



Interim report ICA AB

January 1 – June 30, 2012



Interim report

Stockholm, Sweden, August 22, 2012

Continued positive development for the ICA Group

Second quarter

- Net sales for the second quarter amounted to SEK 24,758 million (24,365), up 1.6 percent. At constant exchange rates net sales increased by 1.3 percent.
- Operating income excluding non-recurring items in Norway of SEK –194 million amounted to SEK 816 million (738), up 10.6 percent.
- Income after net financial items amounted to SEK 546 million (646).
- Net income for the second quarter amounted to SEK 338 million (432).

First half-year

- Net sales for the first half-year amounted to SEK 48,067 million (46,250), up 3.9 percent. At constant exchange rates net sales increased by 3.4 percent.
- Operating income excluding non-recurring items in Norway of SEK –194 million amounted to SEK 1,497 million (1,228), up 21.9 percent.
- Income after net financial items amounted to SEK 1,161 million (1,068).
- Net income for the first half-year amounted to SEK 776 million (686).

Key financial ratios	April – June			January – June			Full-year
	2012	2011	%	2012	2011	%	2011
Net sales	24,758	24,365	1.6	48,067	46,250	3.9	95,179
Operating income before non-recurring items ¹⁾	816	738	10.6	1,497	1,228	21.9	2,505
Operating income	622	738	-15.7	1,303	1,228	6.1	2,505
Operating income excl. capital gains and impairments ²⁾	548	723	-24.2	1,223	1,213	0.8	3,101
Operating margin before non-recurring items ¹⁾	3.3	3.0		3.1	2.7		2.6
Operating margin, %	2.5	3.0		2.7	2.7		2.6
Operating margin excl. capital gains and impairments ²⁾	2.2	3.0		2.5	2.6		3.3
Income after net financial items	546	646	-15.5	1,161	1,068	8.7	2,156
Net income for the period	338	432	-21.8	776	686	13.1	1,395
Total assets				41,019	40,640		40,961
Cash flow from operating activities	2,054	1,443		2,716	-215		3,256
Equity/assets ratio, %				24.7	26.8		27.7
Return on equity, % ³⁾				12.1	9.3		11.2
Return on capital employed, % ⁴⁾				12.7	15.2		12.5

1) Operating income before non-recurring items is operating income adjusted for income and expenses in connection with the closure of ICA Maxi in Norway as well as a provision regarding administrative efficiencies in Norway.

2) Operating income excluding capital gains on real estate sales and impairment on fixed assets.

3) 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 rolling period.

4) 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 rolling period.

Comment by the CEO

The ICA Group continued its positive development during the second quarter 2012. Net sales at constant exchange rates rose by 1.3 percent, mainly due to sales increases by ICA Sweden, Rimi Baltic and ICA Bank. Operating income before non-recurring items in Norway amounted to SEK 816 million, up slightly over 10 percent compared to the same period last year. The net effect of the non-recurring items deriving from the divestment of ICA Maxi in Norway amounted to SEK -135 million. In addition, we decided to take a provision relating to administrative efficiencies in ICA Norway, which further impacted the result with SEK -59 million. During the quarter, Group Management continued to define the future strategic direction for the ICA Group and work proceeded as planned.

The Swedish consumer goods market had a slightly positive development during the second quarter, and **ICA Sweden** continued to outperform the market. Net sales increased and we were especially pleased that Cura pharmacies reported very good sales growth. The growth level for our private label goods was twice as high as for other products and they now represent nearly 20 percent of store sales. Operating income was satisfactory during the quarter. However, intensive work is under way to cut logistics costs to a level where we want to be long-term.

Sales in **ICA Norway** underperformed the market during the second quarter. This is due to weak sales in comparable stores, mainly the ICA Maxi stores that have now been divested. In spite of this, operating income before non-recurring items improved compared to the same period last year thanks to higher margins. During the quarter, 13 ICA Naer stores were converted to new Rimi stores, which now number 285. A provision relating to administrative efficiencies, which will contribute to cost savings going forward, was taken in the quarter. An important part of Group Management's strategic work has focused on ICA's Norwegian operations. Following the sale of the ICA Maxi stores in Norway, the work can now be concentrated on developing the Rimi- and ICA Supermarked formats, according to the two-banner strategy that was previously decided on. It will take time, however, before we see a satisfactory result level in ICA Norway. After the end of the quarter, the dispute with a group of franchisees in Möre was resolved when the Supreme Court of Norway denied their petition for leave to appeal.

