. retailer-owned stores

### Store sales in Sweden

Store sales excl. VAT	Third quarter 2016			January-September 2016		
	SEKm	Change all stores, %	Change like-for-like, %	SEKm	Change all stores, %	Change like-for-like, %
Maxi ICA Stormarknad	8,346	1.9	1.5	24,939	3.4	2.6
ICA Kvantum	6,656	1.6	1.1	19,908	2.8	2.4
ICA Supermarket	8,662	1.2	1.0	25,193	2.2	2.1
ICA Nära	4,475	2.0	2.0	12,604	3.2	3.5
<b>Total</b>	<b>28,137</b>	<b>1.6</b>	<b>1.3</b>	<b>82,644</b>	<b>2.8</b>	<b>2.5</b>

### Number of stores in Sweden

Format	December 2015	New	Converted	Closed	September 2016
Maxi ICA Stormarknad	81	0	0	0	81
ICA Kvantum	123	0	0	0	123
ICA Supermarket	431	3	-1	-3	430
ICA Nära	671	5	1	-16	661
<b>Total</b>	<b>1,306</b>	<b>8</b>	<b>0</b>	<b>-19</b>	<b>1,295</b>

## Rimi Baltic

Rimi Baltic conducts grocery retail business via 262 wholly owned stores in Estonia, Latvia and Lithuania. Rimi Baltic includes the Rimi Hypermarket and Rimi Supermarket store formats, and the Säästumarket and Supernetto discount chains. Rimi Baltic also includes the properties owned by the Group in the Baltic countries.

### Net sales and earnings

#### Third quarter 2016

The total market for the three Baltic countries grew 1.9% during the third quarter. Inflation during the quarter was approximately 2.1%, which was a higher rate than during the preceding quarter, when inflation was 1.5%.

Rimi Baltic's net sales increased by 5.2% during the quarter; the increase in local currency was 4.4%. The price and volume effect was roughly as large. The increase in volume was attributable to new and converted stores, while price increases for certain products and an improved mix had a positive effect during the quarter. On a like-for-like basis, sales decreased by -0.6%. In Latvia, like-for-like performance for Rimi Supermarkets and the SuperNetto discount format was slightly weaker, while performance in Lithuania is explained in part by weaker growth in the market and in part by higher competition from newly opened Lidl stores. Estonia had good sales performance both in total and on a like-for-like basis. During the quarter Rimi Baltic opened three new stores, and compared with the same period in 2015 the number of stores increased by ten. Taken overall, Rimi Baltic continued to grow its market share in the region.

Gross profit improved, and operating profit before non-recurring items rose 22% to SEK 134 million (110). The earnings improvement is attributable to both price and volume. More effective campaigns, improved purchasing prices and higher store productivity also contributed to the earnings growth. This development was countered to some degree by higher store costs, mainly owing to new stores and higher personnel costs. The operating margin widened to 4.0% (3.4%).

#### January-September 2016

Rimi Baltic's net sales increased by 6.6% during the period; the increase in local currency was 6.0%. The increase was driven primarily by new and converted stores.

Operating profit excluding non-recurring items rose 25% to SEK 359 million (287). The earnings improvement is mainly attributable to better price and campaign margins, but also to higher volume and improved productivity. The operating margin widened to 3.6% (3.1%).

## Other

Profit for the quarter included a net earnings effect of SEK -3 million (-4) from the sale of properties and impairment of property values, which is reported as a non-recurring item.

### Rimi Baltic

	Third quarter		Jan-Sep		12 months	Full year
	2016	2015	2016	2015	Oct 2015 - Sept 2016	2015
Net sales, SEKm	3,363	3,196	9,876	9,264	13,244	12,632
Operating profit before depreciation/ amortisation (EBITDA), SEKm	212	182	590	567	830	807
Operating profit excl. non-recurring items, SEKm	134	110	359	287	487	415
Operating margin excl. non-recurring items, %	4.0	3.4	3.6	3.1	3.7	3.3
Investments, SEKm	89	112	256	283	357	384
Depreciation/amortisation, SEKm	78	72	225	216	299	290
Number of employees	—	—	9,624	9,361	—	9,562
Private label share of sales, %	—	—	22.6	21.3	—	21.3
EUR/SEK exchange rate, average	9,5088	9,4343	9,3708	9,3717	9,3530	9,3528

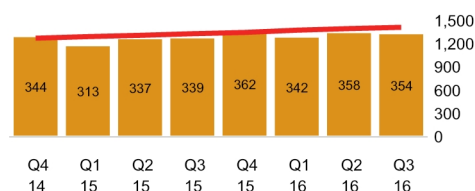
### Store sales in the Baltic countries

	Third quarter 2016			January-September 2016		
	EURm	Change all stores	Change like-for-like,	EURm	Change all stores	Change like-for-like
Store sales excl. VAT						
Estonia	97	5.5	2.3	286	5.4	3.1
Latvia	178	3.1	-1.0	530	5.0	0.4
Lithuania	77	5.7	-3.0	232	12.1	1.8
<b>Total</b>	<b>352</b>	<b>4.3</b>	<b>-0.6</b>	<b>1,048</b>	<b>6.6</b>	<b>1.4</b>

### Number of stores in Baltic countries

Country	December 2015	New	Closed	September 2016
Estonia	87	4	-3	88
Latvia	117	2	-1	118
Lithuania	52	6	-2	56
<b>Total</b>	<b>256</b>	<b>12</b>	<b>-6</b>	<b>262</b>

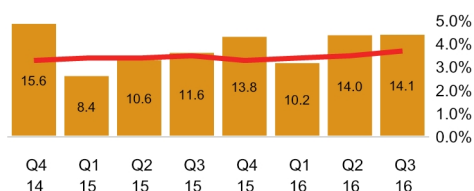
### Net Sales, EURm



Net Sales

Net Sales, R12

### EBIT and EBIT margin



EBIT excl. non-recurring items, EURm

EBIT margin excl. non-recurring items %, R12



# Apotek Hjärtat

Apotek Hjärtat has been part of ICA Gruppen since the start of 2015. With 388 pharmacies in Sweden, Apotek Hjärtat is the second-largest player in the Swedish pharmacy market.

## Net sales and earnings

### Third quarter 2016

The total pharmacy market in Sweden grew 4.4% during the third quarter compared with the same period in 2015. Traded goods showed the highest growth, at 6.7%.

Net sales for the quarter amounted to SEK 3,021 million (3,113). Net sales for the corresponding period a year ago included SEK 261 million from the divested Care and Nursing unit and Apovet. Adjusted for these divested operations, Apotek Hjärtat's sales growth during the third quarter was 6.9%, mainly driven by favourable volume growth in like-for-like pharmacies at grocery store locations and by new pharmacies. Operating profit excluding non-recurring items was SEK 129 million (85). Operating profit for the corresponding period a year ago included acquisition and integration costs of SEK 52 million and operating profit of approximately SEK 4 million from divested operations. The underlying operating profit thus decreased by 3%, or SEK 4 million. A considerably improved gross profit driven by higher sales volume and lower purchasing prices was countered by higher costs associated with newly opened pharmacies, higher marketing costs, and higher costs for, among other things, ongoing work with Apotek Hjärtat's online channel. The operating margin was 4.3% (2.7%).

