



Interim report ICA AB

January 1 – September 30, 2011



Interim report

Stockholm, Sweden, November 9, 2011

Higher net sales but lower income after goodwill impairment

Third quarter

- Net sales for the third quarter amounted to SEK 24,008 million (23,505), up 2.1 percent. At constant exchange rates net sales increased by 2.5 percent.
- Operating income excluding capital gains and impairments amounted to SEK 947 million (934), up 1.4 percent.
- An impairment of goodwill has been made in ICA Norway based on the company's new business plan. The goodwill impairment affected the Group's income negatively by SEK 592 million. Operating income amounted to SEK 330 million (940).
- Income after net financial items amounted to SEK 235 million (859).
- Net income for the third quarter amounted to SEK –2 million (644).

Nine-month period

- Net sales for the nine-month period amounted to SEK 70,258 million (69,367), up 1.3 percent. At constant exchange rates net sales increased by 3.1 percent.
- Operating income excluding capital gains and impairments amounted to SEK 2,160 million (2,238), down 3.5 percent.
- The goodwill impairment in ICA Norway of SEK 592 million, made in the third quarter, is included in the Group's income for the nine month period. Operating income amounted to SEK 1,558 million (2,206).
- Income after net financial items amounted to SEK 1,303 million (1,946).
- Net income for the nine-month period amounted to SEK 684 million (699). The nine-month period of 2010 was charged with a tax expense of SEK 747 million for a tax dispute for the years 2001–2003.

Key financial ratios	July – September			January – September			Full-year 2010
	2011	2010	%	2011	2010	%	
Net sales	24,008	23,505	2.1%	70,258	69,367	1.3%	93,860
Operating income	330	940	-64.9%	1,558	2,206	-29.4%	2,924
Operating income excl. capital gains and impairments ¹⁾	947	934	1.4%	2,160	2,238	-3.5%	2,936
Operating margin, %	1.4	4.0		2.2	3.2		3.1
Operating margin excl. capital gains and impairments ¹⁾	3.9	4.0		3.1	3.2		3.1
Income after net financial items	235	859	-72.6%	1,303	1,946	-33.0%	2,597
Net income for the period	-2	644		684	699	-2.1%	547
Total assets				40,160	38,438		39,703
Cash flow from operating activities	1,285	1,721		1,070	2,540		3,188
Equity/assets ratio, %				27.2	31.5		30.0
Return on equity, % ²⁾				3.7	9.0		3.9
Return on capital employed, % ³⁾				11.7	16.5		15.5

1) Operating income excluding capital gains on property sales and impairment losses on tangible and intangible fixed assets.

2) Return on equity = Income after tax as a percentage of average equity. The operations of ICA Bank are excluded from both the income statement and balance sheet in the calculation. The return is calculated on a 12-month moving period.

3) Return on capital employed = Income after financial income as a percentage of average capital employed. The operations of ICA Bank are excluded from both the income statement and balance sheet in the calculation. The return is calculated on a 12-month moving period.

Comment by the CEO

The ICA Group delivered an improved operating income excluding capital gains and impairments for the third quarter even though all our markets continued to see tight competition and consumer restraint in an uncertain economy. During the quarter, ICA Sweden's net sales increased while its operating income fell. Based on the new business plan for ICA Norway, a goodwill impairment of the company was made in the third quarter. Excluding the impact of the goodwill impairment, ICA Norway's operating loss was reduced versus the third quarter last year. Rimi Baltic's and ICA Bank's operating results improved and ICA Real Estate continued its stable development. Sales for the ICA Group rose by 2.5 percent at constant exchange rates mainly due to higher sales by ICA Sweden.

We strengthened our position in Sweden during the third quarter in a weak food retail market where customers remain price conscious. ICA Sweden's sales rose mainly because our strategic price cuts continue to drive sales and are appreciated by customers. At the same time, operating income decreased partly due to lower margins resulting from the price reductions and partly to temporarily higher logistics costs. The higher logistic costs follow the shutdown of the warehouse units in Årsta and Umeå which has been made in order to improve future logistics efficiency. The costs declined slightly at the end of the third quarter, and we are beginning to see improved efficiencies in logistics. The share of private label products continued to rise as a result of successful price cuts and the launch of our ICA Basic discount brand.

