

The Base Prospectus was approved by the Swedish Financial Supervisory Authority (Finansinspektionen) on June 3, 2013 and is valid for 12 months from this date.



The logo for ICA GRUPPEN features the letters 'ICA' in a large, bold, red sans-serif font. Below 'ICA' is a horizontal red line. Underneath the line, the word 'GRUPPEN' is written in a smaller, red, spaced-out sans-serif font. Below the logo, the words 'MTN PROGRAM' are centered in a bold, black, sans-serif font.

**ICA**

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**GRUPPEN**

**MTN PROGRAM**

**Lead Bank:**

Handelsbanken Capital Markets, Svenska Handelsbanken AB (publ)

**Issuing Agents:**

Handelsbanken Capital Markets, Svenska Handelsbanken AB (publ)

Nordea Bank AB (publ)

This document is a translation of a Swedish language base prospectus (the "Prospectus" or the "Base Prospectus") and relates to the MTN Program of ICA Gruppen AB (publ), which resolved on May 20, 2013 to change its name from Hakon Invest AB (publ) ("ICA Gruppen" or the "Company" and jointly with the Company's subsidiaries the "Group"). The Prospectus was drawn up in accordance with Council Directive 2003/71/EC (the "Prospectus Directive") and Commission Regulation (EC) No 809/2004 on prospectuses, and has been approved and registered by the Swedish Financial Supervisory Authority in accordance with the provisions of Chapter 2, sections 25 and 26 of the Swedish Financial Instruments Trading Act (*Jagen (1991:980) om handel med finansiella instrument*) ("LHF"). The aforesaid does not, however, entail any warranty from the Swedish Financial Supervisory Authority that the facts provided in the Base Prospectus are correct or complete. In case of differences between this English translation and the Base Prospectus (in Swedish), the Base Prospectus (in Swedish) shall prevail.

The Base Prospectus and the offerings described in the Prospectus are governed by Swedish law. Disputes arising from the Base Prospectus, the offerings and related legal proceedings shall be settled in Swedish courts, with Stockholm District Court as the court of first instance.

Except where expressly stated otherwise, no information in the Prospectus or this translation thereof has been reviewed or audited by the Company's auditor. The Prospectus shall be read together with all documents incorporated by reference, relevant Final Terms for each Loan issued and any supplements to the Prospectus.

Unless the context indicates otherwise, the definitions given in the section "Definitions" and the section "General Terms" ("General Terms") shall apply to this translation of the Base Prospectus.

Under the MTN Program, MTN with a capital amount of up to one hundred thousand (100,000) euros or the equivalent in Swedish kronor may be issued.

Investing in MTNs is not appropriate for all investors. Each investor should therefore evaluate the suitability of an investment in MTNs in light of its own circumstances. In particular, each investor should:

- (a) have sufficient knowledge and experience to carry out an effective evaluation of (i) MTNs, (ii) the merits and risks of investing in MTNs, and (iii) the information contained or incorporated by reference in the Base Prospectus or any supplements;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate in the context of its particular financial situation the investment in MTNs and the impact that such an investment will have on the investor's overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks resulting from an investment in MTNs, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the investor's own currency;
- (d) understand thoroughly the terms of the MTN and be familiar with the behavior of any indices and financial markets; and
- (e) be able to evaluate (either alone or with the assistance of a financial advisor) possible scenarios relating to the economy, interest rates and other factors that may affect the investment and the investor's ability to bear the risks.

No action has been taken, nor will any action be taken, by the Company to permit a public offering in any jurisdiction other than Sweden. The MTNs referred to in the Base Prospectus may not be offered, subscribed for, sold or transferred, either directly or indirectly, in or to the US other than as exempted from registration requirements in the US Securities Act 1933 ("Securities Act"). The offering is not made to individuals domiciled in the US, Australia, Hong Kong, Japan, Canada, Switzerland, Singapore, South Africa or New Zealand or in any other jurisdiction where participation would require additional prospectuses, registration or other measures than those required under Swedish law. Consequently, the Base Prospectus or this translation thereof shall not be distributed in or to any country or any jurisdiction where distribution or the offerings described in this Base Prospectus requires such measures or does not comply with the rules in such country or such jurisdiction. Subscription for and acquisition of MTNs in contravention of the above restrictions may be invalid. Any person who receives the Base Prospectus or this translation thereof is required to become acquainted with and comply with the said restrictions. Acting in contravention of the restrictions may be an offence under applicable securities legislation.

Within the European Economic Area ("EEA") no public offering of MTNs is made in countries other than Sweden. In other EEA member states that have implemented the Prospectus Directive MTNs may only be offered in accordance with exemptions in the Prospectus Directive and each relevant implementing measure in the member state. Consequently, the offering of MTNs is not made to persons whose participation would require additional prospectuses, registration or other measures than those taken by the Company under Swedish law. The Base Prospectus, the translation thereof and the Final Terms may not be distributed in any country where such distribution or the offering would require any of the above mentioned measures or would not be in compliance with the rules in such countries. The acquisition of MTNs in contravention of the above may be deemed invalid.

Restrictions on sale may be added or modified as approved by the Company.

The Base Prospectus contains historical market information and industry forecasts. Certain information has been obtained from various external sources and the Company has endeavored to reproduce such information accurately in the Base Prospectus. Although the Company regards these sources as reliable, no independent verification has been carried out and consequently it cannot be guaranteed that this information is accurate or complete. By nature, market statistics are uncertain and do not necessarily reflect actual market conditions. The value of comparisons of statistics for different markets is limited for a number of reasons, such as the markets being defined differently or that the information may have been gathered using different methods and based on different assumptions. Certain statistics in the Base Prospectus have been compiled by the Company, in some cases on the basis of various assumptions. Although the Company regards the methods of compilation and assumptions to be reasonable, these have been able to be confirmed or verified by independent sources only to a limited extent. In view of this, the Base Prospectus reader's attention is drawn in particular to the fact that market statistics presented in the Base Prospectus are uncertain and that no guarantee can be given regarding the accuracy of these. As far as the Company is aware and can ensure by comparison with other information published by the third parties from whom the information has been obtained, however, no information has been omitted in such a way as to render the information reproduced incorrect or misleading. Certain figures in the Base Prospectus have been rounded off, with the result that certain tables may appear not to add up correctly. This is the case when amounts are given in thousands, millions or billions and in particular in the following sections: *Financial pro forma information* and *Selected financial information ICA Gruppen* below and in the annual reports and interim reports that are included by reference.

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## SUMMARY

This summary is based on disclosure requirements as listed in the elements below. The elements are numbered in sections A–E (A.1–E.7). This summary contains all of the elements required in a summary for this type of security and issuer. Since certain elements do not apply to the relevant type of security and issuer, there are gaps in the numbering of the elements. Even if it is required for an element to be included in the summary for this type of security and issuer, it is possible that no relevant information can be provided regarding the element. The information has, in such case, been replaced by a short explanation of the element preceded by the words “Not applicable”.

<b>SECTION A – INTRODUCTION AND WARNINGS</b>		
<b>A.1</b>	<b>Warning:</b>	<p>The summary should be read as an introduction to the Base Prospectus. Any investment decision concerning MTNs should be based on an assessment of the Base Prospectus as a whole, including the documents incorporated by reference.</p> <p>Any investor bringing an action before the courts on the basis of the information in the Base Prospectus may be forced to bear the costs of translation of the Base Prospectus before the legal proceedings are initiated.</p> <p>Civil liability for information included in or omitted from the summary or a translation thereof attaches only to those who have tabled the summary or the translation if it is misleading, inaccurate or inconsistent with other parts of the Base Prospectus or if, when read together with other parts of the Base Prospectus, it does not provide key information in order to aid investors when considering whether to invest in such securities.</p>
<b>A.2</b>	<b>Consent to use of the Base Prospectus:</b>	Not applicable.
<b>SECTION B – ISSUER</b>		
<b>B.1</b>	<b>Legal and commercial name:</b>	The Company's registered company name and commercial name is ICA Gruppen AB (publ), corporate reg. no. 556048-2837
<b>B.2</b>	<b>Domicile, legal form and legislation:</b>	ICA Gruppen is a Swedish public limited liability company. The board of directors' domicile is in Stockholm municipality. The Company's legal form is a limited liability company. The Company's operations are regulated by the Swedish Companies Act (2005:551).
<b>B.4b</b>	<b>Known trends:</b>	<p>Through ICA, the Group is primarily active in the retail and food retail markets in Sweden, Norway and the Baltic countries. The Group is also active in the bank market in Sweden through ICA Bank and in the real estate market in Sweden and Norway through ICA Real Estate and in the Baltic countries through Rimi Baltic. The Group is also, through ICA Gruppen's other portfolio companies, active in the Nordic region in a number of other retail areas such as home electronics accessories, glassware, dinnerware and household goods, consumables and home textiles. In addition, one of the subsidiaries, Forma Holding, publishes books and magazines primarily in Sweden.</p> <p>Retail is a sector that is constantly changing and, according to HUI Research (Handelns Utredningsinstitut), the Swedish retail sector</p>

		<p>has experienced continuous growth over the past 18 years.<sup>1</sup> This growth has also led to increasing sector overlap. Companies are expanding their offerings and range of products and services across sector lines and this is leading to a new type of competitive situation. There is also increased competition from major international players, for example in the food retail sector where foreign discount retailers have established a presence in a number of markets.</p> <p>The food retail sector in Sweden grew by 3.3 per cent in current prices in 2012 and amounted to SEK 289 billion. The trend in the Norwegian food retail market was also positive, with growth of 3.1 per cent in 2012 and net sales of NOK 148,119 million<sup>2</sup>. In 2012 the Estonian food retail market grew by 8.8 per cent and amounted to around EUR 1,920 million<sup>3</sup>, while the Latvian food retail market grew by 5.3 per cent in local currency and amounted to around EUR 2,310 million<sup>4</sup>. In Lithuania the food retail market amounted to around EUR 3,400 million with growth of 4.4 per cent in local currency in 2012<sup>5</sup>.</p>
<b>B.5</b>	<b>Description of the Group:</b>	ICA Gruppen is the parent company for the Group, which consists of around 300 companies. The majority of the companies in the Group are directly or indirectly wholly-owned subsidiaries of ICA Gruppen.

<sup>1</sup> Source: HUI Research (Handelns Utredningsinstitut)

<sup>2</sup> Source: AC Nielsen, Dagligvarerapporten 2013

<sup>3</sup> Source: Eesti statistika (Statistics Estonia)

<sup>4</sup> Source: Latvijas statistika (Central Statistical Bureau of Latvia)

<sup>5</sup> Source: Lietuvos statistikos departamentas (Statistics Lithuania)

**B.8 Selected key pro forma financial information:**

The purpose of the consolidated pro forma financial information below is to show the hypothetical impact that the Acquisition of ICA, the related changes in the loan financing and the issue of ordinary shares would have had on ICA Gruppen's consolidated profit or loss and financial position. The pro forma financial statements below have been prepared in order to illustrate:

- profit or loss for 2012 fiscal year and the first three months of 2013, respectively, under the assumption that the Acquisition of ICA and the issue of ordinary shares had been completed and the Bridge Loan had been utilised as of January 1, 2012 and January 1, 2013 respectively; and
- the financial position as of March 31, 2013 under the assumption that the issue of ordinary shares had been completed.

The pro forma financial statements describe a hypothetical situation and have been produced solely for illustrative purposes. The information is neither intended to present the profit or loss and financial position that the business would actually have achieved, nor is it intended to indicate the future profit or loss that the Group will generate or the Group's financial position at any future point in time. Potential synergies or integration costs have not been taken into consideration.

**Pro forma income statement – full year 2012**

SEK million	ICA Gruppen	ICA	Acquisition	Pro forma
Net sales	2,726	96,863	-54	99,535
EBITDA	322	5,030	-325	5,027
EBITDA margin	11.8%	5.2%		5.1%
Operating profit	256	3,274	8,122	11,652
Operating margin	9.4%	3.4%		11.7%
Profit for the period	306	919	7,815	9,040

**Pro forma income statement – January–March 2013**

SEK million	ICA Gruppen	ICA Mar 27–Mar 31	ICA January–March	Acquisition	Pro forma
Net sales	1,883	-1,324	23,078		23,637
EBITDA, excluding effects of acquisition	92	-154	930		868
EBITDA margin	4.9%		4.0%		3.7%
Operating profit	8,712 <sup>1</sup>	-134	562	-51	9,089 <sup>1</sup>
Profit for the period	8,730 <sup>1</sup>	-120	272	-134	8,748 <sup>1</sup>

1. Including effects of acquisition of SEK 8,652 million

**Pro forma balance sheet – March 31, 2013**

SEK million	ICA Gruppen Group	New share issue	Pro forma
Non-current assets	55,197		55,197
Current assets excluding cash and cash equivalents	13,467		13,467
Cash and cash equivalents	4,500		4,500
<b>Total assets</b>	<b>73,164</b>	<b>0</b>	<b>73,164</b>
<b>Equity</b>	<b>16,882</b>	<b>5,000</b>	<b>21,882</b>
Interest-bearing liabilities <sup>1</sup>	34,090	-5,000	29,090
Other liabilities and provisions <sup>2</sup>	22,192		22,192
<b>Total liabilities</b>	<b>56,282</b>	<b>-5,000</b>	<b>51,282</b>
<b>Total equity and liabilities</b>	<b>73,164</b>	<b>0</b>	<b>73,164</b>

1. The item Interest-bearing liabilities includes the items Interest-bearing loan (Non-current interest-bearing liabilities), Non-current liabilities attributable to sale & leaseback, Deposits with ICA Bank, Current interest-bearing liabilities, and Current liabilities attributable to sale & leaseback.

2. The item Other liabilities and provisions includes the items Provisions, Deferred tax liabilities, Other non-current liabilities, and Other current liabilities.

<b>B.9</b>	<b>Profit forecast:</b>	Not applicable. The Company has not provided a profit forecast.																																																																																																																																																																																																											
<b>B.10</b>	<b>Qualifications by the auditors:</b>	Not applicable. There are no qualifications in the audit reports.																																																																																																																																																																																																											
<b>B.12</b>	<b>Selected historical financial information:</b>	<p>Income statement</p> <table border="1"> <thead> <tr> <th rowspan="2">SEK million</th> <th colspan="2">Jan-Mar</th> <th colspan="3">Full year</th> </tr> <tr> <th>2013</th> <th>2012</th> <th>2012</th> <th>2011</th> <th>2010</th> </tr> </thead> <tbody> <tr> <td>Net sales</td> <td>1,883</td> <td>626</td> <td>2,726</td> <td>2,498</td> <td>2,663</td> </tr> <tr> <td>Cost of goods sold</td> <td>-1,421</td> <td>-351</td> <td>-1,494</td> <td>-1,399</td> <td>-1,462</td> </tr> <tr> <td><b>Gross profit</b></td> <td><b>462</b></td> <td><b>275</b></td> <td><b>1,232</b></td> <td><b>1,099</b></td> <td><b>1,201</b></td> </tr> <tr> <td>Other operating income</td> <td>13</td> <td>14</td> <td>73</td> <td>67</td> <td>64</td> </tr> <tr> <td>Selling expenses<sup>1</sup></td> <td>-388</td> <td>-294</td> <td>-1,147</td> <td>-1,056</td> <td>-1,283</td> </tr> <tr> <td>Administrative expenses</td> <td>-126</td> <td>-87</td> <td>-372</td> <td>-361</td> <td>-297</td> </tr> <tr> <td>Share of profit of companies accounted for using the equity method</td> <td>99</td> <td>176</td> <td>376</td> <td>553</td> <td>212</td> </tr> <tr> <td>Effects of acquisition</td> <td>8,652</td> <td>—</td> <td>—</td> <td>—</td> <td>—</td> </tr> <tr> <td>Profit/loss from investments in group companies</td> <td>—</td> <td>—</td> <td>94</td> <td>—</td> <td>—</td> </tr> <tr> <td>Goodwill impairment</td> <td>—</td> <td>—</td> <td>—</td> <td>—</td> <td>-284</td> </tr> <tr> <td><b>Operating profit</b></td> <td><b>8,712</b></td> <td><b>84</b></td> <td><b>256</b></td> <td><b>302</b></td> <td><b>-387</b></td> </tr> <tr> <td>Financial income</td> <td>8</td> <td>9</td> <td>42</td> <td>45</td> <td>31</td> </tr> <tr> <td>Financial expenses</td> <td>-11</td> <td>-6</td> <td>-31</td> <td>-31</td> <td>-34</td> </tr> <tr> <td>Profit/loss from investments in group companies</td> <td>—</td> <td>—</td> <td>—</td> <td>9</td> <td>—</td> </tr> <tr> <td>Change in fair value of financial instruments</td> <td>16</td> <td>15</td> <td>21</td> <td>-73</td> <td>49</td> </tr> <tr> <td><b>Profit before tax</b></td> <td><b>8,725</b></td> <td><b>102</b></td> <td><b>288</b></td> <td><b>252</b></td> <td><b>-341</b></td> </tr> <tr> <td>Tax</td> <td>5</td> <td>-8</td> <td>18</td> <td>23</td> <td>-12</td> </tr> <tr> <td><b>Profit for the period from continuing operations</b></td> <td><b>8,730</b></td> <td><b>94</b></td> <td><b>306</b></td> <td><b>275</b></td> <td><b>-353</b></td> </tr> <tr> <td>Profit/loss for the period from discontinued operations</td> <td>—</td> <td>—</td> <td>—</td> <td>-216</td> <td>-38</td> </tr> <tr> <td><b>Profit for the period</b></td> <td><b>8,730</b></td> <td><b>94</b></td> <td><b>306</b></td> <td><b>59</b></td> <td><b>-391</b></td> </tr> <tr> <td><b>Profit/loss for the period attributable to</b></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Owners of the parent</td> <td>8,742</td> <td>104</td> <td>324</td> <td>99</td> <td>-303</td> </tr> <tr> <td>Non-controlling interests</td> <td>-12</td> <td>-10</td> <td>-18</td> <td>-40</td> <td>-88</td> </tr> <tr> <td>Change in translation reserve, net after tax</td> <td>-84</td> <td>-2</td> <td>-28</td> <td>-9</td> <td>-395</td> </tr> <tr> <td>Change in fair value reserve, net after tax</td> <td>21</td> <td>0</td> <td>8</td> <td>1</td> <td>-8</td> </tr> <tr> <td>Change in hedge reserve, net after tax</td> <td>-196</td> <td>7</td> <td>-7</td> <td>-8</td> <td>-8</td> </tr> <tr> <td><b>Comprehensive income for the period</b></td> <td><b>8,471</b></td> <td><b>99</b></td> <td><b>279</b></td> <td><b>43</b></td> <td><b>-802</b></td> </tr> <tr> <td><b>Earnings per share, before and after dilution, SEK</b></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Ordinary Share</td> <td>54.41</td> <td>0.65</td> <td>2.02</td> <td>0.62</td> <td>-1.89</td> </tr> <tr> <td>C Share,</td> <td>54.41</td> <td>0.65</td> <td>2.02</td> <td>0.62</td> <td>-1.89</td> </tr> <tr> <td>Ordinary share, continuing operations</td> <td>54.41</td> <td>0.65</td> <td>2.02</td> <td>1.97</td> <td>-1.65</td> </tr> <tr> <td>C Share, continuing operations</td> <td>54.41</td> <td>0.65</td> <td>2.02</td> <td>1.97</td> <td>-1.65</td> </tr> </tbody> </table> <p>1. For full-year 2010, 2011 and 2012 the item selling expenses also includes the item Other operating expenses.</p>	SEK million	Jan-Mar		Full year			2013	2012	2012	2011	2010	Net sales	1,883	626	2,726	2,498	2,663	Cost of goods sold	-1,421	-351	-1,494	-1,399	-1,462	<b>Gross profit</b>	<b>462</b>	<b>275</b>	<b>1,232</b>	<b>1,099</b>	<b>1,201</b>	Other operating income	13	14	73	67	64	Selling expenses <sup>1</sup>	-388	-294	-1,147	-1,056	-1,283	Administrative expenses	-126	-87	-372	-361	-297	Share of profit of companies accounted for using the equity method	99	176	376	553	212	Effects of acquisition	8,652	—	—	—	—	Profit/loss from investments in group companies	—	—	94	—	—	Goodwill impairment	—	—	—	—	-284	<b>Operating profit</b>	<b>8,712</b>	<b>84</b>	<b>256</b>	<b>302</b>	<b>-387</b>	Financial income	8	9	42	45	31	Financial expenses	-11	-6	-31	-31	-34	Profit/loss from investments in group companies	—	—	—	9	—	Change in fair value of financial instruments	16	15	21	-73	49	<b>Profit before tax</b>	<b>8,725</b>	<b>102</b>	<b>288</b>	<b>252</b>	<b>-341</b>	Tax	5	-8	18	23	-12	<b>Profit for the period from continuing operations</b>	<b>8,730</b>	<b>94</b>	<b>306</b>	<b>275</b>	<b>-353</b>	Profit/loss for the period from discontinued operations	—	—	—	-216	-38	<b>Profit for the period</b>	<b>8,730</b>	<b>94</b>	<b>306</b>	<b>59</b>	<b>-391</b>	<b>Profit/loss for the period attributable to</b>						Owners of the parent	8,742	104	324	99	-303	Non-controlling interests	-12	-10	-18	-40	-88	Change in translation reserve, net after tax	-84	-2	-28	-9	-395	Change in fair value reserve, net after tax	21	0	8	1	-8	Change in hedge reserve, net after tax	-196	7	-7	-8	-8	<b>Comprehensive income for the period</b>	<b>8,471</b>	<b>99</b>	<b>279</b>	<b>43</b>	<b>-802</b>	<b>Earnings per share, before and after dilution, SEK</b>						Ordinary Share	54.41	0.65	2.02	0.62	-1.89	C Share,	54.41	0.65	2.02	0.62	-1.89	Ordinary share, continuing operations	54.41	0.65	2.02	1.97	-1.65	C Share, continuing operations	54.41	0.65	2.02	1.97	-1.65
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<b>Profit for the period</b>	<b>8,730</b>	<b>94</b>	<b>306</b>	<b>59</b>	<b>-391</b>																																																																																																																																																																																																								
<b>Profit/loss for the period attributable to</b>																																																																																																																																																																																																													
Owners of the parent	8,742	104	324	99	-303																																																																																																																																																																																																								
Non-controlling interests	-12	-10	-18	-40	-88																																																																																																																																																																																																								
Change in translation reserve, net after tax	-84	-2	-28	-9	-395																																																																																																																																																																																																								
Change in fair value reserve, net after tax	21	0	8	1	-8																																																																																																																																																																																																								
Change in hedge reserve, net after tax	-196	7	-7	-8	-8																																																																																																																																																																																																								
<b>Comprehensive income for the period</b>	<b>8,471</b>	<b>99</b>	<b>279</b>	<b>43</b>	<b>-802</b>																																																																																																																																																																																																								
<b>Earnings per share, before and after dilution, SEK</b>																																																																																																																																																																																																													
Ordinary Share	54.41	0.65	2.02	0.62	-1.89																																																																																																																																																																																																								
C Share,	54.41	0.65	2.02	0.62	-1.89																																																																																																																																																																																																								
Ordinary share, continuing operations	54.41	0.65	2.02	1.97	-1.65																																																																																																																																																																																																								
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## Balance sheet

