

Year-end report 2017

Good sales – establishment of dark store

Fourth quarter 2017

- Consolidated net sales amounted to SEK 27,845 million (26,920), an increase of 3.4%
- Operating profit excluding items affecting comparability totalled SEK 1,172 million (1,180)
- Operating profit excluding items affecting comparability include costs of SEK 15 million for the planned integration of the acquisition of IKI in Lithuania
- For the corresponding period a year ago, operating profit excluding items affecting comparability included profit of SEK 33 million from ICA Eiendom in Norway, which was divested in 2017
- Profit for the period was SEK 892 million (784). Profit includes capital gains on sales of non-current assets and impairment losses totalling SEK 9 million net (-151)
- Earnings per share were SEK 4.41 (3.89)
- Cash flow from operating activities amounted to SEK 1,606 million (2,689). Excluding ICA Bank, cash flow was SEK 2,634 million (2,645)
- ICA Gruppen's board of directors proposes a dividend for 2017 of SEK 11.00 per share (10.50), corresponding to 53% (62%) of profit for the year

January-December 2017

- Consolidated net sales amounted to SEK 106,455 million (103,655), an increase of 2.7%
- Operating profit excluding items affecting comparability totalled SEK 4,642 million (4,669)
- Operating profit excluding items affecting comparability include costs of SEK 54 million for the planned integration of the acquisition of IKI in Lithuania
- In 2016, operating profit excluding items affecting comparability included combined earnings of SEK 129 million from divested companies (ICA Eiendom and inkClub). Operating profit for 2017 included earnings of SEK 14 million from ICA Eiendom
- Profit for the period was SEK 4,145 million (3,418). Profit includes capital gains on sales of assets and impairment losses totalling SEK 578 million net (-151)
- Earnings per share were SEK 20.53 (16.97)
- Cash flow from operating activities amounted to SEK 4,601 million (5,422). Excluding ICA Bank, cash flow was SEK 5,816 million (5,684)

Events after the end of the quarter

- Decision to establish a dark store for grocery products in Stockholm no later than the third quarter of 2018

SEKm	Fourth quarter		Jan-Dec	
	2017	2016	2017	2016
Group				
Net sales	27,845	26,920	106,455	103,655
Operating profit before depreciation/amortisation (EBITDA)	1,574	1,575	6,756	6,238
Operating profit (EBIT) excluding items affecting comparability	1,172	1,180	4,642	4,669
Operating profit (EBIT)	1,181	1,029	5,220	4,518
Profit before tax	1,096	941	4,853	4,154
Profit for the period	892	784	4,145	3,418
Cash flow from operating activities	1,606	2,689	4,601	5,422
Cash flow from operating activities excluding ICA Bank	2,634	2,645	5,816	5,684
Operating margin excluding items affecting comparability, %	4.2	4.4	4.4	4.5
Operating margin, %	4.2	3.8	4.9	4.4
Return on capital employed, %	—	—	12.3	10.5
Return on equity, %	—	—	13.4	11.9
Earnings per share, SEK	4.41	3.89	20.53	16.97

CEO's comments

We are entering 2018 with good momentum – strong sales for ICA Sweden, favourable earnings from our businesses and a continued high level of activity in our future ventures. Our e-commerce business continues to show favourable growth into the first quarter, and against the background of higher volumes, we have now taken the decision on the next natural step for our online business – to establish a dark store for grocery products in Stockholm.

Our store sales in Sweden had a very good conclusion to the third quarter, and we can now confirm that this trend continued through the final quarter of the year. A compilation of data from various sources indicates that we performed better than the market. Definitive data will be available at the end of February, at which time we will know for certain. ICA Sweden's earnings remain high and stable, supported by good volume growth. However, during the fourth quarter we had effects from lower profit distribution and, in addition to this, weak earnings for non-food, mainly owing to a high level of promotional activity at the start of the quarter.

Continued strong e-commerce growth – establishment of grocery dark store in Stockholm

During the fourth quarter we continued to show very favourable growth figures for our e-commerce business in Stockholm. We have long said that once warranted by sales volumes, we will establish a dark store in order to gain further improvements in efficiency and customer service. Supported by favourable growth in this business, this is a natural step to take, and therefore a central picking warehouse will be started up in Stockholm no later than the third quarter of 2018 to serve ICA retailers in the Greater Stockholm area and eventually the entire Mälardalen area. Apotek Hjärtat also has a high level of ambition for 2018 for its e-commerce business, where we are aiming for continued high growth, a doubling of the range, and offering the fastest deliveries, such as by using our 120 pharmacies to fill and deliver orders.

Good growth for private label products and meal solutions

Sales of private label products continue to develop favourably. In 2017 ICA Sweden launched 560 new products, and sales grew roughly 6%. At our stores, private label products now account for nearly a fourth of sales in Sweden, and we are seeing continued keen interest from our customers. The same applies for Rimi Baltic, where a higher share of private label products was a factor behind the improved profitability during the year. We are seeing the same trend at Apotek Hjärtat, where we had a successful launch of a line of OTC drugs that are sold exclusively by Apotek Hjärtat under the ABECE brand, and which contributed to higher sales.

During 2017 ICA Sweden also launched more than 200 new products in the meal solutions category – an area we have identified as being important for meeting customer demands for convenient food products that make life easier. This product category had sales growth of approximately 6% for the full year and will continue to be in focus in 2018.

Rimi Baltic – favourable earnings but weaker volume growth

Rimi Baltic succeeded at achieving higher earnings, despite challenging comparison figures for 2016. However, volume growth was weaker in a market that is currently extremely price-driven and fiercely competitive. The process of divesting the 17 stores in Lithuania, which the competition authority has singled out as a condition for completing the acquisition of IKI, is ongoing.

Improvement trend continues for ICA Bank and Hemtex; higher underlying profit for ICA Real Estate

ICA Bank reported improved earnings both for the quarter and full year, and Hemtex also posted a considerably better full-year result. It is gratifying that the intensive work with change that is under way in both segments is now resulting in improved earnings. ICA Real Estate also posted improved earnings for 2017 if we take the divestment of ICA Eiendom in Norway into account.

Focus on sustainability

In our quarterly sustainability report, which was also published today, you can read about our performance in achieving our environmental targets. In other respects the report also describes other areas of focus in our sustainability work, such as our partnership with the food tech company Urban Oasis.

From words to action

To build an even stronger ICA Gruppen we need better utilise the entire Group's strengths to increase our revenue. We need to maximally leverage the opportunities afforded by digitalisation, maintain continued focus on sustainability issues, and most important, ensure in all areas that we exercise leadership that contributes to a high pace of change. The pressure for change in the world around us persists, and in this regard 2018 will be yet another exciting year. It will also be a year in which we move from words to action in several of our future ventures, particularly with respect to digitalisation.

Per Strömberg
CEO ICA Gruppen



Group performance

Net sales and earnings

Fourth quarter 2017

Consolidated net sales increased by 3.4% 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 3.6%. The sales growth was both price- and volume-driven, with favourable growth in volume especially for ICA Sweden and Apotek Hjärtat. Operating profit excluding items affecting comparability amounted to SEK 1,172 million (1,180). The volume increase generated a positive effect, but lower earnings in non-food, the divestment of ICA Eiendom, lower profit distribution from ICA stores in Sweden and slightly higher costs had a negative effect on operating profit. This resulted overall in an operating profit that was level with the same period a year ago, but with a slightly lower operating margin. Operating profit also includes SEK 15 million in costs associated with the planned integration of IKI in Lithuania, of which SEK 8 million were in Rimi Baltic. The operating margin excluding items affecting comparability was 4.2% (4.4%). Profit for the period totalled SEK 892 million (784). Profit includes capital gains on sales of assets and impairment losses totalling SEK 9 million (-151) combined. Earnings per share increased to SEK 4.41 (3.89).

January-December 2017

Consolidated net sales increased by 2.7% compared with 2016. The increase in local currency was 2.5%. Adjusted for the divestments of inkClub and ICA Eiendom in Norway, the increase was 3.1%. Operating profit excluding items affecting comparability amounted to SEK 4,642 million (4,669). The slightly lower level of earnings is due primarily to the sale of the Norwegian properties and higher joint-Group expenses, mainly associated with initiatives and activities surrounding ICA's 100-year celebration in 2017. Adjusted for the divestment of ICA Eiendom, all segments showed an increase in operating profit in 2017. Operating profit also includes SEK 54 million in costs associated with the planned integration of IKI in Lithuania, of which SEK 40 million were in Rimi Baltic. The operating margin excluding items affecting comparability was 4.4% (4.5%). Profit for the period totalled SEK 4,145 million (3,418). Profit includes capital gains on sales of assets and impairment losses totalling SEK 578 million (-151) combined. This affected earnings per share, which were considerably higher than for the same period a year ago, at SEK 20.53 (16.97).