The business focus continues to be on achieving greater sales in newly established and like-for-like pharmacies, higher pace in pharmacy renewals, expanding the e-commerce channel, launching more private label products, conducting initiatives to strengthen the position in Health, developing the Minute Clinics, and achieving more efficient logistics.

### January-September 2016

Net sales for the period increased to SEK 9,333 (9,108). Operating profit excluding non-recurring items totalled SEK 334 million (189). Operating profit for the corresponding period a year ago included acquisition and integration costs of SEK 132 million. Underlying earnings growth was thus SEK 13 million, or 4%. The operating margin was 3.6% (2.1%).

#### Apotek Hjärtat

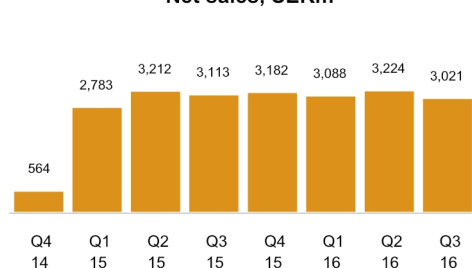
	Third quarter		Jan-Sep		12 months	Full year
	2016	2015	2016	2015	Oct 2015 - Sept 2016	2015
Net sales, SEKm	3,021	3,113	9,333	9,108	12,515	12,290
Of which, prescription drugs	2,214	2,360	6,889	6,802	9,280	9,193
Of which, OTC drugs	343	323	1,063	1,010	1,398	1,345
Of which, other products and services	464	430	1,381	1,296	1,837	1,752
Operating profit before depreciation/ amortisation (EBITDA), SEKm	165	125	434	300	488	354
Operating profit excl. non-recurring items, SEKm	129	85	334	189	354	209
Operating margin excl. non-recurring items, %	4.3	2.7	3.6	2.1	2.8	1.7
Investments, SEKm	45	15	132	39	188	95
Depreciation/amortisation, SEKm	34	39	99	110	144	155
Number of employees	—	—	3,227	3,120	—	3,113
Private label share of other products, %	—	—	17.1	17.0	—	14.2

#### Number of pharmacies

	December 2015	New*	Closed*	September 2016
Apotek Hjärtat	390	12	-14	388

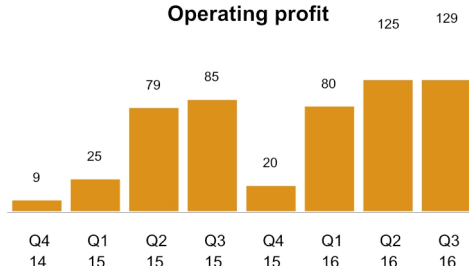
\*of New 4 are acquired and of Closed 10 are divested

#### Net sales, SEKm



Net sales (2014 only Cura)

#### Operating profit



EBIT excl. non-recurring items (2014 only Cura), SEKm

# 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

### Third quarter 2016

Net sales were slightly lower during the quarter compared with a year ago and totalled SEK 594 million (600). The addition of rental income during the period from new investments was lower than the effect of the divestments made in Norway and Sweden.

Operating profit excluding non-recurring items was higher than a year ago, however, at SEK 142 million (134), which is due to a higher earnings contribution from joint ventures, lower operating costs and lower depreciation on account of the fact that depreciation is no longer charged for the Norwegian properties, which are all held for sale. The discontinuation of depreciation generated an earnings effect of SEK 22 million compared with the same quarter a year ago.

### January-September 2016

Net sales for the period totalled SEK 1,769 million (1,776). Operating profit excluding non-recurring items was slightly higher than for the same period in 2015, SEK 352 million (344).

## Valuation of property holdings

An appraisal of all Swedish properties was carried out during the quarter. The market value of the wholly owned properties was appraised at SEK 12.2 billion (book value SEK 9.8 billion). Added to this are properties that are partly owned by ICA Real Estate through three joint ventures: Långeberga logistics, SEK 1.8 billion; Ancore Fastigheter, SEK 5.8 billion; and Secore Fastigheter, SEK 1.1 billion. The book value of the partly owned properties is SEK 1.6 billion, SEK 4.7 billion and SEK 1.1 billion, respectively. ICA Real Estate's share of ownership in all three companies is 50%.

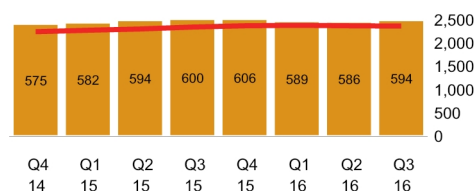
## Other

Capital gains of SEK 14 million (4) on sales of properties and impairment losses of SEK -1 million (-43) for property values are reported as non-recurring items. Sales of individual properties in Norway continued during the quarter, and the sales process for the remaining properties is currently in progress. These properties are reported as assets held for sale as of 31 March 2016 and are at the same time no longer depreciated. The book value was SEK 1.6 billion as per 30 September.

### ICA Real Estate

	Third quarter		Jan-Sep		12 months	Full year
	2016	2015	2016	2015	Oct 2015 - Sept 2016	2015
Net sales, SEKm	594	600	1,769	1,776	2,375	2,382
Of which, rental income from owned properties, SEKm	281	308	833	894	1,126	1,187
Operating profit before depreciation/ amortisation (EBITDA), SEKm	270	266	778	743	1,180	1,145
Operating profit excl. non-recurring items, SEKm	142	134	352	344	464	456
Operating margin excl. non-recurring items, %	23.9	22.3	19.9	19.4	19.5	19.1
Investments, SEKm	158	166	823	782	965	924
Divestments, SEKm	81	9	388	9	1,557	1,178
Depreciation/amortisation, SEKm	114	129	354	396	482	524
Yield, %	—	—	7.1	7.2	—	7.4
Occupancy rate, %	—	—	98.4	98.3	—	98.3
Number of owned properties	—	—	176	189	—	175
Number of owned square metres, 000 sq. m.	—	—	732	843	—	768
Number of employees	—	—	87	85	—	86

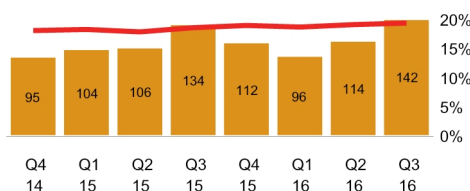
Net Sales, SEKm



Net Sales

Net Sales, R12

EBIT and EBIT margin



EBIT excl. non-recurring items, SEKm

EBIT margin excl. non-recurring items %, R12

# ICA Bank

ICA Bank offers a full range of financial services and insurance 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

### Third quarter 2016

ICA Bank's revenue during the quarter was at the same level as in the third quarter a year ago. The bank's underlying revenue was slightly lower, however, this was offset by a positive contribution by ICA Insurance, which was started at the end of 2015. The reported decrease in revenue by SEK 32 million to SEK 189 million (221) was due entirely to a change in accounting for reinsurance costs. ICA Bank's underlying level of revenue was affected by lower net interest income and lower net commissions, while total business volume continued to grow, especially for home mortgages and deposits.