ASSETS, SEK million	Mar 31		Dec 31		
	2013	2012	2012	2011	2010
<b>Non-current assets</b>					
Goodwill	14,116	688	574	687	431
Trademarks	13,149	967	935	967	694
Interests in companies recognized according to the equity method	772	6,367	5,721	6,185	6,818
Deferred tax assets	238	210	223	237	225
Non-current receivables ICA Bank	5,541	—	—	—	—
Land and buildings	18,105	—	—	—	—
Other non-current assets <sup>1</sup>	3,276	147	136	156	194
<b>Total non-current assets</b>	<b>55,197</b>	<b>8,379</b>	<b>7,589</b>	<b>8,232</b>	<b>8,362</b>
<b>Current assets</b>					
Inventories	4,463	521	433	496	550
Short-term investments	6	814	1,155	753	1,076
Current receivables ICA Bank	3,130	—	—	—	—
Other current assets <sup>2</sup>	5,868	312	295	331	381
Cash and cash equivalents ICA Bank	2,709	—	—	—	—
Cash and cash equivalents	1,791	195	291	248	147
<b>Total current assets</b>	<b>17,967</b>	<b>1,842</b>	<b>2,174</b>	<b>1,828</b>	<b>2,154</b>
<b>TOTAL ASSETS</b>	<b>73,164</b>	<b>10,221</b>	<b>9,763</b>	<b>10,060</b>	<b>10,516</b>
EQUITY AND LIABILITIES, SEK million	Mar 31		Dec 31		
	2013	2012	2012	2011	2010
<b>Equity</b>	<b>16,882</b>	<b>8,712</b>	<b>8,403</b>	<b>8,613</b>	<b>8,944</b>
<b>Provisions<sup>3</sup></b>	<b>2,597</b>	<b>225</b>	<b>234</b>	<b>233</b>	<b>175</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	4,835	239	212	259	180
Non-current interest-bearing liabilities	12,677	131	186	15	49
Non-current liabilities attributable to sale & leaseback	3,763	—	—	—	—
Other non-current liabilities <sup>4</sup>	14	—	1	18	2
<b>Total non-current liabilities</b>	<b>21,289</b>	<b>370</b>	<b>399</b>	<b>292</b>	<b>231</b>
<b>Current liabilities</b>					
Deposits ICA Bank	10,352	—	—	—	—
Current interest-bearing liabilities	7,108	241	61	198	387
Current liabilities attributable to sale & leaseback	190	—	—	—	—
Other current liabilities <sup>5</sup>	14,746	673	666	724	779
<b>Total current liabilities</b>	<b>32,396</b>	<b>914</b>	<b>727</b>	<b>922</b>	<b>1,166</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>73,164</b>	<b>10,221</b>	<b>9,763</b>	<b>10,060</b>	<b>10,516</b>

1. For full-year 2010, 2011 and 2012 the item Other non-current assets includes the items Other intangible assets, Equipment, and Other non-current receivables.

2. For full-year 2010, 2011 and 2012 the item Other current assets includes the items Trade and other receivables, Receivables from companies recognized according to the equity method, Tax assets, Other current receivables, and Prepaid expenses.

3. For full-year 2010, 2011 and 2012 the item Provisions includes the items Provisions for pensions, Current provisions, and part of Other non-current liabilities (SEK 28 million in 2012, SEK 27 million in 2011 and SEK 13 million in 2010).

4. For full-year 2010, 2011 and 2012 the item Other non-current liabilities includes the remaining part not classified as Provisions.

5. For full-year 2010, 2011 and 2012 the item Other current liabilities includes the items Advance payments from customers, Current tax liabilities, Other current liabilities, Trade and other payables, and Deferred income.

		<p>Statement of cash flows</p> <table border="1"> <thead> <tr> <th rowspan="2">SEK million</th> <th colspan="2">Jan-Mar</th> <th colspan="3">Full year</th> </tr> <tr> <th>2013</th> <th>2012</th> <th>2012</th> <th>2011</th> <th>2010</th> </tr> </thead> <tbody> <tr> <td>Cash flow from operating activities</td> <td>-226</td> <td>-134</td> <td>825</td> <td>669</td> <td>534</td> </tr> <tr> <td>Cash flow from investing activities</td> <td>-14,610</td> <td>-51</td> <td>-308</td> <td>9</td> <td>-311</td> </tr> <tr> <td>Cash flow from financing activities</td> <td>19,045</td> <td>132</td> <td>-474</td> <td>-577</td> <td>-300</td> </tr> <tr> <td><b>Cash flow for the period</b></td> <td><b>4,209</b></td> <td><b>-53</b></td> <td><b>43</b></td> <td><b>101</b></td> <td><b>-77</b></td> </tr> <tr> <td>Cash and cash equivalents at beginning of period</td> <td>291</td> <td>248</td> <td>248</td> <td>147</td> <td>226</td> </tr> <tr> <td>Exchange differences in cash and cash equivalents</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>-2</td> </tr> <tr> <td><b>Cash and cash equivalents at end of period</b></td> <td><b>4,500</b></td> <td><b>195</b></td> <td><b>291</b></td> <td><b>248</b></td> <td><b>147</b></td> </tr> </tbody> </table> <p>Key figures</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Jan-Mar</th> <th colspan="3">Full year</th> </tr> <tr> <th>2013</th> <th>2012</th> <th>2012</th> <th>2011</th> <th>2010</th> </tr> </thead> <tbody> <tr> <td>Gross margin, %</td> <td>24.5</td> <td>43.9</td> <td>45.2</td> <td>44.0</td> <td>45.1</td> </tr> <tr> <td>Operating margin, %</td> <td>3.2<sup>1</sup></td> <td>13.4</td> <td>9.4</td> <td>12.1</td> <td>-14.5</td> </tr> <tr> <td>Net margin, %</td> <td>4.1<sup>1</sup></td> <td>15.0</td> <td>11.2</td> <td>2.4</td> <td>-14.7</td> </tr> <tr> <td>Return on equity, %</td> <td>2.3<sup>1</sup></td> <td>2.3</td> <td>3.9</td> <td>3.0</td> <td>-3.0</td> </tr> <tr> <td>Return on capital employed, %</td> <td>1.1<sup>1</sup></td> <td>4.4</td> <td>3.6</td> <td>1.1</td> <td>-3.2</td> </tr> <tr> <td>Equity/assets ratio, %</td> <td>23.1</td> <td>85.2</td> <td>86.1</td> <td>85.6</td> <td>85.0</td> </tr> </tbody> </table> <p>1. Excluding positive effect of acquisition of SEK 8,728 million.</p> <p>No material adverse changes in the Company's prospects have taken place since the last audited financial statement was published.</p>	SEK million	Jan-Mar		Full year			2013	2012	2012	2011	2010	Cash flow from operating activities	-226	-134	825	669	534	Cash flow from investing activities	-14,610	-51	-308	9	-311	Cash flow from financing activities	19,045	132	-474	-577	-300	<b>Cash flow for the period</b>	<b>4,209</b>	<b>-53</b>	<b>43</b>	<b>101</b>	<b>-77</b>	Cash and cash equivalents at beginning of period	291	248	248	147	226	Exchange differences in cash and cash equivalents	0	0	0	0	-2	<b>Cash and cash equivalents at end of period</b>	<b>4,500</b>	<b>195</b>	<b>291</b>	<b>248</b>	<b>147</b>		Jan-Mar		Full year			2013	2012	2012	2011	2010	Gross margin, %	24.5	43.9	45.2	44.0	45.1	Operating margin, %	3.2 <sup>1</sup>	13.4	9.4	12.1	-14.5	Net margin, %	4.1 <sup>1</sup>	15.0	11.2	2.4	-14.7	Return on equity, %	2.3 <sup>1</sup>	2.3	3.9	3.0	-3.0	Return on capital employed, %	1.1 <sup>1</sup>	4.4	3.6	1.1	-3.2	Equity/assets ratio, %	23.1	85.2	86.1	85.6	85.0
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<b>B.13</b>	<b>Events to a material extent relevant to solvency:</b>	<p>On May 6, 2013, a prospectus was published, which was approved the same day by the Swedish Financial Supervisory Authority, in respect of an issue of ordinary shares in the Company. The subscription period for the issue of ordinary shares was May 10 – May 24, 2013 and the issue of ordinary shares was fully subscribed. The issue of ordinary shares injected around SEK 5 billion into the Company, which was used to repay tranche A of the bridge loan that the Company has entered into with Handelsbanken and Nordea. Other than the above, no significant events have taken place that have a material impact on the issuer's solvency since the interim report for the period January – March 2013 was published on April 29, 2013.</p>																																																																																																				
<b>B.14</b>	<b>Dependence upon other Group entities:</b>	<p>The Company conducts most of its business through wholly-owned and partly-owned Group companies and associated companies and owns no material assets other than the shares in such companies. The Company is dependent on these companies' ability to provide loans and dividends to the Company.</p>																																																																																																				
<b>B.15</b>	<b>Principal activities:</b>	<p>ICA Gruppen is a retail company with operations in four areas: food, banking, real estate and non-food. The main task of ICA Gruppen is to develop ICA and ICA-related operations further. The aim is to create a clear business orientation in the various operations and to safeguard in the best way possible the development opportunities that exist within these areas.</p> <p>ICA's core business is, and will remain, food retail. Other operations are to support the core business and may be developed to take advantage of new business opportunities as a</p>																																																																																																				

		whole, but also on their respective merits. The five Portfolio Companies that the Company owns alongside ICA represent less than 5 per cent of the Group's assets and will be assessed in a responsible manner based on the reorientation.
<b>B.16</b>	<b>Direct or indirect ownership/control:</b>	ICA-handlarnas Förbund is the principal shareholder in ICA Gruppen and holds 51.3 per cent of the shares. The statutes of ICA-handlarnas Förbund state that its shareholding in ICA Gruppen shall amount to at least 51 per cent of the capital and votes. Industrivärden holds 10 per cent of the capital and votes.
<b>B.17</b>	<b>Credit ratings:</b>	Not applicable. As of the date of the Base Prospectus, the Company does not have an official credit rating.

## SECTION C – SECURITIES

<b>C.1</b>	<b>Type of securities:</b>	MTNs will be registered to a securities account (VP-account) on behalf of Noteholders and consequently no physical securities will be issued. Each Loan will be given a loan number and will comprise one or more MTNs (unilateral debt instrument registered pursuant to the Financial Instruments Accounts Act (1998:1479) and issued by the Company under this MTN Program) ("MTN").  <i>The ISIN code for the Loan is [000•].</i>
<b>C.2</b>	<b>Currency:</b>	Loans may be issued in Swedish kronor or in Euros.  <i>The currency of the Loan is [•].</i>
<b>C.5</b>	<b>Restrictions on the free transferability of MTNs:</b>	Distribution of the Base Prospectus, this translation thereof and sale of MTNs may be restricted by law in certain countries. Holders of the Base Prospectus, this translation and/or MTNs must therefore become acquainted with and observe any restrictions. The terms of the Loan contain no restrictions on the free transferability of MTNs.
<b>C.8</b>	<b>Rights attached to the MTNs in terms of ranking and limitations on those rights:</b>	The MTNs are an unsecured debt instrument with the right to payment alongside ( <i>pari passu</i> ) the Company's other existing or future unprioritized unsubordinated and unsecured payment obligations for which no better preferential rights are provided under current law.
<b>C.9</b>	<b>Rights attached to the MTNs in terms of nominal interest, start date for interest calculation, interest payment dates, any interest base, maturity date, yield and any representative of debt security holders:</b>	Loans may be interest bearing or non-interest bearing. Loans may be issued with fixed interest, floating interest (based on STIBOR or EURIBOR) or as zero coupon notes. In relation to each tranche of interest bearing Loans, the date on which interest becomes payable and due dates for interest will be specified in the relevant Final Terms.  <i>[The Loans are non-interest bearing./The Loans are interest bearing: [Interest rate: [•]]. [Interest base: [•]]. [Interest base margin: [•]]. [Interest determination date: [•]]. Interest period: [•] Interest payment dates: [•]</i>

C.10	<b>Information on derivative component in the interest payments:</b>	Not applicable. There is no derivative component in the Loans.
C.11	<b>Admission to trading:</b>	<p>Each Loan may be admitted to trading on the regulated market at NASDAQ OMX Stockholm.</p> <p><i>[An/No] application will be made for the Loan to be admitted to trading on the regulated market at NASDAQ OMX Stockholm.</i></p>

## SECTION D – RISKS

D.2	<b>Key risks associated with the Company:</b>	<p>Before an investor decides to invest in MTNs, it is important to carefully analyze the risks that are associated with the Company and the industries in which the Company operates. The main categories of risk factors that may affect the Company's operations, profits and/or financial position are described below. They are in no particular order and there is no claim as to the completeness of the information.</p> <p>Financial risks include risks relating to the Company's financing and refinancing (mainly consisting of the risk that the Bridge Loan will be terminated or that refinancing cannot be secured at a reasonable cost or at all), exchange rate risk and risks relating to the Group's sales and earnings.</p> <p>Market-related risk includes changes in consumer behavior and competition resulting from an increase in online sales.</p> <p>Operational risks include risks relating to having suppliers and operations in multiple countries (including the risk of changes in trade-related regulations in different jurisdictions), logistics risks (including warehousing and transports to stores), increased production and distribution costs, damaged reputation (mainly due to independent producers, suppliers, distributors or ICA retailers acting in ways that conflict with the values represented by the Company's brands, or breaking laws or deviating from ethical labor practices, quality or environmental requirements or from international labor norms), risks relating to ICA's Norwegian operations, risks relating to information and IT systems, dependence on group management, ICA retailers and other key individuals and risks relating to decisions by competition authorities (including the fact that the Norwegian competition authority has decided to suspend the cooperation agreement with NorgesGruppen and may decide not to approve the agreement in the future).</p> <p>There may be risks relevant to the Company that are not known to the Company at this time.</p>
D.3	<b>Key risks associated with MTNs:</b>	<p>Risks related to specific types of MTNs are described below, in no particular order and with no claim as to the completeness of the information:</p> <p>Risks related to specific types of MTN include <i>inter alia</i> risks in connection with structural subordination, credit risks (mainly in that the investor's opportunity to receive payment is dependent on the Company's ability to meet its payment commitments), market risks and interest risks (mainly in that changes in interest rates may adversely affect the value of an MTN), foreign currency risks (mainly</p>

		<p>the risk of substantial exchange rate fluctuations in the currency in which an investor mainly conducts its business), the risk of lack of liquidity in trading in MTNs, the risk that the Noteholders' meetings will make binding decisions that affect the rights of all Noteholders, the risk of lack of functionality in Euroclear Sweden's VPC system, legal risks (mainly related to the impact of new laws on MTNs or changes in the way the laws are applied), risks associated with buyback or early redemption (mainly that MTNs may reduce in value if the Company has the right to redeem MTNs early) and risks associated with MTNs issued at a substantial discount or premium (mainly that the value of such MTNs tends to fluctuate more than other interest bearing securities with comparable terms, relative to general changes in interest rates).</p> <p>There may be risks relevant to MTNs that are not known to the Company at this time.</p>
<b>SECTION E – OFFERING</b>		
<b>E.2b</b>	<b>Intended use of the expected proceeds if not related to profitability or hedging of certain risks:</b>	The MTN Program forms part of the Company's debt financing.
<b>E.3</b>	<b>Terms and conditions of the offer:</b>	The price of MTNs is variable and depends on, among other things, current interest rates for investments with the same term and accrued coupon interest since the last interest payment date. Since notes under the MTN Program may be issued on an ongoing basis over a lengthy period, it is not possible to state a uniform selling price or any other fixed price for the notes. MTNs may be issued at par or below/above par. The price is set for each transaction.
<b>E.4</b>	<b>Interests and conflicts of interest:</b>	<p>The Issuing Agents have and may in the future have relations with the Group other than those arising from their roles in the MTN Program. An Issuing Agent may, for example, provide services related to financing other than through the MTN Program. Svenska Handelsbanken AB and Nordea Bank AB are currently lending banks under the Bridge Loan and a revolving credit facility, each of which amount to significant sums. Consequently, it cannot be guaranteed that conflicts of interest do not exist or will not arise in the future.</p> <p><i>Other than as stated above, as far as the Company is aware, no person involved in the issue of the Loan has any interest that is relevant to the Loan or that represents a conflict of interest of any kind./[*].</i></p>
<b>E.7</b>	<b>Expenses charged to the investor:</b>	The issuer will not charge investors for any costs in connection with the issue of Loans.

## **RISK FACTORS**

*A number of factors affect, and may affect, ICA Gruppen as well as the MTNs issued under the MTN Program. There are risks associated both with circumstances relating to the Company and to the MTNs issued under the MTN Program, as well as risks that are not specifically linked to the Company and the MTNs. Certain risk factors are presented below which, in ICA Gruppen's assessment, are of significance for the Company's operations or MTNs. The risk factors below are not stated in any order or priority and do not claim to be complete. In addition to the risk factors below and other risks occurring, the reader should also carefully note the other information in the Prospectus. Further risks and uncertainties of which the Company is currently unaware or which the Company does not currently consider to be material could develop into factors which may materially affect the Company's operations, earnings and/or financial position.*

### **RISKS RELATED TO BUSINESS OPERATIONS AND SECTOR**

#### **Risks related to ICA's Norwegian operations**

ICA's Norwegian operations have been reporting a loss for a long period. ICA has drawn up a strategic business plan for the years ahead which involves substantial challenges, particularly with respect to the Norwegian operations. If the Company does not succeed in implementing the strategic business plan there is a risk that the Norwegian operations will continue to make a loss in the future, or that ICA will decide to leave the Norwegian market entirely or in part, resulting in losses. A significant part of the strategic business plan involves cooperation with NorgesGruppen on sourcing and distribution. As stated in the section *Regulatory risks – Risks related to competition law* below, the Norwegian Competition Authority has decided to suspend implementation of the cooperation agreement until September 30, 2013. ICA Norway has appealed the decision. The cooperation agreement with NorgesGruppen is intended above all to contribute to lower sourcing and distribution costs, but good store management and increased store sales are also needed if ICA Norway is to perform profitably.

If the planned improvement in ICA Norway's results is not achieved there is a great risk that this will negatively impact the Group's operations, earnings and financial position.

#### **Risks related to suppliers and operations in several countries**

The Group is dependent on suppliers for the provision of its goods. Disruptions in the suppliers' operations could also negatively impact the Group's sales and earnings.

Moreover, certain of the Group's products are produced in developing countries. The working environment and the prevailing conditions of production in developing countries often differ from the conditions that prevail in the countries in which the Group's products are sold. The Group's code of conduct, which makes clear the suppliers' responsibilities, regulates the relationship with each supplier and imposes social requirements and quality requirements as part of the supply contract, may prove to be insufficient or not be complied with and as a result, the Group may be subject to criticism regarding matters such as working conditions, product quality and the environmental impact of products. Negative exposure in such matters, even if due to suppliers violating codes of conduct, regulations in force or the general terms and conditions of purchase laid down in supplier agreements and where the Group is not at fault, could result in loss of confidence in the Group and result in lower demand for the Group's products, which could negatively impact the Company's operations, earnings and financial position.

The Group's international operations mean that the Group faces different regulations in different jurisdictions and is exposed to changes in these provisions. These provisions include such things as trade restrictions such as duties and tariffs, requirements of import and export licenses and other trade barriers, restrictions on the movement of capital, and the political and economic circumstances of a certain country or a certain region. Transactions between Group companies in different jurisdictions are carried out in accordance with the Group's interpretation of applicable law, tax treaties, practice in relevant areas, OECD guidelines and agreements entered into with foreign tax authorities, and normally in accordance with the arm's length principle. However, the Group's interpretation of such rules, practice and regulations could be questioned by tax authorities in certain countries.

All the above could have a material negative impact on the Company's operations, earnings and financial position.

## **Logistics risks**

Efficient logistics play an essential part in the Group's success, particularly as regards ICA. The logistics are dependent on numerous systems, suppliers and other internal and external parties. ICA Sweden has centralized its distribution system at two central warehouses, in Västerås and Helsingborg. ICA's own consumer-packaged meat is distributed via Hilton Food Group, based in Västerås. In the event that a significant supplier, transport company, warehouse or other party involved in the supply chain should strike, go bankrupt, or otherwise cease to meet its commitments, ICA could be unable to supply certain goods during the period until this party is replaced, which could negatively impact the Company's operations, earnings and financial position. Particularly as regards labor disputes, even limited strikes could have a major impact on the Group.

ICA Norway has concluded a distribution cooperation agreement with NorgesGruppen. Under the agreement, NorgesGruppen will take care of ICA Norway's distribution outside the Greater Oslo area in future. Termination of the cooperation would result in ICA Norway having to arrange alternative logistics solutions, which could have a negative impact on the Group's operations, earnings and financial position.

