

Third quarter 2017

Stable earnings performance – high growth in e-commerce

Third quarter 2017

- Consolidated net sales amounted to SEK 26,428 million (25,752), an increase of 2.6%
- Operating profit excluding non-recurring items totalled SEK 1,380 million (1,376)
- The sale of ICA Eiendom in Norway and costs ahead of the integration of the acquisition of IKI in Lithuania affected operating profit excluding nonrecurring items by a combined total of SEK -41 million
- Profit for the period was SEK 1,100 million (1,070). Profit includes capital gains on sales of non-current assets and impairment losses totalling SEK 5 million net (20)
- Earnings per share were SEK 5.45 (5.31)
- Cash flow from operating activities amounted to SEK 1,045 million (550). Excluding ICA Bank, cash flow was SEK 854 million (1,045)

January-September 2017

- Consolidated net sales amounted to SEK 78,610 million (76,735), an increase of 2.4%
- Operating profit excluding non-recurring items totalled SEK 3,470 million (3,489)
- The sale of ICA Eiendom in Norway and inkClub, and costs ahead of the integration of the acquisition of IKI in Lithuania, affected operating profit excluding non-recurring items by a combined total of SEK -120 million
- Profit for the period was SEK 3,253 million (2,634). Profit includes capital gains on sales of non-current assets and impairment losses totalling SEK 569 million net (0)
- Earnings per share were SEK 16.12 (13.08)
- Cash flow from operating activities amounted to SEK 2,995 million (2,733). Excluding ICA Bank, cash flow was SEK 3,182 million (3,039)

Events after the end of the quarter

- The Lithuanian Competition Council has approved the acquisition of the Lithuanian grocery store chain IKI with the condition that 17 stores be sold

SEKm	Third quarter		Jan-Sep		12 months	Full year
	2017	2016	2017	2016	Oct 2016 - Sept 2017	2016
Group						
Net sales	26,428	25,752	78,610	76,735	105,530	103,655
Operating profit before depreciation/amortisation (EBITDA)	1,761	1,768	5,182	4,663	6,757	6,238
Operating profit (EBIT) excluding non-recurring items	1,380	1,376	3,470	3,489	4,650	4,669
Operating profit (EBIT)	1,385	1,396	4,039	3,489	5,068	4,518
Profit before tax	1,272	1,301	3,757	3,213	4,698	4,154
Profit for the period	1,100	1,070	3,253	2,634	4,037	3,418
Cash flow from operating activities	1,045	550	2,995	2,733	5,684	5,422
Cash flow from operating activities excluding ICA Bank	854	1,045	3,182	3,039	5,827	5,684
Operating margin excluding non-recurring items, %	5.2	5.3	4.4	4.5	4.4	4.5
Operating margin, %	5.2	5.4	5.1	4.5	4.8	4.4
Return on capital employed, %	—	—	11.9	10.8	11.9	10.5
Return on equity, %	—	—	13.4	13.6	13.4	11.9
Earnings per share, SEK	5.45	5.31	16.12	13.08	20.01	16.97

CEO's comments

We continued to generate good and stable earnings performance also in the third quarter. Rimi Baltic delivered a very solid operating profit, and I am particularly happy to note that ICA Bank has turned upward, that Hemtex posted a profit for the quarter, and that our e-commerce business is growing with good momentum. We also have many business projects of various types that we are conducting across a broad front in the Group to ensure continued good performance.

Before definitive market data is available at the end of November it is not possible to know exactly how our store sales in Sweden have performed in relation to the market, but a balanced consideration of various sources indicates that we have performed at least on par with the market. Above all, we saw strong performance at the end of the quarter, with a favourable outcome from completed activities. ICA Sweden has stable and high earnings supported by, among other things, a continued positive development for private label products. At the same time, we continue to pursue our investments and ventures, which in large part are focused on the ambitious goals we have set for digitalisation. One negative development during the quarter was the considerably lower profit distribution from the stores than a year ago. This is largely due to the higher employer payroll tax for young employees.

Good can be even better

Today's technological development is creating myriad of opportunities for us to be more efficient across the entire value chain and to become even more relevant for our customers. A large share of the ongoing activities in the Group are driving costs and investments in the near term, but over time they will potentially create major value if we succeed in maximising the full breadth of the Group's potential and breaking new ground in the way we interact with our customers. This work is being conducted across a broad front and involves a number of areas such as digital marketing, CRM, process efficiency and, naturally, digital services such as e-commerce.

Very good growth for e-commerce

Our e-commerce business continues to show strong growth in all areas: grocery retail, Apotek Hjärtat and Hemtex. Apotek Hjärtat's online sales grew by 79% during the third quarter, which is considerably above growth for the market, and our online grocery sales are also maintaining a very good rate of growth - 52% in total - which by far exceeds the market growth of 21%. A large share of growth in the grocery retail market in the years immediately ahead will be online, and as always it is important to stay attuned to our customers.

Rimi Baltic - strong earnings for the quarter

Our Baltic operations had a very strong quarter in terms of earnings, with high margins. Those of our stores that were temporarily closed are now open again, and the conversions in Estonia have essentially been completed. During this period sales were slightly weaker, but the conditions are now favourable for us to step up the pace of our sales going forward. In addition, following the Lithuanian Competition Council's decision on the IKI acquisition in October, we now have our full focus on divesting the specific stores and closing the acquisition as soon as possible.

ICA Bank and Hemtex - improvements following hard work

ICA Bank's earnings turned upward during the quarter. Achieving this has required hard work, but we are now in a trend that is pointing in the right direction. The same applies for Hemtex, which showed a profit in the third quarter for the first time in a long time. ICA Real Estate had lower earnings, but this is due entirely to the sales of properties in Norway; the underlying business is doing well.

Sustainability in focus

In our quarterly sustainability report, which was also published today, you can read about the development of our organic range and how we are working to reduce the use of plastic, among other things. In other respects the report describes the focus of sustainability work during the quarter and our performance in achieving our environmental targets.

We embrace change

The major changes taking place in the market affect how we will interact with our customers in the best way in the future. The only thing that is certain is that if you sit still you will lose. It is assuring that for more than 100 years ICA has successfully endured countless changes and that we have a natural focus on opportunities. It is only by embracing change and taking maximal advantage of it that we can make sure we will be a winner in the future.



Per Strömberg
CEO, ICA Gruppen

Group performance

Net sales and earnings

Third quarter 2017

Consolidated net sales increased by 2.6% during the quarter compared with the same period in 2016. The increase in local currency was the same. Adjusted for the sale of ICA Eiendom in Norway, the increase was 2.8%. The sales growth can be credited primarily to positive price effects, but also to higher sales volume. Operating profit excluding non-recurring items amounted to SEK 1,380 million (1,376) during the quarter. The positive development in gross profit was countered by the sale of the Norwegian properties, profit distribution and a slightly higher level of costs, mainly related to investments in digitalisation, e-commerce and the store network. ICA Sweden's operating profit was slightly lower than in the preceding year, but a substantially higher operating profit for Rimi Baltic and improved earnings for ICA Bank and Hemtex led on the whole to an operating profit that was level with the preceding year, despite the negative impact of the sale of ICA Eiendom. Operating profit also includes SEK 11 million in costs associated with the planned integration of IKI in Lithuania, of which SEK 9 million were in Rimi Baltic. The operating margin excluding non-recurring items was 5.2% (5.3%). Profit for the period totalled SEK 1,100 million (1,070). Profit includes capital gains on sales of assets and impairment losses totalling SEK 5 million (20) combined. Earnings per share increased to SEK 5.45 (5.31).

January-September 2017

Consolidated net sales increased by 2.4% during the period compared with 2016. The increase in local currency was 2.1%. Adjusted for the divestments of inkClub and ICA Eiendom in Norway, the increase was 2.6%. Operating profit excluding non-recurring items amounted to SEK 3,470 million (3,489). The slightly lower level of earnings is due primarily to the sale of the Norwegian properties and higher joint-Group expenses, which were partly compensated primarily by earnings from Rimi Baltic and Apotek Hjärtat. The higher joint-Group expenses are mainly associated with initiatives and activities surrounding ICA's 100-year celebration in 2017. Operating profit includes SEK 39 million in costs associated with the planned integration of IKI in Lithuania, of which SEK 32 million were in Rimi Baltic. The operating margin excluding non-recurring items was 4.4% (4.5%). Profit for the period totalled SEK 3,253 million (2,634). Profit includes capital gains on sales of assets and impairment losses totalling SEK 569 million (0) combined. This affected earnings per share, which were higher than for the same period a year ago, at SEK 16.12 (13.08).

Net sales per segment

SEKm	Third quarter		Jan-Sep		12 months	Full year
	2017	2016	2017	2016	Oct 2016 - Sept 2017	2016
ICA Sweden	19,133	18,598	56,531	54,946	75,635	74,050
Rimi Baltic	3,413	3,363	10,241	9,876	13,936	13,571
Apotek Hjärtat	3,108	3,021	9,579	9,333	12,777	12,531
ICA Real Estate	609	594	1,832	1,769	2,435	2,372
ICA Bank	245	189	706	639	930	863
Hemtex ¹⁾	252	252	712	947	1,081	1,316
Other	222	190	681	640	904	863
Intra-Group sales	-554	-455	-1,672	-1,415	-2,168	-1,911
Net sales	26,428	25,752	78,610	76,735	105,530	103,655

1) The first half of 2016 also includes inkClub, see page 13.

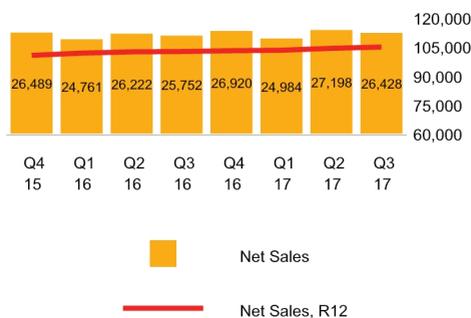
Operating profit excluding non-recurring items per segment

SEKm	Third quarter		Jan-Sep		12 months	Full year
	2017	2016	2017	2016	Oct 2016 - Sept 2017	2016
ICA Sweden	1,004	1,020	2,663	2,667	3,500	3,504
Rimi Baltic ²⁾	161	134	383	359	550	526
Apotek Hjärtat	130	129	355	334	457	436
ICA Real Estate	121	142	329	352	470	493
ICA Bank	29	21	43	45	49	51
Hemtex ¹⁾	6	-1	-26	-33	31	24
Other ²⁾	-71	-69	-277	-235	-407	-365
Operating profit excluding non-recurring items	1,380	1,376	3,470	3,489	4,650	4,669

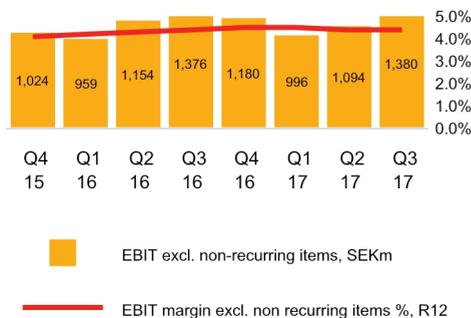
1) The first half of 2016 also includes inkClub, see page 13.