Operating profit excluding non-recurring items totalled SEK 21 million (48). Compared with a year ago, earnings were negatively affected by lower card revenue and a decrease in cash withdrawals as well as by a lower repo rate. In addition, loan losses increased by SEK 7 million. The insurance business, which is still in a start-up phase, made a negative earnings contribution that was at the same level as a year ago. The start-up of the insurance company is proceeding according to plan, however, and the number of customers is growing at a good rate.

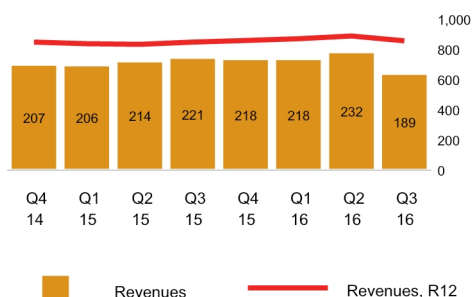
A number of activities and measures have been carried out and are currently in progress in the bank to reverse this trend. Among other things, costs reductions and a new fee structure is partly compensating for lower card revenues. The bank has also launched ICA Bank företag (business banking services) for ICA retailers in Sweden.

### January-September 2016

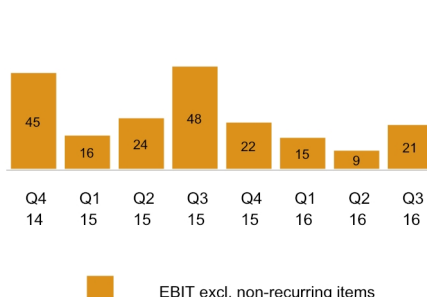
Revenue was level with the preceding year at SEK 639 million (641), and operating profit excluding non-recurring items decreased to SEK 45 million (88). The earnings decline is due to lower net interest income, lower card revenues and the start-up of ICA Insurance. These factors were partly compensated by lower costs.

ICA Bank	Third quarter		Jan-Sep		12 months	Full year
	2016	2015	2016	2015	Oct 2015 - Sept 2016	2015
Revenues, SEKm	189	221	639	641	857	859
Of which, net interest income, SEKm	96	102	290	303	382	395
Operating profit before depreciation/ amortisation (EBITDA), SEKm	29	55	68	109	365	406
Operating profit excl. non-recurring items, SEKm	21	48	45	88	67	110
C/I ratio, %	—	—	88.1	83.4	—	84.0
Return on equity, %	—	—	16.0	7.0	—	19.3
Loan loss ratio, %	—	—	-0.6	-0.3	—	1.9
Common Equity Tier I ratio, % (ICA Banken AB)	—	—	17.3	17.2	—	18.0
Business volume, SEKm	—	—	31,280	28,110	—	28,859
Number of employees	—	—	355	334	—	338

Revenues, SEKm



EBIT excl. non-recurring items, SEKm



# Other segments

Hemtex is a home textile retail chain with stores in Sweden, Finland and Estonia. With a total of 159 stores, Hemtex is the Nordic region's leading home textile chain.

## Net sales and earnings

### Third quarter 2016

Hemtex's net sales were slightly lower than in the same period a year ago. A positive price effect was countered by lower volumes attributable to a lower number of customers. Operating profit before non-recurring items was SEK 9 million lower than the same period a year ago, totalling SEK -1 million (8). Part of the difference is attributable to a positive exchange rate effect of approximately SEK 6 million during the same period a year ago, while the earnings decrease in general is attributable to slightly higher costs.

A comprehensive, strategic review is currently being carried out in the aim of achieving long-term sustainable profitability.

### January-September 2016

Hemtex's net sales were slightly lower than in the same period a year ago and totalled SEK 705 million (729). Operating profit excluding non-recurring items was slightly lower than in the same period a year ago, totalling SEK -52 million (-50). This performance is mainly explained by lower sales volume, which was compensated by improved gross margins. In addition, costs were slightly higher, which is partly attributable to the ongoing strategic review.

### Other

inkClub was divested during the second quarter, and the transaction was completed on 29 June 2016. The company's contribution to net sales and operating profit excluding non-recurring items until this date in 2016 is shown in the table below. The outcome for the period January–September a year ago also includes Cervera, which was divested in April 2015.

Other segments	Third quarter		Jan-Sep		12 months	Full year
	2016	2015	2016	2015	Oct 2015 - Sept 2016	2015
Net sales, SEKm	252	380	947	1,294	1,453	1,800
Operating profit/loss after depreciation/ amortisation (EBITDA), SEKm	5	30	-41	-51	8	-2
Operating profit/loss excl. non-recurring items, SEKm	-1	18	-33	-71	6	-32
Operating margin excl. non-recurring items, %	-0.4	4.7	-3.5	-5.5	0.4	-1.8
Investments, SEKm	2	3	10	27	16	33
Depreciation/amortisation, SEKm	6	10	22	31	32	41
Number of employees	—	—	620	752	—	725

Other segments	Third quarter		Jan-Sep		12 months	Full year
	2016	2015	2016	2015	Oct 2015 - Sept 2016	2015
Net sales, SEKm	252	266	705	729	1,084	1,108
Hemtex	252	266	705	729	1,084	1,108
inkClub	—	114	242	376	369	503
Other companies	—	—	—	189	—	189
Total	252	380	947	1,294	1,453	1,800

Other segment	Third quarter		Jan-Sep		12 months	Full year
	2016	2015	2016	2015	Oct 2015 - Sept 2016	2015
Operating profit excl. non-recurring items, SEKm	-1	8	-52	-50	-25	-23
Hemtex	-1	8	-52	-50	-25	-23
inkClub	—	10	19	2	31	14
Other companies	—	—	—	-23	—	-23
Total	-1	18	-33	-71	6	-32

Store sales	Third quarter 2016			January-September 2016		
	SEKm	Change all stores, %	Change like-for-like, %	SEKm	Change all stores	Change like-for-like
Store sales excl. VAT, SEKm	262	-4.0	-6.3	736	-1.6	-4.1
Hemtex	262	-4.0	-6.3	736	-1.6	-4.1

Number of stores, incl. franchise stores	December 2015	New	Closed	September 2016
	162	1	-4	159
Hemtex	162	1	-4	159

## 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 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.

ICA Gruppen has significant exposure to the Swedish and Baltic grocery retail sector, and to the Swedish pharmacy market. An economic downturn 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 54-57 of ICA Gruppen's 2015 Annual Report.

### Related party transactions

No significant transactions took place between ICA Gruppen and related parties during the quarter.

## Share information

ICA Gruppen's share capital amounts to SEK 502,866,988, distributed among 201,146,795 shares, each with a share quota value of SEK 2.50. All shares have the same voting rights and carry equal dividend entitlement.