As regards the operations in Estonia, Latvia and Lithuania, Rimi Baltic is heavily dependent on an external third party logistics company for warehousing (including IT solutions for the warehousing) and transport to stores. In the event that the external transport company should terminate its agreement with Rimi Baltic, strike, go bankrupt, or otherwise cease to meet its commitments under the contract with Rimi Baltic, this could negatively impact the Company's operations, earnings and financial position.

## **Competition related risks**

The Group's various markets and products are highly competitive. The position of the Group companies in the market depends on both the Group's own resources and its competitors' resources for marketing, investments and product development. The position of the Group companies in the market also depends on the Group's ability to adapt to consumers' changing preferences. To an increasingly great extent, the competition comes from sales via the internet. The online presence of the Group and the Group companies is in certain cases limited and not centrally coordinated. Increased competition and increased online sales may lead to increased pressure on prices and reduced market shares, which could in turn have a negative impact on the Company's operations, earnings and financial position.

Certain of the products that the Group sells are produced in countries with lower cost and wage levels than in Sweden. This means that the Group can sell certain of its products at a lower price than would be possible if production took place in Sweden. However, in many cases the countries where production is located are developing rapidly, and there are no guarantees as to how long the relatively low cost situation will remain in the countries concerned. The Group also incurs costs for the distribution of the products from the production countries to Sweden. These costs may also increase in the future in line with general price increases in the countries concerned. The purchasing prices depend on the world market prices for commodities and energy. There is thus a risk that the Group's costs for purchased products may increase to such extent that the cost increase cannot be passed on to the Group's customers, resulting in lower margins, which could negatively impact the Company's operations, earnings and financial position. There are also other risks inherent in production in low wage countries; refer to, for example, the section *Risks related to suppliers and operations in several countries* above.

## **Reputational damage**

The reputation of the Group companies is central to each company's business and earnings capacity. The Company's long-term profitability is based on consumers associating each company's brands with positive values. If, for example, ICA, one of the Group's suppliers, distributors or other cooperation partners or one or more ICA retailers were to take some action that conflicts with the values represented by the brands, there is a risk of damage to the Company's reputation.

The individual ICA retailers buy in products from suppliers other than ICA to varying degrees. Should a product that an ICA retailer sells prove to be harmful to health or otherwise substandard, there is a risk that this will damage ICA's reputation, and particularly as regards products purchased from suppliers other than ICA, ICA has only limited possibilities for protecting itself from this risk (also refer to *Risks related to suppliers and operations in several countries* above).

Damage to reputation could have a material negative impact on the Group's operations, earnings and financial position.

### **Risks related to consumption patterns**

Demand for the Group's products is affected by the general state of the economy, which includes economic conditions in Europe, the US and other parts of the world, and also on the global capital market. Consumption patterns are affected by a number of factors outside the Company's control, including general business conditions, interest rates, exchange rates, value-added taxes and other taxes, access to credit, the trend in the stock market, the level of unemployment, changes in GDP and real pay, and also other local economic factors, uncertainty concerning the economic outlook, etc. Continued global financial instability and a negative economic climate, falling GDP and falling private consumption in the Group's markets could have a material negative impact on the Company's operations, earnings and financial position.

### **Regulatory risks**

#### ***General regulatory risks related to the retail sector***

The retail trade, and the food retail trade in particular, is subject to increasingly extensive and complex regulations and directives from authorities in all the jurisdictions in which the Group operates. Supervisory authorities could intervene in all jurisdictions where the company has operations. This risk arises primarily in the event of sales of food and other grocery products that are contaminated or unsafe. Among other things, fines and charges could be imposed on the Group Company concerned, it could be prohibited from conducting one or more of its business operations or it could be subject to limitations or other restrictions on its activities. New laws or regulations, or changes in the application or interpretation of existing laws and regulations that are applicable to the Group's operations, could result in, among other things, the Group being forced to change certain of its business methods, which could expose the Group to unforeseen costs. The situation is further complicated by the fact that certain regulations are even contradictory, which makes it harder to interpret the rules correctly.

If a local supervisory authority concludes that the Group has acted in contravention of applicable local laws in a particular market, or if the Group fails to establish functioning links with local supervisory authorities, this could negatively impact not just the Group's operations in that market, but also its reputation and brand in general.

All the above risk could negatively impact the Company's operations, earnings and financial position.

#### ***Risks related to ICA Bank***

ICA Bank is dependent on a charter for its operations; in other words, a license to conduct banking activities that is issued by the Swedish Financial Supervisory Authority (Finansinspektionen). The authority is also responsible for supervision of the bank's operations. Should the bank infringe the terms of the charter, this could in the worst case result in the bank losing its license.

The bank's operations are also dependent on requirements concerning capital coverage and other similar rules. Changes in these rules may result in increased capital requirements or restrict the bank's current operations.

The bank's operations are exposed to a number of risks. The main risks are assessed to be credit risk, operational risk and business risk/strategic risk, while market risk and liquidity risk are limited. The bank aims to manage its operations towards a low level of risk-taking.

Credit risk refers to the risk that ICA Bank will not receive payment as agreed and/or will make a loss due to a counterparty's inability to meet its commitments.

Operational risk is defined as the risk of direct or indirect loss as a result of inadequate or failed internal processes, human error and system faults, or external events. Operational risk also includes IT risks, legal risks and compliance risks (failure to comply with regulations) and security risks (physical safety, data security, business continuity planning and money laundering).

Business risk/strategic risk refers to current and future risks of losses due to changes in market conditions (change in volumes, interest margins and other price changes for deposits and lending) and to incorrect or misjudged business decisions.

The above could negatively impact the Group's operations, earnings and financial position.

### ***Risks related to Cura's pharmacy operations***

The pharmacy operations run by the Group are subject to extensive regulation. Changes in drugs legislation, for example (or changes in interpretations of such legislation), or amended or withdrawn licenses, could restrict the Group's ability to conduct pharmacy operations profitably, which could negatively impact the Group's operations, earnings and financial position.

Moreover, pharmacy operations are associated with risks related to handling errors by employees, such as the unauthorized dispensing of prescription drugs or the wrong drugs being dispensed. This could result in action by authorities, such as amended or withdrawn licenses, which could negatively impact the Group's operations, earnings and financial position.

### ***Risks related to competition law***

In recent years, competition authorities in the countries where the Group operates have generally made the food and retail sectors a focus of their activities.

ICA has entered into a cooperation agreement with NorgesGruppen for some parts of sourcing and distribution in Norway, as announced on January 14, 2013. This cooperation agreement was subsequently reported to the Norwegian Competition Authority (Konkurransetilsynet). The Norwegian Competition Authority is currently investigating whether the cooperation agreement contravenes competition rules and on April 19, 2013 gave notice that it had decided to suspend implementation of the cooperation agreement until September 30, 2013. ICA Norway has appealed the decision. Should the Norwegian Competition Authority's decision become final, this could necessitate changes in significant aspects of the way that ICA and NorgesGruppen cooperate or prevent such cooperation from taking place, which could negatively impact the Group's operations, earnings and financial position.

In addition, the Swedish Competition Authority (Konkurrensverket) has on its own initiative previously investigated ICA Sweden's business relations with ICA retailers. Although the Swedish Competition Authority has not taken any action against ICA in conjunction with these investigations, it cannot be ruled out that new investigations may be conducted in the future.

The competition authorities in the Baltic States pay close attention to the retail sector and on a number of occasions have initiated actions against operators in the market, including Rimi Baltic's national company, often based on market dominance of the operator in question. As elsewhere in Europe, the competition rules also allow the authority to impose antitrust penalties on companies that are deemed to have infringed the regulations laid down in competition law, something which may have a negative impact on the Group's operations, earnings and financial position.

From time to time the Group considers various other acquisitions, mergers and partnerships that require approvals from competition authorities in the jurisdictions concerned. In the event that such approvals are not given, or are given only on condition that the Group makes changes that the Group is not willing to implement, the Group's expansion and other development may be restricted, which could have a negative impact on the Company's operations, earnings and financial position.

### ***Risks related to agreements with ICA retailers and franchisees***

The agreements between ICA Sweden and the individual ICA retailers are structured according to various generations of agreements, the older agreements generally resulting in lower revenues for ICA Sweden. ICA Sweden continually endeavors to replace older agreements with new ones that result in higher revenues. There is a risk that older agreements will not be replaced at the rate expected by ICA Sweden. The Company has not noticed any tendency for this risk to materialize, but if it should do so then this could result in lower revenues than were assumed by ICA, which in turn could have a negative impact on the Company's earnings and financial position.

ICA retailers in Sweden are free to choose which supplier they wish to use for purchases of their products. Should ICA Sweden not offer competitive terms, the Company risks losing the ICA retailers – in their capacity as customers – to competitors, which could have a material negative impact on the Company's results and financial position. According to the agreements entered into by ICA with individual ICA retailers, ICA retailers are to pay royalties and profit shares to ICA. The size of these varies depending on the type of store and contract, but is usually determined primarily by the net sales and store area of the individual ICA store.

A not immaterial part of the Group's Norwegian operations is run through agreements with franchisees. If the Group is not deemed an attractive partner, it may be difficult to recruit franchisees and existing franchise agreements may be terminated. There is a risk of bad debts in the event that

the franchisees are not in a financial position to pay for products supplied. All the above could negatively impact the Group's operations, earnings and financial position.

### **Real estate related risks**

ICA owns properties through ICA Real Estate, Ancore Fastigheter AB ("Ancore") and Rimi Baltic. The value of the real estate is affected by a number of factors, some of which are property-specific (such as the occupancy rate, level of rent, operating costs and repair and maintenance costs) and some of which are market-specific (such as direct return requirements and interest rates assumed for costing purposes, which are derived from comparable transactions in the real estate market). A deterioration in both property-specific and market-specific factors could cause the value of the Group's properties to be written down, which would negatively impact the Group's earnings and financial position.

The management and development of real estate involves environmental risks, mainly in that in certain cases owners of real estate may be held liable under the Swedish Environmental Code for post-treatment of real estate that has been environmentally impaired. This means that claims could be brought against ICA Real Estate and Ancore for environmental remediation or post-treatment where contamination exists or is suspected in soil, bodies of water or groundwater. If significant, such claims may negatively impact the Group's reputation, operations, earnings and financial position.

Should a lessee suspend its payments, or if a lessee otherwise fails to meet its commitments, this could negatively impact the Group's earnings and financial position.

### **Sale and leaseback**

When ICA sells a property that is then leased back by ICA in order to be leased out in turn to an independent ICA retailer, an assessment is made of which party bears the main risks and benefits and whether ICA still has a significant involvement in the property. This assessment is based on current rules, facts and circumstances and where ICA has a significant involvement, no sale is regarded as having taken place. Changes in rules or circumstances may lead to changes in financial reporting, which could negatively impact the Group's earnings and financial position.

### **IT-related risks**

The Group is highly dependent on its IT platform for stock management, purchasing, transport, conducting banking operations and selling goods, and also for collecting and compiling operational information and statistics. This IT platform needs to be continually developed in order to be adapted to increasingly automated operations and other new requirements of the business operations. Since the IT platform for ICA in Sweden is currently complex, the development of new functionality within the IT platform is very time consuming and costly. Replacing/renewing the IT platform for ICA Sweden in the years ahead could give rise to business and financial risks, and dealing with these may have a negative impact on the Company's operations, earnings and financial position. Should development of the IT platform be impeded or restricted in any respect – for example, because employees who are key to the development of the IT platform cease working for the Group, or for other reasons – this could negatively impact the Company's operations, earnings and financial position.

Communications breakdowns and other system errors, viruses, manipulation, natural disasters, internal fraud, hacking and other unforeseen events could also cause significant problems for the Group and any lengthy interruption of service or lack of functionality in the IT platform could mean important information being lost, certain actions being delayed or that the Group is less able to offer its customers the right level of service. Moreover, strikes, bankruptcies or other problems at the Company's suppliers of IT solutions (including solutions in respect of data storage capacity, transaction processing and other data communication), and terminations of agreements with such suppliers, could negatively impact the Group. All the above could have a material negative impact on the Company's operations, earnings and financial position.

### **Dependency on Group management, ICA retailers and other key individuals**

The Group's future performance depends, among other things, on the efforts of Group management, the individual ICA retailers and other key individuals. If the Group is unable to retain these key individuals or is unable to recruit new key individuals, this could negatively impact the Company's ability to develop the business, which could negatively impact the Company's operations, earnings and financial position.

### **Risks related to refinancing**

On February 10, 2013 ICA Gruppen entered into a bridge loan agreement with Handelsbanken and Nordea through which ICA Gruppen borrowed around SEK 19 billion to finance the acquisition of 60 per cent of the shares in ICA. The bridge loan agreement contains certain restrictions regarding limits on, for example, additional borrowing, acquisitions and disposals, and the pledging of assets. The bridge loan agreement also contains provisions that require the Company to attain certain financial key ratios during the term of the loan. If these conditions or provisions in the bridge loan agreement are not met and any breaches are not rectified by a certain deadline, this could be cause for termination of the Bridge Loan, which may have a significant negative impact on the Company's operations, results and financial position. The proceeds of the new share issue approved by the board of directors on April 28, 2013 following authorization by the extraordinary general meeting held on March 13, 2013, amounting to SEK 5 billion, have been used to repay part of the Bridge Loan. The remainder of the Bridge Loan is intended to be replaced by long-term financing and the issue of preference shares in ICA Real Estate. The capital and credit markets remain turbulent, which may make refinancing more difficult or impossible. If the Company is unable to refinance the Bridge Loan, or can only refinance the Bridge Loan on unfavorable terms, this may have a substantial negative impact on the Company's operations, earnings and financial position.

### **Exchange rate risks**

Exchange rate risk means the risk that changes in exchange rates will impact the Company's earnings. This arises in conjunction with transactions in foreign currency, taking place when subsidiaries make purchases or have sales in foreign currency and when assets and liabilities are in foreign currency. On consolidation of foreign subsidiaries these amounts are converted from the currency of the country concerned into Swedish kronor, which can negatively impact the Group's financial position. A great many purchases are made from supplies in countries with a different currency, while at the same time many sales are made to customers in another currency. Future exchange rate fluctuations may therefore negatively impact the Group's earnings and financial position.

### **Risks related to acquisitions and Portfolio Companies**

The Company's earnings are affected by its share of the Portfolio Companies' earnings. Factors that could negatively impact the holdings' operations, earnings and financial position could thus also have a negative impact on the Company's operations, earnings and financial position.

The future performance of the unlisted holdings and/or changes in external factors could affect assessments of the value of these holdings, which could result in book values being written down.

The Group has completed a number of acquisitions and sales in the past, and may also do so in the future. The Group could therefore be exposed to acquisition-related risks, which in certain cases could become costly and time consuming and which moreover often require management resources that could otherwise have been focused on ongoing operations. There are also risks that any acquired companies do not perform as planned in terms of growth and margins, and that intended synergies are not achieved, which could have a material negative impact on the Company's earnings and financial position.

A negative trend in the stock market could negatively affect the assessment of the value of both ICA Gruppen's listed and unlisted shareholdings. Interest rates are another factor that could negatively impact the assessed value of the holdings. Interest rates could also have a negative impact on the cost of borrowing. All the above could have a material negative impact on the Company's earnings and financial position.

### **Shareholders with significant influence**

As of the date of the Base Prospectus, ICA-handlarnas Förbund holds 51.3 per cent and AB Industrivärden ("Industrivärden") 10 per cent of the shares in the Company; ICA-handlarnas Förbund and Industrivärden thus have a significant influence over the Company. It cannot be ruled out that the interests of ICA-handlarnas Förbund or Industrivärden may depart from the interests of other shareholders.

## **SECURITIES RISKS**

### **Structural subordination**

The Company is the parent company in the Group and owns no material assets other than the shares in other Group companies and associated companies. In order to make payments under MTNs, the Company is therefore dependent on the ability of other Group companies to provide the Company with loans and dividends. Among other things, the ability of other Group companies to provide loans and dividends depends on funds available for distribution, rules on value transfers, the terms of Group companies' financing agreements and local legislation.

The other Group companies are independent legal entities and have not provided any guarantees, security or similar for the Company's liability to pay amounts due and meet other commitments under relevant Loan Terms. Noteholders are therefore not entitled to bring claims related to relevant Loan Terms against other Group companies.

The Company has and may in the future have bank loans for which the Company has provided security. Other Group companies have and will in the future have bank loans. Since bank loans are taken out by other Group companies than the Company or are secured, such loans will typically give its creditors an advantageous position in the event of future bankruptcy, distraint, restructuring or other insolvency proceedings in the Company. The Company and other Group companies may also from time to time have other secured or unsecured commitments. If a Group company other than the Company is the object of bankruptcy, distraint, restructuring or other insolvency proceedings, Noteholders will have no direct right to the assets of this Group Company.

### **Market Loans**

The General Terms do not prevent the Company or ICA Bank from issuing Market Loans. No Market Loans in ICA Bank will be issued under the MTN Program, and it cannot be ruled out that the issue of such Market Loans may have a material adverse effect on the market value of MTNs issued under the MTN Program.

### **Credit risk**

Investors in MTNs issued by the Company are exposed to a credit risk on the Company. The investor's ability to receive payment under MTNs is thus dependent on the Company's ability to meet its payment commitments, which in turn is to a large extent dependent on developments in the Company's business and financial position. Deterioration in these respects could also mean that the market value of MTNs falls.

### **Market risk and maturity risk**

The market risks vary depending on the loan structure and term. There is a risk that changes in interest rates may adversely affect the value of an MTN. The risks inherent in investing in an MTN increase the longer the term of the MTN. The reason for this is that it is more difficult to get an overview of the credit risk in a longer-term MTN than in the case of an MTN with a shorter term. Moreover, the market risk also increases with the term of the MTN, since fluctuation in the price of an MTN is greater for an MTN with a longer term than for an MTN with a short term.

### **Foreign currency risk**

The Company can issue MTNs denominated in SEK or EUR. The issue of MTNs in a certain currency involves risks associated with currency conversion if the currency is not the currency in which the investor conducts most of its financial activities. This includes both the risk of substantial changes in exchange rates (such as devaluation and revaluation) as well as the introduction of or changes in currency regulations. A strengthening of the currency in which business is conducted compared with the currency in which an MTN is issued will reduce the value of the investment for such investors.

### **Secondary market and liquidity**

Even if Loans are admitted to trading on a Regulated Market, no significant trading in MTNs normally occurs. This may apply for the entire term of the MTN in question. The transaction costs for trading in MTNs may also prove to be high. If no market develops there will be a deterioration in liquidity. There may therefore be difficult to sell an MTN quickly or obtaining a price comparable with similar investments having a developed secondary market. This applies in particular to MTNs with a specially adapted structure. Lack of liquidity in the market may have a negative impact on the market value of an MTN. If selling an MTN before its maturity, therefore, the investor takes a liquidity risk, since the

price is set by the market. This means that if sold before the Redemption Date there is a risk that the market value of the investment is lower than the nominal amount.

### **Conflicts of interest**

The Issuing Agents have and may in the future have relations with the Group other than those arising from their roles in the MTN Program. An Issuing Agent may, for example, provide services related to financing other than through the MTN Program. Svenska Handelsbanken AB and Nordea Bank AB are currently lending banks under the Bridge Loan and a revolving credit facility, each of which amount to significant sums. Consequently, it cannot be guaranteed that conflicts of interest do not exist or will not arise in the future.

### **Noteholders' Meeting**

Section 12 of the General Terms provides that the Company, Agents and Noteholders may under certain conditions convene a Noteholders' Meeting. The Noteholders' Meeting may make decisions that affect the Noteholders' rights under a Loan and that are binding on all Noteholders. The Noteholders' Meeting may, for example, appoint and issue instructions to a representative of the Noteholders to act on their behalf before a court of law or executive authority or in other contexts.

Decisions made at a duly convened and conducted Noteholders' Meeting are binding on all Noteholders irrespective of whether they were present or represented at the Noteholders' Meeting and irrespective of whether, and the manner in which, they voted at the meeting. In brief, a majority may make decisions that are binding on a non-consenting minority.

### **Clearing and settlement in the VPC system**

The Company's MTNs are linked to Euroclear Sweden AB's account-based system (the "VPC system") and, consequently, no physical securities will be issued. Clearing and settlement in connection with trading take place in the VPC system; likewise, payment of interest and repayment of principal. The investors are therefore dependent on the functionality of the VPC system in order to obtain payment under the MTNs.

### **Legislative amendments**

The Base Prospectus and the General Terms of the MTN Program are based on Swedish law in force as of the date of the Base Prospectus. New laws, amendments to the current legislation or changes in the application of the law after this date may adversely impact investors and the Company.

### **Credit rating may not reflect all risks**

One or more credit rating agencies may rate MTNs issued under the MTN Program. There is no guarantee that this rating will have taken into account all the risks associated with investing in an MTN. A credit rating thus does not constitute a recommendation to buy, sell or hold a security and may be changed or withdrawn by the credit rating agency at any time. It is up to each individual to obtain current rating information, since this may be subject to change.

### **Interest risk**

Interest risk is the risk that the value of assets and liabilities will be adversely affected by changes in interest rates. Investing in MTNs with a fixed interest rate involves a risk that changes in market interest rates will negatively affect the value of fixed interest MTNs. Investing in MTNs with a floating interest rate means that fluctuations in market interest rates affect the value of the interest received.

### **MTNs subject to optional redemption by the Company**

If the Final Terms give the Company the right to effect early redemption of MTNs it is likely that the market value of these MTNs will be lower. As long as the Company can choose to redeem MTNs early, the market value of these MTNs will not generally increase substantially above the rate at which they can be redeemed. This may also apply ahead of a redemption period.

The Company can be expected to redeem MTNs when its borrowing costs are lower than the interest on MTNs. At such times an investor would not generally be able to reinvest the redemption proceeds at an effective interest rate that is as high as the interest on the MTNs redeemed. Prospective investors should consider the reinvestment risk against the background of other investments that can be made at the same time.

**MTNs issued at a substantial discount or premium**

The market values of securities issued at a substantial discount or premium on their principal amount tend to fluctuate more in relation to general changes in interest rates. Generally, the longer the remaining term of the securities, the greater the price volatility compared with other interest-bearing securities with comparable terms.