Net sales per segment

SEKm	Fourth quarter		Jan-Dec	
	2017	2016	2017	2016
ICA Sweden	19,869	19,104	76,400	74,050
Rimi Baltic	3,767	3,695	14,008	13,571
Apotek Hjärtat	3,297	3,198	12,876	12,531
ICA Real Estate	636	603	2,468	2,372
ICA Bank	259	224	965	863
Hemtex ¹⁾	366	369	1,078	1,316
Other	228	223	909	863
Intra-Group sales	-577	-496	-2,249	-1,911
Net sales	27,845	26,920	106,455	103,655

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

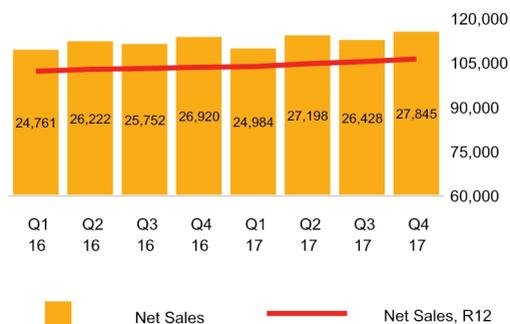
Operating profit excluding items affecting comparability per segment

SEKm	Fourth quarter		Jan-Dec	
	2017	2016	2017	2016
ICA Sweden	844	837	3,507	3,504
Rimi Baltic ²⁾	174	167	557	526
Apotek Hjärtat	106	102	461	436
ICA Real Estate	100	141	429	493
ICA Bank	28	6	71	51
Hemtex ¹⁾	57	57	31	24
Other ²⁾	-137	-130	-414	-365
Operating profit excluding items affecting comparability	1,172	1,180	4,642	4,669

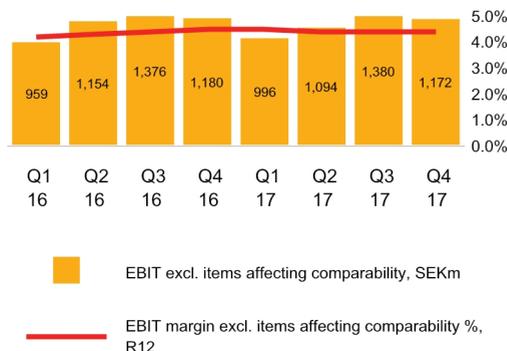
1) The first half of 2016 also includes inkClub, see page 13.

2) The fourth quarter of 2017 includes SEK -15 million in costs associated with the planned integration of IKI, of which SEK -8 million in Rimi Baltic and SEK -7 million in Other. Accumulated in 2017, these costs amounted to SEK -54 million, of which SEK -40 million in Rimi Baltic and SEK -14 million in Other.

Net Sales, SEKm



EBIT and EBIT margin



Net financial items and tax

Net financial items amounted to SEK -85 million during the quarter (-88). Interest expenses decreased due to a lower level of net debt.

Financial income for the full year 2017 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. In other respects, financial expenses were affected by SEK -30 million by write-down of a financial receivable. However, interest expenses were approximately SEK 30 million lower than a year ago, mainly owing to the lower level of net debt.

The tax expense for the quarter was SEK -204 million (-157), corresponding to a tax rate of 18.6% (16.7%). Paid tax during the quarter totalled SEK -179 million (-128). The higher tax expense is mainly earnings-related.

The tax expense for the full year was SEK -708 million (-757), corresponding to a tax rate of 14.6% (18.2%). Paid tax totalled SEK -856 million (-728). The lower tax expense is attributable to tax-exempt capital gains on sales of properties in 2017 and to a change in the corporate tax rate in Latvia, effective 1 January 2018, which entailed a reversal of deferred tax liability.

Cash flow

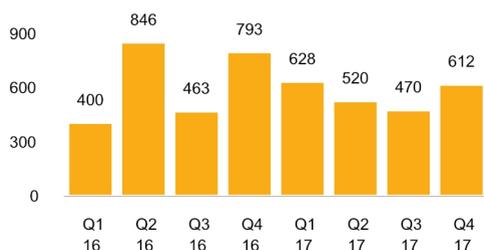
Cash flow from operating activities (excluding ICA Bank) was at the same level as a year ago. Higher paid tax and lower dividend payments from joint ventures were countered by a favourable change in working capital. The same explanation applies essentially for the full year.

The improvement in cash flow from investing activities during the quarter is mainly attributable to a lower level of investment than a year ago. The large improvement for the full year compared with 2016 is attributable to the divestment of ICA's properties in Norway, which had a positive cash flow effect of approximately SEK 1.9 billion, and to the sale of properties to Secore for approximately SEK 1 billion. Capital expenditures were also lower than in the preceding year.

Consolidated cash flow statement, excluding ICA Bank

SEKm	Fourth quarter		Jan-Dec	
	2017	2016	2017	2016
Cash flow				
From operating activities before change in working capital	1,304	1,486	5,275	5,361
Change in working capital	1,330	1,159	541	323
From operating activities	2,634	2,645	5,816	5,684
Investing activities, net	-580	-738	647	-1,649
Before financing activities	2,054	1,907	6,463	4,035

Capex (cash flow), SEKm



Investments

The Group's investments amounted to SEK 612 million (793) during the quarter. Of this total, SEK 178 million (389) is attributable to ICA Real Estate. Investments during the full year amounted to SEK 2,230 million (2,502), of which SEK 937 million (1,212) were in ICA Real Estate. During the fourth quarter ICA Real Estate sold properties for SEK 35 million (16), while for the full year property sales totalled SEK 2,927 million (404). Property sales in 2017 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. The slightly lower investment level is due to the postponement of a few property projects until 2018.

Investments by segment

SEKm	Fourth quarter		Jan-Dec	
	2017	2016	2017	2016
ICA Sweden	231	225	660	640
Rimi Baltic	98	116	358	372
Apotek Hjärtat	47	36	128	168
ICA Real Estate	178	389	937	1,212
ICA Bank	2	6	15	36
Hemtex ¹⁾	7	3	19	13
Other	49	18	113	61
Investments	612	793	2,230	2,502

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

Depreciation/amortisation by segment

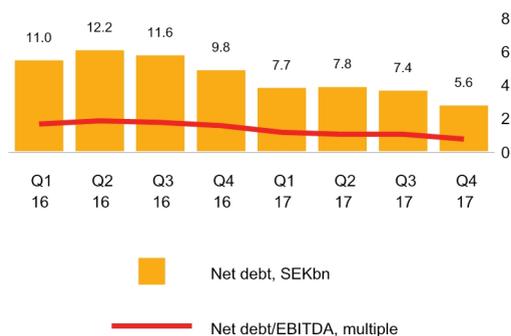
SEKm	Fourth quarter		Jan-Dec	
	2017	2016	2017	2016
ICA Sweden	115	118	434	438
Rimi Baltic	83	81	321	306
Apotek Hjärtat	35	37	143	136
ICA Real Estate	124	113	483	467
ICA Bank	8	8	33	31
Hemtex ¹⁾	6	6	23	28
Other	20	23	86	94
Depreciation/amortisation	391	386	1,523	1,500

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

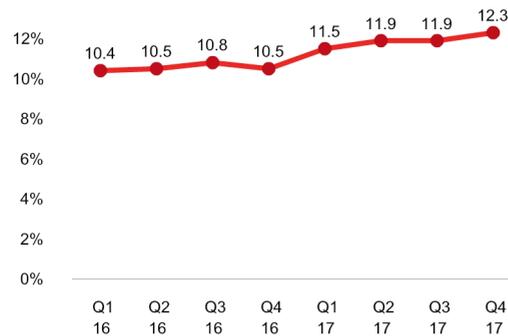
Financial position

Consolidated net debt (excluding ICA Bank and pension liabilities) amounted to SEK 5.6 billion (9.8) 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 31 December 2017, net debt in relation to EBITDA was 0.8 (1.6), 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

18 October 2017 – The Lithuanian Competition Council granted conditional approval of ICA Gruppen's acquisition of IKI. Seventeen stores in Lithuania must be sold before the transaction can be completed.

18 December 2017 – ICA Real Estate and Secore acquired eight and 15 properties, respectively, from KPA Pension. Possession of the properties was transferred on 1 February 2018.

Important events after the end of the quarter

February 2018 – Decision taken to establish a dark store for grocery products in Stockholm no later than the third quarter of 2018.