Ownership structure – Largest identified shareholders in ICA Gruppen as per		30 Sept	30 Sept
	Number of shares	Share of capital and votes, %	
ICA-handlarnas förbund	103,163,599	51.3%	
Industrivärden	20,625,000	10.3%	
SEB Investment Management	2,792,289	1.4%	
L Jönsson	1,262,649	0.6%	
Pensionskassan SHB försäkringsförening	900,000	0.4%	
Folksam	799,819	0.4%	
Spiltan fonder	666,081	0.3%	
C-G Sylvén	657,889	0.3%	
U Davidson	630,000	0.3%	
Kåpan pensioner	570,000	0.3%	
<b>Ten largest shareholders total</b>	<b>132,067,326</b>	<b>65.7%</b>	
Other Swedish shareholders	51,198,024	25.4%	
Other foreign shareholders	17,881,445	8.9%	
<b>Total</b>	<b>201,146,795</b>	<b>100.0%</b>	

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

## Annual General Meeting 2017

The 2017 Annual General Meeting will be held on 7 April at Stockholm Waterfront.

### Nomination Committee appointed

ICA Gruppen's 2016 Annual General Meeting resolved that the Nomination Committee shall consist of four members who represent the company's shareholders. Two members are to be appointed by the largest shareholder, and two members are to be appointed by the next two largest shareholders (as per 31 August 2016). The three largest shareholders as per the end of August 2016 were ICA-handlarnas Förbund, Industrivärden and SEB Investment Management. These three shareholders together represent approximately 63% of the capital and votes in ICA Gruppen.

ICA-handlarnas Förbund is represented by Claes Ottosson and Anna-Karin Liljeholm, while Industrivärden is represented by Annika Lundius, and SEB Investment Management by Hans Ek.

Shareholders who wish to submit proposals and views regarding the work of the Nomination Committee are requested to do so as soon as possible, but not later than 3 February 2017, to ICA Gruppen AB (publ), Valberedningen, c/o Koncernjuridik, SE-171 93 Solna.

# Parent Company

As per 1 February 2016 ICA Gruppen AB acquired assets and liabilities from the subsidiary ICA Finans AB as a step in combining ICA Gruppen's entire treasury function within the Group's parent company. All assets and liabilities were acquired at fair market value. Previously, the Parent Company's revenues from Group companies were recognised as reduced costs. These revenues and expenses are now reported gross. Figures for previous years have been adjusted accordingly.

## **Third quarter 2016**

The Parent Company's net sales amounted to SEK 175 million (215). Profit before tax amounted to SEK 2,569 million (2,840). The acquisition of assets and liabilities from ICA Finans AB has increased total assets and improved net financial items.

## **January-September 2016**

The Parent Company's net sales amounted to SEK 593 million (646). Profit before tax amounted to SEK 2,747 million (3,276). The acquisition of assets and liabilities from ICA Finans AB has increased total assets and improved net financial items. Dividends received from subsidiaries were SEK 800 million lower than in the preceding year.

# Financial statements

## Consolidated statement of comprehensive income

SEKm	Note	Third quarter		Jan-Sep		12 months	Full year
		2016	2015	2016	2015	Oct 2015 - Sept 2016	2015
Net sales		25,752	25,517	76,735	74,732	103,224	101,221
Cost of goods sold		-22,236	-21,963	-66,480	-64,590	-89,394	-87,504
<b>Gross profit</b>		<b>3,516</b>	<b>3,554</b>	<b>10,255</b>	<b>10,142</b>	<b>13,830</b>	<b>13,717</b>
Other operating income		129	123	355	358	901	904
Selling expenses		-1,617	-1,640	-5,019	-5,118	-6,867	-6,966
Administrative expenses		-639	-665	-2,068	-2,091	-2,786	-2,809
Other operating expenses		-5	-98	-59	-183	-143	-267
Share of profits of associates and joint ventures	2	12	4	25	12	28	15
<b>Operating profit</b>	3	<b>1,396</b>	<b>1,278</b>	<b>3,489</b>	<b>3,120</b>	<b>4,963</b>	<b>4,594</b>
Financial income		2	10	22	32	32	42
Financial expenses		-97	-103	-298	-320	-389	-411
<b>Net finance</b>		<b>-95</b>	<b>-93</b>	<b>-276</b>	<b>-288</b>	<b>-357</b>	<b>-369</b>
<b>Profit before tax</b>		<b>1,301</b>	<b>1,185</b>	<b>3,213</b>	<b>2,832</b>	<b>4,606</b>	<b>4,225</b>
Tax		-252	-206	-600	-538	-566	-504
<b>Profit for the period from continuing operations</b>		<b>1,049</b>	<b>979</b>	<b>2,613</b>	<b>2,294</b>	<b>4,040</b>	<b>3,721</b>
Profit/loss from discontinued operations		21	1	21	1,190	23	1,192
<b>Profit for the period</b>		<b>1,070</b>	<b>980</b>	<b>2,634</b>	<b>3,484</b>	<b>4,063</b>	<b>4,913</b>
<b>Other comprehensive income, items that may not be reclassified to profit or loss</b>							
Remeasurement defined benefit pensions		-110	—	-210	103	-86	227
<b>Other comprehensive income, items that may be reclassified to profit or loss, net after tax</b>							
Change in translation reserve		98	-7	199	-68	101	-166
Change in hedging reserve		22	3	33	-118	62	-89
Share of other comprehensive income of joint ventures		5	-6	-6	3	3	12
<b>Total items that may be reclassified to profit or loss</b>		<b>125</b>	<b>-10</b>	<b>226</b>	<b>-183</b>	<b>166</b>	<b>-243</b>
<b>Comprehensive income for the period</b>		<b>1,085</b>	<b>970</b>	<b>2,650</b>	<b>3,404</b>	<b>4,143</b>	<b>4,897</b>
<b>Profit for the period attributable to</b>							
Owners of the parent		1,069	972	2,632	3,425	4,062	4,855
Non-controlling interests		1	8	2	59	1	58
<b>Comprehensive income for the period attributable to</b>							
Owners of the parent		1,081	968	2,653	3,348	4,143	4,838
Non-controlling interests		4	2	-3	56	0	59
<b>Earnings per share, SEK<sup>1</sup></b>							
Ordinary share		5.31	4.83	13.08	17.03	20.19	24.14
Ordinary share, continuing operations		5.21	4.83	12.98	11.11	20.08	18.21
Ordinary share, discontinued operations		0.10	0.00	0.10	5.92	0.11	5.93

<sup>1</sup> Earnings per share have decreased by an amount corresponding to the dividend to preference shareholders in ICA Fastigheter Sverige AB. The effect is SEK 0.19 per share per quarter through the second quarter of 2015.