# DESCRIPTION OF ICA GRUPPEN'S MTN PROGRAM

## GENERAL

This MTN Program forms part of the Company's debt financing and provides a framework within which ICA Gruppen AB (publ), in accordance with the decision by the board of directors on May 29, 2013, can take out Loans in Swedish kronor (SEK) or Euros (EUR) with a minimum term of one year on the capital market on an ongoing basis. The total outstanding Nominal Amount of MTNs may not exceed SEK 10,000,000,000 or the equivalent in EUR ("the Program Amount") as of the date of agreement between the Company and the Issuing Agent concerning placement of MTNs.

Loans are taken out through the simultaneous issue of multiple account-based unilateral debt instruments with identical wording, known as Medium Term Notes ("MTNs"). MTNs may be issued at a Nominal Amount lower than EUR 100,000 (or the equivalent amount in SEK). For the Company, the MTN Program is one element of the refinancing of the SEK 19 billion bridge loan taken out with Svenska Handelsbanken AB (publ) and Nordea Bank AB (publ) in conjunction with the Company's acquisition of 60 per cent of the shares in ICA AB from Ahold J.V. NV. The MTN Program is aimed at capital market investors. Decisions to take out Loans are made by the Company's board of directors.

Loans under the MTN Program may be issued with fixed interest, floating interest or no interest (known as a zero coupon structure).

The General Terms appended hereto shall apply to all MTNs issued under this MTN Program. In addition, supplementary Final Terms shall apply to each MTN; together with the General Terms, these constitute the full Loan Terms for the Loan in question. Each Loan issued under the MTN Program is given a loan number.

The Company has appointed Svenska Handelsbanken AB (publ) ("Lead Bank") and Nordea Bank AB (publ) as Issuing Agents under the MTN Program.

The Issuing Agents have and may in the future have relations with the Group other than those arising from their roles in the MTN Program. An Issuing Agent may, for example, provide services related to financing other than through the MTN program. Svenska Handelsbanken AB and Nordea Bank AB are currently lending banks under the Bridge Loan and a revolving credit facility, each of which amount to significant sums. Consequently, it cannot be guaranteed that conflicts of interest do not exist or will not arise in the future.

## STATUS

An MTN is an account-based unilateral debt instrument with no security. It carries entitlement to payment alongside (*pari passu*) the Company's other existing or future unsecured and unsubordinated payment obligations, except where such obligations have more preferential rights under current law.

## FORM OF SECURITY AND IDENTIFICATION

MTNs are issued in dematerialized account-held form under the MTN Program and will be linked to Euroclear Sweden's account-based system on behalf of Noteholders. Accordingly, no physical securities will be issued.

The MTN Program is linked to Euroclear Sweden. The Final Terms for each MTN contain the International Securities Identification Number (ISIN) allocated by Euroclear Sweden. The creditor of an MTN (Noteholder) is the party recorded in a VP Account as the holder registered by name or the registered nominee for an MTN. Clearing and settlement of trades take place in Euroclear Sweden's system.

## TAX

Euroclear Sweden or a nominee (in the case of nominee-registered securities) will deduct preliminary tax, currently at 30 per cent on interest paid, for physical persons domiciled in Sweden and for deceased persons' estates in Sweden.

The above description does not constitute tax advice. The description is not exhaustive, but rather is intended as general information on certain applicable rules. Noteholders must judge for themselves the tax consequences that may arise, consulting a tax adviser in the process.

## **SALES**

Sales will take place through the Issuing Agents receiving issue and sale instructions. When the instructions are given, a price per MTN will be determined, which may correspond to the Nominal Amount (par) or which may be more than or less than the Nominal Amount. In this case the subscription and subscription period procedure is not used. Payment for and the corresponding delivery of MTNs takes place via the Issuing Houses in the VPC system.

Notice of allocation is provided in a settlement note that is expected to be sent out three Business Days before the loan date. Payment for and the corresponding delivery of securities takes place via the Issuing Agents in the VPC system. Any trading in MTNs is commenced only after the MTNs have been delivered.

The market price of MTNs is variable and depends on, among other things, current interest rates for investments with the same term and accrued coupon interest since the last interest payment date.

Distribution of the Base Prospectus, this translation thereof and sale of MTNs may be restricted by law in certain countries. Holders of the Base Prospectus, this translation thereof and/or MTNs must therefore become acquainted with and observe any restrictions. The terms of the Loan contain no restrictions on the free transferability of MTNs.

For further information on the MTN Program and to receive the Base Prospectus, either in hard copy or electronically, please contact the Company or the Issuing Agents. The Base Prospectus is also available on the Swedish Financial Supervisory Authority's website. Final Terms will be published on the Company's website and will be submitted to the Swedish Financial Supervisory Authority.

## **ADMISSION TO TRADING ON A REGULATED MARKET**

If it is intended that a Loan will be admitted to trading this will be stated in the applicable Final Terms. The Company will then apply to NASDAQ OMX Stockholm for registration. The marketplace to which the application is made will carry out its own assessment of the application and will approve or reject the registration.

The Company is responsible for all costs associated with admission to trading of Loans under this MTN Program such as the costs of producing a prospectus, admission to trading, documentation and fees to Euroclear Sweden.

## **LIMITATION**

Claims for the payment of principal lapse ten years after the Redemption Date. Claims for the payment of interest lapse three years after the relevant Interest Payment Date. Upon limitation the Company shall be entitled to keep any funds that may have been reserved for such payments. If the period of limitation is interrupted a new period of limitation of ten years will commence for claims in respect of principal and three years for claims in respect of interest amounts, in both cases calculated from the day indicated by provisions laid down in the Swedish Act on Limitation (1981:130) concerning the effect of an interruption in the period of limitation.

## **APPLICABLE LAW**

The Loan terms shall be governed by Swedish law. Disputes shall be settled by Swedish courts. Stockholm District Court shall be the court of first instance.

## **PRODUCT DESCRIPTION**

*A description is given below of the usual structures and terms that occur in the issue of MTNs under this MTN Program. The structure of each Loan is given in the Final Terms. These apply together with the General Terms applicable to the MTN Program.*

### **INTEREST STRUCTURES**

Loans under the MTN Program may have fixed interest, floating interest or no interest (known as a zero coupon structure).

The Interest Structure applicable to the specific Loan is specified in the applicable Final Terms. Under § 3 of the General Terms the MTN Program allows MTNs to be issued with a variety of interest structures, these being specified in the Final Terms belonging to the loan in question. However, MTNs are normally issued with one of the interest structures described below.

#### **FIXED INTEREST MTN**

If a Loan is specified as a Fixed Interest Loan, the Loan shall bear interest at the Interest Rate from (but excluding) the Loan Date up to (and including) the Redemption Date.

Interest accrued during an Interest Period is paid in arrears on the relevant Interest Payment Date and is calculated using the Day Count Convention 30/360 for Loans in Swedish kronor and Euros.

If an Interest Payment Date for a Fixed Interest Loan falls on a day that is not a Business Day, interest is not paid out until the following Business Day. However, interest is calculated and payable only up to and including the Interest Payment Date.

#### **FLOATING RATE MTNS (FLOATING RATE NOTES – FRN)**

If a Loan is specified as a Floating Rate Note, the Loan shall bear interest from (but excluding) the Loan Date up to (and including) the Redemption Date. The Rate of Interest applicable to each respective Interest Period is determined by the Administrator on the respective Interest Determination Date as the Interest Base plus the Interest Base Margin for the same period.

If the Interest Rate is not determined on the Interest Determination Date because of an obstacle such as is described in section 16.1 of the General Terms, the Loan shall continue to bear interest at the rate that applied to the immediately preceding Interest Period. As soon as the obstacle has been removed the Administrator shall calculate a new Interest Rate to apply from the second Business Day after the date of calculation until the end of the current Interest Period.

Interest accrued during an Interest Period is paid in arrears on the relevant Interest Payment Date and is calculated using the Day Count Convention Actual/360 for Loans in Swedish kronor and Euros.

If an Interest Payment Date for a Floating Rate Note falls on a day that is not a Business Day, the immediately following Business Day shall instead be deemed the Interest Payment Date provided that such Business Day does not fall in a new calendar month, in which case the Interest Payment Date shall be deemed to be the preceding Business Day.

#### **INTEREST BASE FOR FLOATING INTEREST**

Refers to the reference interest rate specified in the Final Terms. Usually, this rate is STIBOR for Loans in SEK and EURIBOR for Loans in EUR.

STIBOR refers to (a) the annual rate of interest that is quoted at or about 11.00am on the relevant day on the NASDAQ OMX website for STIBOR fixing (or on such other website as replaces this) for deposits in Swedish kronor for a period comparable with the relevant Interest Period; or (b) in the absence of such a quoted interest rate for the relevant Interest Period, the quotient (rounded up to four decimal places) of the interest rate quoted by Danske Bank A/S, Denmark, Nordea Bank AB (publ), Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ) and Swedbank AB (publ) (or such substitute banks as are appointed by the Administrator) to the Administrator at its request for deposits of SEK 100,000,000 for the relevant Interest Period; or (c) in the absence of a quoted interest rate as mentioned in (b), the interest rate that, in the reasonable assessment of the Administrator, best corresponds to the rate of interest for deposits in Swedish kronor on the Stockholm interbank market for the relevant Interest Period; and if such interest rate is below zero, STIBOR shall be zero.

EURIBOR refers to (a) the annual rate of interest that is quoted at or about 11.00 am on the relevant day on Reuters page EURIBOR01 (or on such other system or page as replaces the aforementioned system or page) for loans or deposits in euros for a period comparable with the relevant Interest Period; or (b) in the absence of such a quoted interest rate for the relevant Interest Period, the quotient (rounded up to four decimal places) of the interest rate quoted for EURIBOR by four major commercial banks (which are appointed by the Administrator) at the time in question to the Administrator at its request for deposits of EUR 10,000,000 for the relevant Interest Period; or (c) in the absence of a quoted interest rate as mentioned in (b), the interest rate that, in the reasonable assessment of the Administrator, best corresponds to the rate of interest for deposits in euros for the relevant Interest Period; and if such interest rate is below zero, EURIBOR shall be zero.

#### **MTNS WITH NO INTEREST (KNOWN AS ZERO COUPON STRUCTURES)**

If the Loan is specified as a Zero Coupon Note, the Loan shall bear no interest. Zero Coupon Notes may be issued at a discount and redeemed at an amount per MTN corresponding to their Nominal Amount or a proportion thereof.

#### **DAY COUNT OF INTEREST PERIOD**

If the Day Count Convention “30/360” is stated as being applicable, the amount shall be calculated using a year of 360 days comprising twelve months of 30 days each, and in the case of a part-month using the actual number of days of the month that have passed.

If the Day Count Convention “*Actual/360*” is stated as being applicable, the amount shall be calculated using the actual number of days in the relevant period divided by 360.

#### **REPAYMENT OF PRINCIPLE AND INTEREST**

Loans mature on the Redemption Date at the amount per MTN specified in the Final Terms, together with accrued interest (if any). If the Redemption Date falls on a day that is not a Business Day, however, the Loan shall not be repaid until the first following Business Day.

The Final Terms may contain a provision stating that the Company is entitled or obliged to repay Loans in full or in part along with accrued interest (if any) before the Redemption Date.

# GENERAL TERMS

## for loans taken out under ICA Gruppen AB's (publ) Swedish MTN Program

The following general terms ("**General Terms**") shall apply to loans that ICA Gruppen AB (publ) (corporate reg. no. 556048-2837) (the "**Company**") issues on the capital market under this program ("**MTN Program**") by issuing bonds with a minimum term of one year, known as Medium Term Notes.

### 1. DEFINITIONS

1.1 In addition to definitions set out above, the following definitions shall apply.

"**Administrator**" means (i) if a Loan is issued through two or more Issuing Houses, the Issuing House appointed by the Company to be responsible for certain administrative tasks in respect of the Loan according to the Final Terms; and (ii) if a Loan is issued through only one Issuing House, the Issuing House.

"**Record Day**" means the fifth Business Day before (i) the payment date for interest or principal according to the Loan Terms, (ii) another date when payment is to be made to Noteholders, (iii) the date of a Noteholders' Meeting, (iv) dispatch of message or (v) another relevant date, or a Business Day before the relevant date that may generally apply on the Swedish bond market.

"**Business Day**" means a day that is not a Sunday or other public holiday in Sweden and is not equivalent to a public holiday in Sweden for the purposes of the redemption of bonds. In this definition Midsummer's Eve, Christmas Eve and New Year's Eve shall be deemed equivalent to public holidays.

"**Day Count Convention**" means, when determining an amount for a certain determination period, the counting basis stated in the General Terms.

- (a) If the counting basis "**30/360**" is stated as being applicable, the amount shall be calculated using a year of 360 days comprising twelve months of 30 days each, and in the case of a part-month using the actual number of days of the month that have passed.
- (b) If the counting basis "**Actual/360**" is stated as being applicable, the amount shall be calculated using the actual number of days in the relevant period divided by 360.

"**Issuing Agents**" means Nordea Bank AB (publ) and Svenska Handelsbanken AB (publ), and also any other issuing agent that joins this MTN Program in accordance with section 13.4, but only for so long as such agent has not stood down as an issuing agent.

"**EURIBOR**" means:

- (a) the annual rate of interest that is quoted at or around 11:00 am on the relevant day on Reuters page EURIBOR01 (or through such other system or on such other page as replaces the aforementioned system or page) for loans or deposits in Euros for a period comparable with the relevant Interest Period; or
- (b) in the absence of such a quoted interest rate for the relevant Interest Period, the quotient (rounded up to four decimal places) of the rate of interest quoted for EURIBOR by four major commercial banks (which are appointed by the Administrator) to the Administrator at its request for deposits of EUR 10,000,000 for the relevant Interest Period; or
- (c) in the absence of a quoted interest rate as described in (b), the Administrator's reasonable assessment of the rate of interest that best corresponds to the interest rate for deposits in euros for the relevant Interest Period; and

if such interest rate is below zero, EURIBOR shall be zero.

“**Euro**” and “**EUR**” means the currency used by the participating member states in accordance with the European Union’s rules for the Economic and Monetary Union (EMU).

“**Euroclear Sweden**” means Euroclear Sweden AB (corporate reg. no. 556112-8074).

“**Noteholder**” means the party recorded in a VP Account as the holder registered by name or the nominee holder of an MTN.

“**Noteholders’ Meeting**” means a meeting of the Noteholders as described in section 12 (*Noteholders’ Meeting*).

“**Adjusted Loan Amount**” means the total outstanding Nominal Amount of MTNs relating to a particular Loan less MTNs owned by a Group Company, irrespective of whether such Group Company is registered by name as the holder of such MTNs.

“**Group**” means the group in which the Company is the parent company (the term group is defined as in the Swedish Companies Act (2005:551)).

“**Group Company**” means any company that is part of the Group.

“**Account Operator**” means a bank or other party authorized to act as an account operator pursuant to the Financial Instruments Accounts Act (1998:1479) and with which a Noteholder has opened a VP Account with respect to MTNs.

“**Lead Bank**” means Svenska Handelsbanken AB (publ) or another Issuing Agent that may take over this role in the future by agreement with the Company.

“**Loan**” means each loan in the “100 series” with respect to Swedish kronor and in the “200 series” with respect to Euro, comprising one or more MTNs, which the Company raises under this MTN Program.

“**Loan Date**” means, in accordance with the Final Terms, the day from which interest (where applicable) begins to accrue.

“**Loan Terms**” for a particular Loan means these General Terms and also the Final Terms for such Loan.

“**Market Loans**” means loans against the issue of certificates, bonds or other securities (including loans under MTN or other market loan programs) that are sold, arranged or placed in an organized form and that are or are intended to become the subject of trading on a Regulated Market.

“**MTN**” means a unilateral debt instrument for a Nominal Amount registered pursuant to the Financial Instruments Accounts Act (1998:1479) and forming part of Loans issued by the Company under this MTN Program.

“**Nominal Amount**” means the amount for each MTN that is stated in the Final Terms (less any amount repaid).

“**Program Amount**” means SEK 10,000,000,000 or an amount agreed between the Company and all the Issuing Agents in accordance with section 13.3.

“**Regulated Market**” means a regulated market as defined in Directive 2004/39/EC on markets in financial instruments.

“**Final Terms**” means the final terms drawn up for a particular Loan under this MTN Program in accordance with the section *Template for Final Terms* below.

“**STIBOR**” means:

- (a) the annual rate of interest that is quoted at or about 11.00 am on the relevant day on the NASDAQ OMX website for STIBOR fixing (or on such other website as replaces this) for deposits in Swedish kronor for a period comparable with the relevant Interest Period; or
- (b) in the absence of such quoted interest rate for the relevant period, the quotient (rounded up to four decimal places) of the interest rate quoted by Danske Bank A/S, Denmark, Nordea Bank AB (publ), Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ) and Swedbank AB (publ) (or such substitute banks as are appointed by the Administrator) to the Administrator at its request for deposits of SEK 100,000,000 for the relevant Interest Period; or
- (c) in the absence of such quoted interest rate as described in (b), the Administrator’s reasonable assessment of the rate of interest that best corresponds to the interest rate for deposits in Swedish kronor on the Stockholm interbank market for the relevant Interest Period; and

if such interest rate is below zero, STIBOR shall be zero.

“**Swedish kronor**” and “**SEK**” mean the legal currency in Sweden.

“**Issuing House**” as described in the Final Terms means the Issuing Agent(s) under this MTN Program through which a particular Loan was issued.

“**VP Account**” means a securities account with Euroclear Sweden in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) in which (i) a holder of a security is registered by name as the holder of a security, or (ii) a holder’s holdings of securities are nominee-registered in the name of a nominee.

“**Significant Group Company**” means (a) the Company and (b) any Group Company with:

- (i) total consolidated assets amounting to at least ten per cent of the Group’s total consolidated assets, according to the most recently published annual report; or
- (ii) consolidated earnings before interest and taxes amounting to at least ten per cent of the Group’s consolidated earnings before interest and taxes, according to the most recently published annual report;

and the Group’s most recently published annual report refers to the Group’s reviewed pro forma balance sheet and income statement for 2012 (including ICA AB), for the period up until publication of the Group’s annual report for the 2013 fiscal year.

“**Redemption Date**” as described in the Final Terms means the date on which an MTN is to be repaid.

“**Repurchase Date**” means the date specified as described in section 9.2.

- 1.2 When calculating whether a limit described in Swedish kronor has been reached or exceeded, an amount in another currency shall be calculated based on the exchange rate that was effective on the Business Day immediately preceding the relevant date as published on Reuters page “SEKFIX=” (or through such other system or on such other page as replaces the aforementioned system or page), or in the absence of such published rate, at the rate for Swedish kronor against the currency in question on the said date as published by the Riksbank on its website ([www.riksbank.se](http://www.riksbank.se)).
- 1.3 Further definitions such as Interest Structure, Interest Rate, Interest Base, Interest Base Margin, Interest Determination Date, Interest Payment Date(s), Interest Period and Currency are contained (where relevant) in the Final Terms.

1.4 The definitions contained in these General Terms shall also apply to the Final Terms.

## **2. RAISING OF LOANS**

2.1 Under this MTN Program the Company may issue MTNs in Swedish kronor or euros with a minimum term of one year. Under a Loan, MTNs may be issued in more than one tranche.

2.2 In subscribing for MTNs each initial Noteholder accepts that its MTNs shall have the rights and be subject to the conditions stated in the Loan Terms. In acquiring MTNs each new Noteholder confirms such acceptance.

2.3 The Company undertakes to make payments in respect of MTNs issued and otherwise to observe the Loan Terms for the Loans raised under this MTN Program.

2.4 If the Company wishes to issue MTNs under this MTN Program, the Company shall enter into a separate agreement for this purpose with one or more Issuing Agents, which shall be the Issuing House(s) for such Loan. Final Terms shall be drawn up for each Loan which, together with these General Terms, constitute the full Loan Terms for the Loan.

## **3. REGISTRATION OF MTNS**

3.1 MTNs shall be registered to VP Accounts on behalf of Noteholders and, accordingly, no physical securities will be issued. Requests for a specific registration measure with respect to MTNs shall be addressed to the Account Operator.

3.2 A party which, based on any appointment, pledge, provisions in the Swedish Parental Code, testamentary disposition or deed of gift or otherwise has acquired a right to receive payment under an MTN shall have its right registered in order to receive payment.

## **4. RIGHT TO ACT ON BEHALF OF NOTEHOLDERS**

4.1 If a party other than a Noteholder wishes to exercise a Noteholder's rights under the Loan Terms or to vote at a Noteholders' Meeting, such person shall be able to produce a proxy form or other authorization document issued by the Noteholder or a chain of such proxy forms and/or authorization documents from the Noteholder.

4.2 A Noteholder may authorize one or more parties to represent the Noteholder in respect of certain or all MTNs held by the Noteholder. Such authorized party may act independently and is entitled to delegate its right to represent the Noteholder.

## **5. PAYMENTS**

5.1 Payment in respect of MTNs issued in Swedish kronor shall be made in Swedish kronor and payments in respect of MTNs issued in Euros shall be made in Euros.

5.2 Payments in respect of a Loan shall be made to the party registered as the Noteholder on the Record Day before the respective payment date or to such other party as is registered with Euroclear Sweden as being entitled to receive such payment.

5.3 If the Noteholder has registered through the Account Operator its desire for principal or interest to be deposited in a particular bank account, the deposit shall be made via Euroclear Sweden on the respective payment date. Otherwise Euroclear Sweden will forward the amount on the respective payment date to the Noteholder's address as registered with Euroclear Sweden on the Record Day. Should Euroclear Sweden be unable to pay out amounts as stated above because of delays on the part of the Company or because of some other obstacle, the Company shall ensure that the amount is paid out to the party that was the Noteholder on the Record Day as soon as the obstacle has been removed.

5.4 If the Company is unable to meet its payment commitment through Euroclear Sweden because of an obstacle affecting Euroclear Sweden, the Company shall be entitled to defer

its payment commitment until the obstacle has been removed. In such event interest shall be payable as described in section 7.1.

