

November 28, 2000

Report on January-September 2000 Operations for the ICA AB Group.

- **Overall store sales up more than the market.**
- **Earnings before interest and taxes increased by 30 % to MSEK 1,292 (994). Earnings include surplus funds from SPP with MSEK 132.**
- **Earnings before taxes increased by 22 % to MSEK 1,283 (1,051).**
- **Continued strong financial position**

Financial Information in Summary*

	Jan-Sept 2000	Jan-Sept 1999
Net sales, MSEK	43,266	42,493
EBITDA, MSEK	2,104	1,731
EBIT, MSEK	1,292	994
Earnings before taxes, MSEK	1,283	1,051
Net earnings, MSEK	898	711
Total assets, MSEK	24,327	26,624
EBIT margin, percent	3.0	2.3
Equity/assets ratio, percent	37.4	32.8
Return on capital employed, percent	12.2	11.1
Return on equity, percent	12.5	9.2

* According to Swedish GAAP

Comment by the President

- ICA continues to develop very strongly. Sales in our Swedish stores have increased more than the industry. Coordination with Ahold proceeds according to plan. A new corporate structure has been established. Our position to continue to serve our customers well and further improve our results is excellent, says Roland Fahlin, ICA AB President.

ICA Group During the Third Quarter 2000

To maximize business development throughout Scandinavia and step up service to its millions of customers, the ICA-Ahold joint venture has streamlined its management structures in Sweden, Norway, Denmark and the Baltic States. ICA Ahold Holding AB and ICA AB will merge into one company. The CEO's of the operating companies report directly to the Board. The Chairman and President of the company, Roland Fahlin, is liason officer for ICA Handlarnas, ICA Menyföretagen, and the ICA Ahold Competence Center.

Deputy Chairman and Deputy President Stein Erik Hagen is the Board's liaison officer for Hakon Gruppen and ICA Baltic.

The ICA Ahold Board also announced the immediate formation of a Competence Center within the Company, headed by Johan Röhss.

Two of the operating companies have appointed new CEO's during the quarter, Kenneth Bengtsson for ICA Handlarnas AB and Oyvind Winther for Hakon Gruppen AS.

ICA Baltic has acquired 12 stores from the Vikonda Group through its 50/50 owned Lithuanian company EKO. After this EKO owns 25 stores in Lithuania and ICA Baltic operates in total 46 stores in the Baltic region.

ICA Finans has signed an agreement for a syndicated bank loan of 5,000 MSEK with a group of banks, led by ABN Amro Bank, Den norske Bank and Svenska Handelsbanken.

The Market

Sweden

The ICA retailers increased sales by 4.8 percent during the first nine months (4.2 % for comparable stores). This is better than the total for the sector, which increased by 3.6 %. The discount stores and the large stores had the best sales development within ICA. Total store sales amounted to 50.7 BSEK (incl. VAT).

Norway

The sales in Hakon Gruppen's stores increased by 3.0 % (1.8 % for comparable stores) during the first nine months. Discount stores continued to increase at the expense of traditional supermarkets on the Norwegian market. The largest increase within Hakon Gruppen was seen for ICA Maxi. Total store sales for Hakon Gruppen amounted to 14.3 BNOK (excl. VAT).

The Baltic region

Sales for ICA Baltic's stores in the Baltic countries continued to grow organically and through acquisitions, and amounted to 889 (223) MSEK during the first nine months.

Sales and Earnings

Group sales amounted to 43,266 MSEK (42,493), an increase with 1.8 % compared to last year. Group sales have been negatively effected by lower sales for ICA Menyföretagen.

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased by 22 % to 2,104 MSEK (1,731). **Earnings before interest and taxes (EBIT)** increased by 30 % to 1,292 MSEK (994) and **the EBIT margin** to 3.0 % (2.3 %). In the EBIT, surplus funds relating to pensions from SPP are included as other operating earnings to an amount of MSEK 132. Excluding the SPP-funds the EBIT increased by 17 % to MSEK 1,160.

Earnings before taxes increased by 22 % to MSEK 1,283 (1,051). Excluding the capital gain on the divestiture of the publishing company ICA-Förlaget during the first quarter 1999, the 1999 result was MSEK 933.