## Condensed consolidated statement of financial position

	Note	30 Sept 2016	30 Sept 2015	31 December 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill		16,301	16,294	16,301
Trademarks		13,359	13,653	13,630
Other intangible assets		1,007	979	978
Interests in joint ventures and associates	2	743	759	758
Deferred tax assets		458	306	456
Lending and investments in ICA Bank		8,856	6,575	6,962
Land, buildings and investment properties		13,477	14,674	14,546
Other non-current assets		2,122	2,124	2,200
<b>Total non-current assets</b>		<b>56,323</b>	<b>55,364</b>	<b>55,831</b>
<b>Current assets</b>				
Inventories		4,356	4,400	4,452
Lending and investments in ICA Bank		2,581	3,119	2,918
Other current assets		6,394	5,921	6,766
Cash and cash equivalents in ICA Bank		3,089	3,937	3,875
Cash and cash equivalents		362	361	736
<b>Total current assets</b>		<b>16,782</b>	<b>17,738</b>	<b>18,747</b>
Assets held for sale	4	1,675	1,440	338
<b>TOTAL ASSETS</b>		<b>74,780</b>	<b>74,542</b>	<b>74,916</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>		<b>28,705</b>	<b>26,801</b>	<b>28,075</b>
<b>Non-current liabilities</b>				
Provisions		2,511	2,321	2,159
Deferred tax liabilities		4,584	4,927	4,919
Non-current interest-bearing liabilities		7,706	9,726	7,721
Other non-current liabilities		168	183	146
<b>Total non-current liabilities</b>		<b>14,969</b>	<b>17,157</b>	<b>14,945</b>
<b>Current liabilities</b>				
Deposits ICA Bank		12,822	11,726	11,966
Current interest-bearing liabilities		4,068	4,768	4,712
Other current liabilities		14,038	13,963	15,199
<b>Total current liabilities</b>		<b>30,928</b>	<b>30,457</b>	<b>31,877</b>
Liabilities held for sale	4	178	127	19
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>74,780</b>	<b>74,542</b>	<b>74,916</b>
<b>Pledged assets</b>		<b>1,283</b>	<b>1,601</b>	<b>1,298</b>
<b>Contingent liabilities</b>		<b>94</b>	<b>96</b>	<b>100</b>



## Condensed consolidated statement of cash flows

SEKm	Note	Third quarter		Jan-Sep		12 months	Full year
		2016	2015	2016	2015	Oct 2015 - Sept 2016	2015
Operating profit		1,396	1,267	3,489	4,275	4,964	5,750
Depreciation, amortisation and impairment		372	429	1,174	1,181	1,590	1,597
Other non-cash items		-24	-76	-157	-1,221	-605	-1,669
Income tax paid		-188	-217	-600	-653	-776	-829
<b>Cash flow from operating activities before change in working capital</b>		<b>1,556</b>	<b>1,403</b>	<b>3,906</b>	<b>3,582</b>	<b>5,173</b>	<b>4,849</b>
Change in working capital:							
Inventories		185	-68	39	-65	-53	-157
Current receivables		159	41	359	-504	-187	-1,050
Current liabilities		-941	-733	-869	-257	429	1,041
ICA Bank's net of deposits, lending and investments		-409	313	-702	1,227	-767	1,162
<b>Cash flow from operating activities</b>		<b>550</b>	<b>956</b>	<b>2,733</b>	<b>3,983</b>	<b>4,595</b>	<b>5,845</b>
Acquisitions of property, plant and equipment and intangible assets		-463	-501	-1,709	-1,849	-2,236	-2,376
Sales of property, plant and equipment and intangible assets		95	6	421	210	1,818	1,607
Acquisition of Apotek Hjärtat		—	—	—	-3,499	—	-3,499
Sales of subsidiaries		—	—	329	2,600	385	2,656
Investments in joint ventures		-663	—	-663	—	-801	-138
Change in financial assets		662	7	662	5	660	3
Interest received		-1	9	19	29	30	40
<b>Cash flow from investing activities</b>		<b>-370</b>	<b>-479</b>	<b>-941</b>	<b>-2,504</b>	<b>-144</b>	<b>-1,707</b>
Sale of treasury shares		—	—	—	43	—	43
Acquisition of shares in Hemtex AB		—	—	—	—	-219	-219
Dividend paid		—	-38	-2,012	-1,243	-2,012	-1,243
Redemption of preference shares		—	-3,300	—	-3,300	—	-3,300
Change in loans		-584	3,194	-622	1,320	-2,722	-780
Interest paid		-45	-53	-219	-278	-309	-368
<b>Cash flow from financing activities</b>		<b>-629</b>	<b>-197</b>	<b>-2,853</b>	<b>-3,458</b>	<b>-5,262</b>	<b>-5,867</b>
<b>Cash flow for the period</b>	5	<b>-449</b>	<b>280</b>	<b>-1,061</b>	<b>-1,979</b>	<b>-811</b>	<b>-1,729</b>
Cash and cash equivalents at start of period		3,942	3,973	4,611	6,258	4,298	6,258
Exchange differences in cash and cash equivalents		-42	45	-99	19	-36	82
<b>Cash and cash equivalents at end of period</b>	5	<b>3,451</b>	<b>4,298</b>	<b>3,451</b>	<b>4,298</b>	<b>3,451</b>	<b>4,611</b>

### Disclosure on cash flow from discontinued operations

ICA Norway's operating profit amounted to SEK 0 million (1) for the third quarter and SEK 0 million (1,167) accumulated. ICA Norway's cash flow is included in cash flow from operating activities in the amount of SEK 0 million (1) for the third quarter and SEK 0 million (122) accumulated, in cash flow from investing activities in the amount of SEK 0 million (-1) for the third quarter and SEK 0 million (2,448) accumulated, and in cash flow from financing activities in the amount of SEK 0 million (0) for the second quarter and SEK 0 million (-1) 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 2016		28,041	34	28,075
Change in non-controlling interests		—	-8	-8
Dividend		-2,012	—	-2,012
Comprehensive income for the period		2,653	-3	2,650
<b>Closing equity, 30 Sept 2016</b>		<b>28,682</b>	<b>23</b>	<b>28,705</b>

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
Dividend		-1,130	-113	-1,243
Divestment of treasury shares		43	—	43
Early redemption of preference shares		-300	-3,000	-3,300
Comprehensive income for the period		3,348	56	3,404
<b>Closing equity, 30 Sept 2015</b>		<b>26,667</b>	<b>134</b>	<b>26,801</b>

# Supplementary disclosures – Group

## NOTE 1, ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting principles and calculation methods are the same as those applied in the 2015 Annual Report. For 2016 only a few amendments have been published by IASB and IFRIC. These amendments have not had any material 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 April 2016 IASB published clarifications of certain parts of IFRS 15. IFRS 15 is expected to be endorsed by the EU during the fourth quarter of 2016, with subsequent clarifications during the first half of 2017. 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 during the year. 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 currently assessing the effects of IFRS 9, particularly with respect to measurement of loan losses. IFRS 9 is expected to be endorsed by the EU during the fourth quarter of 2016.