- 5.5 Should it emerge that a party that received an amount in accordance with this section 5 was not entitled to receive it, the Company and Euroclear Sweden shall nonetheless be deemed to have discharged their relevant duties.

## **6. INTEREST**

- 6.1 Interest on a particular Loan is calculated and payable (where applicable) in accordance with the Final Terms.

- 6.2 The Final Terms shall state the relevant Interest Structure using one of the following alternatives:

(a) Fixed Interest

If a Loan is specified as a Fixed Interest Loan, the Loan shall bear interest at the Interest Rate from (but excluding) the Loan Date up to (and including) the Redemption Date.

Interest accrued during an Interest Period is paid in arrears on the relevant Interest Payment Date and is calculated using the Day Count Convention 30/360 for Loans in Swedish kronor and Euros.

(b) Floating Rate Notes (FRN)

If a Loan is specified as a Floating Rate Note, the Loan shall bear interest from (but excluding) the Loan Date up to (and including) the Redemption Date. The Rate of Interest applicable to each respective Interest Period is determined by the Administrator on the respective Interest Determination Date as the Interest Base plus the Interest Base Margin for the same period.

If the Interest Rate is not determined on the Interest Determination Date because of an obstacle such as is described in section 16.1, the Loan shall continue to bear interest at the rate that applied to the immediately preceding Interest Period. As soon as the obstacle has been removed the Administrator shall calculate a new Interest Rate to apply from the second Business Day after the date of calculation until the end of the current Interest Period.

Interest accrued during an Interest Period is paid in arrears on the relevant Interest Payment Date and is calculated using the Day Count Convention Actual/360 for Loans in Swedish kronor and Euros.

(c) Zero Coupon Notes

If the Loan is specified as a Zero Coupon Note, the Loan shall bear no interest. Zero Coupon Notes may be issued at a discount and redeemed at an amount per MTN corresponding to their Nominal Amount or a proportion thereof.

- 6.3 If an Interest Payment Date for a Fixed Interest Note falls on a day that is not a Business Day, interest is not paid out until the following Business Day. However, interest is calculated and payable only up to and including the Interest Payment Date.

- 6.4 If an Interest Payment Date for a Floating Rate Note falls on a day that is not a Business Day, the immediately following Business Day shall instead be deemed the Interest Payment Date provided that such Business Day does not fall in a new calendar month, in which case the Interest Payment Date shall be deemed to be the preceding Business Day.

## **7. PENALTY INTEREST**

- 7.1 In the event of any delay in payment, default interest is payable on the due and unpaid amount from the due date up to and including the day on which payment is made at a rate

of interest equal to the average of one week STIBOR for MTNs issued in Swedish kronor and EURIBOR for MTNs issued in Euros for the duration of the default, in each case plus two percentage points, with STIBOR and EURIBOR respectively being established on the first Business Day of each calendar week during the period of default. The default interest rate on interest bearing Loans as set out in this section 7.1 shall not be lower than the rate which applied to the relevant Loan on the relevant due date plus two percentage points. Default interest is not capitalized.

7.2 If the delay is due to any obstacle affecting the Issuing Agents or Euroclear Sweden, the penalty interest rate shall (i) with respect to an interest bearing Loan, correspond to the rate of interest which applied to the relevant Loan on the relevant due date or (ii) with respect to a non-interest bearing Loan, the average of one week STIBOR or EURIBOR respectively for the duration of the default (STIBOR or EURIBOR respectively being established on the first Business Day of each calendar week during the period of default).

## **8. REDEMPTION AND REPURCHASE**

8.1 Loans mature on the Redemption Date at the amount per MTN specified in the Final Terms, together with accrued interest (if any). If the Redemption Date falls on a day that is not a Business Day, however, the Loan shall not be repaid until the following Business Day.

8.2 The Final Terms may contain a provision stating that the Company is entitled or obliged to repay Loans in full or in part along with accrued interest (if any) before the Redemption Date.

8.3 The Company may repurchase MTNs at any time and at any price whatsoever provided that this is compatible with current law. MTNs owned by the Company may be held, transferred or redeemed at the Company's discretion.

## **9. REPURCHASE ON CHANGE OF OWNERSHIP**

9.1 Each Noteholder shall be entitled to demand the repurchase of all or certain MTNs that it holds if:

- (a) the shares (or where relevant, the ordinary shares) in the Company cease to be listed for trading on the Regulated Market at NASDAQ OMX Stockholm AB; or
- (b) an event or a series of events occurs, as a result of which a physical person or legal entity, either itself or together with a related party as described in the Swedish Act on Public Takeover Offers on the Stock Market (2006:451) and which is not and does not include ICA-handlarnas Förbund, a non-profit company registered under corporate reg. no 802001-5577, either directly or indirectly, at any point in time:
  - (i) acquires more than 50 per cent of the shares or votes in the Company;
  - (ii) through agreement or otherwise is itself (or together with an aforementioned related party) able to appoint a majority of the Company's board members; or
  - (iii) through agreement, voting rights or otherwise is able alone (or together with an aforementioned related party) to determine the content of material commercial decisions in the Company.

9.2 As soon as the Company has become aware of a change of ownership as described in section 9.1 the Company is obliged to inform the Noteholders of this via a press release, on the Company's website and in accordance with section 15 (*Notices*). The notice shall include instructions for how a Noteholder should proceed if it wishes to have MTNs repurchased and shall specify the Repurchase Date.

- 9.3 The Repurchase Date shall be between one and two months after the notice of the change of ownership was given to Noteholders in accordance with section 9.2, but if the Repurchase Date is not a Business Day then the immediately following Business Day shall be regarded as the Repurchase Date.
- 9.4 If there is a right of repurchase, the Company shall, upon request by a Noteholder, repurchase relevant MTNs on the Repurchase Date at the price per MTN that would have been repaid on the final Redemption Date, along with accrued interest (if any). In the case of MTNs that are Zero Coupon Notes an amount per MTN calculated in accordance with section 11.5 shall be paid instead.
- 9.5 Noteholders shall give the Company notice that they wish to assert their right to demand repurchase of MTNs at least 20 Business Days prior to the Repurchase Date.

## **10. SPECIAL COMMITMENTS**

For so long as any MTNs are outstanding, the Company makes the following commitments.

### **10.1 Status**

The Company shall ensure that, in terms of the law on preferential rights, its payment obligations under Loans are equated with the Company's other unsecured and unsubordinated payment obligations, except where such obligations have more preferential rights under current law.

### **10.2 The company's operations and non-current assets**

The Company (i) shall not materially change the nature of the Group's operations, and (ii) shall not sell or otherwise dispose of non-current assets if such disposal has an adverse material effect on the Company's ability to meet its payment obligations to the Noteholders.

### **10.3 Program Amount**

The Company shall not issue further MTNs under this MTN Program if it means that the total Nominal Amount of the MTNs outstanding under this MTN Program, including the MTNs that it intends to place, exceed the Program Amount on the date when agreement on placement of MTNs is made between the Company and the Issuing House.

### **10.4 Securing of other Market Loans**

The Company:

- (a) shall not itself provide security or allow others to provide security, whether in the form of contingent liabilities or otherwise, for another Market Loan that has been taken out or may be taken out by the Company;
- (b) shall not itself provide security in a form other than as a contingent liability, which in turn may not be secured, for another Market Loan that has been taken out or may be taken out by the Company; and
- (c) shall ensure that no other Group Company itself takes out Market Loans or provides a contingent liability or provides security for Market Loans that have been taken out or may be taken out by a party other than the Group Company; however, this section 10.4(c) shall not apply to ICA Banken AB, which has the corporate registration number 516401-0190.

### **10.5 Admission to trading on a Regulated Market**

In the case of Loans which the Final Terms state are to be admitted to trading on a Regulated Market, the Company undertakes to apply to NASDAQ OMX Stockholm AB for this to take place and to take the actions required to maintain admission to trading so long as the relevant Loan is outstanding, but at longest for so long as this is possible under applicable rules.

## 10.6 Provision of Loan Terms

The current version of these General Terms and of the Final Terms for all outstanding Loans shall be kept available on the Company's website.

## 11. TERMINATION OF LOANS

11.1 The Administrator shall (i) if so requested in writing by Noteholders that at the time of the request represent at least one tenth of the Adjusted Loan Amount under the relevant Loan (such a request can only be made by Noteholders entered in the securities register on the Business Day occurring immediately after the date that the request was received by the Administrator and must, if made by a number of Noteholders, be made jointly) or (ii) if the Noteholders under a Loan so decide at a Noteholders' Meeting, declare in writing that the relevant Loan together with interest (if any) is due for payment immediately or on the date decided by the Administrator or Noteholders' Meeting (if applicable), if:

- (a) the Company fails to pay on time principal or interest amounts due in respect of any Loan under this MTN Program, unless the delay:
  - (i) is a result of a technical or administrative error; and
  - (ii) lasts no longer than three Business Days;
- (b) the Company in any respect other than as stated in (a) above fails to meet its commitments under the Loan Terms in respect of any Loan under this MTN Program, provided that:
  - (i) it is possible to remedy this; and
  - (ii) the Company has been requested in writing to remedy the situation and has not done so within 20 Business Days;
- (c) (i) a Significant Group Company fails to make payment on time or within an applicable grace period in respect of another loan and the loan in question is terminated early or could have been terminated early as a result, or, if there is no termination clause or the omitted payment would have been the final payment – if the delay in payment continues for 10 Business Days, all provided that the total outstanding debt under the loans affected amounts to at least SEK 100,000,000, or (ii) another loan to a Significant Group Company is terminated early as a result of grounds for termination (of any kind whatsoever), provided that the total debts due for payment under such terminated loans amount to at least SEK 200,000,000;
- (d) a Significant Group Company does not, within 15 Business Days of the date when the Significant Group Company received a legitimate demand to do so, honor security or guarantees that the Significant Group Company provided for commitments by others, provided that the legitimate demands that have not been satisfied within such period amounts in total to at least SEK 100,000,000;
- (e) a non-current asset that is owned by a Significant Group Company and has a value in excess of SEK 100,000,000 is seized and such seizure is not lifted within 30 Business Days of the date of the seizure decision;
- (f) a Significant Group Company suspends its payments;
- (g) a Significant Group Company petitions for or accepts a petition for corporate restructuring or similar proceedings;
- (h) a Significant Group Company is declared bankrupt;
- (i) it is decided that the Company is to go into liquidation or that a Significant Group Company is to be placed in compulsory liquidation; or

- (j) the board of directors of the Company draws up a merger plan under which the Company will become part of a new or existing company.

The term “loan” in sections (c) and (d) above shall also include account credit and amounts that were not received as a loan but that are to be paid on the basis of debt instruments clearly intended for public trading.

11.2 The Administrator may not declare a relevant Loan and its interest (if any) due for payment in accordance with section 11.1 by reference to one of the grounds for termination if it has been decided at a Noteholders’ Meeting that such grounds for termination shall not bring about termination as described in section 11.1 (either temporarily or permanently).

11.3 The Company is obliged to inform the Issuing Agents and the Noteholders immediately via a press release, on the Company’s website and in accordance with section 15 (*Notices*) in the event of the occurrence of one of the grounds for termination as stated in section 11.1. In the absence of such notification or notification in accordance with section 11.4 the Administrator or Issuing Agent shall not be deemed to be aware of a reason for termination, irrespective of its actual knowledge. Neither the Administrator nor the Issuing Agents are themselves responsible for monitoring whether conditions for termination as described in section 11.1 exist.

11.4 Whenever the Issuing Agents consider it reasonably necessary the Company shall provide the Issuing Agents with confirmation concerning circumstances as discussed in section 11.1. The Company shall further provide the Issuing Agents with more detailed information such as the Issuing Agents may reasonably request concerning circumstances as are discussed in section 11.1 and at the request of the Issuing Agents shall provide all the documents that may be of significance in this respect.

11.5 On repayment of Loans following termination in accordance with section 11.1:

- (a) interest-bearing Loans shall be repaid at an amount per MTN that would have been repaid on the final Redemption Date; and
- (b) non-interest-bearing Loans shall be repaid at an amount per MTN that is determined according to the following formula as of the date of termination of the Loan:

$$\frac{\text{Nominal Amount}}{(1 + r)^t}$$

r = the ask rate quoted by the Administrator for Swedish Government bonds with an outstanding term to maturity corresponding to the remaining term of the Loan in question. In the absence of such ask rate, the bid rate shall instead be used, which shall be reduced by a market bid/ask spread, expressed in percentage points. The calculation shall be based on the closing quotation.

t = the remaining term of the Loan in question, expressed using the Day Count Convention Actual/360 for MTNs issued in Swedish kronor or euros.

## 12. NOTEHOLDERS’ MEETING

12.1 The Administrator may and shall at the request of another Issuing House, the Company or Noteholders that at the time of such request represent at least one tenth of the Adjusted Loan Amount under a particular Loan (such a request can only be made by Noteholders entered in the securities register on the Business Day occurring immediately after the date that the request was received by the Administrator and must, if made by a number of Noteholders, be made jointly) convene a Noteholders’ Meeting for the Noteholders under the relevant Loan.

- 12.2 The Administrator shall convene a Noteholders' Meeting by sending notice of this to each Noteholder within five (5) Business Days of having received a request from another Issuing House, the Company or Noteholders as described in section 12.1 (or a later date if this is required for technical or administrative reasons).
- 12.3 The Administrator may refrain from convening a Noteholders' Meeting if (i) the proposed decision has to be approved by any party in addition to the Noteholders and this party has notified the Administrator that such approval will not be given, or (ii) the proposed decision is not compatible with current law.
- 12.4 The notice of the meeting described in section 12.2 shall include (i) the time and date of the meeting, (ii) the venue of the meeting, (iii) the agenda of the meeting (including each request for a decision by the Noteholders), and (iv) a proxy form. Only matters included in the notice of the meeting may be decided on at the Noteholders' Meeting. If Noteholders are required to notify their intention to attend the Noteholders' Meeting, this requirement shall be stated in the notice convening the meeting.
- 12.5 The Noteholders' Meeting shall be held on a date that is between fifteen (15) and thirty (30) Business Days after the date of the notice of the meeting. Noteholders' Meetings for several loans under the MTN Program may be held on the same occasion.
- 12.6 Without deviating from the provisions of these General Terms the Administrator may prescribe such further provisions relating to the convention of and holding of the Noteholders' Meeting as it considers appropriate. Such provisions may include, among other things, the possibility of Noteholders voting without attending the meeting in person.
- 12.7 Only persons who are Noteholders, or who have been authorized in accordance with section 4 (*Right to act on behalf of Noteholders*) by a party who is a Noteholder, on the Record Date for the Noteholders' Meeting may exercise voting rights at such a Noteholders' Meeting, assuming that the relevant MTNs are included in the Adjusted Loan Amount.
- 12.8 Decisions on the following matters require the approval of Noteholders representing at least 80 per cent of that part of the Adjusted Loan Amount for which Noteholders are voting under the relevant Loan at the Noteholders' Meeting:
- (a) change of Redemption Date, reduction of Nominal Amount, changes in terms relating to interest or amount to be repaid (other than in accordance with what is stated in the Loan Terms) and change in the specified Currency of the Loan;
  - (b) changes to the terms concerning Noteholders' Meetings as per this section 12; and
  - (c) mandatory exchange of MTNs for other securities.
- 12.9 Matters that are not covered by section 12.8 require the approval of Noteholders representing more than 50 per cent of that part of the Adjusted Loan Amount for which Noteholders are voting under the relevant Loan at the Noteholders' Meeting. This includes, but is not limited to, changes to and waivers of rights related to the Loan Terms that do not require a greater majority (other than changes as described in section 13 (*Changes to terms, Program Amount, etc.*)) and early termination of Loans.
- 12.10 A Noteholders' Meeting is quorate if Noteholders representing at least 50 per cent of the Adjusted Loan Amount under the relevant Loan in respect of a matter in section 12.1 and otherwise 20 per cent of the Adjusted Loan Amount under the relevant Loan are present at the meeting either in person or by telephone (or are present via an authorized representative).
- 12.11 If a Noteholders' Meeting is not quorate the Administrator shall convene a new Noteholders' Meeting (in accordance with section 12.2) unless the relevant proposal has been withdrawn by the party or parties that initiated the Noteholders' Meeting. The

- requirement of a quorum in section 12.10 shall not apply at such new Noteholders' Meeting.
- 12.12 A decision at a Noteholders' Meeting that extends obligations or limits rights of the Company or an Issuing House under the Loan Terms shall also require the approval of the party concerned.
- 12.13 A Noteholder that holds more than one MTN is not required to vote for all the MTNs it holds and is not required to vote in the same way for all the MTNs it holds.
- 12.14 The Company may not, directly or indirectly, pay or contribute to payment being made to any Noteholder in order that this Noteholder will give its approval under the Loan Terms unless such payment is offered to all Noteholders that give their approval at a relevant Noteholders' Meeting.
- 12.15 A decision made at a Noteholders' Meeting is binding on all Noteholders under the relevant Loan irrespective of whether they were present at the Noteholders' Meeting. Noteholders that did not vote for a decision shall not be liable for losses that the decision causes to other Noteholders.
- 12.16 The Administrator's reasonable costs and expenses occasioned by a Noteholders' Meeting, including reasonable payment to the Administrator, shall be paid by the Company.
- 12.17 At the Administrator's request, the Company shall without delay provide the Administrator with a certificate stating the Nominal Amount for MTNs held by Group Companies on the relevant Record Date prior to a Noteholders' Meeting, irrespective of whether such Group Companies are registered by name as holders of MTNs. The Administrator shall not be responsible for the content of such a certificate or otherwise be responsible for establishing whether an MTN is held by a Group Company.
- 12.18 Information on decisions taken at a Noteholders' Meeting shall be notified without delay to the Noteholders under the relevant Loan by means of a press release, on the Company's website and in accordance with section 15 (*Notices*). At the request of a Noteholder the Administrator shall provide the Noteholder with minutes of the relevant Noteholders' Meeting. However, failure to notify the Noteholders as described above shall not affect the validity of the decision.
- 13. CHANGES TO TERMS, PROGRAM AMOUNT, ETC.**
- 13.1 The Company and the Lead Bank may agree on adjustments to correct any clear and manifest error in these General Terms.
- 13.2 The Company and the Administrator may agree on adjustments to correct any clear and manifest error in the Final Terms of a particular Loan. The Company and Issuing Houses may agree to amend the Loan Terms provided that such amendment is not detrimental to the Noteholders.
- 13.3 The Company and all Issuing Agents may agree to increase or decrease the Program Amount.
- 13.4 An Issuing Agent may be engaged by agreement between the Company and the agent in question and the Issuing Agents. An Issuing Agent may step down as an Issuing Agent, but an Administrator in respect of a particular Loan may not step down unless a new Administrator is appointed in its place.
- 13.5 Amendments to or concession of Loan Terms in cases other than as set out in sections 13.1 to 13.4 shall take place through a decision at a Noteholders' Meeting as described in section 12 (*Noteholders' Meeting*).

- 13.6 Approval at a Noteholders' Meeting of an amendment to the terms may include the objective content of the amendment and need not contain the specific wording of the amendment.
- 13.7 A decision on an amendment to the terms shall also include a decision on when the amendment is to take effect. However, an amendment shall not take effect until it has been registered with Euroclear Sweden (where relevant) and published in accordance with section 10.6.
- 13.8 The amendment or concession of terms as described in this section 13 shall be promptly notified by the Company to the Noteholders in accordance with section 15 (*Notices*) and published in accordance with section 10.6.

#### **14. LIMITATION**

- 14.1 Claims for the payment of principal lapse ten years after the Redemption Date. Claims for the payment of interest lapse three years after the relevant Interest Payment Date. Upon limitation the Company shall be entitled to keep any funds that may have been reserved for such payments.
- 14.2 If the limitation period is interrupted a new limitation period of ten years will commence for claims in respect of principal and three years for claims in respect of interest amounts, in both cases calculated from the day indicated by provisions laid down in the Swedish Act on Limitation (1981:130) concerning the effect of an interruption in the limitation period).

#### **15. NOTICES**

- 15.1 Notices shall be provided to Noteholders for the relevant Loan at the address registered with Euroclear Sweden on the Record Day before dispatch. A notice to the Noteholders shall also be published by means of a press release and published on the Company's website.
- 15.2 Notices shall be provided to the Company and Issuing Agents at the address registered with the Swedish Companies Registration Office (Bolagsverket) on the Record Day before dispatch.
- 15.3 A notice to the Company or Noteholders in accordance with the Loan Terms that is sent by standard post shall be deemed to have been received by the recipient on the third Business Day after dispatch and notices sent by courier shall be deemed to have been received by the recipient when delivered to the specified address.
- 15.4 In the event that a notice is not sent correctly to a certain Noteholder the effectiveness of notices to other Noteholders shall be unaffected.

#### **16. LIMITATION OF LIABILITY ETC.**

- 16.1 In connection with the measures falling to the Issuing Agents, the Issuing Agents shall not be held liable for any losses arising out of any Swedish or foreign legal enactment, or any measure undertaken by a Swedish or foreign public authority, or war, strike, blockade, boycott, lockout or any other similar circumstance. The reservation in respect of strikes, blockades, boycotts and lockouts applies even if the Issuing Agent concerned itself takes such measures or is subject to such measures.
- 16.2 Losses arising in other cases shall not be compensated by an Issuing Agent if the Issuing Agent concerned has exercised due care. In no case shall compensation be paid for indirect losses.
- 16.3 Should there be an obstacle for the Issuing Agent to take any action due to any circumstance set out in section 16.1, such action may be postponed until the obstacle has been removed.

16.4 The aforesaid shall apply unless otherwise provided in the Swedish Financial Instruments Accounts Act.

**17. APPLICABLE LAW AND JURISDICTION**

17.1 The Loan Terms shall be governed by Swedish law.

17.2 Disputes shall be settled by Swedish courts. Stockholm District Court shall be the court of first instance.

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We hereby confirm that the above General Terms are binding upon us  
Stockholm, [•]  
ICA GRUPPEN AB (publ)

## TEMPLATE FOR FINAL TERMS

The template below shall be used as a basis for the preparation of Final Terms for each loan issued under the MTN Program.

