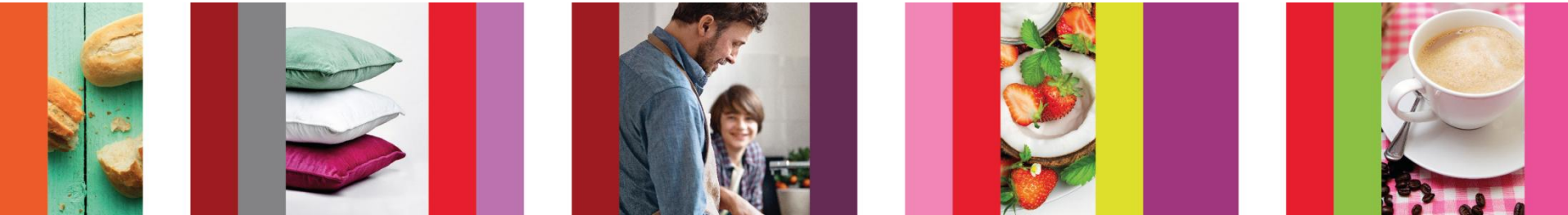




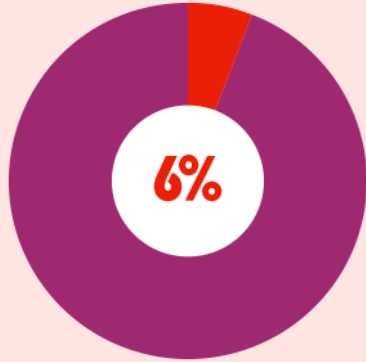
Online leadership by 2017

Capital Markets Day, ICA Gruppen
10 December 2014

Liv Forhaug, SVP Strategy & Business Development
Magnus Rosén, Director Online

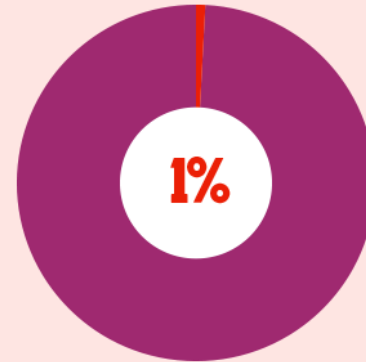


Online grocery: still small but growing fast



Online share of retail sales

- Growth: **+16% 2014**
- 7 out of 10 are frequent online shoppers
- Approx 80% of all retail purchases involve digital channels



Online share of grocery sales

- Growth: **+37% 2014**
- Full range online grocery growth +57% ytd Q3, subscriptions +22%

ICA already has a position, but a fragmented offer

Two types of offers, 50% each; converging

Full product range

- Full grocery assortment
- Few players
- Fastest growing segment

Menu subscription

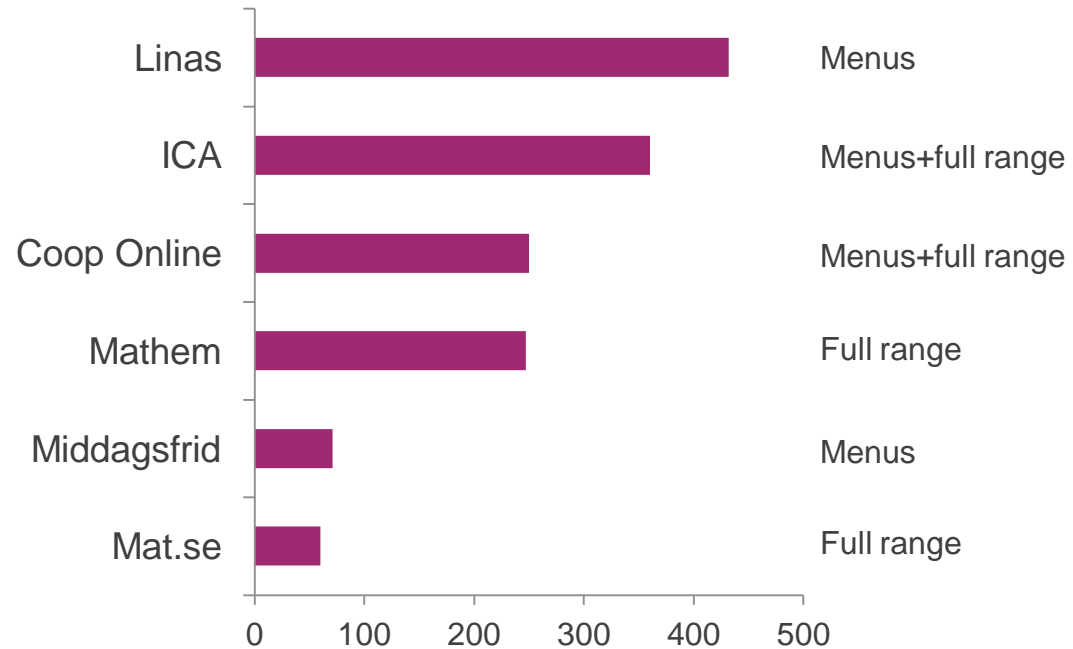
- Offers pre-defined weekly menus with ingredients
- Subscription model
- A few larger and many small players