2) The third quarter of 2017 includes SEK -11 million in costs associated with the planned integration of IKI, of which SEK -9 million in Rimi Baltic and SEK -2 million in Other. Accumulated in 2017, these costs amounted to SEK -39 million, of which SEK -32 million in Rimi Baltic and SEK -7 million in Other.

Net Sales, SEKm



EBIT and EBIT margin



Net financial items and tax

Net financial items amounted to SEK -113 million during the quarter (-95). Financial expenses were affected by SEK -30 million during the quarter by the write-off of a financial receivable. In other respects, interest expenses decreased due to a lower level of net debt and lower financial expenses than a year ago.

Financial income for the entire period January-September decreased as the previous shareholder loans in Ancore and Secore were converted to equity in 2016. This also affected financial expenses as the same change took place in Långeberga, which is 50%-owned but is consolidated in ICA Gruppen.

The tax expense for the quarter was SEK -172 million (-252), corresponding to a tax rate of 13.5% (19.4%). The lower tax charge is attributable to a forthcoming change, starting in 2018, of the corporate tax in Latvia. This has given rise to a reversal of deferred tax liabilities, which lowered the tax expense during the quarter by SEK 87 million. Paid tax during the quarter totalled SEK -195 million (-188).

The tax expense for the entire period was SEK -504 million (-600), corresponding to a tax rate of 13.4% (18.7%). Paid tax totalled SEK -677 million (-600). In addition to the change in taxation in Latvia described above, the tax expense decreased as a result of tax-exempt capital gains on sales of properties in 2017.

Cash flow

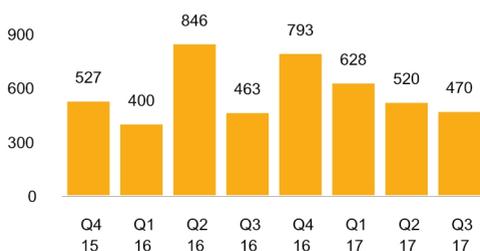
Cash flow from operating activities (excluding ICA Bank) was SEK 191 million lower during the quarter than in the preceding year, mainly owing to a calendar-related negative change in working capital and lower dividend payments from joint ventures.

The decrease in cash flow from investing activities during the quarter is mainly attributable to fewer divestments than a year ago, plus slightly higher investments in the current year. For the entire period, however, a significant improvement took place through the sale of ICA's properties in Norway, which had a positive cash flow effect of approximately SEK 1.9 billion, and the sale of properties to Secore for approximately SEK 1 billion. Capital expenditures were also slightly lower than in the preceding year.

Consolidated cash flow statement, excluding ICA Bank

SEKm	Third quarter		Jan-Sep		12 months	Full year
	2017	2016	2017	2016	Oct 2016 - Sept 2017	2016
Cash flow						
From operating activities before change in working capital	1,520	1,541	3,971	3,875	5,457	5,361
Change in working capital	-666	-496	-789	-836	370	323
From operating activities	854	1,045	3,182	3,039	5,827	5,684
Investing activities, net	-422	-362	1,227	-911	489	-1,649
Before financing activities	432	683	4,409	2,128	6,316	4,035

Capex (cash flow), SEKm



Investments

The Group's investments amounted to SEK 470 million (463) during the quarter. Of this total, SEK 196 million (158) is attributable to ICA Real Estate. Investments during the entire period amounted to SEK 1,618 million (1,709), of which SEK 759 million (823) were in ICA Real Estate. During the third quarter ICA Real Estate sold properties for SEK 4 million (81). Divestments for the entire period amounted to SEK 2,892 million (388). Divestments consisted primarily of two major transactions: the sale of ICA's properties in Norway during the first quarter and the sale of properties to Secore Fastigheter in Sweden during the second quarter.

Major capex projects include acquisitions of future store locations, IT investments and new stores.

Investments by segment

SEKm	Third quarter		Jan-Sep		12 months	Full year
	2017	2016	2017	2016	Oct 2016 - Sept 2017	2016
ICA Sweden	135	146	429	415	654	640
Rimi Baltic	83	89	260	256	376	372
Apotek Hjärtat	26	45	81	132	117	168
ICA Real Estate	196	158	759	823	1,148	1,212
ICA Bank	4	7	13	30	19	36
Hemtex ¹⁾	2	2	12	10	15	13
Other	24	16	64	43	82	61
Investments	470	463	1,618	1,709	2,411	2,502

1) The first half of 2016 also includes inkClub, see page 13.

Depreciation/amortisation by segment

SEKm	Third quarter		Jan-Sep		12 months	Full year
	2017	2016	2017	2016	Oct 2016 - Sept 2017	2016
ICA Sweden	104	103	319	320	437	438
Rimi Baltic	78	78	238	225	319	306
Apotek Hjärtat	35	34	108	99	145	136
ICA Real Estate	119	114	359	354	472	467
ICA Bank	8	8	25	23	33	31
Hemtex ¹⁾	6	6	17	22	23	28
Other	22	23	66	71	89	94
Depreciation/amortisation	372	366	1,132	1,114	1,518	1,500

1) The first half of 2016 also includes inkClub, see page 13.

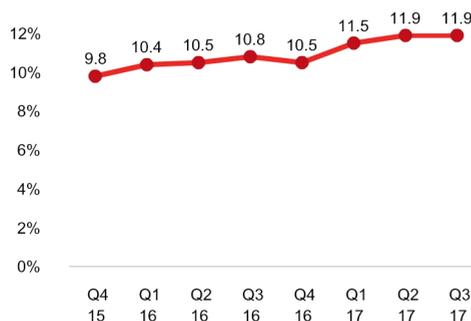
Financial position

Consolidated net debt (excluding ICA Bank and pension liabilities) amounted to SEK 7.4 billion (11.6) at the end of the quarter. The lower level of net debt is mainly attributable to a positive cash flow from operating activities and the completion of property sales. At 30 September, net debt in relation to EBITDA was 1.1 (1.8), which is in line with the Group's long-term target of <2.0.

Net debt and Net debt/EBITDA



Return on capital employed, R12



Important events during the quarter

22 August 2017 – Maria Lundberg, currently Director of IT for ICA Sweden, was named as the new Chief Information Officer (CIO) of ICA Gruppen. She will assume her new position on 1 January 2018 and will also be a member of ICA Gruppen's management team.

Important events after the end of the quarter

18 October 2017 – The Lithuanian Competition Council approved ICA Gruppen's acquisition of IKI with the condition that 17 specific stores be sold prior to completion of the transaction. See also the ICA Gruppen press release issued at 5 p.m. on 18 October 2017.

ICA Sweden

ICA Sweden conducts grocery retail business in cooperation with independent ICA retailers. The retailers own and manage their own stores, but have agreements with ICA Sweden in areas such as purchasing, logistics, market communication and store development. ICA Sweden also includes ICA Special, which conducts sales of non-food items at Maxi ICA (Hypermarket) stores.

Net sales and earnings

Third quarter 2017

ICA Sweden's net sales increased by 2.9% compared with the same period a year ago. The increase was mainly price-driven, but higher wholesale volume resulting from a slightly higher share of purchases from stores, among other factors, also contributed to the sales growth. Higher prices were noted primarily for oils & fats, coffee, fruit, fish and dairy products, while the previous price increases for vegetables levelled out.

Operating profit excluding non-recurring items decreased to SEK 1,004 million (1,020), and the operating margin was 5.2% (5.5%).

The gross margin was higher than a year ago mainly owing to price effects, currency effects and a higher share of private label product sales. Profit from fuel hedges during the quarter was SEK 16 million (7). However, operating profit was down slightly from a year ago, mainly owing to higher costs associated with ongoing projects and ventures, e.g., a number of business projects coupled to the Group's high ambitions in digitalisation. Profit distribution from ICA stores decreased and was SEK 45 million lower than for the same quarter a year ago. This development is mainly due to the increase in employer payroll taxes in June 2016, which has resulted in lower operating margins.

January-September 2017

ICA Sweden's net sales increased by 2.9%. Both prices and volume contributed to the increase.

Operating profit excluding non-recurring items was marginally lower than a year ago, totalling SEK 2,663 million (2,667). The operating margin was slightly lower, at 4.7% (4.9%). The gross margin was slightly higher. The result of fuel hedges was SEK -21 million (25) for the period. Profit distribution from ICA stores was SEK 78 million lower than for the same period a year ago. Earnings for the corresponding period a year ago included non-recurring structural costs of SEK +27 million.

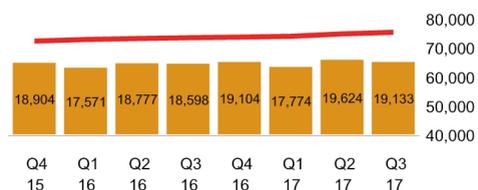
Online

At the end of the period approximately 200 ICA stores were active with online sales, and more than 500 stores offered the ICA Matkassen pre-packed grocery bag concept. Online sales increased by 52% during the quarter compared with the same period in 2016, with 59% growth in open shopping and 24% growth for ICA Matkassen. Online sales for the entire period increased by 49%, with 59% growth in open shopping and 21% growth for ICA Matkassen.