IFRS 16 *Leasing* was published in January 2016. Provided that the EU endorses the standard, which is expected to happen in 2017, 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*. Classification of a lease as an operating lease or finance lease has been changed in IFRS 16 and is to be based on the leased asset instead of on the underlying asset. 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 has begun work on implementation of IFRS 16, which involves an analysis of the standard and its effect on ICA Gruppen's financial statements. At present it is not possible to quantify the effects of implementation of IFRS 16, however, implementation will have a significant 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 30 Sept		Share of profit Jul. - Sept.	
	2016	2015	2016	2015
Ancore Fastigheter AB	650	756	19	12
Secore Fastigheter AB	90	—	5	—
Fastighetsaktiefbolaget Postgården AB	3	3	—	—
Other	—	—	1	—
<b>Total</b>	<b>743</b>	<b>759</b>	<b>25</b>	<b>12</b>

### 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.

Ancore Fastigheter AB	Third quarter		Jan-Sep		Full year
	2016	2015	2016	2015	2015
SEKm					
Income	99	97	296	293	391
Expenses	-40	-40	-124	-123	-164
<b>Operating profit</b>	<b>59</b>	<b>57</b>	<b>172</b>	<b>170</b>	<b>227</b>
Net financial items	-23	-45	-110	-133	-178
Tax	-13	-3	-22	-14	-21
<b>Profit for the period</b>	<b>23</b>	<b>9</b>	<b>40</b>	<b>23</b>	<b>28</b>
Other comprehensive income	10	-11	-13	7	25
<b>Comprehensive income for the period</b>	<b>33</b>	<b>-2</b>	<b>27</b>	<b>30</b>	<b>53</b>
Non-current assets			4,699	4,781	4,772
Current assets			128	99	85
<b>Total assets</b>			<b>4,827</b>	<b>4,880</b>	<b>4,857</b>
Equity			1,234	-82	-59
Shareholder loan			0	1,526	1,326
Non-current liabilities			3,273	3,200	3,275
Current liabilities			320	236	315
<b>Total equity and liabilities</b>			<b>4,827</b>	<b>4,880</b>	<b>4,857</b>

#### 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.

Secore Fastigheter AB	Third quarter		Jan-Sep		Full year
	2016	2015	2016	2015	2015
SEKm					
Income	20	—	58	—	6
Expenses	-14	—	-32	—	-3
<b>Operating profit</b>	<b>6</b>	<b>—</b>	<b>26</b>	<b>—</b>	<b>3</b>
Net financial items	-5	—	-19	—	-2
Tax	-2	—	-6	—	-1
<b>Profit for the period</b>	<b>-1</b>	<b>—</b>	<b>1</b>	<b>—</b>	<b>—</b>
Other comprehensive income	—	—	—	—	—
<b>Comprehensive income for the period</b>	<b>-1</b>	<b>—</b>	<b>1</b>	<b>—</b>	<b>—</b>
Non-current assets			1,098	—	1,113
Current assets			55	—	50
<b>Total assets</b>			<b>1,153</b>	<b>—</b>	<b>1,163</b>
Equity			59	—	58
Shareholder loan			410	—	410
Non-current liabilities			657	—	654
Current liabilities			27	—	41
<b>Total equity and liabilities</b>			<b>1,153</b>	<b>—</b>	<b>1,163</b>

### NOTE 3, NON-RECURRING ITEMS

SEKm	Third quarter		Jan-Sep		Full year
	2016	2015	2016	2015	2015
<b>Operating profit excl. non-recurring items</b>	<b>1,376</b>	<b>1,321</b>	<b>3,489</b>	<b>3,114</b>	<b>4,138</b>
<b>Capital gains on sale of non-current assets</b>					
Other segments, Forma	—	—	—	-7	-7
Other segments, inkClub	—	—	-30	2	2
Other segments, Cervera	—	—	—	-8	-8
ICA Real Estate	14	4	72	4	165
Rimi Baltic	1	—	6	64	102
Apotek Hjärtat	—	—	—	—	-10
ICA Bank	—	—	—	—	267
Others	10	—	11	2	3
<b>Impairment</b>					
ICA Real Estate	-1	-43	-54	-46	-49
Rimi Baltic	-4	-4	-5	-5	-9
<b>Operating profit</b>	<b>1,396</b>	<b>1,278</b>	<b>3,489</b>	<b>3,120</b>	<b>4,594</b>

### NOTE 4, ASSETS AND LIABILITIES HELD FOR SALE

As per 30 September 2016, all properties in Norway, one property in Sweden, and two properties in the Baltic countries are reported as assets held for sale. Liabilities held for sale pertain to the Norwegian properties.

As per 30 September 2015, 13 properties in Sweden and 13 properties in Norway, as well as Apotek Hjärtat's care and nursing business, were reported as assets held for sale. Liabilities held for sale consisted of liabilities belonging to Apotek Hjärtat's care and nursing business.

As per 31 December 2015, 13 properties in Sweden, Norway and the Baltic countries were reported as assets held for sale. Liabilities held for sale consisted of a provision for a property in Norway.

### NOTE 5, CONSOLIDATED CASH FLOW STATEMENT

January–September, SEKm	Group 2016	ICA Bank 2016	Group excl. Bank
<b>Cash flow from operating activities before change in working capital</b>	<b>3,906</b>	<b>31</b>	<b>3,875</b>
Change in working capital			
Inventories	39	0	39
Current receivables	359	136	223
Current liabilities	-869	229	-1,098
ICA Bank's net of deposits, lending and investments	-702	-702	—
<b>Cash flow from operating activities</b>	<b>2,733</b>	<b>-306</b>	<b>3,039</b>
<b>Cash flow from investing activities</b>	<b>-941</b>	<b>-30</b>	<b>-911</b>
<b>Cash flow from financing activities</b>	<b>-2,853</b>	<b>-450</b>	<b>-2,403</b>
<b>Cash flow for the period</b>	<b>-1,061</b>	<b>-786</b>	<b>-275</b>
Cash and cash equivalents at the beginning of the period	4,611	3,875	736
Exchange differences in cash and cash equivalents	-99	0	-99
<b>Cash and cash equivalents at the end of the period</b>	<b>3,451</b>	<b>3,089</b>	<b>362</b>

### NOTE 6, FINANCIAL INSTRUMENTS

As per 30 September 2016, financial assets measured at fair value in ICA Gruppen amounted to SEK 3,731 million (1,948). Financial liabilities measured at fair value amounted to SEK 269 million (350) as per 30 September 2016. In the fair value hierarchy, SEK 2,947 million (1,196) of financial assets are attributable to Level 1 and SEK 784 million (752) are attributable to Level 2. The carrying amount corresponds to fair value for all assets and liabilities, except for bond issues, where the fair value exceeds the carrying amount by SEK 264 million (325).