Våra olika kassar: Välj mellan Familj, Inspiration, Laktosfri och Bistro

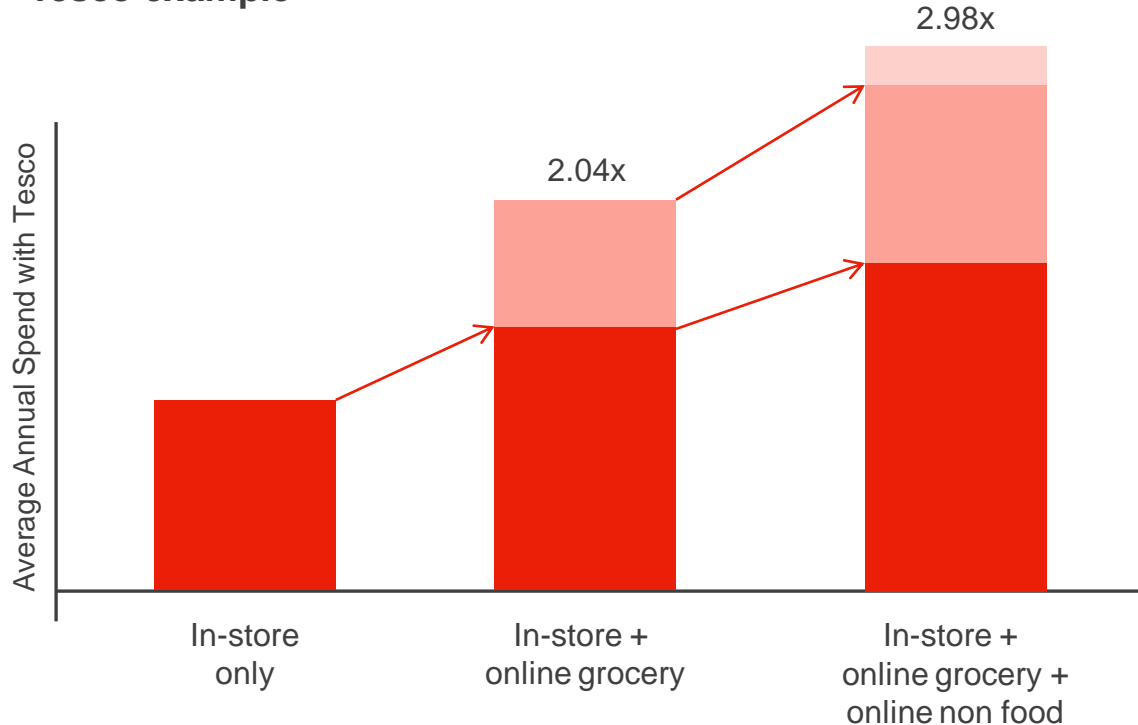


Est. revenue 2013 (MSEK)



International experience shows that multichannel drives loyalty and increases share of wallet

Tesco example



As online becomes 3-5 percent of the market - we need a strong presence to grow total sales

Not participating is not an option

Our goal: true multichannel and online leader by 2017

A multichannel experience that increases loyalty

Grocery, "subscriptions", other "weekly errands" to make our customers' lives a little easier

Store



Pick-up



Online



Home delivery



An important first milestone on November 3 with live testing of the new platform

- 4 stores in Östergötland as test stores
- So far – positive feedback from customers:
 - No major issues/bugs on site
 - “Easy to shop”: fast and intuitive
 - “My usuals” a unique and appreciated feature
- ...and from retailers:
 - Full integration with other ICA systems (loyalty card, business intelligence, ordering etc.)
 - Good customer/retailer service
 - Good support for efficient store picking



The customer buys groceries from a chosen store



Online follows our normal business model principles

ICA SWEDEN/ICA GRUPPEN

“Builds the solution for the retailers and customers; sells goods wholesale”