ICA Sweden

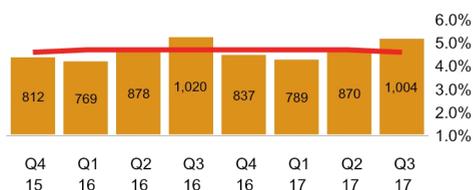
	Third quarter		Jan-Sep		12 months	Full Year
	2017	2016	2017	2016	Oct 2016 - Sept 2017	2016
Net sales, SEKm	19,133	18,598	56,531	54,946	75,635	74,050
Operating profit before depreciation/amortisation (EBITDA), SEKm	1,108	1,124	2,980	2,990	3,931	3,941
Operating profit excl. non-recurring items, SEKm	1,004	1,020	2,663	2,667	3,500	3,504
Operating margin excl. non-recurring items, %	5.2	5.5	4.7	4.9	4.6	4.7
Investments, SEKm	135	146	429	415	654	640
Depreciation/amortisation, SEKm	104	103	319	320	437	438
Number of employees	—	—	7,947	7,569	—	7,622
Private label share of store sales, %	—	—	24.7	24.0	—	24.0

Net Sales, SEKm



Net Sales
Net Sales, R12

EBIT and EBIT margin



EBIT excl. non-recurring items, SEKm
EBIT margin excl. non-recurring items, %

The market and ICA store sales

Sales (excluding VAT) for Swedish ICA stores increased by 3.2% during the quarter and by 2.4% on a like-for-like basis. Food price inflation was 2.5% (0.5%) during the third quarter and 1.9% during the second quarter. Adjusted for inflation and the estimated calendar effect of -0.3% during the quarter, volume growth during the quarter is estimated to have been 1.0%, and 0.2% on a like-for-like basis. A compilation of various data indicates that sales for ICA stores have developed at least in parity with the market's development. Definitive market data for the Swedish grocery retail market during the third quarter will be published by HUI Research on 28 November 2017.

The sales growth is mainly attributable to a higher average spend, but also to a higher number of customer visits. The average spend increased particularly for ICA Nära stores, while ICA Maxi stores had favourable development in both the average spend and the number of customer visits. Product categories that have performed strongly thus far into 2017 include cheese, flowers, beverages, and fruits & vegetables. Non-food sales were weaker than a year ago, mainly owing to lower sales in the media and seasonal product categories.

Private label products as a share of accumulated sales amounted to 24.7% (24.0%).

Emphasis in 2017 is on developing and strengthening ICA's offerings in the ready-made meals market, Organic, Local and Price & Promotion in the four market concepts "Come along & feel good", "Choose organic", "From here" and "It pays". Focus is also on developing the private label product range and on further improving precision in customer-specific offers via the loyalty programme, and continued development of the e-commerce channel.

No new stores were opened during the third quarter, while four were closed. During the fourth quarter of 2017, seven to nine new stores are planned to open, which for the full year would entail 13 to 15 new ICA stores.

ICA store sales, incl. retailer-owned stores

Store sales in Sweden

Store sales excl. VAT	Third quarter 2017			January-September 2017		
	SEKm	All stores %	Like-for-like %	SEKm	All stores %	Like-for-like %
Maxi ICA Stormarknad	8,671	3.9	3.8	25,659	2.9	2.9
ICA Kvantum	6,885	3.9	1.5	20,582	3.8	1.8
ICA Supermarket	8,927	2.7	2.1	25,904	2.5	1.9
ICA Nära	4,551	1.7	1.8	12,837	1.8	1.9
Total	29,034	3.2	2.4	84,981	2.8	2.2

Number of stores in Sweden

Format	December 2016	New	Converted	Closed	September 2017
Maxi ICA Stormarknad	81	0	0	0	81
ICA Kvantum	125	2	-1	0	126
ICA Supermarket	432	1	1	-2	432
ICA Nära	658	3	0	-13	648
Total	1,296	6	0	-15	1,287

Rimi Baltic

Rimi Baltic conducts grocery retail business via 257 wholly owned stores in Estonia, Latvia and Lithuania. Rimi Baltic includes the Rimi Hypermarket and Rimi Supermarket store formats, and the Supernetto discount chain. Rimi Baltic also includes the properties owned by the Group in the three Baltic countries.

Net sales and earnings

Third quarter 2017

The total market for the three Baltic countries grew by 6.3% during the third quarter. Growth was primarily price-driven, and the underlying volume development was weak in Estonia and Lithuania while growth was somewhat better in Latvia. Inflation increased to approximately 5.8% (2.0%). Inflation was 5.2% during the preceding quarter.

Rimi Baltic's net sales increased by 1.0% during the quarter (the increase in SEK was 1.5%). The sales growth was driven by higher average prices and a favourable price- and store mix. Prices rose primarily for fresh foods. Volume development was negative, owing primarily to store conversions and closures (see below).

The conversion of Säästumarket discount stores to Rimi stores in Estonia is estimated to have affected sales by approximately -0.4%, partly owing to the closure of more stores and partly to the initial negative impact of the conversions on store sales. A further unfavourable impact on total net sales, approximately -2.5%, came from external events that resulted in the three stores remaining closed during most of the quarter. All in all, Rimi Baltic's market share in the region decreased during the quarter. During the third quarter Rimi Baltic opened one store and closed two.

Gross profit improved sharply, and operating profit excluding non-recurring items grew 20.1% to SEK 161 million (134). In local currency, the increase in profit was 19.1%. The negative earnings effect of the three closed stores during the quarter mentioned above is estimated to be approximately SEK 10 million. The underlying positive earnings performance was driven by price and mix effects, closures of unprofitable stores, a higher gross margin for converted stores and private label products, and higher cost effectiveness. Operating profit includes SEK 9 million in costs associated with the planned integration of IKI. The operating margin was considerably higher, at at 4.7% (4.0%).

January-September 2017

Rimi Baltic's net sales rose 1.4% during the period (the increase in SEK was 3.7%). The sales growth was mainly price-driven.

Operating profit excluding non-recurring items was 6.7% higher than the same period a year ago, totalling SEK 383 million (359). In local currency, profit was 4.2% higher. Extra costs for store conversions in Estonia amounted to approximately SEK 20 million, and costs associated with preparatory work ahead of the planned integration of IKI totalled approximately SEK 32 million. On the whole, despite this the operating margin was slightly higher than in 2016, at 3.7% (3.6%).

Other

Profit for the quarter included a net earnings effect of SEK 2 million (-3) from capital gains on sales of properties and impairment of property values, which is reported as a non-recurring item. For the entire period the amount was SEK -1 million (1).

Acquisition of grocery store chain IKI

On 23 December 2016 it was announced that ICA Gruppen signed an agreement to acquire the Lithuanian grocery store chain IKI. On 18 October 2017 the Lithuanian Competition Council announced that it has approved the acquisition conditional upon the sale of 17 specific stores prior to completion of the transaction. Further information on the acquisition is available on ICA Gruppen's website: www.icagruppen.se.

Rimi Baltic

	Third quarter		Jan-Sep		12 months	Full year
	2017	2016	2017	2016	Oct 2016 - Sept 2017	2016
Net sales, SEKm	3,413	3,363	10,241	9,876	13,936	13,571
Operating profit before depreciation/ amortisation (EBITDA), SEKm	245	212	635	590	883	838
Operating profit excl. non-recurring items, SEKm	161	134	383	359	550	526
Operating margin excl. non-recurring items, %	4.7	4.0	3.7	3.6	3.9	3.9
Investments, SEKm	83	89	260	256	376	372
Depreciation/amortisation, SEKm	78	78	238	225	319	306
Number of employees	—	—	9,508	9,624	—	9,679
Private label share of sales, %	—	—	24.2	22.6	—	22.4
EUR/SEK exchange rate, average	9.5570	9.5088	9.5833	9.3708	9.6276	9.4718

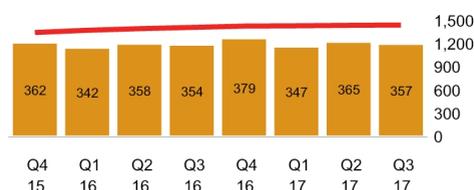
Store sales in the Baltic countries

Store sales excl. VAT	Third quarter 2017			January-September 2017		
	EURm	All stores %	Like-for-like %	EURm	All stores %	Like-for-like %
Estonia	92.3	-5.0	5.3	279.9	-2.2	1.2
Latvia	185.3	4.3	5.7	553.9	4.5	4.9
Lithuania	77.4	0.8	3.2	228.4	-1.3	-1.8
Total	355.0	0.9	5.0	1,062.2	1.4	2.5

Number of stores in Baltic countries

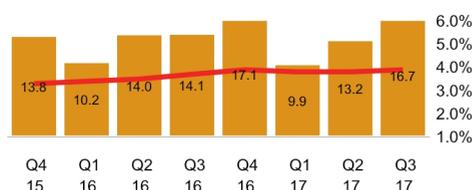
Country	December 2016	New	Closed	September 2017
Estonia	88	1	-8	81
Latvia	119	1	0	120
Lithuania	57	2	-3	56
Total	264	4	-11	257

Net Sales, EURm



Net Sales
Net Sales, R12

EBIT and EBIT margin



EBIT excl. non-recurring items, EURm
EBIT margin excl. non-recurring items %, R12

Apotek Hjärtat

Apotek Hjärtat has been part of ICA Gruppen since the start of 2015. With 383 pharmacies in Sweden, Apotek Hjärtat is the second-largest player in the Swedish pharmacy market.

Net sales and earnings

Third quarter 2017

The total pharmacy market in Sweden grew 4.4% during the third quarter compared with the same period in 2016. Traded goods showed the highest growth, at 11.6%.

Net sales for the quarter amounted to SEK 3,108 million (3,021), an increase of 2.9%. Divestments of pharmacies in 2016 are estimated to account for a negative effect on sales growth for the quarter by approximately -0.8%. Underlying sales growth was primarily driven by favourable volume development in like-for-like pharmacies and prices for prescription drugs. Both the number of customer visits and average spend increased. Online sales had strong growth, rising 79% for the quarter. Two pharmacies were opened during the quarter and one was closed. For the full year it is expected that 11 pharmacies will have opened and 10 will have closed.

Operating profit excluding non-recurring items was at the same level as a year ago and totalled SEK 130 million (129). Gross profit has continued to improve, driven by positive volume development and a slightly positive price effect. However, these effects were countered during the quarter by higher costs from newly opened pharmacies, higher marketing costs and higher costs associated with investments in e-commerce and Minutkliniken, among other things. The operating margin was 4.2% (4.3%). The business focus continues to be on achieving greater sales in newly established and like-for-like pharmacies, a faster pace of renewal at existing pharmacies, e-commerce, launching more private label products, conducting initiatives to strengthen the position in Health, developing Minutkliniken, and achieving more efficient logistics.