ICA Norway's operating loss excluding goodwill impairment was reduced during the third quarter thanks to more stable margins and lower costs. This is a sign of some recovery of ICA Norway's operations following the measures that have been taken to turn the company's development around. The stores that have been converted to the new Rimi concept are reporting high sales growth, which increased more during the quarter than the overall Norwegian food retail market. In August, a new business strategic plan was worked out for ICA Norway where we established the company's direction and measures for the coming years to reach a satisfying profitability. The strategic plan includes our decision announced in August to focus on the discount and supermarket segments ahead and also leave the hypermarket segment. Furthermore, the plan includes extensive cost savings and higher efficiency within different areas of the business as well as to evaluate the store base. Based on the new business plan, a goodwill impairment test has been conducted which resulted in an impairment of SEK 592 million. The process for selling the ICA Maxi stores is ongoing with a wide interest from potential buyers. All in all, our assessment is that these measures gradually will lead to an improved result for 2012, and that a solid foundation has been laid for ICA Norway in order to reach a satisfactory profitability within the next years.

Rimi Baltic's operating income, excluding an impairment of SEK 21 million, improved significantly during the third quarter mainly due to better gross margins and lower costs in stores. Sales in local currency continued to rise in all markets even though customers are showing restraint and increasingly buying less expensive products. Tight competition and pricing pressures also continued in the Baltic markets, and the sales increase was lower than earlier quarters this year.

During the period January – September, ICA Group's sales increased at the same time that operating income fell. The lower operating result was due to lower operating income by ICA Sweden and a higher operating loss by ICA Norway, among others due to goodwill impairment in the third quarter. The Group's net income for the period was partly offset by significantly better operating income in Rimi Baltic and positive development by ICA Bank and ICA Real Estate.

The ICA Group's priorities in the fourth quarter are to continue the improvements in ICA Norway, long-term price cuts, modernization of the retail network and improved customer offerings in all our markets and to maintain cost controls.

Important events during the third quarter

- In August ICA decided to discontinue the ICA Maxi concept in Norway and initiate a sales process for the ICA Maxi stores.
- ICA has started the recruitment process for a new CEO of ICA Norway since Antonio Soares will retire in spring 2012.
- ICA has launched ICA Basic, a discount product line sold under the ICA brand name. As a result, the Euro Shopper brand will be phased out from Swedish ICA stores.

Important events after the conclusion of the third quarter

- In October, Per Strömberg was appointed the new CEO of the ICA Group. Currently CEO of Lantmännen, he will assume his duties at ICA no later than April 16, 2012. He succeeds Kenneth Bengtsson, who will step down after eleven years as CEO when Per Strömberg takes over.

Sales and financial results

THE ICA GROUP

Net sales during the **third quarter** amounted to SEK 24,008 million (23,505), up 2.1 percent. Net sales at constant exchange rates rose by 2.5 percent. Operating income amounted to SEK 330 million (940) and includes capital gains of SEK 3 million (12) and impairments of SEK 620 million (6), which mainly includes goodwill impairment in ICA Norway of SEK 592 million. Operating income excluding capital gains/losses and impairments amounted to SEK 947 million (934). Income after net financial items amounted to SEK 235 million (859). Net income for the third quarter amounted to SEK –2 million (644).

Net sales during the **nine-month period** amounted to SEK 70,258 million (69,367), up 1.3 percent. Net sales at constant exchange rates rose by 3.1 percent. Operating income amounted to SEK 1,558 million (2,206) and includes capital gains of SEK 18 million (11) and impairments of SEK 620 million (43), which mainly includes goodwill impairment in ICA Norway of SEK 592 million. Operating income excluding capital gains and impairments amounted to SEK 2,160 million (2,238). Income after net financial items amounted to SEK 1,303 million (1,946). Net income for the period amounted to SEK 684 million (699). During 2010 a tax expense of SEK 747 million was recorded for a tax dispute for the years 2001 – 2003.