Shares in earnings in associated companies increased to MSEK 120 (55) due to higher result in Statoil Detaljhandel.

Net financial expenses increased by MSEK 13 to MSEK -129, foremost as a consequence of higher interest expenses due to the Group's higher net debt.

Free cash flow from operations after capital expenditure and changes in working capital amounted to MSEK 1,916 (-521).

Return on capital employed improved to 12.2 % (11.1). **Return on equity** increased to 12.5 % (9.2).

Financial Position

Total assets increased by MSEK 1,177 to MSEK 24,327 (23,150) since the beginning of the year. **Capital employed** increased by MSEK 423 to MSEK 16,190 (15,767).

The Group's **cash and cash equivalents** as of 30 September 2000 amounted to MSEK 854 (1,150 at year end). **Net interest bearing debt** increased to MSEK 6,229 (5,710 at year end). **Shareholders' equity** amounted to 9,023 MSEK (8,798). The **equity to assets ratio** was 37.4 % (38.6).

Capital Expenditures

Capital expenditures amounted to gross MSEK 1,843 (2,801). The largest single capital expenditure was the acquisition of Interpegro in Latvia.

Parent Company

The parent company had no sales during the period. The EBIT was MSEK -18 (-27).

Important Events during the Fourth Quarter 2000

In an important step in line with the Board's decision to enter into personal financial services, ICA Kundkort AB submitted its application for a bank license to the Swedish Financial Supervisory Authority. Operations will begin during the third quarter 2001.

ICA Handlarnas AB presented a simplified a new organizational structure with a pronounced retail focus from 2001. The new organization will be implemented during 2001 and will reduce costs with MSEK 150 and employees with 120 on a yearly basis.

Hakon Gruppen AS has also presented a restructuring plan focussing on its retail business in Norway.

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Roland Fahlin
President

This quarterly report has not been audited by the Company's auditors.

For further Information

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Summarized Consolidated Statement of Earnings*

MSEK	Jan-Sept 2000	Jan-Sept 1999
Net sales	43,266	42,493
Earnings before depreciation and amortization	2,104	1,731
Earnings before interest and taxes	1,292	994
Share of earnings in associated companies	120	55
Net financial expense	-129	-116
Capital gains	<u>0</u>	<u>118</u>
Earnings before taxes and minority interests	1,283	1,051
Taxes	-368	-314
Minority interests	<u>-17</u>	<u>-26</u>
Earnings after taxes	898	711

Summarized Consolidated Balance Sheets*

MSEK	2000-09-30	1999-09-30	1999-12-31
Intangible fixed assets	1,909	1,780	1,771
Tangible fixed assets	10,476	9,480	9,846
Investments and other financial fixed assets	3,375	4,369	3,688
Other current assets	7,713	7,752	6,695
Cash and cash equivalents	<u>854</u>	<u>3,243</u>	<u>1,150</u>
Total assets	24,327	26,624	23,150
Shareholders' equity	9,023	8,631	8,798
Minority interests	84	108	109
Interest bearing liabilities and provisions	7,083	10,554	6,860
Non-interest bearing liabilities and provisions	<u>8,137</u>	<u>7,331</u>	<u>7,383</u>
Total equity and liabilities	24,327	26,624	23,150

Summarized Consolidated Statements of Cash Flow*

MSEK	Jan-Sept 2000	Jan-Sept 1999
Cash flow from operations before Changes in working capital	1,727	1,287
Cash flow from operations	3,671	4,038
Cash flow from investments	-1,755	-4,559
Cash flow from financing	-2,212	286
Cash flow for the period	<u>- 296</u>	<u>-235</u>

* According to Swedish GAAP

Key Ratios, etc*

	Jan- Sept 2000	Jan- Sept 1999
EBITDA margin, %	4.9	4.1
EBIT margin, %	3.0	2.3
Return on capital employed, %	12.2	11.1
Return on equity, %	12.5	9.2
Asset turn, x	2.37	2.37
Equity to assets ratio, %	37.4	32.8
Gearing, %	69	85
Net interest bearing debt, MSEK	6,229	7,311
Capital employed, MSEK	16,190	19,293

* According to Swedish GAAP