

ICA's first steps into Denmark

ICA AB has reached an agreement with ISO Supermarket regarding a new 50/50-owned company, containing 11 supermarkets in the Copenhagen area.

Svante Nilsson, President of ICA AB commented that: "we'd been looking for an opening on the Danish market for some time, and have now found a suitable partner in ISO. We view the collaboration with ISO as the first key step towards robust expansion in Denmark."

The collaboration with ISO provides ICA with an inroad into the traditional grocery market in Denmark, currently dominated by two main players, FDB and Dansk Supermarked.

On the forecourt stores side, ICA already has a presence in the country through 50:50-owned Statoil Detaljhandel Skandinavia AS. The company operates 1,500 gas stations and forecourt stores in Scandinavia—the first ICA Express store in a Danish Statoil station will open in a few weeks.

In purely practical terms, the collaboration implies ISO's operations being transferred to a joint limited company, in which ICA becomes an owner through a private placement. ISO will place its 11 stores in the company, which has yet to be named, while ICA will inject capital into the venture. The stores will continue to use their ISO name and the two existing owners—Niels Jørgen Soldbro and Peter Midtgaard—will retain their positions as President and CFO. A joint Board will be appointed with two representatives from ICA and two from ISO Supermarked.

"I view this as a unique opportunity to increase ISO's momentum, which would have proved difficult as a private individual on a highly developed market with narrow margins," commented Nils Jørgen Soldbro, President of ISO Supermarked.

Facts:

ISO was founded by N.J. Soldbro's father, Jørgen Soldbro, in 1937. ISO's first supermarket opened in 1967. Since then, ten stores have been added to the chain, the latest last year on Vesterbrogade, central Copenhagen's premier shopping street. ISO was also an early starter in terms of e-commerce, opening Denmark's first Internet grocery store, www.iso.dk, in 1998. ISO currently has 1,500 employees and is expected to generate sales of DKK 1.5 bn in 2000.

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