Sales in **Rimi Baltic** increased by slightly over 3 percent in local currency compared with the same period in 2011. Our price cuts in primarily Rimi stores have not yet fully given the desired results in terms of volume, though we saw a shift toward higher market shares for Rimi stores during the second quarter. Although the discount segment still faced stiff pricing pressure, operating income in local currencies for Rimi Baltic was slightly improved from the same period previous year.

ICA Bank increased its net sales during the second quarter mainly thanks to higher commissions. Operating income improved significantly compared with the second quarter of 2011 primarily due to increased net commission income and by maintaining a low cost level. **ICA Real Estate** also posted a good result during the period.

During the first half-year the ICA Group's consolidated sales rose by 3.4 percent at constant exchange rates despite stiff competition in all markets. Particularly ICA Sweden, Rimi Baltic and ICA Bank performed well during the first-half-year. Operating income before non-recurring items in Norway amounted to SEK 1,497 million (1,228), up 21.9 percent.

Important events during the second quarter

- In April ICA announced the streamlining of its Norwegian operations by divesting 22 lease agreements and eight properties of Norwegian ICA Maxi to Lagopus Eiendomsutvikling AS. The agreement was subject to landlord consent. During the second quarter it was settled that 17 lease agreements and eight properties will be transferred to Lagopus Eiendomsutvikling.

Important events after the conclusion of the second quarter

- On July 6, the Supreme Court of Norway denied the Möre retailers' petition for leave to appeal. As a result, the March ruling of the Borgarting Court of Appeal in Oslo in favor of ICA has been affirmed and the dispute has been resolved.

Net sales and financial results

THE ICA GROUP

Net sales during the **second quarter** amounted to SEK 24,758 million (24,365), up 1.6 percent. Net sales at constant exchange rates rose by 1.3 percent. Operating income before non-recurring items in Norway amounted to SEK 816 million (738), up 10.6 percent. The second quarter includes non-recurring expenses for closure of ICA Maxi of SEK -367 million and administrative efficiencies of SEK -59 million in ICA Norway as well as a capital gain on ICA Maxi's properties of SEK 232 million within ICA Real Estate. Operating income after these non-recurring items amounted to SEK 622 million (738). Operating income includes capital gains of SEK 342 million (15) and impairments of SEK 268 million (0). Operating income excluding capital gains/losses and impairments amounted to SEK 548 million (723). Income after net financial items amounted to SEK 546 million (646). Net income for the second quarter amounted to SEK 338 million (432).

Net sales during the **first half-year** amounted to SEK 48,067 million (46,250), up 3.9 percent. Net sales at constant exchange rates rose by 3.4 percent. Operating income before non-recurring items in Norway amounted to SEK 1,497 million (1,228), up 21.9 percent. The second quarter includes non-recurring expenses for closure of ICA Maxi of SEK -367 million and administrative efficiencies of SEK -59 million in ICA Norway as well as a capital gain on ICA Maxi's properties of SEK 232 million within ICA Real Estate. Operating income after these non-recurring items amounted to SEK 1,303 million (1,228). Operating income includes capital gains of SEK 354 million (15) and impairments of SEK 274 million (0). Operating income excluding capital gains/losses and impairments amounted to SEK 1,223 million (1,213). Income after net financial items amounted to SEK 1,161 million (1,068). Net income for the period amounted to SEK 776 million (686).

ICA SWEDEN

Net sales during the **second quarter** amounted to SEK 16,697 million (16,197), up 3.1 percent. The sales increase is due to higher sales volumes to stores and increased revenues for Cura Pharmacy. Operating income amounted to SEK 666 million (631). The higher result is mainly due to the sales increase.