January-September 2017

Net sales for the period increased by 2.6% to SEK 9,579 million (9,333). Operating profit excluding non-recurring items rose 6.2% to SEK 355 million (334), and the operating margin grew to 3.7% (3.6%).

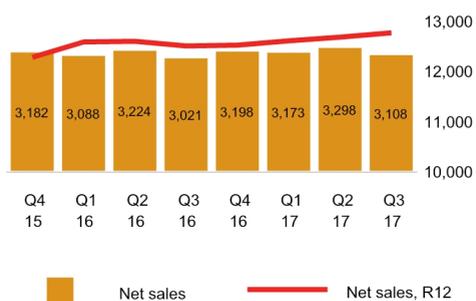
Apotek Hjärtat

	Third quarter		Jan-Sep		12 months	Full year
	2017	2016	2017	2016	Oct 2016 - Sept 2017	2016
Net sales, SEKm	3,108	3,021	9,579	9,333	12,777	12,531
Of which, prescription drugs	2,296	2,214	7,060	6,889	9,422	9,251
Of which, OTC drugs	335	343	1,063	1,063	1,415	1,415
Of which, other products and services	477	464	1,456	1,381	1,940	1,865
Operating profit before depreciation/ amortisation (EBITDA), SEKm	165	165	463	434	623	594
Operating profit excl. non-recurring items, SEKm	130	129	355	334	457	436
Operating margin excl. non-recurring items, %	4.2	4.3	3.7	3.6	3.6	3.5
Investments, SEKm	26	45	81	132	117	168
Depreciation/amortisation, SEKm	35	34	108	99	145	136
Number of employees	—	—	3,101	3,227	—	3,234
Private label share of other products, %	—	—	18.1	17.1	—	17.6

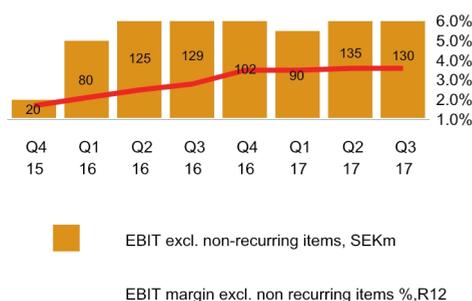
Number of pharmacies

	December 2016	New	Closed	September 2017
Apotek Hjärtat	385	6	-8	383

Net sales, SEKm



Operating profit



ICA Real Estate

ICA Real Estate's mission is to satisfy the Group's future needs for premises in the right marketplaces in Sweden. The real estate company is an active buyer and seller of properties and both develops shopping centres from scratch and buys strategic properties with existing ICA stores.

Net sales and earnings

Third quarter 2017

Net sales for the quarter totalled SEK 609 million (594) and were affected by a new routine for charging for internal property services that was implemented on 1 January, resulting in an increase in sales for the quarter by SEK 48 million. Operating profit is not affected by the change. As a result, adjusted net sales decreased by SEK 33 million, of which SEK -50 million is explained by the sale of the Norwegian properties in February 2016 and SEK -18 million by completion of the sale of properties to Secore Fastigheter in Sweden in June 2016. New investments made a positive contribution and compensated for the effects of property sales.

As a result of the property sales, operating profit excluding non-recurring items was lower than a year ago, totalling SEK 121 million (142). The sale of properties in Norway had an effect of approximately SEK -30 million, and the sale of properties to Secore Fastigheter had an effect of approximately SEK -6 million. These negative effects were compensated by income from new investments, lower costs and a higher earnings contribution from joint ventures. Investments were slightly higher than in the preceding year and amounted to SEK 196 million (158).

January-September 2017

Net sales for the period totalled SEK 1,832 million (1,769). The new routine for charging for internal property services described above resulted in an increase in net sales by SEK 147 million. Operating profit is not affected by the change. At the same time, the sale of the Norwegian properties and the sale of properties to Secore decreased net sales by a total of SEK 163 million, which was partly compensated by income from new investments. As a result of these property sales, operating profit excluding non-recurring items was lower than in the preceding year, SEK 329 million (352). The effect of the property sales in Norway was SEK -62 million and the effect of the sale to Secore was SEK -8 million. At the same time, contributions from investments, lower operating expenses and a higher earnings contribution from joint ventures had a positive impact on earnings and mitigated the negative impact of the property sales.

Investments were slightly lower, at SEK 759 million (823). Investments for the year include a one-time effect of SEK 75 million pertaining to a changed routine regarding internal property services.

Appraisal of property holdings

An appraisal of all Swedish wholly and partly owned properties was performed during the quarter. The fair market value of the wholly owned Swedish properties was estimated to be SEK 12.6 billion (book value 9.8). Added to this are the partly owned properties owned by ICA Real Estate through joint ventures: Långeberga logistik SEK 1.8 billion, Ancore Fastigheter SEK 6.0 billion, and Secor Fastigheter SEK 2.3 billion. The book value of the partly owned properties is SEK 1.5 billion, SEK 4.7 billion and SEK 2.1 billion, respectively, and ICA Real Estate's share of ownership in all three companies is 50%. Långeberga logistik is consolidated in ICA Real Estate, while Ancore Fastigheter and Secore Fastigheter are reported in accordance with the equity method.

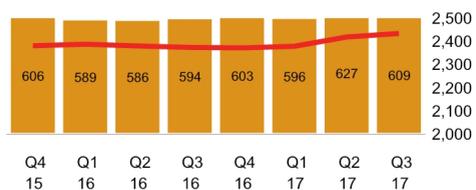
Other

Combined capital gains during the quarter of SEK 3 million (14) are reported as a non-recurring item. Capital gains for the entire period amounted to SEK 567 million (72), of which the sale of properties in Norway accounted for SEK 401 million and the sale of properties in Sweden to Secore Fastigheter accounted for approximately SEK 150 million. Impairment losses amounted to SEK 0 million (-1) for the quarter and SEK 4 million (-54) for the entire period.

ICA Real Estate

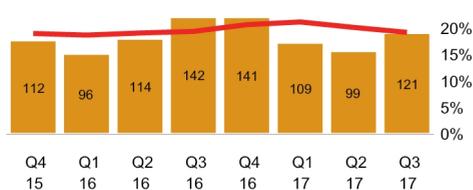
	Third quarter		Jan-Sep		12 months	Full year
	2017	2016	2017	2016	Oct 2016 - Sept 2017	2016
Net sales, SEKm	609	594	1,832	1,769	2,435	2,372
Of which, rental income from owned properties, SEKm	233	281	734	833	1,018	1,117
Operating profit before depreciation/ amortisation (EBITDA), SEKm	243	270	1,255	778	1,509	1,032
Operating profit excl. non-recurring items, SEKm	121	142	329	352	470	493
Operating margin excl. non-recurring items, %	19.9	23.9	18.0	19.9	19.3	20.8
Investments, SEKm	196	158	759	823	1,148	1,212
Divestments, SEKm	4	81	2,892	388	2,908	404
Depreciation/amortisation, SEKm	119	114	359	354	472	467
Yield, %	—	—	6.6	7.1	—	7.1
Occupancy rate, %	—	—	99.3	98.4	—	98.6
Number of owned properties	—	—	104	176	—	173
Number of owned square metres, 000 sq. m.	—	—	597	732	—	718
Number of employees	—	—	88	87	—	87

Net Sales, SEKm



■ Net Sales
— Net Sales, R12

EBIT and EBIT margin



■ EBIT excl. non-recurring items, SEKm
— EBIT margin excl. non-recurring items %, R12

ICA Bank

ICA Bank offers a full range of financial services and insurance in Sweden. The goal is to increase customer loyalty to ICA and to reduce transaction costs for ICA stores and ICA Gruppen.

Revenue and earnings

Third quarter 2017

ICA Bank's revenue increased slightly compared with the same period a year ago, to SEK 245 million (189). Compared with the preceding year's adjusted revenue of SEK 223 million (see note under table below), revenue during the quarter increased by SEK 22 million, or by approximately 10%. An increase in lending contributed to strong net interest income. Net commissions also improved. Business volume continued to grow, mainly driven by higher lending volume.

Operating profit excluding non-recurring items increased to SEK 29 million (21). The positive earnings performance was partly countered by higher costs associated with a strengthening of resources in sales and support functions. The insurance business showed an improvement in earnings, which continued to be negative, as expected. Development of the insurance company is proceeding according to plan, and the number of customers is growing at a good rate.

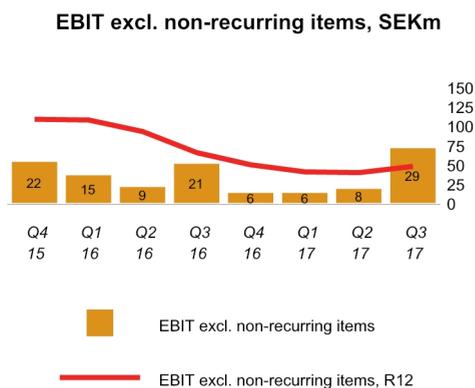
January-September 2017

ICA Bank's revenue amounted to SEK 706 million (639) during the period. The revenue adjustment described above entailed an increase in revenue by 4.9% for the entire period, or by SEK 33 million. Operating profit excluding non-recurring items decreased to SEK 43 million (45). Earnings were affected by higher costs coupled to work on changes in the operations and to a higher level of loan losses than a year ago. Earnings for the insurance business improved.

ICA Bank

	Third quarter		Jan-Sep		12 months	Full year
	2017	2016	2017	2016	Oct 2016 - Sept 2017	2016
Revenues, SEKm ¹⁾	245	189	706	639	930	863
Of which, net interest income, SEKm	108	96	303	290	398	385
Operating profit before depreciation/ amortisation (EBITDA), SEKm	37	29	68	68	74	74
Operating profit excl. non-recurring items, SEKm	29	21	43	45	49	51
C/I ratio, %	—	—	88.3	88.1	—	89.2
Return on equity, %	—	—	1.8	16.0	—	2.0
Loan loss ratio, %	—	—	-0.6	-0.6	—	-0.6
Common Equity Tier I ratio, % (ICA Banken AB)	—	—	15.7	17.3	—	17.1
Business volume, SEKm	—	—	38,049	31,280	—	32,288
Number of employees	—	—	369	355	—	356

1) Due to changed reporting of reinsurance costs by ICA Insurance, revenue during the third quarter of 2016 was adjusted by SEK -34 million.