- IT platform, integration with other systems
- Integration with non-food/pharmacy offer
- Concepts and services for retailers, e.g.
 - Marketing, incl. CRM, SEO, SEM
 - Store picking support/central picking
 - Click & collect and home delivery solutions
 - Technical, 2nd line customer support
 - Content management, master data



RETAILERS

“Tailors offering according to local market conditions; sells goods to customer”

- Decide whether to join ICA Online
- Set local customer offering (prices, assortment, pick-up/ home delivery)
- Store investments (e.g. collection lockers)
- 1st line customer service, returns
- Choose central service level, e.g. picking support
- Local marketing

...and the P&L effects also follow normal principles

ICA SWEDEN/ICA GRUPPEN

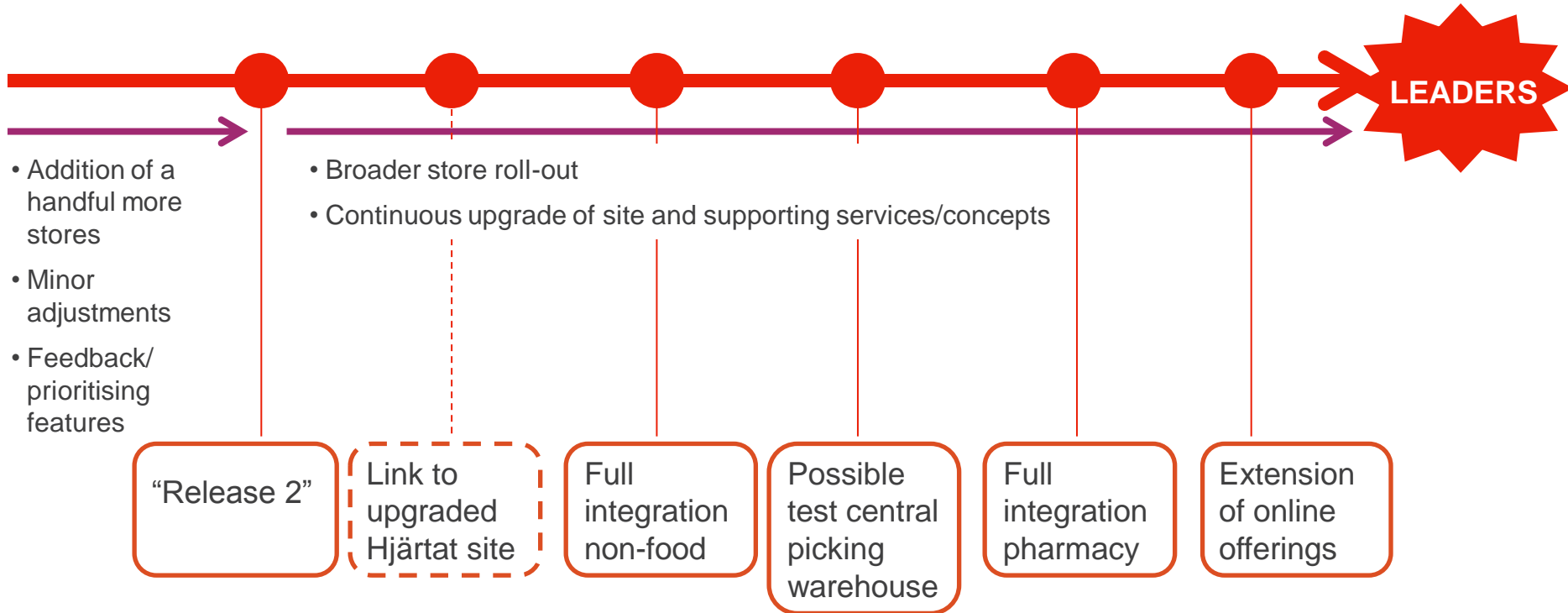
Sells wholesale (same as offline) and a service to retailers



RETAILERS

Sells retail; covers picking/delivery costs; funds investments; buys a service

Scale-up during 2015-16 (preliminary sequence)



Well positioned for online leadership by 2017

ICA Brand

- Strong brand, high trust, existing traffic on- and offline
- Trustworthy payment solutions ICA Bank

Local optimisation and service

- Local retailer as guarantor of quality, service, returns – “human face”
- Optimised pricing and assortment for local conditions (retailer)
- Can choose best fulfilment model in each region – central or store-based picking and delivery (central model only viable with high volumes)
- Unparalleled network for pick-up
- Can offer BOTH home delivery and pick-up (retailer)

Platform and scale

- Broad assortment (food, non-food, pharmacies – all “weekly errands”)
- Link to CRM (3.8 million active card customers, bonus, simplifies shopping)
- Marketing muscle/scale