ICA SWEDEN

Net sales during the **third quarter** amounted to SEK 15,811 million (15,375), up 2.8 percent. The increase was mainly due to higher sales to stores and the addition of more Cura pharmacies. Operating income amounted to SEK 714 million (804). The lower result was mainly due to lower margins, primarily from price cuts on private label products, as well as increased costs resulting from changes in the logistics structure.

Net sales during the **nine-month period** amounted to SEK 46,166 million (44,622), up 3.5 percent. The increase was in large part due to higher sales to stores and the addition of more Cura pharmacies. Operating income amounted to SEK 1,867 million (2,009). The lower result was mainly due to higher logistics costs resulting from changes in the logistics structure.

ICA NORWAY

Net sales during the **third quarter** amounted to SEK 5,207 million (5,157), up 1.0 percent. Sales in local currency rose by 1.1 percent. The positive effect on revenues of more company-owned stores and increased sales in comparable stores was partly offset by fewer franchised stores. Operating income amounted to SEK –689 million (–116), including goodwill impairment of SEK 592 million. Operating income excluding goodwill impairment amounted to SEK –97 million (–116). The reduced loss was mainly a result of more stable margins and lower costs. The conversion of stores to the new Rimi concept has during the year continued according to plan and as of

September 30, the number of converted stores amounted to 255 including four Mini Rimi. The total number of stores amounted at the same time to 554. Some of the current ICA Naer stores will gradually be converted to new Rimi. The Rimi stores have shown a very positive development, and during the quarter sales growth reached 8.6 percent for comparable stores.

Net sales during the **nine-month period** amounted to SEK 15,292 million (15,780), down 3.1 percent. Sales in local currency rose by 1.5 percent. More company-owned stores and converted Rimi stores affected revenues positively at the same time that fewer franchised stores and closed stores had a negative effect. Operating income amounted to SEK -1,122 million (-341), including goodwill impairment of SEK 592 million. Operating income excluding goodwill impairment amounted to SEK -530 million (-341). The increased loss was mainly caused by lower margins as a result of stiff price competition as well as higher costs for retail operations owing to an increase in the number of company-owned stores.

RIMI BALTIC

Net sales during the **third quarter** amounted to SEK 2,524 million (2,563), down 1.5 percent. Sales in local currency rose by 1.1 percent. Operating income amounted to SEK 29 million (28). The quarter was charged with an impairment of SEK 21 million for the Säästumarket trademark, which is Rimi Baltic's discount chain in Estonia. The improvement in underlying income was mainly due to better gross margins and lower costs in stores.

Net sales during the **nine-month period** amounted to SEK 7,390 million (7,722), down 4.3 percent. Sales in local currency rose by 2.5 percent. Operating income amounted to SEK 86 million (-66). Operating income for the year has been charged with an impairment of SEK 21 million for the Säästumarket trademark in Estonia. Last year was charged with closure costs for stores in Lithuania, consisting of SEK 37 million in impairments and SEK 24 million in liquidation costs for personnel and premises. The income improvement excluding these costs was SEK 112 million. The improvement was mainly due to higher sales and gross margins as well as improved results primarily in Lithuania.

ICA BANK

Revenues during the **third quarter** amounted to SEK 198 million (154). The increase of 28.6 percent was mainly due to higher net interest income driven by higher interest rate levels. Business volume grew by 3.5 percent (1.5) during the third quarter. Operating income rose to SEK 57 million (36). The improvement was mainly due to higher net interest income.

Revenues during the **nine-month period** amounted to SEK 556 million (449). The increase of 23.8 percent was mainly due to higher net interest income driven by higher interest rate levels. Business volume grew by 8.6 percent (6.3) compared with the third quarter 2010 and by 5.0 percent (5.2) since the beginning of the year. Operating income rose to SEK 118 million (68). The improvement was mainly due to higher net interest income.

ICA REAL ESTATE

Revenues during the **third quarter** amounted to SEK 543 million (530), up 2.5 percent. Operating income amounted to SEK 242 million (251) and includes capital gains on real estate sales of SEK 1 million (16). Operating income excluding capital gains amounted to SEK 241 million (235).