Hemtex*

Hemtex is a chain of home furnishing stores in Sweden, Finland and Estonia. With a total of 154 stores, Hemtex is the Nordic region's leading home furnishings chain.

Net sales and earnings

*For the first half of 2016 the segment also includes inkClub.

Third quarter 2017

Hemtex's net sales remained at the same level as in the same period a year ago, totalling SEK 252 million (252). Sales in stores decreased mainly due to the assortment mix and lower average prices. The volume effect was positive, owing to higher online sales, wholesale volume to Kesko in Finland, and a higher number of store visits and higher average spend. Operating profit excluding non-recurring items improved to SEK 6 million (-1). Gross profit rose slightly due to a smaller share of sales made at reduced prices. Added to this were the positive volume effects described above. A lower level of overheads also contributed to the earnings improvement.

January-September 2017

Hemtex's net sales rose slightly to SEK 712 million (705) for the period. Operating profit excluding non-recurring items improved to SEK -26 million (-52). The improvement was driven by a higher gross profit that can be credited primarily to a lower share of sales at reduced prices. In addition, a cost-cutting programme resulted in considerably lower costs than in the same period a year ago.

	Third quarter		Jan-Sep		12 months	Full year
	2017	2016	2017	2016	Oct 2016 - Sept 2017	2016
Net sales, SEKm	252	252	712	947	1,081	1,316
Operating profit/loss after depreciation/ amortisation (EBITDA), SEKm	12	5	-9	-41	53	21
Operating profit/loss excl. non-recurring items, SEKm	6	-1	-26	-33	31	24
Operating margin excl. non-recurring items, %	2.4	-0.4	-3.7	-3.5	2.9	1.8
Investments, SEKm	2	2	12	10	15	13
Depreciation/amortisation, SEKm	6	6	17	22	23	28
Number of employees	—	—	553	620	—	607

	Third quarter		Jan-Sep		12 months	Full year
	2017	2016	2017	2016	Oct 2016 - Sept 2017	2016
Net sales, SEKm						
Hemtex	252	252	712	705	1,081	1,074
inkClub	—	—	—	242	—	242
Total	252	252	712	947	1,081	1,316

	Third quarter		Jan-Sep		12 months	Full year
	2017	2016	2017	2016	Oct 2016 - Sept 2017	2016
Operating profit excl. non-recurring items, SEKm						
Hemtex	6	-1	-26	-52	31	5
inkClub	—	—	—	19	—	19
Total	6	-1	-26	-33	31	24

Store sales excl. VAT	Third quarter 2017			January-September 2017		
	SEKm	All stores %	Like-for-like %	SEKm	All stores %	Like-for-like %
Hemtex	260	-0.9	-2.1	727	-1.3	-1.7

Number of stores, incl. franchise stores	December 2016	New	Closed	September 2017
Hemtex	158	0	-4	154

Other, Group

Seasonal variations

Grocery retail sales are affected by national holidays and when these occur. Christmas and Easter in particular are key holidays. For a large part of the retail sector the fourth quarter is seasonally the strongest quarter of the year.

Risks and uncertainties

ICA Gruppen works at the Group level to systematically identify and manage the risks associated with its operations. The risk management process is an integrated part of the strategy and planning work of each unit. Risks are consolidated, and risk management is reported to and monitored by ICA Gruppen's Executive Management and Board of Directors.

ICA Gruppen has significant exposure to the Swedish and Baltic grocery retail sector, and to the Swedish pharmacy market. An economic downturn and political decisions are factors that could have a negative impact on the Group's sales and earnings. ICA Gruppen's finance policy stipulates how financial risks are to be managed and mitigated. The policy also provides a framework for the Group's treasury management. More information about risk management is provided on pages 52-56 of ICA Gruppen's 2016 Annual Report.

Related party transactions

No significant transactions have taken place between ICA Gruppen and related parties.

Share information

ICA Gruppen's share capital amounts to SEK 502,866,988 distributed among 201,146,795 shares, each with a share quota value of SEK 2.50. All shares have the same voting rights and carry equal dividend entitlement.

Ownership structure – Largest identified shareholders in ICA Gruppen as per

30 Sept 2017

	Number of shares	Share of capital and votes, %
ICA-handlarnas förbund	103,163,599	51.3%
Industrivärden	20,653,998	10.3%
SEB Investment Management inkl. Lux	2,732,377	1.4%
Blackrock	2,230,442	1.1%
Vanguard	2,213,736	1.1%
Avanza Pension	1,353,467	0.7%
L Jönsson	1,279,601	0.6%
Spiltan fonder	1,212,267	0.6%
JP Morgan AM	1,046,098	0.5%
Swedbank försäkring	964,790	0.5%
Ten largest shareholders total	136,850,375	68.0%
Other shareholders	64,296,420	32.0%
Total	201,146,795	100.0%

Source: Euroclear Sweden AB and Modular Finance AB (The table include sums of holdings per owner)

Annual General Meeting 2018

The 2018 Annual General Meeting will be held on 12 April at Quality Hotel Friends, in Solna.

Nomination Committee appointed

ICA Gruppen's 2017 Annual General Meeting resolved that the Nomination Committee shall consist of four members who represent the company's shareholders. Two members are to be appointed by the largest shareholder, and two members are to be appointed by the next two largest shareholders (as per 31 August 2017). The three largest shareholders as per 31 August 2017 were ICA-handlarnas Förbund, Industrivärden and SEB Investment Management. These three shareholders together represented approximately 63% of the capital and votes in ICA Gruppen as per this date.

ICA-handlarnas Förbund is represented by Claes Ottosson and Anna-Karin Liljeholm, while Industrivärden is represented by Annika Lundius, and SEB Investment Management by Hans Ek.

Shareholders who wish to submit proposals and views regarding the work of the Nomination Committee are requested to do so as soon as possible, but not later than 15 January 2018, to ICA Gruppen AB (publ), Nomination Committee, c/o General Counsel Per Behm, SE-171 93 Solna.

Parent Company

Third quarter 2017

The Parent Company's net sales amounted to SEK 202 million (175). Profit before tax amounted to SEK 1,419 million (2,569). The change is due in large part to dividends of SEK 1,500 million (2,653) received from subsidiaries.

January-September 2017

The Parent Company's net sales amounted to SEK 624 million (593). Profit before tax amounted to SEK 5,703 million (2,747). The change is due in large part to dividends of SEK 6,035 million (2,953) received from subsidiaries.

Financial statements

Consolidated statement of comprehensive income

SEKm	Note	Third quarter		Jan-Sep		12 months	Full year
		2017	2016	2017	2016	Oct 2016 - Sept 2017	2016
Net sales		26,428	25,752	78,610	76,735	105,530	103,655
Cost of goods sold		-22,805	-22,236	-68,099	-66,480	-91,306	-89,687
Gross profit		3,623	3,516	10,511	10,255	14,224	13,968
Other operating income		68	129	796	355	903	462
Selling expenses		-1,659	-1,617	-5,182	-5,019	-7,128	-6,965
Administrative expenses		-648	-639	-2,078	-2,068	-2,773	-2,763
Other operating expenses		-16	-5	-51	-59	-211	-219
Share of profits of associates and joint ventures	2	17	12	43	25	53	35
Operating profit	3	1,385	1,396	4,039	3,489	5,068	4,518
Financial income		4	2	8	22	12	26
Financial expenses		-117	-97	-290	-298	-382	-390
Net finance		-113	-95	-282	-276	-370	-364
Profit before tax		1,272	1,301	3,757	3,213	4,698	4,154
Tax		-172	-252	-504	-600	-661	-757
Profit for the period from continuing operations		1,100	1,049	3,253	2,613	4,037	3,397
Profit/loss from discontinued operations		0	21	0	21	0	21
Profit for the period		1,100	1,070	3,253	2,634	4,037	3,418
Other comprehensive income, items that may not be reclassified to profit or loss							
Remeasurement defined benefit pensions		0	-110	-107	-210	66	-37
Other comprehensive income, items that may be reclassified to profit or loss, net after tax							
Change in translation reserve		-30	98	105	199	79	173
Change in hedging reserve		24	22	-41	33	3	77
Share of other comprehensive income of joint ventures		7	5	19	-6	31	6
Total items that may be reclassified to profit or loss		1	125	83	226	113	256
Comprehensive income for the period		1,101	1,085	3,229	2,650	4,216	3,637
Profit for the period attributable to							
Owners of the parent		1,096	1,069	3,242	2,632	4,023	3,413
Non-controlling interests		4	1	11	2	14	5
Comprehensive income for the period attributable to							
Owners of the parent		1,096	1,081	3,213	2,653	4,194	3,634
Non-controlling interests		5	4	16	-3	22	3
Earnings per share, SEK							
Earnings per share		5.45	5.31	16.12	13.08	20.01	16.97
Earnings per share, continuing operations		5.45	5.21	16.12	12.98	20.01	16.87
Earnings per share, discontinued operations		0.00	0.10	0.00	0.10	0.00	0.10

Condensed consolidated statement of financial position

SEKm	Note	30 Sept 2017	30 Sept 2016	31 december 2016
ASSETS				
Non-current assets				
Goodwill		16,301	16,301	16,301
Trademarks		13,353	13,359	13,353
Other intangible assets		1,080	1,007	903
Interests in joint ventures and associates	2	743	743	740
Deferred tax assets		442	458	456
Lending and investments in ICA Bank		9,508	8,856	8,880
Land, buildings and investment properties		13,363	13,477	13,120
Other non-current assets		2,042	2,122	2,188
Total non-current assets		56,832	56,323	55,941
Current assets				
Inventories		4,540	4,356	4,455
Lending and investments in ICA Bank		3,202	2,581	2,600
Other current assets		6,797	6,394	6,834
Cash and cash equivalents in ICA Bank		3,069	3,089	3,269
Cash and cash equivalents		528	362	705
Total current assets		18,136	16,782	17,863
Assets held for sale	4	27	1,675	2,319
TOTAL ASSETS		74,995	74,780	76,123
EQUITY AND LIABILITIES				
Equity				
31,069		28,705	29,688	
Non-current liabilities				
Provisions		2,542	2,511	2,320
Deferred tax liabilities		4,431	4,584	4,673
Non-current interest-bearing liabilities		3,915	7,706	7,407
Other non-current liabilities		61	168	138
Total non-current liabilities		10,949	14,969	14,538
Current liabilities				
Deposits ICA Bank		13,931	12,822	12,897
Current interest-bearing liabilities		3,998	4,068	3,057
Other current liabilities		15,048	14,038	15,703
Total current liabilities		32,977	30,928	31,657
Liabilities held for sale	4	0	178	240
TOTAL EQUITY AND LIABILITIES		74,995	74,780	76,123