## Condensed Parent Company income statement

SEKm	Third quarter		Jan-Sep		12 months	Full year
	2016	2015	2016	2015	Oct 2015 - Sept 2016	2015
Net sales <sup>1)</sup>	175	215	593	646	811	864
Cost of services sold	-163	-207	-550	-617	-752	-819
<b>Gross profit</b>	<b>12</b>	<b>8</b>	<b>43</b>	<b>29</b>	<b>59</b>	<b>45</b>
Administrative expenses	-78	-77	-271	-301	-394	-424
<b>Operating profit/loss</b>	<b>-66</b>	<b>-69</b>	<b>-228</b>	<b>-272</b>	<b>-335</b>	<b>-379</b>
Profit/loss from participations in Group companies	2,653	2,967	2,953	3,767	2,894	3,708
Financial income, Group companies	105	—	286	—	296	10
Financial income	—	5	4	5	-1	—
Financial expenses, Group companies	-4	—	-11	—	-59	-48
Financial expenses	-119	-63	-257	-224	-260	-227
<b>Profit/loss after financial items</b>	<b>2,569</b>	<b>2,840</b>	<b>2,747</b>	<b>3,276</b>	<b>2,535</b>	<b>3,064</b>
Appropriations	—	—	—	—	594	594
<b>Profit before tax</b>	<b>2,569</b>	<b>2,840</b>	<b>2,747</b>	<b>3,276</b>	<b>3,129</b>	<b>3,658</b>
Tax	5	28	31	105	-64	10
<b>Profit for the period</b>	<b>2,574</b>	<b>2,868</b>	<b>2,778</b>	<b>3,381</b>	<b>3,065</b>	<b>3,668</b>

1) Of net sales for the third quarter, SEK 169 million (207) pertain to Group companies, accumulated SEK 563 million (617).

## Condensed Parent Company balance sheet

SEKm	30 Sept 2016	30 Sept 2015	31 December 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in Group companies	30,053	29,939	30,105
Other intangible assets	85	92	103
Deferred tax assets	221	218	223
Other non-current assets	144	104	108
<b>Total non-current assets</b>	<b>30,503</b>	<b>30,353</b>	<b>30,539</b>
<b>Current assets</b>			
Current receivables from Group companies	10,676	4,769	3,264
Other current assets	188	206	107
Cash and cash equivalents	23	—	—
<b>Total current assets</b>	<b>10,887</b>	<b>4,975</b>	<b>3,371</b>
<b>TOTAL ASSETS</b>	<b>41,390</b>	<b>35,328</b>	<b>33,910</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>23,624</b>	<b>22,570</b>	<b>22,857</b>
<b>Provisions</b>	<b>357</b>	<b>339</b>	<b>351</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	6,485	8,475	6,478
Other non-current liabilities	168	—	—
<b>Total non-current liabilities</b>	<b>6,653</b>	<b>8,475</b>	<b>6,478</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	4,068	3,571	3,859
Current liabilities to Group companies	6,306	6	9
Other current liabilities	382	367	356
<b>Total current liabilities</b>	<b>10,756</b>	<b>3,944</b>	<b>4,224</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>41,390</b>	<b>35,328</b>	<b>33,910</b>

# Quarterly overview

	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Net sales, SEKm	23,180	23,673	25,542	25,517	26,489	24,761	26,222	25,752
Operating profit before depreciation/amortisation (EBITDA), SEKm	1,423	1,146	1,448	1,708	1,889	1,384	1,511	1,768
Operating profit (EBIT) excl. non-recurring items, SEKm	1,081	775	1,018	1,321	1,024	959	1,154	1,376
Operating margin excl. non-recurring items, %	4.7	3.3	4.0	5.2	3.9	3.9	4.4	5.3
Operating profit (EBIT), SEKm	1,065	777	1,065	1,278	1,474	976	1,117	1,396
Operating margin, %	4.6	3.3	4.2	5.0	5.6	3.9	4.3	5.4
Profit before tax, SEKm	951	686	961	1,185	1,393	887	1,025	1,301
Profit from continuing operations, SEKm	807	529	786	979	1,427	735	829	1,049
Profit/loss from discontinued operations, SEKm	72	10	1,179	1	2	—	—	21
Profit for the period, SEKm	879	539	1,965	980	1,429	735	829	1,070
Earnings per share, continuing operations, SEK	3.74	2.51	3.77	4.83	7.10	3.65	4.12	5.21
Earnings per share, discontinued operations, SEK	0.36	0.05	5.86	—	0.02	—	—	0.10
Earnings per share, SEK	4.09	2.56	9.63	4.83	7.12	3.65	4.12	5.31
Equity per share, SEK	122.91	123.12	127.76	132.57	139.41	143.10	137.22	142.59
Share price at the end of period, SEK	305.80	289.10	294.10	283.00	307.40	268.60	281.70	283.30
Return on equity, %	9.3	10.2	15.3	15.4	16.6	17.3	13.3	13.6
Return on capital employed, %	10.1	10.0	8.9	9.6	9.8	10.4	10.5	10.8
Cash flow from operating activities, continuing operations, SEKm	1,676	221	2,685	955	1,862	398	1,785	550
Cash flow from operating activities, SEKm	1,454	316	2,711	956	1,862	398	1,785	550
Cash flow per share from operating activities, continuing operations, SEKm	8.34	1.10	13.35	4.75	9.26	1.98	8.87	2.73
Cash flow per share from operating activities, SEKm	7.23	1.57	13.48	4.75	9.26	1.98	8.87	2.73
Investing activities, continuing operations (cash flow), SEKm	682	4,144	684	501	527	400	846	463
Investing activities (cash flow), SEKm	742	4,163	684	501	527	400	846	463
Net debt, SEKm	-7,058	-13,596	-10,845	-14,132	-11,697	-10,987	-12,161	-11,563
Net debt/EBITDA	1.2	2.3	1.9	2.5	1.9	1.7	1.9	1.8

## Quarterly data by segment

### Net sales by segment

SEKm	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
ICA Sweden	18,216	17,024	18,340	18,356	18,904	17,571	18,777	18,598
Rimi Baltic	3,195	2,932	3,136	3,196	3,368	3,194	3,319	3,363
Apotek Hjärtat	564	2,783	3,212	3,113	3,182	3,088	3,224	3,021
ICA Real Estate	575	582	594	600	606	589	586	594
ICA Bank	207	206	214	221	218	218	232	189
Other segments	833	521	393	380	506	354	341	252
Other	207	229	234	232	237	226	224	190
Intra-Group sales	-617	-604	-581	-581	-532	-479	-481	-455
<b>Net sales</b>	<b>23,180</b>	<b>23,673</b>	<b>25,542</b>	<b>25,517</b>	<b>26,489</b>	<b>24,761</b>	<b>26,222</b>	<b>25,752</b>

### Operating profit before depreciation/amortisation by segment (EBITDA)

SEKm	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
ICA Sweden	909	787	961	1,102	934	880	986	1,124
Rimi Baltic	218	150	235	182	240	173	205	212
Apotek Hjärtat	14	61	114	125	54	112	157	165
ICA Real Estate	222	234	243	266	402	259	249	270
ICA Bank	52	23	31	55	297	22	17	29
Other segments	125	-30	-51	30	49	-6	-40	5
Other	-117	-79	-85	-52	-87	-56	-63	-37
<b>Operating profit before depreciation/amortisation (EBITDA)</b>	<b>1,423</b>	<b>1,146</b>	<b>1,448</b>	<b>1,708</b>	<b>1,889</b>	<b>1,384</b>	<b>1,511</b>	<b>1,768</b>