Net sales during the **first half-year** amounted to SEK 32,068 million (30,355), up 5.6 percent. The sales increase is due to higher sales volumes to stores and increased revenues for Cura Pharmacy. Operating income amounted to SEK 1,202 million (1,153). The higher result is mainly due to the sales increase.

ICA NORWAY

Net sales during the **second quarter** amounted to SEK 4,957 million (5,145), down 3.7 percent. Sales in local currency fell by 5.9 percent. The decrease is mainly due to lower sales in comparable stores, primarily ICA Maxi stores. ICA Norway's operating income before non-recurring items amounted to SEK -180 million (-199). The second quarter was charged with non-recurring expenses for closure of ICA Maxi of SEK -367 million and administrative efficiencies of SEK -59 million. Operating income after these expenses amounted to SEK -606 million (-199).

Net sales during the **first half-year** amounted to SEK 9,974 million (10,085), down 1.1 percent. Sales in local currency fell by 3.7 percent. The decrease is mainly due to lower sales in comparable stores, primarily ICA Maxi stores. ICA Norway's operating income before non-recurring items amounted to SEK –300 million (–433). The second quarter was charged with non-recurring expenses for closure of ICA Maxi of SEK –367 million and administrative efficiencies of SEK –59 million. Operating income after these expenses amounted to SEK –726 million (–433).

RIMI BALTIC

Net sales during the **second quarter** amounted to SEK 2,589 million (2,533), up 2.2 percent. Sales in local currency increased by 3.4 percent. Operating income amounted to SEK 60 million (60). Increased volumes and improved margins were largely offset by slightly increased expenses, resulting in a somewhat improved operating income in local currency.

Net sales during the **first half-year** amounted to SEK 5,007 million (4,866), up 2.9 percent. Sales in local currency increased by 3.6 percent. Operating income amounted to SEK 89 million (57). The income improvement is mainly due to higher sales and good cost controls.

ICA BANK

Revenues during the **second quarter** amounted to SEK 210 million (192), an increase of 9.4 percent mainly due to higher net commission income. Business volume rose by 3.1 percent (1.5) during the second quarter. Operating income increased to SEK 58 million (45) mainly due to higher net commission income and net interest income.

Revenues during the **first half-year** amounted to SEK 408 million (358), an increase of 14.0 percent mainly due to higher net interest income resulting from increased business volumes and commissions. Business volume has risen by 13.2 percent (6.5) compared with the second quarter 2011 and by 5.7 percent (1.5) since the beginning of the year. Operating income rose to SEK 97 million (61). The improvement is mainly due to higher net commission income and net interest income.

ICA REAL ESTATE

Revenues during the **second quarter** amounted to SEK 577 million (565), up 2.1 percent. Operating income excluding capital gains amounted to SEK 263 million (258). Operating income increased to SEK 531 million (271) and includes capital gains on real estate sales of SEK 268 million (13). Of the year's capital gains, SEK 232 million relates to the Norwegian ICA Maxi transaction.

Revenues during the **first half-year** amounted to SEK 1,149 million (1,106), up 3.9 percent. Operating income excluding capital gains amounted to SEK 520 million (491). The increase is mainly due to terminated depreciation of ICA Maxi's properties in Norway and rents from new properties. Operating income increased to SEK 793 million (505) and includes capital gains on real estate sales of SEK 279 million (14) and impairments of SEK 6 million (0). Of the year's capital gains, SEK 232 million relates to the Norwegian ICA Maxi transaction.

ICA GROUP FUNCTIONS

Operating income during the **second quarter** amounted to SEK –87 million (–70).

Operating income during the **first half-year** amounted to SEK –152 million (–115).

NET FINANCIAL ITEMS AND TAXES

The ICA Group's net financial items during the **second quarter** amounted to SEK –76 million (–92). The tax expense was SEK 208 million (214).

The ICA Group's net financial items during the **first half-year** amounted to SEK –142 million (–160). The tax expense was SEK 385 million (382).