Condensed consolidated statement of cash flows

SEKm	Note	Third quarter		Jan-Sep		12 months	Full year
		2017	2016	2017	2016	Oct 2016 - Sept 2017	2016
Operating profit		1,385	1,396	4,039	3,489	5,068	4,518
Depreciation, amortisation and impairment		376	372	1,143	1,174	1,689	1,720
Other non-cash items		-16	-24	-506	-157	-467	-118
Income tax paid		-195	-188	-677	-600	-805	-728
Cash flow from operating activities before change in working capital		1,550	1,556	3,999	3,906	5,485	5,392
Change in working capital:							
Inventories		-76	185	-116	39	-222	-67
Current receivables		89	159	-96	359	-480	-25
Current liabilities		-677	-941	-597	-869	1,065	793
ICA Bank's net of deposits, lending and investments		159	-409	-195	-702	-164	-671
Cash flow from operating activities		1,045	550	2,995	2,733	5,684	5,422
Acquisitions of property, plant and equipment and intangible assets		-470	-463	-1,618	-1,709	-2,411	-2,502
Sales of property, plant and equipment and intangible assets		28	95	1,026	421	1,094	489
Sales of subsidiaries		0	0	1,953	329	1,953	329
Investments in joint ventures		0	-663	-366	-663	-366	-663
Change in financial assets		15	662	217	662	187	632
Interest received		1	-1	2	19	4	21
Cash flow from investing activities		-426	-370	1,214	-941	461	-1,694
Dividend paid		0	0	-2,112	-2,012	-2,111	-2,011
Change in loans		-388	-584	-2,282	-622	-3,602	-1,942
Interest paid		-37	-45	-187	-219	-266	-298
Cash flow from financing activities		-425	-629	-4,581	-2,853	-5,979	-4,251
Cash flow for the period	5	194	-449	-372	-1,061	166	-523
Cash and cash equivalents at start of period		3,400	3,942	3,974	4,611	3,451	4,611
Exchange differences in cash and cash equivalents		3	-42	-5	-99	-20	-114
Cash and cash equivalents at end of period	5	3,597	3,451	3,597	3,451	3,597	3,974

Condensed consolidated statement of changes in equity

SEKm	Note	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Opening equity, 1 January 2017		29,666	22	29,688
Change in non-controlling interests		0	279	279
Dividend		-2,112	-15	-2,127
Comprehensive income for the period		3,213	16	3,229
Closing equity, 30 September 2017		30,767	302	31,069

SEKm	Note	Attributable to owners of the parent	Attributable to non-controlling interests	Total
Opening equity, 1 January 2016		28,041	34	28,075
Change in non-controlling interests		0	-8	-8
Dividend		-2,012	0	-2,012
Comprehensive income for the period		2,653	-3	2,650
Closing equity, 30 September 2016		28,682	23	28,705

Supplementary disclosures – Group

NOTE 1, ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting principles and calculation methods have been used as in the 2016 Annual Report. Disclosures in accordance with IAS 34.16A, are provided – in addition to in the financial statements – also in other parts of the interim report. For 2017 only minor changes have been published by IASB and IFRIC. These changes have not had any effect on ICA Gruppen's financial statements.

New standards from IASB and endorsed by the EU with relevance for ICA Gruppen

IFRS 9 *Financial instruments* was published in July 2014. The standard will replace IAS 39 Financial Instruments: Recognition and Measurement. It takes effect for financial years that begin on or after 1 January 2018. IFRS 9 was endorsed by the EU in November 2016 and contains rules for classification and measurement of financial assets and liabilities, impairment of financial instruments, and hedge accounting. ICA Gruppen has analysed the effects that implementation of IFRS 9 is expected to have on the financial statements. The assessment is that the greatest effect will pertain to measurement of loan losses in ICA Bank. For lending by ICA Bank, new credit reserve models based on expected loan losses are to be applied. According to IFRS 9, the new credit reserve models are to be based on a probability-weighted outcome. The preliminary analysis is that the size of the lending reserve will increase and that volatility in the income statement will increase between periods. Work on drawing up new credit reserve models was begun in 2016 and has continued in 2017. The credit reserve models have been completed for the most part, and during the fourth quarter ICA Bank will apply the new models in parallel and validate them. The year-end report for the fourth quarter will include information on the effect of the changeover to IFRS 9. ICA Gruppen has made the decision to apply the hedge accounting guidelines laid out in IFRS 9. For existing hedge relationships under IAS 39, the changeover to IFRS 9 is not expected to have any material effects. Classification and measurement are judged to not have any material effect on ICA Gruppen. The analysis of business models and the tests required under IFRS 9 show that the financial assets that have been reported and measured at fair value through profit or loss and at amortised cost under IAS 39 will be reported in the same way under IFRS 9.

IFRS 15 *Revenues from Contracts with Customers* was endorsed by the EU in October 2016 and is to be applied as from 1 January 2018. Amendments to IFRS 15, which clarify the definitions of principal and agent, among other things, were published by the IASB in April 2016. The amendments to IFRS 15 were endorsed by the EU on 9 November 2017. ICA Gruppen's main source of revenue is sales of goods, where the performance obligation, the point in time at which the customer takes control over the product and payment are indistinguishable. The changeover to IFRS 15 therefore has no material effect for ICA Gruppen apart from a few contracts where IFRS 15 entail a new assessment of whether ICA Gruppen acts as principal instead of as agent. ICA Gruppen's role under these contracts has been assessed, and the conclusion is that ICA Gruppen has a role as principal instead of as agent under these contracts. The effect of the preliminary assessment based on IFRS 15 as endorsed by the EU is an increase in net sales in the ICA Sweden segment and for ICA Gruppen by approximately SEK 3 billion, with an unchanged operating profit and a lower operating margin by approximately 0.1% for ICA Gruppen and approximately 0.2% for ICA Sweden. ICA Gruppen will apply IFRS 15 retrospectively.

New standards from IASB with relevance for ICA Gruppen that have not been endorsed by the EU

IFRS 16 *Leasing* was published in January 2016. The standard comes into force in 2019. The EU endorsed IFRS 16 on 9 November 2017. IFRS 16 stipulates that all lessees' leases, except for those for which the lease term is 12 months or less or the underlying asset has a low value, are to be reported as an asset and a liability on the balance sheet. ICA Gruppen has a large number of leases. The most significant leases in terms of value pertain to properties that ICA Gruppen leases in both for its own use and leases out to non-consolidated ICA retailers. Work is currently being conducted in ICA Gruppen to analyse the effects of implementation of IFRS 16. This work involves, among other things, interpreting the rules of IFRS 16, gathering data, determining which contracts constitute a lease, measurement of leases, and evaluating the need for new system support. It is too early to quantify the effects of implementation of IFRS 16.

Important assumptions and assessments

Preparation of the financial statements in accordance with IFRS requires management to make assessments, estimates and assumptions that affect application of the accounting principles and the amounts reported in the income statement and carried on the balance sheet. Estimates and assumptions are based on historical experience and a number of factors that are considered reasonable based on the circumstances. The results of these estimates and assumptions are used to assess the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and assessments.

NOTE 2, INTERESTS IN JOINT VENTURES AND ASSOCIATES

Share of profit	Third quarter		Jan-Sep		12 months	Full year
	2017	2016	2017	2016	Oct 2016 - Sept 2017	2016
SEKm						
Ancore Fastigheter AB	11	11	28	19	36	27
Secore Fastigheter AB	6	1	15	5	17	7
Fastighetsaktiebolaget Postgården AB	0	0	0	0	0	0
Other	0	0	0	1	0	1
Total	17	12	43	25	53	35

Book value, Mkr	30 Sept 2017	30 Sept 2016	31 december 2016
Ancore Fastigheter AB	632	650	645
Secore Fastigheter AB	107	90	92
Fastighetsaktiebolaget Postgården AB	4	3	3
Other	0	0	0
Total	743	743	740

Information regarding Ancore Fastigheter AB

Ancore Fastigheter AB is a joint arrangement between the pension insurance company Alecta and ICA Gruppen. The parties each own 50% of the company. All significant decisions about the operations of Ancore must be made as a joint understanding between the two owners. Ancore Fastigheter AB owns and manages 30 properties in Sweden that house ICA stores in which operations are conducted by non-consolidated ICA retailers. Based on this arrangement, Ancore Fastigheter AB constitutes a joint venture. Consolidation is done according to the equity method.

Ancore Fastigheter AB	Third quarter		Jan-Sep		12 months	Full year
	2017	2016	2017	2016	Oct 2016 - Sept 2017	2016
SEKm						
Income	100	99	300	296	398	394
Expenses	-40	-40	-124	-124	-165	-165
Operating profit	60	59	176	172	233	229
Net financial items	-25	-23	-90	-110	-120	-140
Tax	-11	-13	-28	-22	-38	-32
Profit for the period	24	23	58	40	75	57
Other comprehensive income	14	10	38	-13	62	11
Comprehensive income for the period	38	33	96	27	137	68
Non-current assets			4,681	4,699		4,730
Current assets			159	128		114
Total assets			4,840	4,827		4,844
Equity			1,201	1,234		1,226
Shareholder loan			—	—		—
Non-current liabilities			3,384	3,273		3,314
Current liabilities			255	320		304
Total equity and liabilities			4,840	4,827		4,844

Information regarding Secore Fastigheter AB

Secore Fastigheter AB is a joint arrangement between Första AP-fonden and ICA Gruppen. During the second quarter of 2017 Secore acquired 12 properties from ICA Gruppen, and the company now manages 25 properties. Secore's purpose is to acquire and own ICA stores in strategic locations. The stores are operated by non-consolidated ICA retailers. The parties each own 50% of the company. All significant decisions about the operations of Secore must be made as a joint understanding between the two owners. Based on all relevant data in the joint arrangement, Secore Fastigheter AB is classified as a joint venture. Consolidation is done according to the equity method.