Revenues during the **nine-month period** amounted to SEK 1,649 million (1,598), up 3.2 percent. Operating income increased partly due to one-off revenue and amounted to SEK 747 million (696). Operating income includes capital gains on real estate sales of SEK 15 million (21). Operating income excluding capital gains amounted to SEK 732 million (675).

ICA GROUP FUNCTIONS

Operating income during the **third quarter** amounted to SEK -23 million (-63).

Operating income during the **nine-month period** amounted to SEK -138 million (-160).

NET FINANCIAL ITEMS AND TAXES

The ICA Group's net financial items during the **third quarter** amounted to SEK –95 million (–81). The tax expense amounted to SEK 237 million (215). As of the fourth quarter 2010 deferred tax assets are no longer booked on losses in ICA Norway.

The ICA Group's net financial items during the **nine-month period** amounted to SEK –255 million (–260). The tax expense amounted to SEK 619 million (1,247). The same period of 2010 was charged with a tax expense of SEK 747 million for a tax dispute for the years 2001–2003. As of the fourth quarter 2010 deferred tax assets are no longer booked on losses in ICA Norway.

FINANCIAL POSITION

The Group's total assets amounted to SEK 40,160 million, against SEK 39,703 at the beginning of the year. Capital employed increased by SEK 1,490 million to SEK 28,550 million. The equity/assets ratio was 27.2 percent, against 30.0 percent at the beginning of the year. As of September 30, 2011, the Group had net debt excluding ICA Bank of SEK 2,887 million (SEK 201 million in net cash reserves at the beginning of the year).

CASH FLOW

Cash flow from operating activities amounted to SEK 1,070 million (2,540) during the nine-month period. This year SEK 1,187 million has been paid to the Swedish Tax Agency for a dispute for the years 2004–2008. Changes in ICA Bank's deposits, lending and investments affected cash flow between the years by SEK 345 million. Cash flow from investing activities amounted to SEK –1,547 million (–1,589). Cash flow from financing activities was SEK 141 million (–1,215). The Group's liquid assets totaled SEK 2,765 million on September 30, 2011 (SEK 3,102 million at the beginning of the year).

INVESTMENTS

Investments during the year amounted to SEK 1,695 million (1,690), distributed according to the table below.

Investments SEK million	July – September		January – September		Full-year
	2011	2010	2011	2010	2010
Retail locations	271	360	1,345	1,442	1,919
Distribution	23	26	71	87	128
Investment properties	23	16	112	53	103
Intangibles	48	7	122	98	144
Other	21	6	45	10	25
TOTAL	386	415	1,695	1,690	2,319

PERSONNEL

The Group had an average of 20,718 employees (20,276) during the nine-month period. The increase was mainly due to the opening of Cura pharmacies and addition of more company-owned stores in Norway.

SIGNIFICANT RISKS AND UNCERTAINTIES

Operating risks comprise risks associated with the Group's operations, such as losses due to internal or external events that cause disruptions to operations. These risks may include competitive conditions, macroeconomic factors, sustainability and product safety risks, and risks associated with the brand and continuity as well as the operational infrastructure, e.g., functioning IT systems.

Given the nature of the Group's operations, a financial exposure naturally arises with regard to interest rates, liquidity, exchange rates and credit. The Group has a central treasury function whose primary purpose is to ensure that the Group has secured financing through loans and lines of credit, as well as to provide cash management and to actively manage and verify that the financial exposure is in compliance with the Group's finance policy.

ICA Bank's operations are exposed to a number of risks. The most prominent risks are considered to be credit risk, operating risk and business risk/strategic risk, while market risk and liquidity risk are limited. For a further description of the risks affecting the Group, refer to the annual report.