FINANCIAL POSITION

The Group's total assets amounted to SEK 41,019 million (SEK 40,961 million at the beginning of the year). Capital employed has decreased by SEK 280 million since the beginning of the year to SEK 27,788 million. The equity/assets ratio was 24.7 percent (27.7 percent at the beginning of the year). As of June 30, 2012, the Group had net debt excluding ICA Bank of SEK 1,710 million (SEK 1,143 million at the beginning of the year).

CASH FLOW

Cash flow from operating activities during the first half-year amounted to SEK 2,716 million (-215). In the first quarter of 2011, SEK 1,187 million was 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 by SEK 513 million (-204). Cash flow from investing activities amounted to SEK -603 million (-1,151). The cash from the ICA Maxi transaction in Norway will be received and booked in the second half of the year. Cash flow from financing activities amounted to SEK -1,925 million (497). The Group's liquid assets totaled SEK 3,181 million as of June 30, 2012 (SEK 3,009 million at the beginning of the year).

INVESTMENTS

Investments during the year have amounted to SEK 912 million (1,309) and are distributed according to the table below. The decrease is attributable to Norway and is due to the fact that practically all Rimi stores have now been converted. The increased investments in intangible fixed assets relate to IT systems for Swedish operations.

Investments SEK million	April – June		January – June		Full-year
	2012	2011	2012	2011	2011
Retail	383	491	626	1,074	1,813
Distribution	49	39	81	48	98
Investment properties	28	53	29	89	188
Intangibles	91	44	175	74	237
Other	0	9	1	24	52
TOTAL	551	636	912	1,309	2,388

PERSONNEL

The Group had an average of 21,276 employees (20,799) during the first half-year.

SIGNIFICANT RISKS AND UNCERTAINTIES

Risk is a natural part of any business. ICA works at a Group level to systematically identify and manage the risks associated with its operations. The risk management process, which is designed according to recognized methods, is integrated in the strategy and budget work of each unit. Risks are consolidated, and risk management is reported to and monitored by ICA's Group Management and Board of Directors. The key risk areas are legal risks, market risks, sustainability and product safety risks, brand risk and continuity risk.

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, foremost of which are 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 DISPUTES

The Swedish Tax Authority decided in 2008 to disallow deductions related to intra-Group interest payments during 2004–2008. In December 2010, the County Administrative Court affirmed the Tax Authority'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 confident that the deductions complied with applicable tax laws. This opinion is shared by outside

counsel, which has analyzed the Tax Authority's argument and the legal principles applied by the court. ICA has appealed the County Administrative Court's ruling to the Administrative Court of Appeal. A hearing was held in May, and the Administrative Court of Appeal's ruling is expected to be published in September 2012. As the Tax Authority denied ICA's request to defer payment, SEK 1,187 million was paid in January 2011. This amount was accounted for as a receivable from the Tax Authority in connection with the payment. The tax claim is recognized as a contingent liability.

OTHER DISPUTES

In June 2010, the District Court of Oslo ruled in favor of a group of franchisees within the Møre region, requiring ICA Norway to pay NOK 96 million in what was claimed to be withheld bonuses. ICA Norway appealed the ruling as being unfounded. The March ruling by the Borgarting Court of Appeal in Oslo was entirely in ICA's favor. The Norwegian franchisees applied for leave to appeal to the Supreme Court in Norway. On July 6, the Supreme Court denied the retailers' petition for leave to appeal.

PARENT COMPANY, ICA AB

The Parent Company's net sales during the first half-year amounted to SEK 22 million (24) with income after net financial items of SEK 605 million (-341). The difference between years is because the Parent Company has received SEK 900 million (0) in dividends from subsidiaries. Investments during the period amounted to SEK 41 million (12). Cash, bank balances and short-term investments amounted to SEK 0 million (5).

TRANSACTIONS WITH RELATED PARTIES

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

SCHEDULED REPORTING DATES

The interim report for January – September 2012 will be presented on November 14, 2012.
The year-end report for 2012 will be presented on February 13, 2013.

The interim report has not been reviewed by the company's auditors.