Secore Fastigheter AB	Third quarter		Jan-Sep		12 months	Full year
	2017	2016	2017	2016	Oct 2016 - Sept 2017	2016
SEKm						
Income	37	20	82	58	102	78
Expenses	-21	-14	-44	-32	-55	-43
Operating profit	16	6	38	26	47	35
Net financial items	-6	-5	-12	-19	-19	-26
Tax	-7	-2	-10	-6	-11	-7
Profit for the period	3	-1	16	1	17	2
Other comprehensive income	—	—	—	—	—	—
Comprehensive income for the period	3	-1	16	1	17	2
Non-current assets			2,113	1,098		1,092
Current assets			60	55		64
Total assets			2,173	1,153		1,156
Equity			795	59		60
Shareholder loan			—	410		—
Non-current liabilities			1,294	657		658
Current liabilities			84	27		438
Total equity and liabilities			2,173	1,153		1,156

NOTE 3, NON-RECURRING ITEMS

SEKm	Third quarter		Jan-Sep		Full year
	2017	2016	2017	2016	2016
Operating profit excl. non-recurring items	1,380	1,376	3,470	3,489	4,669
Capital gains on sale of non-current assets					
Other segments, inkClub	—	—	—	-30	-30
ICA Real Estate	3	14	567	72	72
Rimi Baltic	6	1	14	6	6
Apotek Hjärtat	—	—	—	—	22
ICA Bank	—	—	—	—	-8
Others	—	10	-1	11	6
Impairment					
ICA Sweden, IT-solution product supply	—	—	—	—	-148
ICA Real Estate	—	-1	4	-54	-54
Rimi Baltic	-4	-4	-15	-5	-17
Operating profit	1,385	1,396	4,039	3,489	4,518

NOTE 4, ASSETS AND LIABILITIES HELD FOR SALE

As per 30 September 2017, three properties in Sweden and three properties in the Baltic countries are reported as assets held for sale.

As per 30 September 2016 all properties in Norway, one property in Sweden and two properties in the Baltic countries were reported as assets held for sale. Liabilities held for sale pertained to the properties in Norway.

As per 31 December 2016 all properties in Norway and 18 properties in Sweden were reported as assets held for sale. Liabilities held for sale pertained to the properties in Norway.

NOTE 5, CONSOLIDATED CASH FLOW STATEMENT

January–September, SEKm	Koncernen 2017	ICA Bank 2017	Group excl. Bank
Cash flow from operating activities before change in working capital	3,999	28	3,971
Change in working capital			
Inventories	-116	—	-116
Current receivables	-96	-150	54
Current liabilities	-597	130	-727
ICA Bank's net of deposits, lending and investments	-195	-195	—
Cash flow from operating activities	2,995	-187	3,182
Cash flow from investing activities	1,214	-13	1,227
Cash flow from financing activities	-4,581	—	-4,581
Cash flow for the period	-372	-201	-171
Cash and cash equivalents at the beginning of the period	3,974	3,269	705
Exchange differences in cash and cash equivalents	-5	—	-5
Cash and cash equivalents at the end of the period	3,597	3,069	528

NOTE 6, FINANCIAL INSTRUMENTS

As per 30 September 2017 financial assets measured at fair value in ICA Gruppen amounted to SEK 3,036 million (3,731). Financial liabilities measured at fair value amounted to SEK 199 million (269) as per 30 September 2017. In the fair value hierarchy, SEK 2,906 million (2,947) of financial assets are attributable to Level 1 and SEK 130 million (784) are attributable to Level 2. The carrying amount corresponds to fair value for all assets and liabilities, except for bond issues, where the fair value exceeds the carrying amount by SEK 200 million (264).

NOTE 7, BUSINESS COMBINATIONS

On 23 December 2016 ICA Gruppen communicated that an agreement was reached to acquire all of the shares in UAB Palink, which operates the IKI grocery store chain in Lithuania, for EUR 213 million on a cash and debt-free basis. The acquisition of IKI means that ICA Gruppen, through Rimi Baltic, will become the second largest player in the growing Lithuanian grocery retail market, from being the fourth largest currently. IKI is the second largest player in Lithuania's grocery retail market with a market share of approximately 15% in 2015 and a nationwide network of approximately 230 stores. IKI had sales of EUR 632 million, EBITDA of EUR 33 million and EBIT of EUR 12 million in 2016. The combination is expected to generate yearly cost synergies of approximately EUR 15 million when fully realised in 2020. The synergies are mainly related to larger purchasing volumes, more efficient logistics and marketing. The acquisition is expected to lead to one-off costs of approximately EUR 40 million and investments of approximately EUR 25 million during the period 2017-2019. The acquisition will be financed using a combination of ICA Gruppen's available cash and existing credit facilities. The Lithuanian Competition Council has made a decision regarding the acquisition of UAB Palink, which operates the IKI grocery store chain, by ICA Gruppen's subsidiary Rimi Lithuania. The Council has given its clearance to the deal under the condition that 17 specific stores be sold prior to completion of the transaction. The 17 stores that are to be divested accounted for slightly more than EUR 49 million in net sales in 2016. The ambition is to close the deal prior to year-end, however, if the divestment process takes a longer time, closing could be delayed until the first quarter of 2018.

Condensed Parent Company income statement

SEKm	Third quarter		Jan-Sep		12 months	Full year
	2017	2016	2017	2016	Oct 2016 - Sept 2017	2016
Net sales ¹⁾	202	175	624	593	825	794
Cost of services sold	-182	-163	-572	-550	-777	-755
Gross profit	20	12	52	43	48	39
Administrative expenses	-89	-78	-325	-271	-448	-394
Operating profit/loss	-69	-66	-273	-228	-400	-355
Profit/loss from participations in Group companies	1,500	2,653	6,035	2,953	5,934	2,852
Financial income, Group companies	41	105	118	286	166	334
Financial income	15	—	28	4	57	33
Financial expenses, Group companies	-2	-4	-9	-11	-12	-14
Financial expenses	-66	-119	-196	-257	-214	-275
Profit/loss after financial items	1,419	2,569	5,703	2,747	5,531	2,575
Appropriations	—	—	—	—	224	224
Profit before tax	1,419	2,569	5,703	2,747	5,755	2,799
Tax	18	5	72	31	45	4
Profit for the period	1,437	2,574	5,775	2,778	5,800	2,803

1) Of net sales for the third quarter, SEK 198 million (169) pertain to Group companies, and SEK 603 million (563) accumulated.

Condensed Parent Company balance sheet

SEKm	30 Sept 2017	30 Sept 2016	2016
ASSETS			
Non-current assets			
Investments in Group companies	30,052	30,053	30,053
Other intangible assets	88	85	86
Deferred tax assets	228	221	228
Other non-current assets	99	144	137
Total non-current assets	30,467	30,503	30,504
Current assets			
Current receivables from Group companies	11,110	10,676	10,641
Other current assets	237	188	241
Cash and cash equivalents	42	23	162
Total current assets	11,389	10,887	11,044
TOTAL ASSETS	41,856	41,390	41,548
EQUITY AND LIABILITIES			
Equity	27,310	23,624	23,648
Provisions	374	357	360
Non-current liabilities			
Non-current interest-bearing liabilities	2,989	6,485	6,482
Other non-current liabilities	62	168	139
Total non-current liabilities	3,051	6,653	6,621
Current liabilities			
Current interest-bearing liabilities	3,998	4,068	2,772
Current liabilities to Group companies	6,720	6,306	7,672
Other current liabilities	403	382	475
Total current liabilities	11,121	10,756	10,919
TOTAL EQUITY AND LIABILITIES	41,856	41,390	41,548

Quarterly overview

	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
Net sales, SEKm	26,489	24,761	26,222	25,752	26,920	24,984	27,198	26,428
Operating profit before depreciation/amortisation (EBITDA), SEKm	1,889	1,384	1,511	1,768	1,575	1,775	1,646	1,761
Operating profit (EBIT) excl. non-recurring items, SEKm	1,024	959	1,154	1,376	1,180	996	1,094	1,380
Operating margin excl. non-recurring items, %	3.9	3.9	4.4	5.3	4.4	4.0	4.0	5.2
Operating profit (EBIT), SEKm	1,474	976	1,117	1,396	1,029	1,395	1,259	1,385
Operating margin, %	5.6	3.9	4.3	5.4	3.8	5.6	4.6	5.2
Profit before tax, SEKm	1,393	887	1,025	1,301	941	1,313	1,172	1,272
Profit from continuing operations, SEKm	1,427	735	829	1,049	784	1,132	1,021	1,100
Profit/loss from discontinued operations, SEKm	2	—	—	21	—	—	—	—
Profit for the period, SEKm	1,429	735	829	1,070	784	1,132	1,021	1,100
Earnings per share, continuing operations, SEK	7.10	3.65	4.12	5.21	3.89	5.61	5.06	5.45
Earnings per share, discontinued operations, SEK	0.02	—	—	0.10	—	—	—	—
Earnings per share, SEK	7.12	3.65	4.12	5.31	3.89	5.61	5.06	5.45
Equity per share, SEK	139.41	143.10	137.22	142.59	147.48	153.44	147.51	152.96
Share price at the end of period, SEK	307.40	268.60	281.70	283.30	277.90	305.80	313.60	306.10
Return on equity, %	16,6	17,3	13,3	13,6	11,9	13,1	13,6	13,4
Return on capital employed, %	9,8	10,4	10,5	10,8	10,5	11,5	11,9	11,9
Cash flow from operating activities, continuing operations, SEKm	1,862	398	1,785	550	2,689	-51	2,001	1,045
Cash flow from operating activities, SEKm	1,862	398	1,785	550	2,689	-51	2,001	1,045
Cash flow per share from operating activities, continuing operations, SEK	9.26	1.98	8.87	2.73	13.37	-0.25	9.95	5.20
Cash flow per share from operating activities, SEK	9.26	1.98	8.87	2.73	13.37	-0.25	9.95	5.20
Investing activities (cash flow), SEKm	527	400	846	463	793	628	520	470
Capital employed excl ICA Bank, average, SEKm	43,609	43,352	43,138	43,184	43,050	42,946	42,607	42,169
Net debt, SEKm	-11,697	-10,987	-12,161	-11,563	-9,758	-7,683	-7,776	-7,384
Net debt/EBITDA	1.9	1.7	1.9	1.8	1.6	1.2	1.1	1.1

Quarterly data by segment

Net sales by segment

SEKm	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
ICA Sweden	18,904	17,571	18,777	18,598	19,104	17,774	19,624	19,133
Rimi Baltic	3,368	3,194	3,319	3,363	3,695	3,298	3,530	3,413
Apotek Hjärtat	3,182	3,088	3,224	3,021	3,198	3,173	3,298	3,108
ICA Real Estate	606	589	586	594	603	596	627	609
ICA Bank ¹⁾	218	218	232	189	224	226	235	245
Hemtex	506	354	341	252	369	228	232	252
Other	237	226	224	190	223	222	237	222
Intra-Group sales	-532	-479	-481	-455	-496	-533	-585	-554
Net sales	26,489	24,761	26,222	25,752	26,920	24,984	27,198	26,428

1) Due to changed reporting of reinsurance costs by ICA Insurance, income during the third quarter of 2016 was adjusted by SEK -34 million. The outcome for the first and second quarters of 2016, if the corresponding adjustment had been made then, would have been SEK 12 million and SEK 22 million lower, respectively.