DISPUTES

TAX DISPUTE

The Swedish Tax Agency has decided to disallow interest deductions to a Dutch Group company in 2004–2008. In December 2010, the County Administrative Court affirmed the Tax Agency's ruling and denied interest deductions of SEK 3,358 million. The tax claim amounts to SEK 1,187 million (including penalties and interest). ICA is convinced that the deductions complied with applicable tax laws. This assessment is shared by outside counsel, which has analyzed the Tax Agency's argument and the legal principles applied by the court. ICA has appealed the County Administrative Court's decision to the Administrative Court of Appeal. The Tax Agency has denied ICA's request to defer payment, due to which SEK 1,187 million was paid in January 2011. The amount was booked as a receivable from the Tax Agency in connection with the payment in 2011. The amount is recognized as a contingent liability.

OTHER DISPUTES

In June 2010, the District Court of Oslo ruled in favor of a group of Norwegian retailers, requiring ICA Norway to pay NOK 96 million in damages. The amount is reported as a contingent liability. ICA Norway has appealed the ruling.

PARENT COMPANY, ICA AB

The Parent Company's net sales during the nine-month period amounted to SEK 32 million (29) with income after net financial items of SEK –428 million (–470). Investments during the period amounted to SEK 25 million (37). Cash, bank balances and short-term investments amounted to SEK 5 million (5).

TRANSACTIONS WITH RELATED PARTIES

No transactions have taken place between ICA and related parties that significantly affect the company's financial position and results of operations.

SCHEDULED REPORTING DATES

The interim report for January – December will be presented on February 15, 2012.

The interim report for January – March 2012 will be presented on May 9, 2012

The interim report for January – June 2012 will be presented on August 22, 2012

The interim report for January – September 2012 will be presented on November 14, 2012

Stockholm, November 9, 2011

Kenneth Bengtsson
President and CEO, ICA AB

FOR FURTHER INFORMATION, PLEASE CONTACT:

Kenneth Bengtsson, President and CEO, telephone +46-8-561 502 58
ICAs press telephone +46-70-253 66 60

About ICA

The ICA Group (ICA AB) is one of the Nordic region's leading retail companies, with around 2,150 of its own and retailer-owned stores in Sweden, Norway and the three Baltic states. The Group includes ICA Sweden, ICA Norway, Rimi Baltic and ICA Real Estate. ICA also offers financial services to Swedish customers through ICA Bank. ICA AB is a joint venture 40% owned by Hakon Invest AB and 60% by Royal Ahold N.V. of the Netherlands. According to a shareholder agreement, Royal Ahold and Hakon Invest jointly share controlling influence over ICA AB. Through Royal Ahold, ICA AB is part of an international retail network. For more information, please www.ica.se

REVIEW REPORT

Introduction

We have reviewed the interim report for ICA AB for the period January 1 – September 30, 2011. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

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

Stockholm, November 9, 2011

Deloitte AB

Jan Berntsson
Authorized Public Accountant

Financial reports for the Group

Income statement – Group SEK million	July –September		January – September		Full-year
	2011	2010	2011	2010	2010
Net sales	24,008	23,505	70,258	69,367	93,860
Cost of sales	-20,562	-20,045	-60,383	-59,361	-80,387
Gross profit	3,446	3,460	9,875	10,006	13,473
Selling and administrative expenses (note 5)	-3,168	-2,577	-8,496	-7,951	-10,772
Other operating revenue	49	55	172	149	221
Share of associated companies' net profit	3	2	7	2	2
Operating income	330	940	1,558	2,206	2,924
Financial income	11	11	58	28	51
Financial expenses	-106	-92	-313	-288	-378
Net financial items	-95	-81	-255	-260	-327
Income after net financial items	235	859	1,303	1,946	2,597
Tax	-237	-215	-619	-1,247	-2,050
Net income for the period	-2	644	684	699	547
Of which attributable to ICA AB's shareholders	-2	643	683	697	548
Of which attributable to non-controlling interests	0	1	1	2	-1

Statement of comprehensive income SEK million	July –September		January – September		Full-year
	2011	2010	2011	2010	2010
Net income for the period	-2	644	684	699	547
Other comprehensive income					
Change in translation reserve, net after tax	55	-368	206	-931	-991
Change in fair value reserve, net after tax	-1	-1	3	-12	-19
Change in hedge reserve, net after tax	-28	-51	5	-46	-20
Total other comprehensive income	26	-420	214	-989	-1,030
Total comprehensive income for the period	24	224	898	-290	-483
Of which attributable to ICA AB's shareholders	23	223	899	-292	-482
Of which attributable to non-controlling interests	1	1	-1	2	-1