### Operating profit excluding non-recurring items by segment

SEKm	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
ICA Sweden	807	694	864	996	812	769	878	1,020
Rimi Baltic	145	78	99	110	128	95	130	134
Apotek Hjärtat	9	25	79	85	20	80	125	129
ICA Real Estate	95	104	106	134	112	96	114	142
ICA Bank	45	16	24	48	22	15	9	21
Other segments	116	-43	-46	18	39	-16	-16	-1
Other	-136	-99	-108	-70	-109	-80	-86	-69
<b>Operating profit excluding non-recurring items</b>	<b>1,081</b>	<b>775</b>	<b>1,018</b>	<b>1,321</b>	<b>1,024</b>	<b>959</b>	<b>1,154</b>	<b>1,376</b>

### Depreciation/amortisation by segment

SEKm	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
ICA Sweden	104	93	97	106	122	111	106	103
Rimi Baltic	72	72	72	72	74	74	73	78
Apotek Hjärtat	5	36	35	39	45	32	33	34
ICA Real Estate	130	130	137	129	128	125	115	114
ICA Bank	7	7	7	7	8	7	8	8
Other segments	11	11	10	10	10	10	6	6
Other	19	20	21	19	22	24	24	23
<b>Depreciation/amortisation</b>	<b>348</b>	<b>369</b>	<b>379</b>	<b>382</b>	<b>409</b>	<b>383</b>	<b>365</b>	<b>366</b>



# Key figures ICA Gruppen

	Third quarter		Jan-Sep		12 months	Full year
	2016	2015	2016	2015	Oct 2015 - Sept 2016	2015
Operating profit before depreciation/ amortisation (EBITDA), SEKm	1,768	1,708	4,663	4,302	6,552	6,191
Operating margin excl. non-recurring items, %	5.3	5.2	4.5	4.2	4.4	4.1
Operating margin, %	5.4	5.0	4.5	4.2	4.8	4.5
Net margin, %	4.2	3.8	3.4	4.7	3.6	4.9
Return on capital employed, %	—	—	10.8	9.6	10.8	9.8
Return on equity, %	—	—	13.6	15.4	13.6	16.6
Equity/assets ratio, %	—	—	38.4	36.0	38.4	37.5
Net debt, SEKm	—	—	-11,563	-14,132	-11,563	-11,697
Net debt/EBITDA	—	—	1.8	2.5	1.8	1.9
<b>Share data</b>						
Earnings per share, continuing operations, SEK	5.21	4.83	12.98	11.11	20.08	18.21
Earnings per share, discontinued operations, SEK	0.10	0.00	0.10	5.92	0.11	5.93
Earnings per share, SEK	5.31	4.83	13.08	17.03	20.19	24.14
Share price at the end of period, SEK	—	—	283.30	283.00	283.30	307.40
Dividend per ordinary share, SEK	—	—	—	—	—	10.00
Dividend, SEKm	—	—	—	—	—	2,012
Dividend payout ratio, %	—	—	—	—	—	41.00
Equity per share, SEK	—	—	142.59	132.57	142.59	139.41
Cash flow from operating activities per share, SEK	2.73	4.75	13.59	19.80	22.85	29.06
Number of ordinary shares	201,146,795	119,078,903	201,146,795	119,078,903	201,146,795	119,078,903
Number of C shares	—	82,067,892	—	82,067,892	—	82,067,892
Total number of shares at end of period	201,146,795	201,146,795	201,146,795	201,146,795	201,146,795	201,146,795
Average number of shares	201,146,795	201,114,105	201,146,795	201,059,924	201,184,766	201,097,895
Average number of shares after dilution	201,146,795	201,146,795	201,146,795	201,146,795	201,146,795	201,146,795

## Financial key ratios

ICA Gruppen relies on a number of financial key ratios in its interim reporting, some of which are not defined in IFRS but are so-called Alternative Performance Measures. The aim is to provide additional information that contributes to a more thorough comparison of year-on-year development and to give an indication of the Group's performance and financial position. The APMs used by ICA Gruppen are generally recognised within the sectors that ICA Gruppen works in. Data on these APMs and definitions is also provided on [www.icagruppen.se](http://www.icagruppen.se). The most important of these measures are those for which the Board of Directors has set financial targets. These are: to grow faster than the market in the grocery retail and pharmacy businesses; to achieve an operating margin (excluding non-recurring items) of 4.5%; to achieve a return on capital employed of 10%; and to maintain net debt in relation to EBITDA that is lower than a factor of 2. In addition, the Group has set a target to distribute at least 50% of net profit for the year in shareholder dividends.

## Definitions of key ratios

### Business volume

Sum of lending, deposits, fund savings and home mortgages (including volume intermediated via collaborations).

### 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.

### Divestments

Payments received for sold tangible and intangible non-current assets during the period according to the statement of cash flows.

### Earnings per ordinary share

Profit for the period, excluding non-controlling interests, divided by the average number of shares outstanding.

### EBITDA

Operating profit before depreciation, amortisation and impairment losses (Earnings Before Interest, Taxes, Depreciation and Amortisation).

### 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 in tangible and intangible non-current assets during the period according to the statement of cash flows.

### Like-for-like store sales

Sales for stores that generated sales both in the reporting period and in the comparison period.

### 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

Operating profit plus 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

Corporate brand products.

This interim report has been reviewed by the company's auditors.

Stockholm, 9 November 2016

Per Strömberg  
CEO ICA Gruppen

## Review report

ICA Gruppen AB, reg. no. 556048-2837

### Introduction

We have reviewed the condensed interim report for ICA Gruppen AB (publ) as at 30 September 2016 and the nine months period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 9 November 2016  
Ernst & Young AB

Erik Åström  
Authorised Public Accountant

## Contacts and calendar

### For further information, please contact:

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### Press and analyst meeting

ICA Gruppen is arranging a press and analyst meeting at Tändstickspalatset, Stockholm, on Wednesday, 9 November 2016 at 10.00 CET. CEO Per Strömberg and CFO Sven Lindskog will present the interim report. The meeting will be held in English and will be webcast, and can be followed at [www.icagruppen.se/investerare](http://www.icagruppen.se/investerare). There is also an opportunity to call in on tel. +46 8 566 426 95, or +44 20 3008 9801.

### Calendar

15 December 2016	Capital Market Day
8 February 2017	Year-end report 2016
7 April 2017	Annual General Meeting
9 May 2017	Q1 interim report
16 August 2017	Q2 interim report
10 November 2017	Q3 interim report

The information in this interim report is such that ICA Gruppen is obligated to disclose pursuant to EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication at 07.00 CET on Wednesday, 9 November 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 Bank, which offers financial services in Sweden. The Group also includes the company Hemtex.

For more information see [icagruppen.se](http://icagruppen.se).

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