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

Fourth quarter 2017

ICA Sweden's net sales increased by 4.0% compared with the same quarter a year ago. The increase was driven mainly by higher volumes in the wholesale operations and from newly opened stores, but price also had a positive effect. A higher share of purchasing by ICA stores also contributed to the increase in wholesale volume.

The volume increase led to a higher gross profit, but the gross margin was slightly lower than a year ago, mainly due to negative development in the non-food category and lower profit from fuel hedges, SEK 15 million (25). In addition, profit distribution from ICA stores was SEK 28 million lower than a year ago. Operating profit excluding items affecting comparability increased slightly overall to SEK 844 (837), while the profit margin was lower, at 4.2% (4.4%), which is entirely explained by the lower profit distribution and lower earnings for non-food. A high level of promotional activity during the start of the quarter in the non-food category resulted in a weak gross margin, which was only partly countered by increased volume.

January-December 2017

ICA Sweden's net sales increased by 3.2%. Both prices and volume contributed to the increase.

Operating profit excluding items affecting comparability was marginally higher than a year ago, totalling SEK 3,507 million (3,504), and the operating margin was slightly lower, at 4.6% (4.7%). The result of fuel hedges was SEK -5 million (49) for the period, and profit distribution from ICA stores was SEK 107 million lower than a year ago, partly owing to weaker than estimated earnings in stores' year-end book-closings for 2016/2017. Earnings for the preceding year included capital gains of SEK +27 million from store divestments.

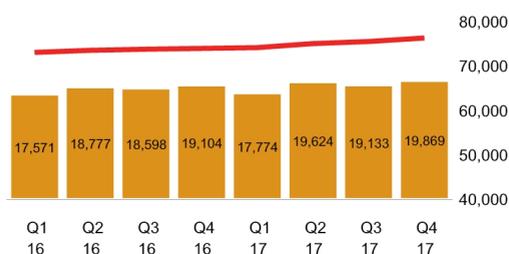
E-commerce

At the end of the year slightly more than 200 ICA stores were active with e-commerce, and more than 600 stores offered the ICA Matkassen meal kit concept. Online sales increased by 53% during the fourth quarter compared with the same period in 2016, with 59% growth in open shopping and 31% growth for ICA Matkassen. Online sales for the full year amounted to slightly more than SEK 1.2 billion. In early 2018 the decision was taken to establish a dark store in Stockholm no later than the third quarter of 2018.

ICA Sweden

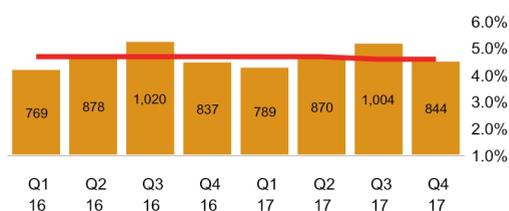
	Fourth quarter		Jan-Dec	
	2017	2016	2017	2016
Net sales, SEKm	19,869	19,104	76,400	74,050
Operating profit before depreciation/ amortisation (EBITDA), SEKm	959	951	3,939	3,941
Operating profit excl. items affecting comparability, SEKm	844	837	3,507	3,504
Operating margin excl. items affecting comparability, %	4.2	4.4	4.6	4.7
Investments, SEKm	231	225	660	640
Depreciation/amortisation, SEKm	115	118	434	438
Average number of employees	—	—	8,006	7,622
Private label share of store sales, %	—	—	24.7	24.0

Net Sales, SEKm



Net Sales (orange bars), Net Sales, R12 (red line)

EBIT and EBIT margin



EBIT excl. items affecting comparability, SEKm (orange bars), EBIT margin excl. items affecting comparability %, R12 (red line)

The market and ICA store sales

Sales (excluding VAT) for Swedish ICA stores increased by 3.7% during the quarter and by 2.9% on a like-for-like basis. Food price inflation was 2.6% (0.9%) during the fourth quarter and 2.5% during the third quarter. Adjusted for inflation and the estimated calendar effect of -0.2% for the quarter, volume growth during the quarter is estimated to have been 1.3%, and 0.4% on a like-for-like basis. A compilation of data from various sources indicates that sales for ICA stores developed better than the market during the fourth quarter. Definitive market data for the Swedish grocery retail market during the fourth quarter will be published by HUI Research on 28 February 2018.

The sales growth is mainly attributable to a higher average spend, but also to a higher number of customer visits. Product categories that performed strongly in 2017 included cheese, beverages, fruits & vegetables, flowers and deep frozen. Sales of non-food products were weaker than a year ago, mainly owing to poorer performance in the media and seasonal product categories.

Private label products as a share of accumulated sales amounted to 24.7% (24.0%), and growth in sales of private label products was just under 6% for the year.

Emphasis in 2018 will be 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". In addition, focus will be on developing the private label product range and on further improving precision in personalised offers via the loyalty programme, and continued development of the e-commerce channel.

Eight new stores opened during the fourth quarter, and an equal number were closed. During 2018, ten to 14 new stores are expected to be established.

ICA store sales, incl. retailer-owned stores

Store sales in Sweden

Store sales excl. VAT	Fourth quarter 2017			January-December 2017		
	SEKm	All stores %	Like-for-like %	SEKm	All stores %	Like-for-like %
Maxi ICA Stormarknad	9,238	4.1	3.5	34,897	3.2	3.0
ICA Kvantum	7,284	5.0	2.7	27,866	4.1	2.1
ICA Supermarket	8,616	2.7	2.3	34,520	2.5	2.1
ICA Nära	4,214	2.8	2.9	17,051	2.1	2.3
Total	29,352	3.7	2.9	114,334	3.1	2.4

Number of stores in Sweden

Format	December 2016	New	Converted	Closed	December 2017
Maxi ICA Stormarknad	81	1	0	0	82
ICA Kvantum	125	3	-1	0	127
ICA Supermarket	432	4	-1	-6	429
ICA Nära	658	6	2	-17	649
Total	1,296	14	0	-23	1,287

Rimi Baltic

Rimi Baltic conducts grocery retail business via 259 wholly owned stores in Estonia, Latvia and Lithuania. Store formats include Rimi Hyper, Rimi Super, Rimi Mini, Rimi Express, and the Supernetto discount chain. Rimi Baltic also includes the properties owned by the Group in the three Baltic countries.

Net sales and earnings

Fourth quarter 2017

The total market for the three Baltic countries grew by 6.6% during the fourth quarter. Growth was mainly price-driven, and the underlying volume development was negative in Estonia and weak in Lithuania, while growth in Latvia was better. Inflation was 5.7% (2.5%). Inflation during the third quarter was 5.8%.

Rimi Baltic's net sales increased by 1.4% during the quarter (1.9% in SEK). 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 in part to store conversions and closures in Estonia.

The conversion of Säästumarket discount stores to Rimi stores in Estonia is estimated to have affected total sales by approximately -0.5%. The project was concluded during the fourth quarter, and all conversions/closures have now been completed. The three stores that were closed for several months in 2017 due to external circumstances are all now open, but even during the fourth quarter they had a slightly negative impact on sales, by approximately -0.5%. All in all, Rimi Baltic's market share in the region decreased during the quarter. Rimi Baltic opened two new stores during the fourth quarter. Six to eight stores are planned for opening in 2018.

Gross profit and the gross margin continued to improve, and operating profit excluding items affecting comparability grew 4.2% to SEK 174 million (167). The three stores referred to above that were temporarily closed had an estimated negative effect on earnings for the quarter by approximately SEK 2 million. The underlying positive earnings performance was driven by price and mix effects, closures of underperforming stores, a higher gross margin for converted stores and private label products, and higher cost effectiveness. Operating profit includes SEK 8 million in costs associated with the planned integration of IKI. The operating margin increased to 4.6% (4.5%).

January-December 2017

Rimi Baltic's net sales rose 1.4% during the year (3.2% in SEK). The sales growth was mainly price-driven. The combined effect on sales of store conversions and the aforementioned temporary store closures is estimated to be approximately -2%.

Operating profit excluding items affecting comparability was 5.9% higher than a year ago, totalling SEK 557 million (526). In local currency, profit was 4.0% higher. The earnings effect for the full year of the temporary store closures is estimated to be slightly more than SEK 20 million. Costs associated with preparatory work ahead of the planned integration of IKI totalled approximately SEK 40 million. On the whole, despite this the operating margin was slightly higher than in 2016, at 4.0% (3.9%).

Other

Profit for the quarter included a net earnings effect of SEK -5 million (-12) from capital gains on sales of properties and impairment of property values. The corresponding amount for the full year 2017 was SEK -6 million (-11).

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 had approved the acquisition conditional upon the sale of 17 specific stores prior to completion of the transaction. The process of selling these stores is currently under way.