Operating profit before depreciation/amortisation by segment (EBITDA)

SEKm	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
ICA Sweden	934	880	986	1,124	951	890	982	1,108
Rimi Baltic	240	173	205	212	248	176	214	245
Apotek Hjärtat	54	112	157	165	160	127	171	165
ICA Real Estate	402	259	249	270	254	630	382	243
ICA Bank	297	22	17	29	6	15	16	37
Hemtex	49	-6	-40	5	62	-9	-12	12
Other	-87	-56	-63	-37	-106	-54	-107	-49
Operating profit before depreciation/amortisation (EBITDA)	1,889	1,384	1,511	1,768	1,575	1,775	1,646	1,761

Operating profit excluding non-recurring items by segment

SEKm	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
ICA Sweden	812	769	878	1,020	837	789	870	1,004
Rimi Baltic	128	95	130	134	167	94	128	161
Apotek Hjärtat	20	80	125	129	102	90	135	130
ICA Real Estate	112	96	114	142	141	109	99	121
ICA Bank	22	15	9	21	6	6	8	29
Hemtex	39	-16	-16	-1	57	-14	-18	6
Other	-109	-80	-86	-69	-130	-78	-128	-71
Operating profit excluding non-recurring items	1,024	959	1,154	1,376	1,180	996	1,094	1,380

Depreciation/amortisation by segment

SEKm	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017
ICA Sweden	122	111	106	103	118	102	113	104
Rimi Baltic	74	74	73	78	81	79	81	78
Apotek Hjärtat	45	32	33	34	37	37	36	35
ICA Real Estate	128	125	115	114	113	120	120	119
ICA Bank	8	7	8	8	8	9	8	8
Hemtex ²⁾	10	10	6	6	6	6	5	6
Other	22	24	24	23	23	22	22	22
Depreciation/amortisation	409	383	365	366	386	375	385	372

2) Through the second quarter of 2016, divested companies are also included in this segment.

Key figures ICA Gruppen

	Third quarter		Jan-Sep		12 months	Full year
	2017	2016	2017	2016	Oct 2016 - Sept 2017	2016
Operating profit before depreciation/amortisation (EBITDA), SEKm	1,761	1,768	5,182	4,663	6,757	6,238
Operating margin excl. non-recurring items, %	5.2	5.3	4.4	4.5	4.4	4.5
Operating margin, %	5.2	5.4	5.1	4.5	4.8	4.4
Net margin, %	4.2	4.2	4.1	3.4	3.8	3.3
Return on capital employed, %	—	—	11.9	10.8	11.9	10.5
Return on equity, %	—	—	13.4	13.6	13.4	11.9
Equity/assets ratio, %	—	—	41.4	38.4	41.4	39.0
Net debt, SEKm	—	—	-7,384	-11,563	-7,384	-9,758
Net debt/EBITDA	—	—	1.1	1.8	1.1	1.6
Number of employees	—	—	21,969	21,882	—	21,986
Share data						
Earnings per share, continuing operations, SEK	5.45	5.21	16.12	12.98	20.01	16.87
Earnings per share, discontinued operations, SEK	—	0.10	—	0.10	0.00	0.10
Earnings per share, SEK	5.45	5.31	16.12	13.08	20.01	16.97
Share price at the end of period, SEK	—	—	306.10	283.30	306.10	277.90
Dividend per ordinary share, SEK	—	—	—	—	—	10.50
Dividend, SEKm	—	—	—	—	—	2,112
Dividend payout ratio, %	—	—	—	—	—	62
Equity per share, SEK	—	—	152.96	142.59	152.96	147.48
Cash flow from operating activities per share, SEK	5.20	2.73	14.89	13.59	28.26	26.96
Number of ordinary shares	201,146,795	201,146,795	201,146,795	201,146,795	201,146,795	201,146,795
Average number of shares	201,146,795	201,146,795	201,146,795	201,146,795	201,146,795	201,146,795

Financial key ratios

ICA Gruppen relies on a number of financial key ratios in its interim reporting, some of which are not defined in IFRS but are so-called Alternative Performance Measures. The aim is to provide additional information that contributes to a more thorough comparison of year-on-year development and to give an indication of the Group's performance and financial position. The APMs used by ICA Gruppen are generally recognised within the sectors that ICA Gruppen works in. Data on these APMs and definitions is also provided on www.icagruppen.se/investerare/#!/finansuell-data/lb//investerare/finansuell-data/definitioner/. The most important of these measures are those for which the Board of Directors has set financial targets. These are: to grow faster than the market in the grocery retail and pharmacy businesses; to achieve an operating margin (excluding non-recurring items) of 4.5%; to achieve a return on capital employed of 10%; and to maintain net debt in relation to EBITDA that is lower than a factor of 2. In addition, the Group has set a target to distribute at least 50% of net profit for the year in shareholder dividends.

Definitions of key ratios

Business volume (ICA Bank)

Sum of lending, deposits, fund savings and home mortgages (including volume intermediated via collaborations).

Capital employed

Equity plus interest-bearing liabilities.

Cash flow from operating activities per share

Cash flow from operating activities for the period divided by the average number of shares outstanding.

C/I ratio (ICA Bank)

Total costs in relation to total income.

Common Equity Tier I ratio (ICA Bank)

The bank's capital base in relation to risk-weighted assets.

Divestments

Payments received for sold tangible and intangible non-current assets during the period according to the statement of cash flows.

Earnings per ordinary share

Profit for the period, excluding non-controlling interests, divided by the average number of shares outstanding.

EBITDA

Operating profit before depreciation, amortisation and impairment losses (Earnings Before Interest, Taxes, Depreciation and Amortisation).

Equity/assets ratio

Equity including non-controlling interests in relation to total assets.

Equity per share

Equity, excluding non-controlling interests, divided by the total number of shares outstanding.

Gross profit

Net sales less cost of goods sold.

Investments

Investments paid in tangible and intangible non-current assets during the period according to the statement of cash flows.

Like-for-like store sales

Sales for stores that generated sales both in the reporting period and in the comparison period.

Loan loss ratio (ICA Bank)

Loan losses in relation to average lending.

Net debt

Interest-bearing liabilities excluding pensions, ICA Bank and cash and cash equivalents.

Net debt/EBITDA

Interest-bearing liabilities excluding pensions, ICA Bank and cash and cash equivalents in relation to EBITDA rolling 12 months.

Net interest (ICA Bank)

The difference between the bank's interest income and interest expense.

Net margin

Profit for the period as a percentage of net sales.

Non-recurring items

Gain/loss on disposal of non-current assets, impairment of non-current assets as well as major structural changes.

Occupancy rate (ICA Real Estate)

Market rents for rented properties divided by total rental value (contracted annual rent + market rent for unrented premises).

Operating margin

Operating profit as a percentage of net sales.

Operating profit/loss

Profit/loss before net financial items and tax.

Return on capital employed

Operating profit plus financial income (rolling 12 months) in relation to average capital employed. ICA Bank's operations are excluded from both the income statement and balance sheet when calculating return on capital employed.

Return on equity

Profit for the period (rolling 12 months) in relation to average equity. ICA Bank's operations are excluded from both the income statement and balance sheet when calculating return on equity.

Yield (ICA Real Estate)

Operating net in relation to the average book value of properties.

Glossary

Hard discount

Distinctively low price store with limited product range.

Joint venture

A partnership project, a joint venture company.

MTN

A medium-term note (MTN) is a continuously offered debt note with a set maturity date.

Near Food

Items such as household products, pet food and over-the-counter drugs.

Non-food

Items that are not food, such as clothing, housewares and toys.

Private label products

Corporate brand products.

This interim report has been reviewed by the company's auditors.

Stockholm, 10 November 2017

Per Strömberg
CEO, ICA Gruppen

Report of review of interim financial information

ICA Gruppen AB, reg. no. 556048-2837

Introduction

We have reviewed the summary interim financial information (interim report) of ICA Gruppen AB (publ) as of 30 September 2017 and the nine-month period then ended. The Board of Directors and the Managing Director 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 International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, 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, 10 November 2017
KPMG AB

Thomas Forslund
Authorised Public Accountant

Contacts and calendar

For further information, please contact:

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Press and analyst conference call

ICA Gruppen will hold a conference call at 10.00 CET on Friday, 10 November 2017 during which CEO Per Strömberg and CFO Sven Lindskog will present the interim report. The call will be held in English and will be webcast, and can be followed at www.icagruppen.se/en/investors. There is also an opportunity to call in on tel. +46 8 56642662 or +44 20 30089801.

Calendar

14 December 2017	Capital Markets Day in Stockholm
8 February 2018	2017 year-end report
12 April 2018	Annual General Meeting
27 April 2018	Q1 interim report
16 August 2018	Q2 interim report
25 October 2018	Q3 interim report

The information in this interim report is such that ICA Gruppen is obligated to disclose pursuant to EU Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted, by the agency of the contact person above, for publication at 07.00 CET on Friday, 10 November 2017.

ICA Gruppen AB (publ) is a leading retail company with a focus on food and health. The Group includes ICA Sweden and Rimi Baltic, which mainly conduct grocery retail, Apotek Hjärtat, which conducts pharmacy operations, ICA Real Estate, which owns and manages properties, and ICA Bank, which offers financial services in Sweden. The Group also includes the company Hemtex.

For more information see icagruppen.se
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