Stockholm, August 22, 2012

Per Strömberg
CEO, ICA AB

FOR FURTHER INFORMATION, PLEASE CONTACT:

Per Strömberg, CEO, telephone +46-10-422 50 05
ICA's press office, 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 2,100 of its own and retailer-owned stores in Sweden, Norway and the three Baltic states. The Group includes the retail companies ICA Sweden, ICA Norway and Rimi Baltic as well as 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 visit www.ica.se

Financial reports for the Group

Income statement – Group SEK million	April – June		January – June		Full-year
	2012	2011	2012	2011	2011
Net sales	24,758	24,365	48,067	46,250	95,179
Cost of sales	-21,363	-20,997	-41,325	-39,821	-81,702
Gross profit	3,395	3,368	6,742	6,429	13,477
Selling and administrative expenses	-3,173	-2,703	-5,897	-5,328	-11,244
Other operating revenue	395	71	451	123	263
Share of associated companies' net profit	5	2	7	4	9
Operating income	622	738	1,303	1,228	2,505
Financial income	18	13	35	47	72
Financial expenses	-94	-105	-177	-207	-421
Net financial items	-76	-92	-142	-160	-349
Income after net financial items	546	646	1,161	1,068	2,156
Tax	-208	-214	-385	-382	-761
Net income for the period	338	432	776	686	1,395
Of which attributable to ICA AB's shareholders	338	431	776	685	1,395
Of which attributable to non-controlling interests	0	1	0	1	0

Statement of comprehensive income SEK million	April – June		January – June		Full-year
	2012	2011	2012	2011	2011
Net income for the period	338	432	776	686	1,395
Other comprehensive income for the period					
Change in translation reserve, net after tax	-16	254	-17	151	-26
Change in fair value reserve, net after tax	4	0	4	4	1
Change in hedge reserve, net after tax	-5	20	12	33	-21
Total other comprehensive income	-17	274	-1	188	-46
Total comprehensive income for the period	321	706	775	874	1,349
Of which attributable to ICA AB's shareholders	321	708	775	876	1,349
Of which attributable to non-controlling interests	0	-2	0	-2	0

Condensed balance sheet – Group			
SEK million	June 30, 2012	June 30, 2011	Dec. 31, 2011
Intangible fixed assets	3,050	3,674	2,967
Tangible fixed assets	14,623	15,878	14,638
Financial fixed assets	5,694	4,979	5,327
Deferred tax assets	42	15	41
Total fixed assets	23,409	24,546	22,973
Inventory	4,121	4,554	4,520
Current receivables	10,266	9,238	9,050
Liquid assets	3,181	2,239	3,009
Assets held for sale	42	63	1,409
Total current assets	17,610	16,094	17,988
TOTAL ASSETS	41,019	40,640	40,961
Shareholders' equity	10,134	10,887	11,359
Long-term liabilities	6,881	8,523	7,277
Current liabilities	24,004	21,230	22,325
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	41,019	40,640	40,961
Pledged assets	420	307	419
Contingent liabilities	1,395	1,506	1,487

Change in shareholders' equity – Group			
SEK million	January – June 2012	January – June 2011	Full-year 2011
Opening balance	11,359	11,913	11,913
Dividend	-2,000	-1,900	-1,900
Change in non-controlling interests			-3
Total comprehensive income for the period	775	874	1,349
Closing balance	10,134	10,887	11,359
Of which attributable to ICA AB's shareholders	10,131	10,883	11,356
Of which attributable to non-controlling interests	3	4	3

Condensed statement of cash flows – Group			
SEK million	January – June 2012	2011	Full-year 2011
Operating income	1,303	1,228	2,505
Depreciation, amortization and impairments	989	753	2,104
Other items not included in cash flow	-290	-14	-31
Income tax paid	-525	-1,647	-1,733
Cash flow from operating activities before change in working capital	1,477	320	2,845
Change in working capital			
Inventory	404	-16	-30
Current receivables	-135	-32	46
Current liabilities	457	-283	181
ICA Bank's net deposits, lending and investments	513	-204	214
Cash flow from operating activities	2,716	-215	3,256
Cash flow from investing activities	-603	-1,151	-2,242
Cash flow from financing activities	-1,925	497	-1,104
Cash flow for the period	188	-869	-90
Liquid assets at beginning of period	3,009	3,102	3,102
Exchange rate differences in liquid assets	-16	6	-3
Liquid assets at end of period	3,181	2,239	3,009