Rimi Baltic

	Fourth quarter		Jan-Dec	
	2017	2016	2017	2016
Net sales, SEKm	3,767	3,695	14,008	13,571
Operating profit before depreciation/ amortisation (EBITDA), SEKm	258	248	893	838
Operating profit excl. items affecting comparability, SEKm	174	167	557	526
Operating margin excl. items affecting comparability, %	4.6	4.5	4.0	3.9
Investments, SEKm	98	116	358	372
Depreciation/amortisation, SEKm	83	81	321	306
Average number of employees	—	—	9,634	9,679
Private label share of sales, %	—	—	24.1	22.4
EUR/SEK exchange rate, average	9.8096	9.7527	9.6431	9.4718

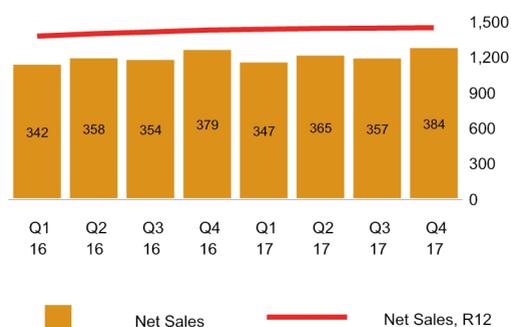
Store sales in the Baltic countries

	Fourth quarter 2017			January-December 2017		
	EURm	All stores %	Like-for-like %	EURm	All stores %	Like-for-like %
Store sales excl. VAT						
Estonia	97.7	-4.6	2.4	377.6	-2.9	1.5
Latvia	199.1	3.7	3.9	753.0	4.3	4.6
Lithuania	84.8	3.4	2.9	313.2	-0.1	-0.6
Total	381.6	1.4	3.4	1,443.8	1.4	2.7

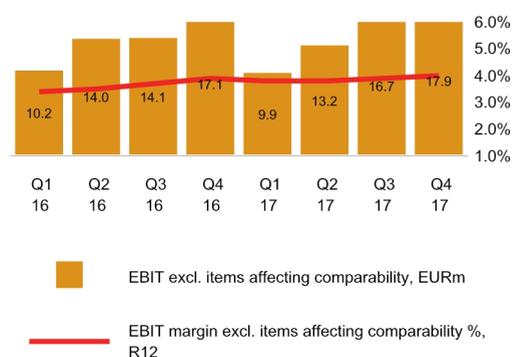
Number of stores in Baltic countries

Country	December 2016	New	Closed	December 2017
Estonia	88	2	-8	82
Latvia	119	2	0	121
Lithuania	57	2	-3	56
Total	264	6	-11	259

Net Sales, EURm



EBIT and EBIT margin



Apotek Hjärtat

Apotek Hjärtat has been part of ICA Gruppen since the start of 2015. With 386 pharmacies in Sweden, Apotek Hjärtat is the second-largest player in the Swedish pharmacy market.

Net sales and earnings

Fourth quarter 2017

The total pharmacy market in Sweden grew 3.2% compared with the same quarter in 2016. Traded goods showed the highest growth, at 10.6%. Net sales for the quarter amounted to SEK 3,297 million (3,198), an increase of 3.1%. Sales growth was primarily driven by favourable volume development in like-for-like pharmacies and to some extent by prescription drug prices. Strong growth in e-commerce also contributed. Both the number of customer visits and average spend increased. Five pharmacies were opened during the quarter and two were closed. During 2018 ten to 12 new store openings are planned, most at locations nearby ICA stores. Operating profit excluding items affecting comparability was slightly higher than in the same quarter a year ago and totalled SEK 106 million (102). Gross profit continued to be higher than a year ago, driven by positive volume development. The price effect was marginally negative. At the same time, costs were higher due to newly opened pharmacies, higher marketing costs and higher costs associated with investments in e-commerce and Minutkliniken. The operating margin was 3.2% (3.2%).

January-December 2017

Net sales for the year increased by 2.8% to SEK 12,876 million (12,531). Adjusted for sales of pharmacies carried out in 2016, the increase was 3.4%. Operating profit excluding items affecting comparability rose 5.7% to SEK 461 million (436), and the operating margin grew to 3.6% (3.5%). 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.

E-commerce

E-commerce sales had continued strong growth, rising 67% during the quarter and 85% for the full year.

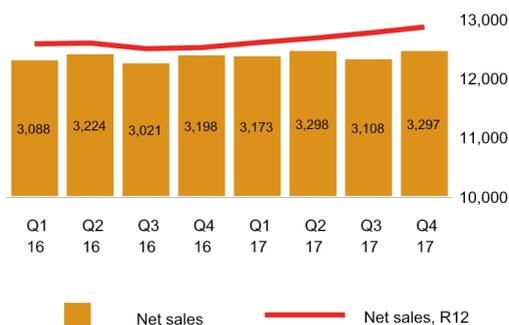
Apotek Hjärtat

	Fourth quarter		Jan-Dec	
	2017	2016	2017	2016
Net sales, SEKm	3,297	3,198	12,876	12,531
Of which, prescription drugs	2,443	2,362	9,503	9,251
Of which, OTC drugs	345	352	1,408	1,415
Of which, other products and services	509	484	1,965	1,865
Operating profit before depreciation/ amortisation (EBITDA), SEKm	141	160	604	594
Operating profit excl. items affecting comparability, SEKm	106	102	461	436
Operating margin excl. items affecting comparability, %	3.2	3.2	3.6	3.5
Investments, SEKm	47	36	128	168
Depreciation/amortisation, SEKm	35	37	143	136
Average number of employees	—	—	3,083	3,234
Private label share of other products, %	—	—	18.5	17.6

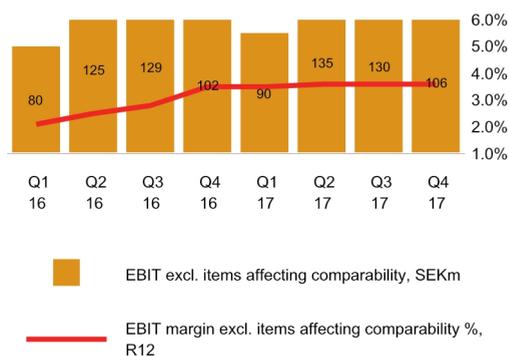
Number of pharmacies

	December 2016	New	Closed	December 2017
Apotek Hjärtat	385	11	-10	386

Net sales, SEKm



EBIT and EBIT margin



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

Fourth quarter 2017

Net sales totalled SEK 636 million (603) 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 59 million. Operating profit was not affected by the change. At the same time, the sale of ICA Eiendom in Norway in February 2017 and the sale of properties to Secore Fastigheter in Sweden in June 2017 affected net sales by SEK -50 million and SEK -18 million, respectively. Underlying net sales increased by SEK 42 million on a like-for-like basis, mainly due to new investments.

As a result of these sales, operating profit excluding items affecting comparability was lower than the same quarter a year ago, totalling SEK 100 million (141). The sale of ICA Eiendom in Norway affected operating profit by approximately SEK -33 million, and the sale of properties to Secore Fastigheter had an effect of approximately SEK -6 million. Added to this were higher depreciation and higher maintenance costs, mainly owing to timing effects. This was partly compensated by income from new investments, lower costs and a higher earnings contribution from joint ventures. Investments were slightly lower than in the preceding year and amounted to SEK 178 million (389). The difference is mainly explained by a large investment that was carried out in the fourth quarter of 2016.

January-December 2017

Net sales for the period totalled SEK 2,468 million (2,372). The new routine for charging for internal property services described above resulted in an increase in net sales for the full year by SEK 206 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 230 million. On a like-for-like basis, net sales increased by SEK 137 million. As a result of these property sales, operating profit excluding items affecting comparability was lower than in the preceding year, SEK 429 million (493). The effect of the property sales in Norway was SEK -95 million and the effect of the sale to Secore was SEK -13 million. Depreciation and personnel costs were slightly higher than in the preceding year. At the same time, contributions from investments and a higher earnings contribution from joint ventures had a positive impact on earnings.

Investments were slightly lower than a year ago, at SEK 937 million (1,212). Investments for the year include a one-time effect of SEK +75 million pertaining to a changed routine regarding internal property services. In other respects, the difference is due to a few large projects/acquisitions that were carried out in 2016, and to the postponement of certain projects until 2018.