Under this MTN Program, MTNs with a principal of up to one hundred thousand (100,000) euros or the equivalent in Swedish kronor may be issued.

### ICA Gruppen AB (publ)

#### Final Terms of Loan [ ]

#### under ICA Gruppen AB's (publ) ("the Company") Swedish MTN Program

The Loan shall be governed by the General Terms of the abovementioned MTN Program dated June 3, 2013 and the Final Terms set out below. The General Terms of the Company's MTN Program are set out in the Company's base prospectus published on June 3, 2013 and any supplements published from time to time that were prepared for the MTN Program in accordance with Article 5.4 of Directive 2003/71/EC (along with relevant implementing measures under this directive in the member state concerned and in the current version, including amendments through Directive 2010/73/EU to the extent implemented in the relevant member state, known as the "Prospectus Directive") (the "Base Prospectus") for the MTN Program. Definitions used below are explained either in the General Terms or elsewhere in the Base Prospectus.

Complete information on ICA Gruppen and the offering is provided only by the combination of the Base Prospectus, its supplements and these Final Terms, for which reason investors considering an investment in MTNs should read these Final Terms together with the Base Prospectus and its supplements. The Base Prospectus is available at [www.icagruppen.se](http://www.icagruppen.se). A summary of the individual issue of MTNs through which loans are raised is appended to these Final Terms.

#### GENERAL

1. **Loan number:** [•]
  - (i) Tranche [•]
2. **Total Nominal Amount:**
  - (i) of the Loan: [•]
  - (ii) of this tranche: [•]
3. **Price per MTN:** [•]% of Nominal Amount
4. **Currency:** [SEK/EUR]
5. **Nominal Amount per MTN:** [SEK/EUR] [•]
6. **Loan Date:** [•]
7. **Start date for interest determination (if different to Loan Date):** [•]
8. **Settlement Date:** [•]
9. **Redemption Date:** [•]
10. **Interest Structure:** [Fixed Interest]  
[Floating Rate Note (FRN)]  
[Zero Coupon Note]
11. **Amount on which interest is to be calculated:** [Nominal Amount/[•]]
12. **Status of MTN:** The Company shall ensure that, in terms of the law on preferential rights, its payment obligations under Loans are equated with the Company's other unsecured and unsubordinated payment obligations,

- except where such obligations have more preferential rights under current law.
13. **Representation of Noteholders:** If a party other than a Noteholder wishes to exercise a Noteholder's rights under the Loan Terms or to vote at a Noteholders' Meeting, such person shall be able to produce a proxy form or other authorization document issued by the Noteholder or a chain of such proxy forms and/or authorization documents from the Noteholder.  
A Noteholder may authorize one or more parties to represent the Noteholder in respect of certain or all MTNs held by the Noteholder. Such authorized party may act independently and is entitled to delegate its right to represent the Noteholder.
14. **Type and class of MTNs:** MTNs will be registered to a securities account (VP-account) on behalf of Noteholders and consequently no physical securities will be issued.
15. **Description of the rights, including any limitations of these rights, related to the securities and of the procedure for exercising such rights:** [Provide details]
16. **Purpose of the offering and intended use of the expected proceeds from the offering:** [Provide details]

#### TERMS OF THE OFFERING

17. **Terms applicable to the offering:**
- (i) Total amount of the issue: [•]
  - (ii) Subscription period: [Specify/Not applicable]
  - (iii) Limitations on the subscription amount: [Specify/Not applicable]
  - (iv) Minimum and maximum subscription amounts: [Specify/Not applicable]
  - (v) Means and term for payment and delivery of the securities: [Specify]
  - (vi) Publication of the result of the offering: [Specify/Not applicable]
  - (vii) Procedure when exercising preferential right, information on the transferability of subscription rights and the procedure of unexercised subscription rights: Not applicable
18. **Plan for distribution and allotment:**
- (i) Tranche reserved for certain market: [Specify/Not applicable]
  - (ii) Procedure for notice to investor regarding which amount has been allotted and whether trading can start before this has been notified: [Specify/Not applicable]

19. **Pricing**
- (iii) Expected price: [Specify/Not applicable]
- (iv) The amount of any charges and taxes which will be specifically charged the subscriber or purchaser of the securities: [Specify/Not applicable]
20. **Investment and underwriting guarantees:** Not applicable
21. **Information on when the underwriting agreement was or will be executed** Not applicable

#### DETERMINATION OF YIELD

22. **Information on yield:** Further specified below
23. **Fixed Interest:** [Applicable/Not applicable]  
*(If not applicable, delete remaining subheadings in this section)*
- (i) Interest Rate: [•]% annual interest calculated on [Nominal Amount/[•]]
- (ii) Interest Period: Period from [•] up to and including [•] (the first Interest Period) and thereafter each period of approximately [•] months ending on an Interest Payment Date
- (iii) Interest Payment Date(s): [Annually/6-monthly/Quarterly] on [•], for the first time on [•] and for the last time on [•]  
*(Amend the above in the event of a shorter or longer Interest Period)*
- (iv) Day Count Convention: [30/360]
24. **Floating Rate Note (FRN):** [Applicable/Not applicable]  
*(If not applicable, delete remaining subheadings in this section)*
- (i) Interest Base: [STIBOR/EURIBOR]
- (ii) Interest Base Margin: [+/-][•]% annual interest calculated on [Nominal Amount/[•]]
- (iii) Interest Determination Date: [Two] Business Days before each Interest Period, for the first time on [•]
- (iv) Interest Period: Period from [•] up to and including [•] (the first Interest Period) and thereafter each period of approximately [•] months ending on an Interest Payment Date
- (v) Interest Payment Dates: Last day of each Interest Period, for the first time on [•] and for the last time on [•]
- (vi) Day Count Convention: Actual/360
- (vii) Name of the calculation agent: Not applicable.
25. **Derivative component** Not applicable.
- (i) Lowest possible interest: Not applicable.

- |      |   |                 |
|------|---|-----------------|
| (ii) | Highest possible interest:  | Not applicable. |
| (i)  | A description of the underlying instrument on which the interest is based, the method used to correlate these two factors, information on where prior results and ongoing developments for the instrument can be obtained, a description of any market disruption or settlement disruption events that affect the underlying instrument, adjustment rules with relation to events concerning underlying instrument. | Not applicable. |
| (ii) |   |                 |

## REDEMPTION

- |       |   |   |
|-------|---|---|
| 26.   | <b>Amount at which MTNs are to be redeemed on the final Redemption Date:</b>                      | [•]% of [Nominal Amount/[•]]  |
| 27.   | <b>MTNs for which the Company has the option of early redemption before the Redemption Date:</b>  | [Applicable/Not applicable]<br><i>(If not applicable, delete remaining subheadings in this section)</i> |
| (i)   | Redemption dates:   | [•]   |
| (ii)  | Price per MTN on redemption:  | [•]% of [Nominal Amount/[•]]  |
| (iii) | Minimum Nominal Amount that may be redeemed per MTN:  | [•]   |
| (iv)  | Maximum Nominal Amount that may be redeemed per MTN:  | [•]   |
| (v)   | Time limits:  | [•]   |
| 28.   | <b>MTNs for which Noteholders have the option of early redemption before the Redemption Date:</b> | [Applicable/Not applicable]<br><i>(If not applicable, delete remaining subheadings in this section)</i> |
| (i)   | Redemption dates:   | [•]   |
| (ii)  | Price per MTN on redemption:  | [•]   |
| (iii) | Time limits:  | [•]   |

## MISCELLANEOUS

29.	<b>Admission to trading on a Regulated Market:</b>	[Applicable/Not applicable]
	(i) Regulated Market:	[NASDAQ OMX Stockholm/Not applicable]
	(ii) Estimate of total costs associated with admission to trading:	[•]
	(iii) Total amount of securities which are listed for trading:	[•]
	(iv) Earliest day for listing for trading:	[Specify/Not applicable]
	(v) Regulated Markets or equivalent markets on which the issuer is aware that securities of the same class as the securities which are offered or which are to be listed are already listed for trading:	[Specify/Not applicable]
	(vi) A company which has a firm undertaking to act as an intermediary for secondary trading:	[Specify/Not applicable]
30.	<b>Advisors mentioned in the Final Terms:</b>	[Specify/Not applicable]
31.	<b>Interests:</b>	[Specify/Not applicable] ( <i>Persons who are involved in the issue and who may be of significance for an individual Loan shall be described</i> )
32.	<b>Credit rating of Loans</b>	[Specify/Not applicable]
33.	<b>Statement of the resolution, by virtue of which the securities have been created and/or issued.</b>	[Specify/Not applicable]
34.	<b>Information from third parties:</b>	[Information in these Final Terms obtained from third parties has been correctly reproduced and, as far as the Company is aware and can ensure by comparison with other information published by the third parties from which the information has been obtained, no information has been omitted in such a way as to render the information reproduced incorrect or misleading./Not applicable]
35.	<b>Issuing Houses:</b>	[Specify the Issuing Agents]
36.	<b>Administrator:</b>	[Specify an Issuing Agent]
37.	<b>Account operator:</b>	Euroclear Sweden AB PO Box 191 SE-101 23 Stockholm
38.	<b>ISIN:</b>	SE[•]

The Company confirms that the above supplementary terms are applicable to the Loan along with the General Terms and undertakes to pay principal and (where applicable) interest in accordance with these. The Company further confirms that all significant events after the date of the Base Prospectus relating to this MTN Program that could affect the market's view of the Company have been made public.

Stockholm, June 3, 2013

## ICA GRUPPEN AB (publ)

# INFORMATION ABOUT ICA GRUPPEN

## OVERVIEW

ICA Gruppen AB (publ) is a public limited liability company domiciled in Stockholm that was formed on September 1, 1946 and was registered with the Swedish Patent and Registration Office on September 23, 1946 under the name Aktiebolaget Hakonett. The present company name was registered on May 21, 2013 following a resolution at the general meeting held on May 20, 2013. The Company's corporate registration number is 556048-2837 and its legal form is regulated by the Swedish Companies Act.

## HISTORY

The Company's former name Hakon Invest, which was adopted at the Company's 2005 general meeting, comes from Hakon Swenson, who in 1917 started the wholesale firm AB Hakon Swenson (Hakonbolaget) which is the origin of today's ICA AB. Hakon Swenson's idea was to get individual retailers with their own stores to join forces and form purchasing centers, allowing them to achieve economies of scale through joint sourcing, setting up stores and sharing their marketing costs. By becoming partners in Hakonbolaget the individual retailers would show financial solidarity with each other at the same time as each retailer was independent when operating their own store. Hakon Swenson's aim was for cooperating purchasing centers with retailer influences to cover the whole of Sweden. Inköpscentralernas AB ICA was formed in 1938 and changed its name to ICA AB in 1972.

ICA-handlarnas Förbund, the non-profit membership association for Sweden's ICA retailers, was formed in 1940. As a result of an organizational change in 1972 the association became the principal owner of ICA AB in 1972 with approximately 60 per cent of the capital and around 70 per cent of the votes.

The key task for ICA-handlarnas Förbund was, and still is, to exercise owner influence in ICA AB and thereby secure the company's long-term growth by further development of the ICA concept. The ICA concept is defined as "individual retailers' voluntary cooperation between their part (the store) and the whole (the ICA Group)". This means that it is the local business person who operates his or her own store, but at the same time realizes that cooperation improves the opportunities to achieve short- and long-term profitability for both the stores and ICA AB. In this way diversity and local adjustment are combined with large-scale operations and efficiency. With ICA-handlarnas Förbund as principal owner, ICA AB has developed into one of northern Europe's leading food retailers.

In 1992 ICA AB acquired a minority holding in the Norwegian company Hagen Gruppen, which at the time owned and operated Rimi stores in Norway. At year-end 1998, ICA AB acquired the remaining shares in the company from Stein Erik Hagen's family company Canica AS. Payment took the form of newly issued shares in ICA AB, making Canica a part owner of ICA AB.

In 1999 ICA-handlarnas Förbund and the Dutch food retail group Ahold started discussions on ownership of ICA AB. Prior to the major change of ownership in ICA AB, ICA-handlarnas Förbund formed an investment company named ICA Förbundet Invest AB. The company was assigned to exercise an active ownership role in ICA AB as well as strengthening and developing the ICA concept.

The discussions between ICA-handlarnas Förbund and Ahold resulted in Ahold coming in as an owner of ICA AB in 2000. After this transaction, ICA AB became a joint venture jointly controlled by Ahold, ICA Förbundet Invest AB and Canica AS.

In 2004 Canica AS sold its 20 per cent stake in ICA AB to Ahold. Half of these shares were then acquired by Hakon Invest. Following the transaction Ahold owned 60 per cent and Hakon Invest 40 per cent of the shares in ICA AB.

In spring 2005 a decision was made on an IPO for ICA Förbundet Invest AB, which then changed its name to Hakon Invest. At the same time, it was decided that Hakon Invest's operations should be broadened and given a partly new focus. In December 2005, Hakon Invest was listed on the Stockholm Stock Exchange.

In March 2013 Hakon Invest acquired Ahold's 60 per cent shareholding in ICA, with Hakon Invest subsequently holding 100 per cent of the shares in ICA.

On May 20, 2013 the annual general meeting of the Company resolved that the Company would change its name from Hakon Invest AB (publ) to ICA Gruppen AB (publ).

## **OBJECT AND PURPOSE OF THE COMPANY**

The object of the Company is to purchase, manage and sell fixed property and chattels and to engage in other associated activities. Within the framework of the fundamental objective of generating profits for the shareholders, the Company shall also, either directly or through shareholdings in ICA AB or interests in other companies, maintain, develop and strengthen the ICA concept, which entails that retailers own and operate grocery stores that have access to economies of scale and intellectual property through the ICA AB Group or through other companies. The object of the Company is set out in § 2 of the Company's articles of association.

## **RECENT EVENTS AFFECTING THE SOLVENCY OF THE ISSUER**

On May 6, 2013, a prospectus was published, which was approved the same day by the Swedish Financial Supervisory Authority, in respect of an issue of ordinary shares in the Company. The subscription period for the issue of ordinary shares was May 10 – May 24, 2013 and the issue of ordinary shares was fully subscribed. The issue of ordinary shares injected around SEK 5 billion into the Company, which was used to repay tranche A of the bridge loan that the Company has entered into with Handelsbanken and Nordea. Other than the above, no significant events have taken place that have a material impact on the issuer's solvency since the interim report for the period January – March 2013 was published on April 29, 2013.

## **INVESTMENTS**

No major investments have been made since the annual report for the 2012 fiscal year was published. Investments are announced on a continual basis via the Company's interim reports or via separate press releases.

### **Current and planned investments**

ICA's planned net investments for 2013 amount to around SEK 2 billion. The level of investment is variable, however, and depends among other things on the investment opportunities that exist in the market, cash flow generated and available financing.

Planned investments that have been approved but not yet commenced amount to just over SEK 600 million, with around SEK 450 million planned to start in 2013. Of the SEK 600 million, around 60 per cent relates to investments within Sweden and around 40 per cent to investments in other countries. The planned investments essentially relate to stores, in the form of real estate and equipment. The real estate investments are for the building, alteration, extension and renovation of stores.

ICA Gruppen and ICA will finance their current and planned investments through existing credit facilities and the cash flow generated by operations.

## **BRIEF DESCRIPTION OF OPERATIONS**

ICA Gruppen is a retail company with operations in four areas: food, banking, real estate and non-food. The main task of ICA Gruppen is to develop ICA and ICA-related operations further. The aim is to create a clear business orientation in the various operations and to safeguard in the best way possible the development opportunities that exist within these areas.

ICA's core business is, and will remain, food retail. Other operations are to support the core business and may be developed to take advantage of new business opportunities as a whole, but also on their respective merits, in line with the ICA concept. The five Portfolio Companies that the Company owns alongside ICA represent less than 5 per cent of the Group's assets and will be assessed in a responsible manner following the reorientation.

## **ORGANIZATION**

ICA Gruppen is a retail company with operations in four areas: food, banking, real estate and non-food. Its main task is to develop ICA and ICA-related operations further. The aim is to create a clear business orientation in the various operations and to safeguard in the best way possible the development opportunities that exist within these areas.

ICA's core business is, and will remain, food retail. Other operations are to support the core business and may be developed to take advantage of new business opportunities as a whole, but also on their respective merits. The five Portfolio Companies that ICA Gruppen owns alongside ICA represent less than 5 per cent of the Group's assets and will be assessed in a responsible manner following the reorientation.

ICA Gruppen's CEO, Per Strömberg, is responsible for the day-to-day administration of the Company in accordance with the guidelines and instructions issued by the board. The CEO also compiles the agenda for the board meetings in dialog with the chairman and deputy chairman of the board, and is responsible for the preparation of information and decision documents for these meetings. In addition, the CEO shall ensure that the members of the board receive information on ICA Gruppen's performance in order that they may make well-founded decisions. The board's rules of procedure and work instructions for the CEO have a separate section governing the handling of and decisions on matters related to agreements and other dealings between ICA Gruppen and ICA-handlarnas Förbund.

Alongside Per Strömberg, the group's executive management comprises Sonat Burman-Olsson (Deputy CEO and CFO), Björn Abild (CEO of ICA Special), Lena Boberg (CEO of ICA Real Estate), Liv Forhaug (SVP Strategy & Business Development), Åsa Gabriel (SVP HR & ICA School), Björn Olsson (SVP Corporate Communications), Edgar Sesemann (CEO of Rimi Baltic), Thorbjørn Theie (CEO of ICA Norway), Jörgen Wennberg (CEO of ICA Bank), Anders Svensson (CEO of ICA Sweden) and Stein Petter Ski (SVP Portfolio Companies). Executive management meets regularly to discuss the development of the Company and make decisions about matters of importance to the business.

## **SHAREHOLDER AGREEMENTS AND SHAREHOLDER ASSOCIATIONS**

As far as the board of ICA Gruppen is aware, there are no shareholder agreements or associations of shareholders in ICA Gruppen.

## **GROUP**

The Company is the parent company of the Group, which comprises around 300 active and dormant companies. The following table shows the main subsidiaries of the Company.

Name	Shareholding in %
ICA AB	100
ICA Baltic AB	100
ICA Detalj AB	100
ICA Fastigheter AB	100
ICA Finans AB	100
ICA International Services BV	100
ICA Eiendom Norge AS	100
ICA Fastigheter Sverige AB	100
ICA Global Sourcing Ltd	100
ICA Norge AS	100
ICA Sourcing and Services BV	100
ICA Sverige AB	100
Rimi Baltic AB	100
Forma Publishing Group AB	100
Cervera AB	91.4
inkClub AB	100
Hemtex AB	68.5

Since the Company conducts most of its business through wholly-owned and partly-owned Group Companies and associated companies and owns no material assets other than the shares in such companies, the Company is dependent on these companies' ability to provide loans and dividends to the Company.

## INDEPENDENCE

Five of the members of the board – Cecilia Daun Wennborg, Bengt Kjell, Jan Olofsson, Andrea Gisle Joosen and Margot Wallström – are independent in relation to both ICA Gruppen and its management and to the major shareholders in the company. Combined, they have many years of experience of management and board positions in various listed companies. Peter Berlin and Magnus Moberg are ICA retailers, Göran Blomberg is CFO of ICA-handlarnas Förbund, Fredrik Hägglund is General Counsel of ICA-handlarnas Förbund and Claes-Göran Sylvén is CEO of ICA-handlarnas Förbund. ICA-handlarnas Förbund is a non-profit association for Sweden's ICA retailers. According to NASDAQ OMX Stockholm's Rule Book for Issuers and the Code's (as defined below) rules on independence criteria for board members, Peter Berlin and Magnus Moberg are independent in relation to ICA Gruppen and the Company's management, but not independent in relation to its principal owner ICA-handlarnas Förbund, and Göran Blomberg, Fredrik Hägglund and Claes-Göran Sylvén are not independent in relation to ICA Gruppen, the Company's management or its principal owner ICA-handlarnas Förbund.

## INFORMATION ON TENDENCIES

There has been no adverse material change in the issuer's future prospects since the last audited financial report was published.

## ADMINISTRATIVE AND MANAGEMENT BODIES

Under the Company's articles of association the board of directors is to comprise between five (5) and ten (10) members. As of the date of the Base Prospectus, the board of directors has ten (10) members. The board of directors and the management can be reached at the Company's address Svetsarvägen 16, SE-171 93 Solna, Sweden, and via telephone number +46 8 55 33 99 00.

### Board of directors

**Claes-Göran Sylvén** (born 1959) – chairman of the board

Chairman of the board since 2013.

**Other assignments:** Member of the boards of Assistans i balans i Sverige AB, Centrum Fastigheter i Norrtälje AB, Dalaröudde Fastighets AB, Framtidsbolaget i Norrtälje AB, Grand Arctic Förvaltning AB, Svensk Handel AB, Sycava AB, Östanåslott Fastighets AB and Östanåstrand Fastighets AB. CEO of ICA-handlarnas Förbund and Sycava AB.

**Peter Berlin** (born 1960) – board member

Board member since 2011.

**Other assignments:** Chairman of the boards of ICA-handlarnas Förbund and Grobladet Aktiebolag. Member of the board of Hyllie Mat AB. CEO of Hyllie Mat AB/ICA Kvantum Emporia. Deputy board member for Erfa gruppen AB.

**Göran Blomberg** (born 1962) – board member

Board member since 2013.

**Other assignments:** Chairman of the board of ICA-handlarnas Förbunds Förvärvsbolag AB. Member of the boards of Hugo Lindersson Kläder Aktiebolag and ICA AB. CEO and member of the board of ResursAkuten Aktiebolag. CFO of ICA-handlarnas Förbund.

**Cecilia Daun Wennborg** (born 1963) – board member

Board member since 2005.

**Other assignments:** Member of the boards of AB Svensk Bilprovning, Atvexa AB, Carnegie Fonder AB, CDW Konsult AB, Eniro AB, Getinge AB, Ikano Bank AB, Kvinvest AB, Loomis AB, Proffice AB and Sophiahemmet, Ideell förening och Aktiebolag. Deputy board member for Johan Wennborg Marketing AB.