Condensed balance sheet – Group SEK million	Sep. 30, 2011	Sep. 30, 2010	Dec. 31, 2010
	Intangible fixed assets (note 5)	2,954	3,609
Tangible fixed assets	14,689	15,249	15,364
Financial fixed assets	5,037	4,687	5,368
Deferred tax assets	15	464	7
Total fixed assets	22,695	24,009	24,329
Inventory	4,515	4,455	4,495
Current receivables	8,801	6,727	7,751
Liquid assets	2,765	3,161	3,102
Assets held for sale (note 4)	1,384	86	26
Total current assets	17,465	14,429	15,374
TOTAL ASSETS	40,160	38,438	39,703
Shareholders' equity	10,911	12,106	11,913
Long-term liabilities	7,556	4,804	5,884
Current liabilities	21,693	21,528	21,906
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	40,160	38,438	39,703
Pledged assets	330	327	327
Contingent liabilities	1,499	1,670	1,520

Change in shareholders' equity – Group SEK million	January – September 2011	January – September 2010	Full-year 2010
Opening balance	11,913	13,962	13,962
Dividend	-1,900	-1,566	-1,566
Total comprehensive income for the period	898	-290	-483
Closing balance	10,911	12,106	11,913
Of which attributable to ICA AB's shareholders	10,906	12,098	11,907
Of which attributable to non-controlling interests	5	8	6

Condensed statement of cash flows – Group SEK million	January – September		Full-year
	2011	2010	2010
Operating income	1,558	2,206	2,924
Depreciation, amortization and impairments	1,740	1,218	1,605
Other items not included in cash flow	-3	80	124
Dividends from associated companies	0	0	0
Income tax paid	-1,818	-460	-669
Cash flow from operating activities before change in working capital	1,477	3,044	3,984
Change in working capital			
Inventory	29	-204	-252
Current receivables	350	277	-343
Current liabilities	-972	-418	900
ICA Bank's net deposits, lending and investments	186	-159	-1,101
Cash flow from operating activities	1,070	2,540	3,188
Cash flow from investing activities	-1,547	-1,589	-2,453
Cash flow from financing activities	141	-1,215	-1,045
Cash flow for the period	-336	-264	-310
Liquid assets at beginning of period	3,102	3,422	3,422
Exchange rate differences in liquid assets	-1	3	-10
Liquid assets at end of period	2,765	3,161	3,102

Financial reports for the Parent Company

Income statement – Parent Company SEK million	July – September		January – September		Full-year
	2011	2010	2011	2010	2010
Net sales	8	7	32	29	43
Cost of sales	–	0	–	0	0
Gross profit	8	7	32	29	43
Selling and administrative expenses	–34	–42	–188	–154	–236
Operating income	–26	–35	–156	–125	–193
Result from shares in Group companies	–	–	–	–	800
Other financial income	4	1	26	1	4
Other financial expenses	–65	–115	–298	–346	–464
Income after net financial items	–87	–149	–428	–470	147
Appropriations	–	–	–	–	–499
Income before tax	–87	–149	–428	–470	–352
Tax	19	35	101	112	284
Net income for the period	–68	–114	–327	–358	–68

Statement of comprehensive income SEK million	July – September		January – September		Full-year
	2011	2010	2011	2010	2010
Net income for the period	–68	–114	–327	–358	–68
Other comprehensive income for the period	–	–	–	–	–
Group contributions, net after tax	–	–	–	–	2,411
Total comprehensive income for the period	–68	–114	–327	–358	2,343