Other

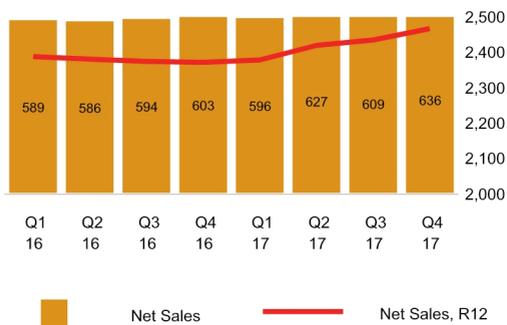
Operating profit for the quarter includes capital gains of SEK 11 million (0). Capital gains for the full year amounted to SEK 578 million (72), of which the sale of properties in Norway accounted for SEK 401 million and the sale of properties in Sweden to Secore Fastigheter accounted for approximately SEK 150 million. Impairment losses were reversed in the amount of SEK +4 million (0) during the quarter and in the amount of SEK +8 million (-54) during the full year.

In December it was announced that ICA Real Estate and Secore Fastigheter were acquiring eight and 15 properties, respectively, from KPA Pension. Possession of the properties was transferred on 1 February 2018. See also the ICA Gruppen press release from 18 December 2017.

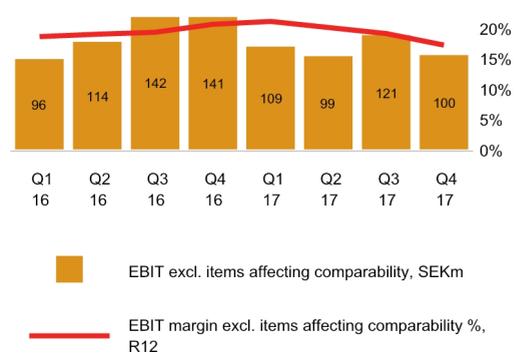
ICA Real Estate

	Fourth quarter		Jan-Dec	
	2017	2016	2017	2016
Net sales, SEKm	636	603	2,468	2,372
Of which, rental income from owned properties, SEKm	241	284	975	1,117
Operating profit before depreciation/ amortisation (EBITDA), SEKm	235	254	1,490	1,032
Operating profit excl. items affecting comparability, SEKm	100	141	429	493
Operating margin excl. items affecting comparability, %	15.7	23.4	17.4	20.8
Investments, SEKm	178	389	937	1,212
Divestments, SEKm	35	16	2,927	404
Depreciation/amortisation, SEKm	124	113	483	467
Yield, %	—	—	6.5	7.1
Occupancy rate, %	—	—	99.4	98.6
Number of owned properties	—	—	102	173
Number of owned square meters, 000 sq. m.	—	—	596	718
Average number of employees	—	—	90	87

Net Sales, SEKm



EBIT and EBIT margin



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

Fourth quarter 2017

ICA Bank's revenue increased compared with the same quarter a year ago, to SEK 259 million (224). The improvement in net interest income is attributable to higher lending volume, both to consumers and to ICA retailers. This was partly offset by negative margins on deposits. Higher card revenues and higher home mortgage volume contributed to an improvement in net commissions. Business volume continued to grow, driven by higher lending volume.

Operating profit excluding items affecting comparability increased to SEK 28 million (6). The increase in revenue was countered by higher costs associated with a strengthening of resources in sales and support functions. In addition, loan losses were slightly higher than during the same quarter in 2016. The insurance business showed an improvement in earnings, but continues to have a negative result, as expected. Development of the insurance company is proceeding according to plan, and the number of customers is growing at a good rate.

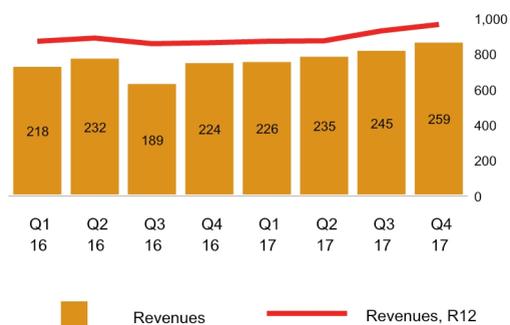
January-December 2017

ICA Bank's revenue amounted to SEK 965 million (863) during the year. Operating profit excluding items affecting comparability improved sharply to SEK 71 million (51). The increase in revenue and earnings is attributable to higher loan volumes, higher card revenue and improved earnings in the insurance business. This was countered by lower margins on deposits associated with a lower repo rate, higher costs, and higher loan losses.

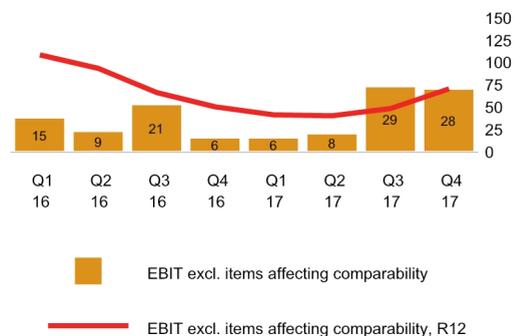
ICA Bank

	Fourth quarter		Jan-Dec	
	2017	2016	2017	2016
Revenues, SEKm	259	224	965	863
Of which, net interest income, SEKm	106	95	409	385
Operating profit before depreciation/ amortisation (EBITDA), SEKm	35	6	103	74
Operating profit excl. items affecting comparability, SEKm	28	6	71	51
C/I ratio, %	—	—	86.4	89.2
Return on equity, %	—	—	2.3	2.0
Loan loss ratio, %	—	—	-0.7	-0.6
Common Equity Tier I ratio, % (ICA Banken AB)	—	—	16.9	17.1
Business volume, SEKm	—	—	40,866	32,288
Average number of employees	—	—	368	356

Revenues, SEKm



EBIT excl. items affecting comparability, SEKm



Hemtex*

Hemtex is a chain of home furnishing stores in Sweden, Finland and Estonia. With a total of 153 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.

Fourth quarter 2017

Hemtex's net sales were at the same level as in the same quarter a year ago, totalling SEK 366 million (369). Sales in stores decreased mainly due to the assortment mix and certain price investments. This was compensated for the most part by higher online sales and wholesale volume to Kesko in Finland. Operating profit excluding items affecting comparability was level with the same quarter a year ago, totalling SEK 57 million (57). Gross profit was lower, mainly owing to unfavourable currency movements, with a stronger USD, which was partly offset by a smaller share of sales made at reduced prices. Added to this were the positive effects from considerably lower overheads.

January-December 2017

Hemtex's net sales rose slightly to SEK 1,078 million (1,074) for the year. Operating profit excluding items affecting comparability improved to SEK 31 million (5). A smaller share of sales were made at reduced prices, which strengthened gross profit. However, towards the end of the year, an unfavourable currency development with a stronger USD resulted in gross profit for the full year staying essentially as the same level as in 2016 and a slightly lower gross margin. An extensive cost-cutting programme resulted in considerably lower costs than a year ago, resulting in a sharp improvement in both operating profit and the operating margin.

	Fourth quarter		Jan-Dec	
	2017	2016	2017	2016
Net sales, SEKm	366	369	1,078	1,316
Operating profit/loss after depreciation/ amortisation (EBITDA), SEKm	63	62	54	21
Operating profit/loss excl. items affecting comparability, SEKm	57	57	31	24
Operating margin excl. items affecting comparability, %	15.6	15.4	2.9	1.8
Investments, SEKm	7	3	19	13
Depreciation/amortisation, SEKm	6	6	23	28
Average number of employees	—	—	547	607

	Fourth quarter		Jan-Dec	
	2017	2016	2017	2016
Net sales, SEKm				
Hemtex	366	369	1,078	1,074
inkClub	—	—	—	242
Total	366	369	1,078	1,316

	Fourth quarter		Jan-Dec	
	2017	2016	2017	2016
Operating profit excl. items affecting comparability, SEKm				
Hemtex	57	57	31	5
inkClub	—	—	—	19
Total	57	57	31	24

	Fourth quarter 2017			January-December 2017		
	SEKm	All stores %	Like-for-like %	SEKm	All stores %	Like-for-like %
Store sales excl. VAT						
Hemtex	372	-3.6	-4.0	1,099	-2.1	-2.5

	December 2016		New	Closed	December 2017
Number of stores, incl. franchise stores					
Hemtex	158		0	-5	153

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		31 Dec 2017
	Number of shares	Share of capital and votes, %
ICA-handlarnas förbund	103,163,599	51.3%
Industrivärden	20,625,000	10.3%
BlackRock	2,318,547	1.2%
Vanguard	1,956,540	1.0%
SEB Fonder	1,412,062	0.7%
Avanza Pension	1,371,099	0.7%
Spiltan fonder	1,332,861	0.7%
L Jönsson	1,279,601	0.6%
Swedbank försäkring	1,090,124	0.5%
JP Morgan Asset Management	974,102	0.5%
Ten largest shareholders total	135,523,535	67.4%
Other shareholders	65,623,260	32.6%
Total	201,146,795	100.0%
<i>Whereof foreign shareholders in total</i>	<i>20,328,937</i>	<i>10.1%</i>

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 (AGM) will be held at 1 p.m. on 12 April at Quality Hotel Friends, in Solna.