**Andrea Gisle Joosen** (born 1964) – board member

Board member since 2010.

**Other assignments:** CEO of Boxer TV-Access AB. Member of the board of Dixons Plc UK. Deputy board member for Neopitch AB.

**Fredrik Hägglund** (born 1967) – board member

Board member since 2013.

**Other assignments:** Member of the boards of EuroCommerce, ICA AB and UGAL. General Counsel of ICA-handlarnas Förbund.

**Bengt Kjell** (born 1954) – board member

Board member since 2013.

**Other assignments:** Chairman of the boards of Expandum Invest AB, Hemfosa Fastigheter AB (publ), Hemfosa Tetis AB, Industrade Aktiebolag and Skånska Byggaror Holding AB. Member of the boards of Aktiebolaget Handel och Industri, Breviks Fastighets AB, Helsingborgs Dagblad Aktiebolag, Nordic Tankers Holding AB, Pandox Aktiebolag, Swegon Aktiebolag and Z.Ö. Holding Aktiebolag. Deputy member of the board of C2 Safety AB. CEO of Aktiebolaget Handel och Industri.

**Magnus Moberg** (born 1966) – board member

Board member since 2008.

**Other assignments:** Member of the boards of ICA-handlarnas Förbund, Jomag AB and Storbutiken i Falköping AB. CEO of Storbutiken i Falköping AB.

**Jan Olofsson (born 1948) – board member**

Board member since 2005.

**Other assignments:** Chairman of the board of INIT Aktiebolag. Member of the board of Multiq International AB. Member of the board and CEO of Kabinettet Aktiebolag.

**Margot Wallström (born 1954) – board member**

Board member since 2013.

**Other assignments:** Chairman of Lund University and the Council of Women World Leaders. Member of the boards of the Swedish Postcode Foundation, Global Challenges Foundation and edberg dialog AB (SvB). Project Director of the Swedish Postcode Lottery. Advisory board member for International IDEA. International Advisor for the Institute for Human Rights and Business. Senior Fellow in the Enough Project.

**Magnus Rehn (born 1966) – employee representative**

Employee representative since 2013.

**Other assignments:** –

**Jonathon Clarke (born 1968) – employee representative**

Employee representative since 2013.

**Other assignments:** –

**Ann Lindh (born 1964) – deputy employee representative**

Deputy employee representative since 2013.

**Other assignments:** –

**Marcus Strandberg (born 1966) – deputy employee representative**

Deputy employee representative since 2013.

**Other assignments:** –

**Management**

**Per Strömberg (born 1963) – CEO**

**Other assignments:** Member of the boards of Almond Group Holding AB, Childhood Foundation, En Frisk Generation and Segulah Advisor AB.

**Sonat Burman-Olsson (born 1958) – Deputy CEO and CFO**

**Other assignments:** Member of the board of Tredje AP-fonden, KappAhl AB (publ) and Lindab International AB (publ).

**Björn Abild (born 1955) – CEO of ICA Special**

**Other assignments:** Member of the boards of Alcadeltaco AB, Alcadon AB, Deltaco Aktiebolag and Röhnisch Sportswear Aktiebolag. Deputy board member for Abildx2 AB and Angered Byggvaror Aktiebolag.

**Lena Boberg** (born 1970) – **CEO of ICA Real Estate**

**Other assignments:** –

**Liv Forhaug** (born 1970) – **SVP Strategy & Business Development**

**Other assignments:** Member of the board of Skutvik Invest AB. Deputy board member for Skutvik Partner AB.

**Åsa Gabriel** (born 1959) – **SVP HR and ICA School**

**Other assignments:** –

**Björn Olsson** (born 1971) – **SVP Corporate Communication**

**Other assignments:** –

**Edgar Sesemann** (born 1961) – **CEO of Rimi Baltic**

**Other assignments:** –

**Thorbjørn Theie** (born 1959) – **CEO of ICA Norway**

**Other assignments:** –

**Jörgen Wennberg** (born 1952) – **CEO of ICA Bank**

**Other assignments:** Chairman of the board of Nordic Yachts AB.

**Anders Svensson** (born 1964) – **CEO of ICA Sverige AB**

**Other assignments:** Member of the board of Svensk Dagligvaruhandel Ekonomisk Förening (Grocery Retailers' Association), Svensk Handel AB and Confederation of Swedish Enterprise.

**Stein Petter Ski** (born 1967) – **SVP Portfolio Companies**

**Other assignments:** Chairman of the board of Hemtex Aktiebolag. Member of the board of Kjell & Co Elektronik AB.

#### **Conflicts of interest within administrative, management and control bodies**

None of the board members or senior executives is related in any way to any other board member or senior executive. There are no conflicts of interest between the duties of the board members or senior executives in respect of ICA Gruppen and their private interests or other commitments.

#### **Work of the board of directors**

The board of directors is responsible for the Company's organization and the administration of the Company's affairs. In addition, the board of directors shall assess ICA Gruppen's financial position on an ongoing basis. The board shall also ensure that the Company's financial circumstances are securely controlled.

The work of the board of directors is led by the chairman, Claes-Göran Sylvén. The work is regulated by the rules of procedure established by the board each year, and by applicable laws and regulations. The board has also prepared instructions for the CEO and for its three committees (see below), as well as other policy documents as guidelines for ICA Gruppen's employees. Each year the Board reviews the rules of procedure and instructions. The present rules of procedure and instructions were examined and formally adopted at the board meeting on September 18, 2012.

In addition to a statutory board meeting in conjunction with the annual general meeting, under the articles of association the board shall hold at least five meetings a year that are announced in advance. In 2012, the board held a total of 21 meetings, of which eight were telephone conferences.

ICA Gruppen's board has three working committees: the audit committee, the remuneration committee and the investment committee. The work of the committees is reported to the board on a regular basis. The committees are to be regarded as working committees to the board and do not assume the responsibility that rests with the board as a whole. The instructions for all committees are currently being revised and the board of directors is expected to decide on new instructions shortly.

#### ***Audit committee***

The audit committee's key task is to supervise the accounts and financial reporting and obtain information about the auditing of ICA Gruppen. The audit committee also monitors compliance with the Company's financial and investment policy and its sustainability policy. The audit committee also identifies and monitors risks in operations and follows up internal control. The audit committee shall hold at least five meetings per year. The audit committee held six meetings in 2012. Four of the meetings were held after the 2012 annual general meeting. The Company's external auditor was represented at all the meetings.

#### ***Remuneration committee***

The remuneration committee is responsible for the preparation of issues regarding remuneration and other terms of employment for ICA Gruppen's executive management. The remuneration committee must hold at least two meetings per year, one of which must be held in December. The remuneration committee held three meetings in 2012.

#### ***Investment committee***

The investment committee's main tasks are to examine the decision-making basis with regard to investment matters, recommend decisions and ensure compliance with ICA Gruppen's investment policy. At least one meeting shall be held each year, in order to evaluate the investment policy among other things. Additional meetings are called by the committee chairman when required. The investment committee held five meetings in 2012.

### **CORPORATE GOVERNANCE**

The governance of ICA Gruppen is characterized by openness, reliability and ethical values. The Company believes that good corporate governance contributes to the positive development of ICA Gruppen as well as long-term confidence in the market. The Company adheres to the rules on corporate governance in Sweden through close compliance with the Swedish Companies Act, NASDAQ OMX Stockholm's Rule Book for Issuers and the Swedish Code of Corporate Governance. In addition, ICA Gruppen applies a number of internal rules and control instruments.

### **INFORMATION ABOUT THE SHARES**

Under the articles of association the Company's share capital shall be a minimum of SEK 400,000,000 and a maximum of SEK 1,600,000,000 which shall be divided between a minimum of 160,000,000 shares and a maximum of 640,000,000 shares. The share capital in the Company amounts to SEK 502,866,987.50 spread across 201,146,795 shares, of which 82,067,892 are C Shares and 119,078,903 are Ordinary Shares. Each share has a quota value of SEK 2.50.

Under the Company's articles of association the Company can issue two classes of shares: Ordinary Shares and C Shares. Ordinary Shares can be issued in numbers amounting to a maximum of 100 per cent of all shares in the Company and C Shares in numbers up to a maximum of 51 per cent of all shares in the Company. Both Ordinary Shares and C Shares carry one vote per share.

C Shares do not carry any entitlement to cash dividends. However, C Shares carry the same rights as Ordinary Shares to profit distribution that takes the form of a distribution in kind of shares or other participations in ICA or in current or future subsidiaries or associated companies of the ICA Group or in companies that may take over operations conducted or that may be conducted in the future by the ICA Group.

In the event of the Company's liquidation, C Shares carry the same rights as Ordinary Shares to participation in the Company's assets and to any surplus. If the Company's restricted equity is reduced through payment to the Company's shareholders or by means of the repurchase of shares, C Shares only carry entitlement to payment or compensation in accordance with the regulations for profit distribution described in the preceding paragraph.

The Company's articles of association contain provisions concerning the conversion of C Shares into Ordinary Shares and vice versa.

## **OWNERSHIP STRUCTURE**

ICA-handlarnas Förbund is the principal shareholder in ICA Gruppen and holds 51.3 per cent of the shares. The statutes of ICA-handlarnas Förbund state that its shareholding in ICA Gruppen shall amount to at least 51 per cent of the capital and votes. Industrivärden holds 10.0 per cent of the capital and votes.

# PRO FORMA FINANCIAL INFORMATION

## PURPOSE OF PRO FORMA FINANCIAL STATEMENTS

The purpose of the pro forma consolidated financial statements below is to show the hypothetical impact which ICA Gruppen's acquisition of 60 per cent of the shares in ICA and the related changes in the loan financing and the issue of ordinary shares approved by the board of directors on April 28, 2013 on the basis of the authorization from the extraordinary general meeting on March 13, 2013 ("the Offering") would have had on ICA Gruppen's consolidated earnings and financial position.

The pro forma financial statements below have been prepared in order to illustrate:

- profit or loss for 2012 and the first three months of 2013 under the assumption that ICA Gruppen's acquisition of 60 per cent of the shares in ICA and the issue of ordinary shares had been completed and the Bridge Loan had been utilized as of January 1, 2012 and January 1, 2013 respectively; and
- the financial position as of March 31, 2013 under the assumption that the issue of ordinary shares had been completed.

The pro forma information describes a hypothetical situation and has been produced solely for illustrative purposes. The information is neither intended to present the profit or loss and financial position that the business would actually have achieved, nor is it intended to indicate the future profit or loss that the Group will generate or the Group's financial position at any future point in time. No synergies or integration costs have been taken into consideration.

## BASIS FOR THE PRO FORMA FINANCIAL INFORMATION

The balance sheet used as a basis for the pro forma information is ICA Gruppen's consolidated balance sheet as of March 31, 2013. The pro forma income statements are based on ICA Gruppen's and ICA's audited consolidated income statements for 2012 and ICA Gruppen's and ICA's consolidated income statements for the first three months of 2013.

All the underlying financial information was prepared according to IFRS, as adopted by the EU. The pro forma financial statements have been prepared in accordance with ICA Gruppen's accounting principles as described in the annual report for 2012, including the revised accounting principles for 2013 mentioned therein.

## PRO FORMA ADJUSTMENTS

The pro forma adjustments are described more in detail in notes to the income statements and balance sheet provided below. The following text description is more general in nature.

### Adjustments for fair value of acquired assets

In accordance with IFRS, the fair value of acquired identifiable assets and liabilities is measured on the acquisition date (commonly referred to as purchase price allocation). Acquired values that do not relate to identifiable assets and liabilities are recognized as goodwill. The difference between the purchase price for 60 per cent of the shares in ICA including the value of ICA Gruppen's 40 per cent shareholding (transferred compensation) of SEK 33,333 million in total and the book value of ICA's equity as of March 27, 2013 attributable to the parent company's shareholders of SEK 6,005 million amounts to SEK 27,328 million. The preliminary allocation of this difference to identifiable assets and liabilities and to goodwill is as follows:

Difference between fair value and book value of buildings and land	6,100
Difference between fair value and book value of trademarks	11,640
Deferred tax on the above	-3,953
Goodwill	13,541
<b>Total</b>	<b>27,328</b>

The additional value of buildings and land, amounting to SEK 6,100 million, is depreciated over these assets' useful lives, as a result of which depreciation is added into the pro forma income statements. The trademarks have been determined to have an indefinite useful life. These adjustments are described in more detail in note 4 and note 3 respectively to the pro forma income statements.

**Differences in accounting principles and elimination of internal sales**

Adjustments have also been made to adapt ICA's applied accounting principles to ICA Gruppen's. This has resulted in adjustments for the reporting of defined benefit pension commitments. In 2012 ICA applied what is known as the corridor method, according to which actuarial gains and losses are allocated to periods, while ICA Gruppen has expensed these on an ongoing basis. The elimination of internal sales between ICA and ICA Gruppen's subsidiary Forma Holding has also affected the adjustments in the income statement. For descriptions, refer to the notes to the pro forma financial reports below.

**NEW SHARE ISSUE IN MAY 2013**

The pro forma financial information takes into account the fully subscribed issue of ordinary shares that reduced the Bridge Loan by SEK 5 billion after transaction costs.

## PRO FORMA INCOME STATEMENT – FULL YEAR 2012

SEK million	ICA Gruppen	ICA	Acquisition <sup>1</sup>	Pro forma
Net sales	2,726	96,863	-54	99,535
Cost of goods sold	-1,494	-83,026	54	-84,466
<b>Gross profit</b>	<b>1,232</b>	<b>13,837</b>	<b>0</b>	<b>15,069</b>
Other operating income	73	603	—	676
Selling expenses	-1,140	-8,224	-205 <sup>4</sup>	-9,569
Administrative expenses	-372	-2,954	27 <sup>5</sup>	-3,299
Other operating expenses	-7	—	—	-7
Share of profit of companies accounted for using the equity method	376	12	-352 <sup>2</sup>	36
Effects of acquisition	—	—	8,652 <sup>3</sup>	8,652
Profit/loss from investments in group companies	94	—	—	94
<b>Operating profit</b>	<b>256</b>	<b>3,274</b>	<b>8,122</b>	<b>11,652</b>
Financial income	42	84	-27 <sup>6</sup>	100
Financial expense	-31	-421	-454 <sup>6</sup>	-906
Change in fair value of financial instruments	21	—	—	21
<b>Net financial items</b>	<b>32</b>	<b>-337</b>	<b>-480</b>	<b>-785</b>
<b>Profit before tax</b>	<b>288</b>	<b>2,937</b>	<b>7,642</b>	<b>10,867</b>
Tax	18	-2,018	173 <sup>7</sup>	-1,827
<b>Profit for the year</b>	<b>306</b>	<b>919</b>	<b>7,815</b>	<b>9,040</b>
<b>EBITDA, excluding effects of acquisition<sup>8</sup></b>	<b>322</b>	<b>5,030</b>	<b>-325</b>	<b>5,027</b>
<b>EBITDA margin</b>	<b>11.8%</b>	<b>5.2%</b>		<b>5.1%</b>

1. The adjustments are related to the additional values of balance sheet items identified in the purchase price allocation, the effect on profit of the revaluation of ICA Gruppen's 40 per cent shareholding in ICA, effects on net financial items resulting from the changed financing, effects of adapting ICA's accounting principles to ICA Gruppen's, and to the elimination of internal sales between ICA and ICA Gruppen's subsidiary Forma Holding.

2. ICA Gruppen's reported share of ICA's profits, amounting to SEK 352 million in 2012, has been eliminated.

3. ICA Gruppen's revaluation of the 40 per cent shareholding in ICA has been provisionally calculated at SEK 8,469 million based on an estimated value for the 40 per cent shareholding of SEK 13,333 million. ICA Gruppen's share in ICA's reserves of SEK 259 million reported under other comprehensive income is reclassified as profit. Costs in conjunction with the Acquisition of ICA have been estimated at SEK 76 million.

4. The adjustment of the selling expenses are due to depreciation on the increased asset values for buildings identified in the purchase price allocation. The excess value of buildings is depreciated over the estimated remaining useful life of each individual property, on average 24 years, resulting in annual depreciation of SEK 205 million. Identified trademarks have been determined to have an indefinite useful life and accordingly no amortization is recorded.

5. Adjustments for the recognition of defined benefit pension commitments in order to adapt ICA's applied accounting principles to ICA Gruppen's.

6. The adjustment of net financial items comprises interest expenses for the Bridge loan of SEK 372 million, allocated costs of setting up the Bridge loan of SEK 82 million, and reduced interest income resulting from the fact that cash and cash equivalents have been used for the Acquisition.

7. The items in the Acquisition column mainly relate to Swedish operations, and accordingly a tax rate of 26.3 per cent has been applied to these. Among the adjustments, the acquisition costs of SEK 76 million for the Acquisition of ICA are non-deductible and consequently no tax effect has been recorded.

8. Earnings before interest, taxes, depreciation, and amortization.

## PRO FORMA INCOME STATEMENT – JANUARY–MARCH 2013

SEK million	ICA Gruppen Group	ICA Mar 27–Mar 31	ICA Jan–Mar	Acquisition <sup>1</sup>	Pro forma
Net sales	1,883	-1,324	23,078		23,637
Cost of goods sold	-1,421	1,139	-20,016		-20,298
<b>Gross profit</b>	<b>462</b>	<b>-185</b>	<b>3,062</b>	<b>0</b>	<b>3,339</b>
Other operating income	13	-3	124		134
Selling expenses	-388	108	-1,928	-51 <sup>3</sup>	-2,259
Administrative expenses	-126	41	-702		-787
Share of profit of companies accounted for using the equity method	99	-95 <sup>2</sup>	6		10
Effects of acquisition	8,652	—	—		8,652
<b>Operating profit</b>	<b>8,712</b>	<b>-134</b>	<b>562</b>	<b>-51</b>	<b>9,089</b>
Financial income	8	—	15	-7 <sup>4</sup>	16
Financial expenses	-11	5	-106	-113 <sup>4</sup>	-225
Change in fair value of financial instruments	16	—	—		16
<b>Net financial items</b>	<b>13</b>	<b>5</b>	<b>-91</b>	<b>-120</b>	<b>-193</b>
<b>Profit before tax</b>	<b>8,725</b>	<b>-129</b>	<b>471</b>	<b>-172</b>	<b>8,895</b>
Tax	5	9	-199	38 <sup>5</sup>	-147
<b>Profit for the period</b>	<b>8,730</b>	<b>-120</b>	<b>272</b>	<b>-134</b>	<b>8,748</b>
<b>EBITDA, excluding effects of acquisition<sup>6</sup></b>	<b>92</b>	<b>-154</b>	<b>930</b>		<b>868</b>
<b>EBITDA margin</b>	<b>4.9%</b>		<b>4.0%</b>		<b>3.7%</b>

1. The adjustments are related to the additional values of balance sheet items identified in the purchase price allocation and to effects on net financial items resulting from the changed financing.

2. ICA Gruppen's reported share of ICA's profits for the first quarter of 2013, amounting to SEK 95 million, has been eliminated.

3. The adjustment of the selling expenses are due to depreciation on the increased asset values for buildings identified in the purchase price allocation. The excess value of buildings is depreciated over the estimated remaining useful life of each individual property, on average 24 years, resulting in depreciation during the first quarter of SEK 51 million. Identified trademarks have been determined to have an indefinite useful life and accordingly no amortization is recorded.

4. The adjustment of net financial items comprises interest expenses for the Bridge Loan of SEK 93 million and allocated costs of setting up the Bridge Loan of SEK 20 million, and also reduced interest income of SEK 6 million as a result of the fact that cash and cash equivalents were used for the acquisition.

5. The items in the Acquisition column mainly relate to Swedish operations, and accordingly a tax rate of 22 per cent has been applied to these.

6. Earnings before interest, taxes, depreciation, and amortization.

## PRO FORMA BALANCE SHEET – MARCH 31, 2013

ASSETS, SEK million	ICA Gruppen Group	Rights issue <sup>1</sup>	Pro forma
<b>Non-current assets</b>			
Goodwill	14,116		14,116
Trademarks	13,149		13,149
Interests in companies recognised according to the equity method	772		772
Deferred tax assets	238		238
Non-current receivables ICA Bank	5,541		5,541
Land and buildings	18,105		18,105
Other non-current assets	3,276		3,276
<b>Total non-current assets</b>	<b>55,197</b>	<b>0</b>	<b>55,197</b>
<b>Current assets</b>			
Inventories	4,463		4,463
Short-term investments	6		6
Current receivables ICA Bank	3,130		3,130
Other current assets	1,791		1,791
Cash and cash equivalents ICA Bank	2,709		2,709
Cash and cash equivalents	5,868		5,868
<b>Total current assets</b>	<b>17,967</b>	<b>0</b>	<b>17,967</b>
<b>TOTAL ASSETS</b>	<b>73,164</b>	<b>0</b>	<b>73,164</b>
<b>EQUITY AND LIABILITIES, SEK million</b>	<b>ICA Gruppen Group</b>	<b>Rights issue<sup>1</sup></b>	<b>Pro forma</b>
<b>Equity</b>	<b>16,882</b>	<b>5,000</b>	<b>21,882</b>
<b>Provisions</b>	<b>2,597</b>	<b>0</b>	<b>2,597</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	4,835	0	4,835
Interest bearing loan	12,677	-5,000	7,677
Non-current liabilities attributable to sale & leaseback	3,763	0	3,763
Other non-current liabilities	14		14
<b>Total non-current liabilities</b>	<b>21,289</b>	<b>-5,000</b>	<b>16,289</b>
<b>Current liabilities</b>			
Deposits ICA Bank	10,352	0	10,352
Current interest-bearing liabilities	7,108	0	7,108
Current liabilities attributable to sale & leaseback	190	0	190
Other current liabilities	14,746	0	14,746
<b>Total current liabilities</b>	<b>32,396</b>	<b>0</b>	<b>32,396</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>73,164</b>	<b>0</b>	<b>73,164</b>
<b>Net debt (excluding ICA Bank)</b>	<b>17,988</b>	<b>-5,000</b>	<b>12,988</b>

1. The New Share Issue is expected to increase equity by SEK 5,000 million after deducting transaction costs. The amount of SEK 5,000 million after transaction costs that the New Share Issue will bring in will be used to reduce the Bridge Loan by SEK 5,000 million.