Condensed balance sheet – Parent Company SEK million	Sep. 30, 2011	Sep. 30, 2010	Dec. 31, 2010
	Intangible fixed assets	5	–
Tangible fixed assets	63	72	71
Financial fixed assets	34,095	33,975	34,045
Deferred tax assets	6	1	1
Total fixed assets	34,169	34,048	34,117
Current receivables	1,036	2,190	6,261
Liquid assets	5	5	5
Total current assets	1,041	2,195	6,266
TOTAL ASSETS	35,210	36,243	40,383
Shareholders' equity	26,443	25,969	28,670
Untaxed reserves	2,007	1,507	2,007
Provisions	283	244	253
Long-term liabilities	6,000	8,000	8,000
Current liabilities	477	523	1,453
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	35,210	36,243	40,383
Pledged assets	5	5	5
Contingent liabilities	8,360	8,742	8,364

Change in shareholders' equity – Parent Company SEK million	Jan – Sep	Jan – Sep	Full-year
	2011	2010	2010
Opening balance	28,670	27,893	27,893
Dividend	–1,900	–1,566	–1,566
Total comprehensive income for the period	–327	–358	2,343
Closing balance	26,443	25,969	28,670

Supplemental disclosures – Group

Note 1 Accounting principles

This interim report is prepared according to IAS 34. The same accounting principles and calculation methods are applied as in the annual report for 2010. Readers of the interim report are presumed to have access to the annual report. The interim report primarily contains information on events and changes that have taken place since the most recent annual report was issued and that are of material importance to understanding the changes in the Group's financial position and results of operations

No new or amended (and EU-approved) standards with a material impact on ICA's financial reports are applied as of 2011.

The preparation of the financial reports in accordance with IFRS requires management to make judgments and estimates, as well as assumptions, which affect the application of the accounting principles and the carrying amounts in the income statement and balance sheet. Estimates and assumptions are based on historical experience and a number of factors that under current circumstances seem reasonable. The results of these estimates and assumptions are then used to determine the carrying amounts of assets and liabilities that otherwise are not clearly indicated by other sources. Actual outcomes may deviate from these estimates and judgments.

Note 2 Segment reporting

Net sales by segment – Group SEK million	July – September		January – September		Full-year
	2011	2010	2011	2010	2010
ICA Sweden	15,811	15,375	46,166	44,622	60,596
ICA Norway	5,207	5,157	15,292	15,780	21,225
Rimi Baltic	2,524	2,563	7,390	7,722	10,352
ICA Bank	198	154	556	449	612
ICA Real Estate	543	530	1,649	1,598	2,135
ICA Group Functions	96	73	322	308	452
Intra-Group sales	-371	-347	-1,117	-1,112	-1,512
Net sales	24,008	23,505	70,258	69,367	93,860

Operating income by segment – Group SEK million	July – September		January – September		Full-year
	2011	2010	2011	2010	2010
ICA Sweden	714	804	1,867	2,009	2,750
ICA Norway	-689*	-116	-1,122*	-341	-588
Rimi Baltic	29**	28	86**	-66	-13
ICA Bank	57	36	118	68	91
ICA Real Estate	242	251	747	696	917
ICA Group Functions	-23	-63	-138	-160	-233
Total operating income	330	940	1,558	2,206	2,924

* Including goodwill impairment of SEK 592 million.

**Including impairment of the Säästumarket trademark in Estonia of SEK 21 million.

Note 3 Joint venture

Ancore Real Estate AB

ICA Fastigheter AB and Alecta established a joint venture, Ancore Fastigheter AB, in December 2010. ICA and Alecta each own 50 percent of the company, which in turn owns and manages 13 Swedish properties that house ICA stores. Financial information on ICA's share of Ancore Fastigheter AB's operations is provided below.

Joint Venture Ancore Real Estate AB	Jan - Sep 2011	Jan - Sep 2010	Full-year 2010
Revenue	65	-	20
Expenses	-58	-	-7
Fixed assets	1,205	-	1,137
Current assets	45	-	46
Long-term liabilities	731	-	695
Current liabilities	92	-	54

Note 4 Sale of ICA Maxi Norway

In August ICA decided to discontinue the ICA Maxi concept in Norway and initiate a sales process of the ICA Maxi stores. The sale is planned in 2012. All fixed assets related to the Maxi stores were reclassified in September as assets held for sale. These assets primarily consist of properties and store furnishings. No write-downs were made in connection with the reclassification.