To be able to participate in the Annual General Meeting, shareholders must:

be registered in the shareholder register maintained by Euroclear Sweden AB dated Friday, 6 April 2018, and notify their intention to attend the Annual General Meeting by 6 April 2018 at the latest. An application link will be available on ICA Gruppen's website in connection with publication of the AGM notice.

Notice of the Annual General Meeting will be published on Thursday, 8 March 2018, by press release and on the Company's website, as well as by advertisement in the Official Swedish Gazette and in Swedish daily newspapers, such as Svenska Dagbladet, on Monday, 12 March 2018. The AGM notice and decision-making documentation for the items of business included on the AGM agenda will be available after 8 March 2018 on ICA Gruppen's website, www.icagruppen.se, under the tab Corporate Governance.

Shareholders who wish to have a matter considered at the Annual General Meeting must submit a request for such no later than 22 February 2018. Requests shall be marked "To the Chairman of the Board" and be sent to Per Behm, General Counsel, ICA Gruppen AB, Svetsarvägen 16, SE-171 93 Solna, Sweden.

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, Industrivärden is represented by Annika Lundius, and SEB Investment Management is represented by Hans Ek.

Annual Report 2017

ICA Gruppen's 2017 Annual Report will be published on the Company's website on 8 March 2018, and printed versions will be available during the week of 12 March 2018.

Dividend

The Board of Directors of ICA Gruppen proposes that the Annual General Meeting vote in favour of a dividend of SEK 11.00 per share (10.50), for a total dividend of SEK 2,213 million (2,112). The dividend amount corresponds to 53% (62%) of profit for the year. The proposed dividend is in line with the ambition to pay a favourable and stable dividend over time. ICA Gruppen's dividend target is to pay, over time, a shareholder dividend of at least 50% of profit for the year. The last day for trading in ICA Gruppen shares including the right to dividend, provided that the Annual General Meeting votes in favour of the Board's proposal, is Thursday, 12 April 2018, with the record date set for Monday, 16 April 2018. The estimated payment date from Euroclear Sweden AB's system will thereby be Thursday, 19 April 2018.

Parent Company

Fourth quarter 2017

The Parent Company's net sales amounted to SEK 214 million (201). Profit before tax amounted to SEK -275 million (-172).

January-December 2017

The Parent Company's net sales amounted to SEK 838 million (794). Profit before tax amounted to SEK 5,428 million (2,575). The change is due in large part to an increase in dividends received from subsidiaries in 2017.

Financial statements

Consolidated statement of comprehensive income

SEKm	Note	Fourth quarter		Jan-Dec	
		2017	2016	2017	2016
Net sales		27,845	26,920	106,455	103,655
Cost of goods sold		-24,112	-23,207	-92,211	-89,687
Gross profit		3,733	3,713	14,244	13,968
Other operating income		83	107	879	462
Selling expenses		-1,882	-1,946	-7,064	-6,965
Administrative expenses		-756	-695	-2,834	-2,763
Other operating expenses		-16	-160	-67	-219
Share of profits of associates and joint ventures	2	19	10	62	35
Operating profit	3	1,181	1,029	5,220	4,518
Financial income		-1	4	7	26
Financial expenses		-84	-92	-374	-390
Net finance		-85	-88	-367	-364
Profit before tax		1,096	941	4,853	4,154
Tax		-204	-157	-708	-757
Profit for the period from continuing operations		892	784	4,145	3,397
Profit/loss from discontinued operations		—	0	—	21
Profit for the period		892	784	4,145	3,418
Other comprehensive income, items that may not be reclassified to profit or loss					
Remeasurement defined benefit pensions		-51	173	-158	-37
Other comprehensive income, items that may be reclassified to profit or loss, net after tax					
Change in translation reserve		83	-26	188	173
Change in hedging reserve		29	44	-12	77
Share of other comprehensive income of joint ventures		4	12	23	6
Total items that may be reclassified to profit or loss		116	30	199	256
Comprehensive income for the period		957	987	4,186	3,637
Profit for the period attributable to					
Owners of the parent		888	781	4,130	3,413
Non-controlling interests		4	3	15	5
Comprehensive income for the period attributable to					
Owners of the parent		953	981	4,166	3,634
Non-controlling interests		4	6	20	3
Earnings per share, SEK					
Earnings per share		4.41	3.89	20.53	16.97
Earnings per share, continuing operations		4.41	3.89	20.53	16.87
Earnings per share, discontinued operations		—	0.00	—	0.10

Condensed consolidated statement of financial position

SEKm	Note	31 Dec 2017	31 Dec 2016
ASSETS			
Non-current assets			
Goodwill		16,301	16,301
Trademarks		13,377	13,353
Other intangible assets		1,180	903
Interests in joint ventures and associates	2	766	740
Deferred tax assets		437	456
Lending and investments in ICA Bank		10,971	8,880
Land, buildings and investment properties		13,445	13,120
Other non-current assets		2,234	2,188
Total non-current assets		58,711	55,941
Current assets			
Inventories		4,488	4,455
Lending and investments in ICA Bank		2,890	2,600
Other current assets		7,403	6,834
Cash and cash equivalents in ICA Bank		2,209	3,269
Cash and cash equivalents		2,290	705
Assets held for sale	4	9	2,319
Total current assets		19,289	20,182
TOTAL ASSETS		78,000	76,123
EQUITY AND LIABILITIES			
Equity			
Non-current liabilities		32,017	29,688
Provisions		2,638	2,320
Deferred tax liabilities		4,533	4,673
Non-current interest-bearing liabilities		3,913	7,407
Other non-current liabilities		56	138
Total non-current liabilities		11,140	14,538
Current liabilities			
Deposits ICA Bank		14,061	12,897
Current interest-bearing liabilities		3,975	3,057
Other current liabilities		16,807	15,703
Liabilities held for sale	4	0	240
Total current liabilities		34,843	31,897
TOTAL EQUITY AND LIABILITIES		78,000	76,123

Condensed consolidated statement of cash flows

SEKm	Note	Fourth quarter		Jan-Dec	
		2017	2016	2017	2016
Operating profit		1,181	1,029	5,220	4,518
Depreciation, amortisation and impairment		393	546	1,536	1,720
Dividend from joint ventures		—	25	65	56
Other non-cash items		-39	14	-610	-174
Income tax paid		-179	-128	-856	-728
Cash flow from operating activities before change in working capital		1,356	1,486	5,355	5,392
Change in working capital:					
Inventories		78	-106	-38	-67
Current receivables		-514	-384	-610	-25
Current liabilities		1,708	1,662	1,111	793
ICA Bank's net of deposits, lending and investments		-1,022	31	-1,217	-671
Cash flow from operating activities		1,606	2,689	4,601	5,422
Acquisitions of property, plant and equipment and intangible assets		-612	-793	-2,230	-2,502
Sales of property, plant and equipment and intangible assets		37	68	1,063	489
Sales of subsidiaries		0	—	1,953	329
Investments in joint ventures		—	—	-366	-663
Change in financial assets		-8	-30	209	632
Interest received		1	2	3	21
Cash flow from investing activities		-582	-753	632	-1,694
Dividend paid		—	1	-2,112	-2,011
Change in loans		-37	-1,320	-2,319	-1,942
Interest paid		-75	-79	-262	-298
Cash flow from financing activities		-112	-1,398	-4,693	-4,251
Cash flow for the period	5	912	538	540	-523
Cash and cash equivalents at start of period		3,597	3,451	3,974	4,611
Exchange differences in cash and cash equivalents		-10	-15	-15	-114
Cash and cash equivalents at end of period	5	4,499	3,974	4,499	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		—	280	280
Dividend		-2,112	-25	-2,137
Comprehensive income for the period		4,166	20	4,186
Closing equity, 31 December 2017		31,720	297	32,017

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		2	-15	-13
Dividend		-2,011	—	-2,011
Comprehensive income for the period		3,634	3	3,637
Closing equity, 31 December 2016		29,666	22	29,688

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 year-end 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 replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 was endorsed by the EU in November 2016 and is in effect for financial years that begin on or after 1 January 2018. Adoption of IFRS 9 affects ICA Gruppen's reporting particularly with respect to lending by ICA Bank. The credit reserve model set out in IFRS 9 is based on expected loan losses, which are to be calculated as a probability-weighted outcome for lending. The effect of application of IFRS 9 is an increase in the reserve for ICA Bank's lending and an expected increase in volatility in ICA Bank's income statement between different periods. The effect of the change is a SEK 100 million increase in the credit loss reserve without taking into consideration tax, which is reported against shareholders' equity as per 1 January 2018.