Financial reports for the Parent Company

Income statement – Parent Company SEK million	April – June		January – June		Full-year
	2012	2011	2012	2011	2011
Net sales	10	10	22	24	41
Cost of sales	–	–	–	–	–
Gross profit	10	10	22	24	41
Selling and administrative expenses	–91	–96	–162	–154	–262
Operating income	–81	–86	–140	–130	–221
Result from shares in Group companies	900	–	900	–	2,524
Other financial income	1	12	3	22	27
Other financial expenses	–79	–117	–158	–233	–398
Income after net financial items	741	–191	605	–341	1,932
Appropriations	–	–	–	–	–415
Income before tax	741	–191	605	–341	1,517
Tax	38	46	70	82	–412
Net income for the period	779	–145	675	–259	1,105

Statement of comprehensive income SEK million	April – June		January – June		Full-year
	2012	2011	2012	2011	2011
Net income for the period	779	–145	675	–259	1,105
Other comprehensive income for the period	–	–	–	–	–
Total comprehensive income for the period	779	–145	675	–259	1,105

Condensed balance sheet – Parent Company SEK million	June 30,	June 30,	Dec. 31,
	2012	2011	2011
Intangible fixed assets	65	–	56
Tangible fixed assets	74	64	63
Financial fixed assets	35,207	34,045	35,216
Deferred tax assets	2	6	6
Total fixed assets	35,348	34,115	35,341
Current receivables	790	1,051	3,494
Liquid assets	–	5	–
Total current assets	790	1,056	3,494
TOTAL ASSETS	36,138	35,171	38,835
Shareholders' equity	26,550	26,511	27,875
Untaxed reserves	2,421	2,007	2,421
Provisions	293	279	299
Long-term liabilities	6,000	6,000	6,000
Current liabilities	874	374	2,240
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	36,138	35,171	38,835
Pledged assets	0	5	0
Contingent liabilities	8,305	8,350	8,300

Change in shareholders' equity – Parent Company SEK million	January – June	January – June	Full-year
	2012	2011	2011
Opening balance	27,875	28,670	28,670
Dividend	–2,000	–1,900	–1,900
Total comprehensive income for the period	675	–259	1,105
Closing balance	26,550	26,511	27,875

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 2011. Readers of the interim report are presumed to have access to the annual report for 2011. The interim report primarily contains information on events and changes which have taken place since the most recent annual report was issued and which 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 2012.

From year 2013 the revised IAS 19 Employee benefit applies. The main change for ICA is that all actuarial gains and losses are recognized in other comprehensive income. As per December 2011 unrecognized actuarial losses for ICA Group amounted to SEK 471 million.

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	April – June		January – June		Full-year
	2012	2011	2012	2011	2011
ICA Sweden	16,697	16,197	32,068	30,355	62,500
ICA Norway	4,957	5,145	9,974	10,085	20,679
Rimi Baltic	2,589	2,533	5,007	4,866	10,089
ICA Bank	210	192	408	358	764
ICA Real Estate	577	565	1,149	1,106	2,202
ICA Group Functions	26	114	51	226	348
Intra-Group sales	-298	-381	-590	-746	-1,403
Net sales	24,758	24,365	48,067	46,250	95,179

Operating income by segment – Group SEK million	April – June		January – June		Full-year
	2012	2011	2012	2011	2011
ICA Sweden	666	631	1,202	1,153	2,617
ICA Norway *	-606	-199	-726	-433	-1,255
Rimi Baltic	60	60	89	57	173
ICA Bank	58	45	97	61	171
ICA Real Estate *	531	271	793	505	1,005
ICA Group Functions	-87	-70	-152	-115	-206
Total operating income	622	738	1,303	1,228	2,505

*The closure of ICA Maxi in Norway affected operating income for the ICA Norway and ICA Real Estate segments during the second quarter. ICA Real Estate's operating income includes a capital gain of SEK 232 million.