Note 5 Goodwill Norway

A business plan has been made for the remaining business in ICA Norway excluding the Maxi-stores. Goodwill impairment test based on the business plan until 2015 has been conducted. Growth beyond this period is supposed to equal inflation of 2.5 percent. The need for working capital is expected to remain at the same relative level reached at the end of the business plan. The discount rate is 12.4 percent before tax for ICA Norway. The test resulted in an impairment of goodwill with SEK 592 million. Goodwill book value after impairments amounts to SEK 887 million.

Appendix – Store sales trends

The following tables refer to store sales. In Sweden, this includes Swedish retailer-owned store sales. In Norway, franchised store sales are included. Sales for retailer-owned and franchised stores are not consolidated in the Group. The percentages below are year-on-year comparisons, where the previous year has been adjusted for the stores that have changed format.

Stores sales in Sweden

Store sales excl. VAT	July – September 2011			January –September 2011		
	SEK million	Change, all stores	Change, comparable	SEK million	Change, all stores	Change, comparable
Maxi ICA Stormarknad	6,751	3.9%	2.4%	19,861	3.6%	2.6%
ICA Kvantum	5,704	3.6%	1.9%	16,764	3.2%	1.5%
ICA Supermarket	7,760	0.9%	1.0%	22,473	1.2%	1.0%
ICA Nära	3,908	0.3%	1.0%	10,948	0.8%	1.3%
TOTAL	24,123	2.3%	1.6%	70,047	2.3%	1.6%

During the nine-month period, the share of private label sales increased to 19.3 percent (18.3) in Sweden.

Stores sales in Norway

Store sales excl. VAT	July – September 2011			January –September 2011		
	NOK million	Change, all stores	Change, comparable	NOK million	Change, all stores	Change, comparable
ICA Maxi	710	-5.0%	-4.6%	2,134	-3.8%	-3.8%
ICA Supermarked	1,068	-4.8%	-1.2%	3,243	-4.8%	-0.8%
ICA Naer	833	-19.3%	-3.0%	2,555	-19.5%	-2.8%
Rimi	2,220	14.0%	8.6%	6,455	11.7%	6.0%
TOTAL	4,831	-0.3%	2.0%	14,387	-1.3%	1.2%

During the nine-month period, the share of private label sales decreased to 8.2 percent (8.0) in Norway.

Stores sales in Baltic countries

Store sales excl. VAT	July – September 2011			January –September 2011		
	EUR million	Change, all stores	Change, comparable	EUR million	Change, all stores	Change, comparable
Estonia	87	-0.5%	-1.1%	259	2.8%	0.9%
Latvia	135	2.7%	-1.1%	401	3.5%	-0.9%
Lithuania	53	-0.8%	5.7%	155	-0.6%	9.3%
TOTAL	275	1.0%	0.1%	815	2.5%	1.5%

During the nine-month period, the share of private label sales rose to 13.3 percent (12.8) in the Baltic countries.

Number of ICA stores in Sweden, including retailer-owned stores

Store format	December 2010	New	Converted	Closed	September 2011
Maxi ICA Stormarknad	72	2		-1	73
ICA Kvantum	116	3	1	-1	119
ICA Supermarket	443		-2	-5	436
ICA Nära	716	3	1	-15	705
ICA To Go	2				2
TOTAL	1 349	8	0	-22	1,335

Number of ICA stores in Norway, including franchised stores

Store format	December 2010	New	Converted	Closed	September 2011
ICA Maxi	25				25
ICA Supermarked	74		-1	-1	72
ICA Naer	213		-10	-21	182
Rimi	266		11	-2	275
TOTAL	578		0	-24	554

Number of stores in Baltic countries

Country	December 2010	New	Converted	Closed	September 2011
Estonia	80	2			82
Latvia	108	2			110
Lithuania	47			-1	46
TOTAL	235	4		-1	238

ICA AB
Corporate identity number 556582-1559
Svetsarvägen 16
SE-171 93 Solna, Sweden
Telephone +46-8-561 500 00
Fax +46-8-561 513 16
www.ica.se