ICA Gruppen will 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. However, in connection with the changeover to IFRS 9, ICA Gruppen will begin applying hedge accounting for the variability of fuel (diesel and HVO/biofuel) in transport costs. This application will be made prospectively starting with the changeover to IFRS 9 and thus does not give rise to any transitional effect.

Classification and measurement do 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 published in May 2014, and an amendment to IFRS 15 was published by the IASB in April 2016. IFRS 15 is in effect for financial years that begin on or after 1 January 2018. IFRS 15 was endorsed by the EU in October 2016, and the amended IFRS 15 was endorsed by the EU in 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 entails a new assessment of whether ICA Gruppen acts as principal instead of as agent. The assessment entails an increase in net sales in the ICA Sweden segment and for ICA Gruppen by SEK 3.0 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, and historical values will be recalculated.

IFRS 16 *Leasing* was published in January 2016. The standard takes effect for financial years beginning on or after 1 January 2019. IFRS 16 was endorsed by the EU in November 2017 and includes mainly new rules for lessees' reporting. Reporting by lessors corresponds to the rules that apply under IAS 17 Leases, except for in cases of subleasing, where an asset is leased in and thereafter leased out. For subleasing, classification of the lease as an operating lease or finance lease is based on the leased-in asset and not on the underlying asset, as is the case under IAS 17. 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. The asset is depreciated over the asset's useful life. Lease payments are broken down into interest and amortisation of the liability. 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. During 2017 work was focused mainly on interpreting the rules in IFRS 16 and on classifying what constitutes a lease. In addition, informing and establishing a consensus about the rules in IFRS 16 took place within the Group. Work is currently under way to assess the need for new system support and to create a reporting structure. It is too early to reliably quantify the effects of adoption of IFRS 16, however, its adoption will entail a major effect on ICA Gruppen's financial statements.

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 SEKm	Fourth quarter		Jan-Dec	
	2017	2016	2017	2016
Ancore Fastigheter AB	13	8	41	27
Secore Fastigheter AB	6	2	21	7
Fastighetsaktiebolaget Postgården AB	0	0	0	—
Other	0	0	0	1
Total	19	10	62	35

Book value, SEKm	31 Dec 2017	31 Dec 2016
Ancore Fastigheter AB	649	645
Secore Fastigheter AB	113	92
Fastighetsaktiebolaget Postgården AB	4	3
Other	0	0
Total	766	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 31 properties in Sweden that house ICA stores in which operations are conducted by non-consolidated ICA retailers. In 2017, one property was acquired from an external party. Based on all relevant data in the joint arrangement, Ancore Fastigheter AB is classified as a joint venture. Consolidation is done according to the equity method.

Ancore Fastigheter AB SEKm	Fourth quarter		Jan-Dec	
	2017	2016	2017	2016
Income	107	98	407	394
Expenses	-45	-41	-169	-165
Operating profit	62	57	238	229
Net financial items	-26	-30	-116	-140
Tax	-10	-10	-38	-32
Profit for the period	26	17	84	57
Other comprehensive income	7	24	45	11
Comprehensive income for the period	33	41	129	68
Non-current assets			4,993	4,730
Current assets			95	114
Total assets			5,088	4,844
Equity			1,235	1,226
Shareholder loan			—	—
Non-current liabilities			3,604	3,314
Current liabilities			249	304
Total equity and liabilities			5,088	4,844

Information regarding Secore Fastigheter AB

Secore Fastigheter AB is a joint arrangement between Första AP-fonden and ICA Gruppen. The parties each own 50% of the company. All significant decisions about the operations of Secore Fastigheter AB must be made as a joint understanding between the two owners. At the start of the year Secore Fastigheter AB owned 13 properties in Sweden that house ICA stores operated by non-consolidated ICA retailers. In May 2017, 12 store properties were acquired from ICA Gruppen, which means that after the acquisition, Secore Fastigheter AB owns a total of 25 properties. On 18 December 2017 Secore Fastigheter AB agreed to buy 15 store properties with ICA stores as the primary tenants. The seller was KPA Pension. Possession of the properties was transferred on 1 February 2018. The underlying property value is SEK 291 million. 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	Fourth quarter		Jan-Dec	
	2017	2016	2017	2016
SEKm				
Income	37	20	119	78
Expenses	-23	-11	-67	-43
Operating profit	14	9	52	35
Net financial items	-6	-7	-18	-26
Tax	-2	-1	-12	-7
Profit for the period	6	1	22	2
Other comprehensive income	—	—	—	—
Comprehensive income for the period	6	1	22	2
Non-current assets			2,105	1,092
Current assets			73	64
Total assets			2,178	1,156
Equity			800	60
Shareholder loan			—	—
Non-current liabilities			1,319	658
Current liabilities			59	438
Total equity and liabilities			2,178	1,156

NOTE 3, ITEMS AFFECTING COMPARABILITY

SEKm	Fourth quarter		Jan-Dec	
	2017	2016	2017	2016
Operating profit excl. items affecting comparability	1,172	1,180	4,642	4,669
Capital gains on sale of non-current assets				
Other segments, inkClub	—	—	—	-30
ICA Real Estate	11	—	578	72
Rimi Baltic	1	—	15	6
Apotek Hjärtat	—	22	—	22
ICA Bank	—	-8	—	-8
Others	-1	-5	-2	6
Impairment				
ICA Sweden, IT-solution product supply	—	-148	—	-148
ICA Real Estate	4	—	8	-54
Rimi Baltic	-6	-12	-21	-17
Operating profit	1,181	1,029	5,220	4,518

NOTE 4, ASSETS AND LIABILITIES HELD FOR SALE

As per 31 December 2017, two properties in Sweden and three properties in the Baltic countries are reported as assets held for sale.

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–December, SEKm	Group 2017	ICA Bank 2017	Group excl. ICA Bank 2017
Cash flow from operating activities before change in working capital	5,355	80	5,275
Change in working capital			
Inventories	-38	—	-38
Current receivables	-610	-210	-400
Current liabilities	1,111	132	979
ICA Bank's net of deposits, lending and investments	-1,217	-1,217	—
Cash flow from operating activities	4,601	-1,215	5,816
Cash flow from investing activities	632	-15	647
Cash flow from financing activities	-4,693	170	-4,863
Cash flow for the period	540	-1,060	1,600
Cash and cash equivalents at the beginning of the period	3,974	3,269	705
Exchange differences in cash and cash equivalents	-15	—	-15
Cash and cash equivalents at the end of the period	4,499	2,209	2,290

NOTE 6, FINANCIAL INSTRUMENTS

As per 31 December 2017 financial assets measured at fair value in ICA Gruppen amounted to SEK 3,537 million (3,447). Financial liabilities measured at fair value amounted to SEK 155 million (253) as per 31 December 2017. In the fair value hierarchy, SEK 3,473 million (2,510) of financial assets are attributable to Level 1 and SEK 64 million (937) 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 167 million (227).

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 16% in 2016 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 2021. The synergies are mainly related to larger purchasing volumes, more efficient logistics and marketing. The acquisition is expected to lead to approximately EUR 40 million in one-off costs and investments of approximately EUR 25 million during the period 2018–2020. 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.

Condensed Parent Company income statement

SEKm	Fourth quarter		Jan-Dec	
	2017	2016	2017	2016
Net sales ¹⁾	214	201	838	794
Cost of services sold	-196	-205	-768	-755
Gross profit	18	-4	70	39
Administrative expenses	-150	-123	-475	-394
Operating profit/loss	-132	-127	-405	-355
Profit/loss from participations in Group companies	-131	-101	5,904	2,852
Financial income, Group companies	41	48	159	334
Financial income	12	29	40	33
Financial expenses, Group companies	-2	-3	-11	-14
Financial expenses	-63	-18	-259	-275
Profit/loss after financial items	-275	-172	5,428	2,575
Appropriations	446	224	446	224
Profit before tax	171	52	5,874	2,799
Tax	-67	-27	5	4
Profit for the period	104	25	5,879	2,803

1) Of net sales for the fourth quarter, SEK 204 million (192) pertain to Group companies, and SEK 808 million (756) accumulated.