ICA Norway's operating income includes expenses for closure of ICA Maxi of SEK -367 million as well as non-recurring expenses related to administrative efficiencies of SEK -59 million. Before these non-recurring expenses, operating income is SEK -180 million (-199) for the second quarter and SEK -300 million (-433) for the first half-year.

Note 3 Joint venture

Ancore Real Estate AB

ICA Fastigheter AB and Alecta pensionsförsäkring ömsesidigt 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 15 Swedish properties that have ICA stores as tenants. Financial information on ICA's share of Ancore Fastigheter AB's operations is provided below.

Joint venture Ancore Real Estate AB	April – June 2012	April – June 2011	January – June 2012	January – June 2011	Full-year 2011
Revenue	27	21	55	43	90
Expenses	-23	-21	-48	-41	-84
Net income for the year	4	0	7	2	6
Other comprehensive income	-11	-11	4	-4	-51
Total comprehensive income for the year	-7	-11	11	-2	-45
Fixed assets			1,435	1,132	1,431
Current assets			38	53	40
Long-term liabilities			928	702	930
Current liabilities			46	50	55

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 in 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.

Store sales in Sweden

Store sales excl. VAT	April – June 2012			January – June 2012		
	SEK million	Change, all stores	Change, comparable	SEK million	Change, all stores	Change, comparable
Maxi ICA Stormarknad	7,368	4.8%	3.0%	13,986	6.1%	4.1%
ICA Kvantum	5,958	3.4%	3.6%	11,458	4.5%	4.4%
ICA Supermarket	7,923	3.7%	4.0%	15,225	4.1%	4.5%
ICA Nära	3,826	2.1%	1.9%	7,324	3.2%	3.3%
TOTAL	25,075	3.7%	3.3%	47,992	4.6%	4.2%

During the first half-year, the share of private label sales increased to 19.7 percent (19.3) in Sweden.

Store sales in Norway

Store sales excl. VAT	April – June 2012			January – June 2012		
	NOK million	Change, all stores	Change, comparable	NOK million	Change, all stores	Change, comparable
Rimi	2,412	8.6%	1.2%	4,710	11.2%	3.1%
ICA Supermarked	1,085	-0.2%	-3.8%	2,191	0.7%	-2.2%
ICA Naer	562	-33.6%	-6.2%	1,192	-30.8%	-5.7%
TOTAL excluding ICA Maxi	4,059	-2.3%	-1.3%	8,093	-0.5%	0.2%
ICA Maxi	525	-26.6%	-18.7%	1,110	-21.8%	-15.7%
TOTAL	4,584	-5.9%	-3.8%	9,203	-3.6%	-2.2%

During the first half-year, the share of private label sales increased to 8.7 percent (7.4) in Norway.

Store sales in the Baltic countries

Store sales excl. VAT	April – June 2012			January – June 2012		
	EUR million	Change, all stores	Change, comparable	EUR million	Change, all stores	Change, comparable
Estonia	92	2.4%	-0.2%	176	2.3%	0.7%
Latvia	143	4.4%	2.0%	278	4.2%	1.9%
Lithuania	53	2.6%	1.2%	107	3.9%	2.6%
TOTAL	289	3.4%	1.2%	561	3.6%	1.6%

During the first half-year, the share of private label sales decreased to 12.7 percent (13.4) in the Baltic countries.

Number of stores in Sweden, including retailer-owned stores

Store format	December 2011	New	Converted	Closed	June 2012
Maxi ICA Stormarknad	75				75
ICA Kvantum	117				117
ICA Supermarket	435		-2		433
ICA Nära	704	3	2	-6	703
ICA To Go	3	1			4
TOTAL	1,334	4	0	-6	1,332

Number of stores in Norway, including franchised stores

Store format	December 2011	New	Converted	Closed	June 2012
Rimi	285		23	-2	306
ICA Supermarked	73		6	-1	78
ICA Naer	168		-23	-18	127
ICA Maxi	24		-6	-15	3
TOTAL	550		0	-36	514

Number of stores in the Baltic countries

Country	December 2011	New	Converted	Closed	June 2012
Estonia	82	1		-1	82
Latvia	111	2			113
Lithuania	46				46
TOTAL	239	3		-1	241

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