# THE AUDITOR'S REPORT ON PRO FORMA FINANCIAL INFORMATION

To the board of directors of ICA Gruppen AB (publ)

Corporate Reg. No. 556048-2837

We have reviewed the pro forma financial information set out on pages 54–56 in ICA Gruppen AB's (publ) Base Prospectus dated June 3, 2013.

The pro forma financial information has been prepared only to provide information concerning how the acquisition of ICA AB and the related changes in the loan financing and the issue of ordinary shares might have affected ICA Gruppen's consolidated balance sheet as of March 31, 2013 and the consolidated income statement for the periods January 1, 2012 – December 31, 2012 and January 1 – March 31, 2013.

## RESPONSIBILITIES OF THE BOARD OF DIRECTORS

It is the responsibility of the board of directors to prepare pro forma financial information in accordance with the requirements of EC Regulation 809/2004/EC on prospectuses.

## AUDITOR'S RESPONSIBILITY

It is our responsibility to provide an opinion as required by Annex II item 7 of EC Regulation 809/2004/EC on prospectuses. We are not obliged to provide any other statement on the pro forma financial information or any of its constituent parts. We take no responsibility for the financial information used to compile the pro forma statements other than the responsibility that we have for the auditor's reports relating to historical financial information that we have issued previously.

## WORK PERFORMED

We performed our work in accordance with FAR's recommendation RevR 5, Examination of Prospectuses. Our work, which did not include an independent review of the underlying financial information, consisted primarily of comparing the unadjusted financial information with source documentation, assessing the evidence for the pro forma adjustments and discussing the pro forma financial information with the management of the company. We planned and performed our work so as to obtain the information and explanations we considered necessary to obtain reasonable assurance, but not complete certainty, that the pro forma financial statements were compiled on the basis stated on pages 52-53 and that this basis is consistent with the accounting principles applied by the company.

## OPINION

In our opinion, the pro forma financial information was compiled correctly in accordance with the basis stated on pages 52-53 and this basis is consistent with the accounting principles applied by the company.

Stockholm, June 3, 2013

Ernst & Young AB

Thomas Forslund

*Authorized Public Accountant*

## SELECTED HISTORICAL FINANCIAL INFORMATION

### HISTORICAL FINANCIAL INFORMATION

The Company's annual reports for 2010, 2011 and 2012, ICA's annual reports for 2010, 2011 and 2012, the Company's interim report for the period January – March 2012 and 2013 and ICA's interim report for the period January – March 2012 and 2013 are incorporated into the Base Prospectus by reference. The documents incorporated are to be read as part of the Base Prospectus. All the reports are available on the Company's website [www.icagruppen.se](http://www.icagruppen.se) and can also be obtained from the Company in hard copy. Other information, if not available in electronic format at [www.icagruppen.se](http://www.icagruppen.se), can be obtained from the Company as a hard copy.

The Company's and ICA AB's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations provided by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. Furthermore, the Group also applies the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups.

The Company's and ICA AB's annual reports for 2010, 2011 and 2012 were prepared in accordance with the recommendations and statements issued by the Swedish Financial Accounting Standards Council.

Other than the auditing of the Company's annual reports and the review of interim reports and pro forma financial information, the Company's accountants have not audited or reviewed any part of the Base Prospectus or this translation thereof.

ICA's income statement, balance sheet and cash flow statement for the period January – March 2013 and the period January – March 2012 can be found in ICA's interim report for the period January – March 2013:

- income statement, page 7;
- balance sheet, page 8; and
- cash flow statement, page 8.

ICA's income statement, balance sheet and cash flow statement for 2011 and 2012 can be found in ICA's annual report for 2012:

- income statement, page 163;
- balance sheet, page 164 – 165;
- statement of changes in equity, page 166; and
- cash flow statement, page 167.

### AUDITING OF THE ANNUAL HISTORICAL FINANCIAL INFORMATION

The financial information in the Company's annual report for 2011 was reviewed by Erik Åström. The financial information in the Company's annual report for 2012 was reviewed by Thomas Forslund. The auditing of the annual reports was conducted in accordance with generally accepted auditing practices in Sweden and the audit reports were submitted without comment.

At the annual general meeting held on April 14, 2010 Ernst & Young AB was elected as the Company's auditor for a period of four years until the end of the annual general meeting in 2014. Authorized public accountant Thomas Forslund (born 1965) is the chief auditor. Ernst & Young AB has been the Company's audit company since May 10, 2006. During this period, Erik Åström was chief auditor until April 19, 2012, since when Thomas Forslund has been chief auditor. The reason for Thomas Forslund replacing Erik Åström was that Erik Åström had been chief auditor for seven years. Both Erik Åström and Thomas Forslund are members of FAR, the professional institute for the

accountancy sector in Sweden. The office address of Ernst & Young AB, Erik Åström and Thomas Forslund is: Ernst & Young AB, Jakobsbergsgatan 24, P.O. Box 7850, SE-103 99 Stockholm, Sweden.

**AGE OF THE MOST RECENT FINANCIAL INFORMATION**

The most recent financial information has been taken from the annual report for 2012, which was published on March 14, 2013, and from the interim report for the period January – March 2013, which was published on April 29, 2013.

# INCOME STATEMENT – ICA GRUPPEN GROUP

SEK million	Jan–Mar		Full year		
	2013	2012	2012	2011	2010
Net sales	1,883	626	2,726	2,498	2,663
Cost of goods sold	-1,421	-351	-1,494	-1,399	-1,462
<b>Gross profit</b>	<b>462</b>	<b>275</b>	<b>1,232</b>	<b>1,099</b>	<b>1,201</b>
Other operating income	13	14	73	67	64
Selling expenses <sup>1</sup>	-388	-294	-1,147	-1,056	-1,283
Administrative expenses	-126	-87	-372	-361	-297
Share of profit of companies accounted for using the equity method	99	176	376	553	212
Effects of acquisitions	8,652	—	—	—	—
Profit/loss from investments in group companies	—	—	94	—	—
Goodwill impairment	—	—	—	—	-284
<b>Operating profit</b>	<b>8,712</b>	<b>84</b>	<b>256</b>	<b>302</b>	<b>-387</b>
Financial income	8	9	42	45	31
Financial expenses	-11	-6	-31	-31	-34
Profit/loss from investments in group companies	—	—	—	9	—
Change in fair value of financial instruments	16	15	21	-73	49
<b>Profit before tax</b>	<b>8,725</b>	<b>102</b>	<b>288</b>	<b>252</b>	<b>-341</b>
Tax	5	-8	18	23	-12
<b>Profit for the period from continuing operations</b>	<b>8,730</b>	<b>94</b>	<b>306</b>	<b>275</b>	<b>-353</b>
Profit/loss for the period from discontinued operations	—	—	—	-216	-38
<b>Profit for the period</b>	<b>8,730</b>	<b>94</b>	<b>306</b>	<b>59</b>	<b>-391</b>
<b>Profit/loss for the period attributable to</b>					
Owners of the parent	8,742	104	324	99	-303
Non-controlling interests	-12	-10	-18	-40	-88
Change in translation reserve, net after tax	-84	-2	-28	-9	-395
Change in fair value reserve, net after tax	21	0	8	1	-8
Change in hedge reserve, net after tax	-196	7	-7	-8	-8
<b>Comprehensive income for the period</b>	<b>8,471</b>	<b>99</b>	<b>279</b>	<b>43</b>	<b>-802</b>
<b>Earnings per share, before and after dilution, SEK</b>					
Ordinary Share	54.41	0.65	2.02	0.62	-1.89
C Share,	54.41	0.65	2.02	0.62	-1.89
Ordinary Share, continuing operations	54.41	0.65	2.02	1.97	-1.65
C Share, continuing operations	54.41	0.65	2.02	1.97	-1.65

1. For full-year 2010, 2011 and 2012 the item selling expenses also includes the item Other operating expenses.



## STATEMENT OF CASH FLOWS – ICA GRUPPEN GROUP

SEK million	Jan-Mar		Full year		
	2013	2012	2012	2011	2010
Cash flow from operating activities	-226	-134	825	669	534
Cash flow from investing activities	-14,610	-51	-308	9	-311
Cash flow from financing activities	19,045	132	-474	-577	-300
<b>Cash flow for the period</b>	<b>4,209</b>	<b>-53</b>	<b>43</b>	<b>101</b>	<b>-77</b>
Cash and cash equivalents at beginning of period	291	248	248	147	226
Exchange differences in cash and cash equivalents	0	0	0	0	-2
<b>Cash and cash equivalents at end of period</b>	<b>4,500</b>	<b>195</b>	<b>291</b>	<b>248</b>	<b>147</b>

Cash flow from investing activities during 2012 includes acquisition of the remaining shares in ICA with SEK -15,739 million (0), changes in short-term investments with SEK 1,143 million (-45) and acquisition of non-current assets with SEK -14 million (-6). Cash flow from financing activities consists of change in interest-bearing liabilities.

Hemma's cash flow was included in 2011 with SEK -30 million (-19) in the item Cash flow from operating activities, with SEK -8 million (-5) in the item Cash flow from investing activities and with SEK +36 million (+25) in the item Cash flow from financing activities.

## KEY FIGURES – ICA GRUPPEN GROUP

	Jan-Mar		Full year		
	2013	2012	2012	2011	2010
Gross margin, %	24.5	43.9	45.2	44.0	45.1
Operating margin, %	3.2 <sup>1</sup>	13.4	9.4	12.1	-14.5
Net margin, %	4.1 <sup>1</sup>	15.0	11.2	2.4	-14.7
Return on capital employed, %	1.1 <sup>1</sup>	4.4	3.6	1.1	-3.2
Return on equity, %	2.3 <sup>1</sup>	2.3	3.9	3.0	-3.0
Equity/assets ratio, %	23.1	85.2	86.1	85.6	85.0

1. Excluding positive effect of acquisition of SEK 8,728 million.

## DATA PER SHARE – ICA GRUPPEN

	Jan-Mar		Full year		
	2013	2012	2012	2011	2010
Earnings per share attributable to continuing operations, SEK	54.41	0.65	2.02	1.97	-1.65
Equity per share, SEK	104.23	53.31	51.43	52.63	55.11
Cash flow per share, SEK	26.20	-0.33	0.27	0.63	-0.48
Dividend per Ordinary Share, SEK	—	—	—	6.25	6.00
Dividend Ordinary Shares, SEK million	—	—	—	491	472
Share price at the end of the period, SEK	167.60	114.70	118.30	96.05	117.60
Dividend yield, %	—	—	—	6.5	5.1
Total return, %	—	—	30.5	-13.5	9.9

## OTHER INFORMATION

### ASSURANCE REGARDING THE PROSPECTUS

ICA Gruppen AB (publ) (corporate registration no. 556048-2837), domiciled in Stockholm, Sweden, is responsible for the content of the Prospectus and has taken all reasonable precautions to ensure that, as far as the Company is aware, the information in the Prospectus accords with the facts and contains no omission likely to affect its import. To the extent prescribed by law, the board of directors of the Company is also responsible for the content of the Prospectus. The board of directors has taken all reasonable care to ensure that the information in the Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

### PRINCIPAL MARKETS

Through ICA, the Group is primarily active in the retail and food retail markets in Sweden, Norway and the Baltic countries. The Group is also active in the bank market in Sweden through ICA Bank and in the real estate market in Sweden and Norway through ICA Real Estate and in the Baltic countries through Rimi Baltic. The Group is also, through ICA Gruppen's other portfolio companies, active in the Nordic region in a number of other retail areas within home electronics accessories, glassware, dinnerware and household goods, consumables and home textiles. In addition, one of the subsidiaries, Forma Holding, publishes books and magazines primarily in Sweden.

### INFORMATION ON TRENDS IN THE SECTOR

Retail is a sector that is constantly changing and, according to HUI Research (Handelns Utredningsinstitut), the Swedish retail sector has experienced continuous growth over the past 18 years<sup>1</sup>. This growth has also led to increasing sector overlap. Companies are expanding their offerings and range of products and services across sector lines and this is leading to a new type of competitive situation. There is also increased competition from major international players, for example in the food retail sector where foreign discount retailers have established a presence in a number of markets.

The food retail sector in Sweden grew by 3.3 per cent in current prices in 2012 and amounted to SEK 289 billion. The trend in the Norwegian food retail market was also positive, with growth of 3.1 per cent in 2012 and net sales of NOK 148,119 million<sup>2</sup>. In 2012 the Estonian food retail market grew by 8.8 per cent and amounted to around EUR 1,920 million<sup>3</sup> while the Latvian food retail market grew by 5.3 per cent in local currency and amounted to around EUR 2,310 million<sup>4</sup>. In Lithuania the food retail market amounted to around EUR 3,400 million with growth of 4.4 per cent in local currency in 2012<sup>5</sup>.

### LEGAL PROCEEDINGS AND ARBITRATION PROCEEDINGS

On October 4, 2012, the Administrative Court of Appeal confirmed an administrative decision from December 2010 in which ICA was refused interest deductions of around SEK 3.4 billion for the years 2004-2008 and also imposed a tax surcharge for the 2007 assessment year. The total tax claim amounted to around SEK 1.3 billion; for ICA Gruppen, this reduced operating profit by SEK 512 million in the third quarter 2012. The Administrative Court of Appeal's ruling has acquired legal effect.

On January 14, 2013 ICA announced that it had entered into a cooperation agreement with NorgesGruppen for some parts of sourcing and distribution in Norway. This cooperation agreement was subsequently reported to the Norwegian Competition Authority (Konkurransetilsynet). The Norwegian Competition Authority is currently investigating whether the cooperation agreement contravenes competition rules and on April 19, 2013 notified that it had decided to suspend implementation of the cooperation agreement until September 30, 2013. ICA Norway has appealed the decision.

Other than the above, the Company is not, nor has it been, a party in any legal proceedings or arbitration proceedings over the past twelve months that have had or could be deemed to have a material effect on the Company's financial position or profitability. Nor has the Company been informed of any claims that could lead to the Company being a party in such proceedings.

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<sup>1</sup> Source: HUI Research (Handelns Utredningsinstitut)

<sup>2</sup> Source: AC Nielsen, Dagligvarerapporten 2013

<sup>3</sup> Source: Eesti statistika (Statistics Estonia)

<sup>4</sup> Source: Latvijas statistika (Central Statistical Bureau of Latvia)

<sup>5</sup> Source: Lietuvos statistikos departamentas (Statistics Lithuania)

## **MATERIAL CHANGES IN THE ISSUER'S FINANCIAL POSITION**

There has been no adverse material change in the Group's financial position or position in the market that could affect the market's view of the Company since the publication of the interim report for January – March 2013.

## **MATERIAL AGREEMENTS**

### **Bridge loan agreement with Handelsbanken and Nordea**

On February 10, 2013 the Company entered into a bridge loan agreement with Handelsbanken and Nordea for the purpose of part-financing the acquisition of 60 per cent of the shares in ICA. When the Company took possession of the shares in ICA on March 27, 2013 SEK 19,000 million was borrowed under the agreement. The loan is divided into four tranches: tranche A of SEK 5,000 million (which was repaid on May 27, 2013), tranche B of SEK 2,000 million, tranche C of SEK 8,000 million and tranche D of SEK 4,000 million. Tranches A and B are due for repayment on March 26, 2014 and tranches C and D are due for repayment on September 26, 2014.

As security for the loan the Company pledged, *inter alia*, all the shares in ICA. This pledge will however cease in case of a successful placement of MTNs under this MTN program.

Under the loan agreement, the cash raised by the share issue decided on by the board on April 28, 2013 on the basis of the authorization from the extraordinary general meeting on March 13, 2013 (which occurred on May 27, 2013), the proceeds of the disposal of certain assets and operations, other long-term financing, dividends to the Company from ICA and its subsidiaries in excess of SEK 1 billion (provided that the Company does not pay a dividend in 2013), certain insurance compensation payments, the proceeds of certain real estate sales and the proceeds of sales of preference shares, among other things, are to be used to repay the Bridge Loan.

The loan agreement also contains customary terms, guarantees and commitments, including restrictions on further borrowing, guarantee commitments, pledges, significant changes in the business, acquisitions and disposals. The Company also undertakes, as customary, to achieve certain levels of key financial ratios (net debt in relation to operating profit before depreciation and amortization (EBITDA) and also EBITDA in relation to net financial items) and the agreement contains provisions concerning the banks' right to terminate the Bridge Loan in the event of a breach of contract by the Company. The loan agreement also contains a provision entitling the banks to terminate the Bridge Loan should the Company be delisted or should ICA-handlarnas Förbund cease to own and control more than 50 per cent of the shares and votes in the Company, should events occur that have a material negative impact on the ability to meet payment commitments under the loan agreement or on the group's financial position as a whole, or if a group company is not able to meet its commitments to other creditors, known as "cross default".

### **Revolving credit facility**

On March 27, 2013 the Company entered into a revolving credit facility agreement of SEK 4,000 million with Handelsbanken and Nordea. The agreement is for a period of three years and replaces the operating credit agreement that ICA Group previously had. The Company and ICA have provided guarantees for the agreement. The loan agreement also contains customary terms, guarantees and commitments, including restrictions on further borrowing, guarantee commitments, pledges and significant changes in the business. The Company also undertakes, as customary, to achieve certain levels of key financial ratios (net debt in relation to operating profit before depreciation and amortization (EBITDA) and also EBITDA in relation to net financial items) and the agreement contains provisions concerning the banks' right to terminate the operating credit in the event of a breach of contract by the Company. The loan agreement also contains a provision entitling the banks to terminate the operating credit should the Company be delisted or should ICA-handlarnas Förbund cease to own and control more than 50 per cent of the shares and votes in the Company, should events occur that have a material negative impact on the ability to meet payment commitments under the credit facility agreement or on the group's financial position as a whole, or if a group company is not able to meet its commitments to other creditors, known as "cross default".

In case of a successful placement of MTNs under this MTN program the credit facility will be adjusted so that the Company is allowed to be the sole lender and no group companies will provide guarantees for the Company's obligations.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents have been incorporated into the Base Prospectus by reference.

- The Company's audited annual reports and auditors' reports for fiscal years 2010, 2011 and 2012;
- ICA AB's audited annual reports and auditors' reports for fiscal years 2010, 2011 and 2012;
- The Company's interim report for the period January 1 –March 31, 2012 and 2013; and
- ICA's interim report for the period January 1 –March 31, 2012 and 2013.

## **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available in electronic form on the Company's website [www.icagruppen.se](http://www.icagruppen.se). Copies of the documents are also available at the Company's head office at Svetsarvägen 16, SE-171 93 Solna, Sweden, on weekdays during the Company's regular office hours throughout the period of validity of the Base Prospectus.

- the Company's articles of association;
- the Company's audited annual report and audit report for fiscal years 2010, 2011 and 2012;
- ICA AB's audited annual report and audit report for fiscal years 2010, 2011 and 2012;
- the Company's interim report for the period January 1 – March 31, 2012 and 2013;
- ICA AB's interim report for the period January 1 – March 31, 2012 and 2013;
- the Base Prospectus; and
- approval decision by the Swedish Financial Supervisory Authority for the Base Prospectus.

## DEFINITIONS

In addition to the definitions used in the General Terms, the following definitions apply in the Base Prospectus.

<b>Ahold</b>	Depending on the context, Ahold JV B.V. or Koninklijke Ahold N.V.
<b>General Terms</b>	The section "General Terms" in the Base Prospectus
<b>Ancore</b>	Ancore Fastigheter AB
<b>Bridge Loan</b>	The Company's loan of SEK 19 billion in accordance with the loan agreement entered into on February 10, 2013 with Handelsbanken and Nordea in order to part-finance the acquisition of 60 per cent of the shares in ICA
<b>C Shares</b>	Class C shares in ICA Gruppen
<b>FRN</b>	Floating Rate Notes
<b>Hakon Invest AB</b>	Refers to the former name of ICA Gruppen AB (publ), changed by a resolution at the annual general meeting on May 20, 2013
<b>Handelsbanken</b>	Svenska Handelsbanken AB (publ)
<b>ICA</b>	Depending on the context, ICA AB or ICA AB with subsidiaries
<b>ICA Bank</b>	ICA Banken AB
<b>ICA Gruppen, the Company or the Group</b>	Depending on the context, ICA Gruppen AB (publ) or the group for which ICA Gruppen AB (publ) is the parent company
<b>ISIN</b>	International Securities Identification Number
<b>MTN Program</b>	Program under which MTNs are issued in accordance with the Base Prospectus
<b>Nordea</b>	Nordea Bank AB (publ)
<b>Portfolio Companies</b>	Hemtex, Cervera, Kjell & Company, inkClub and Forma Holding
<b>The Prospectus or the Base Prospectus</b>	The Prospectus which has been prepared for ICA Gruppen's MTN Program and, depending on the context, this translation thereof.
<b>Prospectus Directive</b>	Directive 2003/71/EC (together with relevant implementing measures in accordance with this directive in the member state concerned and in the current version, including amendments resulting from directive 2010/73/EU to the extent implemented in the relevant member state)
<b>Interest Base</b>	"Interest Base" refers to what is stated in section 13(i) of the Final Terms
<b>Interest Base Margin</b>	"Interest Base Margin" refers to what is stated in section 13(ii) of the Final Terms
<b>Interest Determination Date</b>	"Interest Determination Date" refers to what is stated in section 13(iii) of the Final Terms
<b>Interest Payment Date</b>	"Interest Payment Date" refers to what is stated in sections 12(iii) and 13(vi) of the Final Terms
<b>Interest Structure</b>	"Interest Structure" refers to what is stated in section 10 of the Final Terms
<b>Interest Period</b>	"Interest Period" refers to what is stated in section 13(iv) of the Final Terms
<b>Ordinary Shares</b>	Ordinary Shares in ICA Gruppen
<b>VPC System</b>	Euroclear Sweden AB's account-based system

## CONTACT DETAILS

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