Condensed Parent Company balance sheet

SEKm	31 Dec 2017	31 Dec 2016
ASSETS		
Non-current assets		
Investments in Group companies	30,092	30,053
Other intangible assets	108	86
Deferred tax assets	233	228
Other non-current assets	106	137
Total non-current assets	30,539	30,504
Current assets		
Current receivables from Group companies	11,253	10,641
Other current assets	202	241
Cash and cash equivalents	1,484	162
Total current assets	12,939	11,044
TOTAL ASSETS	43,478	41,548
EQUITY AND LIABILITIES		
Equity	27,415	23,648
Provisions	386	360
Non-current liabilities		
Non-current interest-bearing liabilities	2,987	6,482
Other non-current liabilities	57	139
Total non-current liabilities	3,044	6,621
Current liabilities		
Current interest-bearing liabilities	3,975	2,772
Current liabilities to Group companies	8,227	7,672
Other current liabilities	431	475
Total current liabilities	12,633	10,919
TOTAL EQUITY AND LIABILITIES	43,478	41,548

Quarterly overview

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Net sales, SEKm	24,761	26,222	25,752	26,920	24,984	27,198	26,428	27,845
Operating profit before depreciation/amortisation (EBITDA), SEKm	1,384	1,511	1,768	1,575	1,775	1,646	1,761	1,574
Operating profit (EBIT) excl. items affecting comparability, SEKm	959	1,154	1,376	1,180	996	1,094	1,380	1,172
Operating margin excl. items affecting comparability, %	3.9	4.4	5.3	4.4	4.0	4.0	5.2	4.2
Operating profit (EBIT), SEKm	976	1,117	1,396	1,029	1,395	1,259	1,385	1,181
Operating margin, %	3.9	4.3	5.4	3.8	5.6	4.6	5.2	4.2
Profit before tax, SEKm	887	1,025	1,301	941	1,313	1,172	1,272	1,096
Profit from continuing operations, SEKm	735	829	1,049	784	1,132	1,021	1,100	892
Profit/loss from discontinued operations, SEKm	—	—	21	—	—	—	—	—
Profit for the period, SEKm	735	829	1,070	784	1,132	1,021	1,100	892
Earnings per share, continuing operations, SEK	3.65	4.12	5.21	3.89	5.61	5.06	5.45	4.41
Earnings per share, discontinued operations, SEK	—	—	0.10	—	—	—	—	—
Earnings per share, SEK	3.65	4.12	5.31	3.89	5.61	5.06	5.45	4.41
Equity per share, SEK	143.10	137.22	142.59	147.48	153.44	147.51	152.96	157.70
Share price at the end of period, SEK	268.60	281.70	283.30	277.90	305.80	313.60	306.10	297.90
Return on equity, %	17,3	13,3	13,6	11,9	13,1	13,6	13,4	13,4
Return on capital employed, %	10,4	10,5	10,8	10,5	11,5	11,9	11,9	12,3
Cash flow from operating activities, continuing operations, SEKm	398	1,785	550	2,689	-51	2,001	1,045	1,606
Cash flow from operating activities, SEKm	398	1,785	550	2,689	-51	2,001	1,045	1,606
Cash flow per share from operating activities, continuing operations, SEK	1.98	8.87	2.73	13.37	-0.25	9.95	5.20	7.98
Cash flow per share from operating activities, SEK	1.98	8.87	2.73	13.37	-0.25	9.95	5.20	7.98
Investing activities (cash flow), SEKm	400	846	463	793	628	520	470	612
Capital employed excl. ICA Bank, average, SEKm	43,352	43,138	43,184	43,050	42,946	42,607	42,169	41,938
Net debt, SEKm	-10,987	-12,161	-11,563	-9,758	-7,683	-7,776	-7,384	-5,598
Net debt/EBITDA	1.7	1.9	1.8	1.6	1.2	1.1	1.1	0.8

Quarterly data by segment

Net sales by segment

SEKm	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
ICA Sweden	17,571	18,777	18,598	19,104	17,774	19,624	19,133	19,869
Rimi Baltic	3,194	3,319	3,363	3,695	3,298	3,530	3,413	3,767
Apotek Hjärtat	3,088	3,224	3,021	3,198	3,173	3,298	3,108	3,297
ICA Real Estate	589	586	594	603	596	627	609	636
ICA Bank ¹⁾	218	232	189	224	226	235	245	259
Hemtex ²⁾	354	341	252	369	228	232	252	366
Other	226	224	190	223	222	237	222	228
Intra-Group sales	-479	-481	-455	-496	-533	-585	-554	-577
Net sales	24,761	26,222	25,752	26,920	24,984	27,198	26,428	27,845

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	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
ICA Sweden	880	986	1,124	951	890	982	1,108	959
Rimi Baltic	173	205	212	248	176	214	245	258
Apotek Hjärtat	112	157	165	160	127	171	165	141
ICA Real Estate	259	249	270	254	630	382	243	235
ICA Bank	22	17	29	6	15	16	37	35
Hemtex ²⁾	-6	-40	5	62	-9	-12	12	63
Other	-56	-63	-37	-106	-54	-107	-49	-117
Operating profit before depreciation/amortisation (EBITDA)	1,384	1,511	1,768	1,575	1,775	1,646	1,761	1,574

Operating profit excluding items affecting comparability by segment

SEKm	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
ICA Sweden	769	878	1,020	837	789	870	1,004	844
Rimi Baltic	95	130	134	167	94	128	161	174
Apotek Hjärtat	80	125	129	102	90	135	130	106
ICA Real Estate	96	114	142	141	109	99	121	100
ICA Bank	15	9	21	6	6	8	29	28
Hemtex ²⁾	-16	-16	-1	57	-14	-18	6	57
Other	-80	-86	-69	-130	-78	-128	-71	-137
Operating profit excluding items affecting comparability	959	1,154	1,376	1,180	996	1,094	1,380	1,172

Depreciation/amortisation by segment

SEKm	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
ICA Sweden	111	106	103	118	102	113	104	115
Rimi Baltic	74	73	78	81	79	81	78	83
Apotek Hjärtat	32	33	34	37	37	36	35	35
ICA Real Estate	125	115	114	113	120	120	119	124
ICA Bank	7	8	8	8	9	8	8	8
Hemtex ²⁾	10	6	6	6	6	5	6	6
Other	24	24	23	23	22	22	22	20
Depreciation/amortisation	383	365	366	386	375	385	372	391

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

Key figures ICA Gruppen

	Fourth quarter		Jan-Dec	
	2017	2016	2017	2016
Operating profit before depreciation/amortisation (EBITDA), SEKm	1,574	1,575	6,756	6,238
Operating margin excl. items affecting comparability, %	4.2	4.4	4.4	4.5
Operating margin, %	4.2	3.8	4.9	4.4
Net margin, %	3.2	2.9	3.9	3.3
Return on capital employed, %	—	—	12.3	10.5
Return on equity, %	—	—	13.4	11.9
Equity/assets ratio, %	—	—	41.0	39.0
Net debt, SEKm	—	—	-5,598	-9,758
Net debt/EBITDA	—	—	0.8	1.6
Average number of employees	—	—	22,137	21,986
Share data				
Earnings per share, continuing operations, SEK	4.41	3.89	20.53	16.87
Earnings per share, discontinued operations, SEK	—	—	—	0.10
Earnings per share, SEK	4.41	3.89	20.53	16.97
Share price at the end of period, SEK	—	—	297.90	277.90
Dividend per ordinary share, SEK	—	—	11.00	10.50
Dividend, SEKm	—	—	2,213	2,112
Dividend payout ratio, %	—	—	53	62
Equity per share, SEK	—	—	157.70	147.48
Cash flow from operating activities per share, SEK	7.98	13.37	22.87	26.96
Number of ordinary shares	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

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 items affecting comparability) 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.

Reconciliation EBITDA

	Fourth quarter		Jan-Dec	
	2017	2016	2017	2016
SEKm				
Operating profit (EBIT)	1,181	1,029	5,220	4,518
Depreciation/amortisation	391	386	1,523	1,501
Impairment losses (net)	2	160	13	219
Operating profit before depreciation/amortisation (EBITDA)	1,574	1,575	6,756	6,238

Reconciliation EBITDA

SEKm	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Operating profit (EBIT)	976	1,117	1,396	1,029	1,395	1,259	1,385	1,181
Depreciation/amortisation	383	365	366	386	375	385	372	391
Impairment losses (net)	25	29	5	160	5	2	4	2
Operating profit before depreciation/amortisation (EBITDA)	1,384	1,511	1,768	1,575	1,775	1,646	1,761	1,574

Reconciliation Net debt excluding ICA Bank

SEKm	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Non-current interest-bearing liabilities	-7,700	-7,704	-7,706	-7,407	-7,404	-3,914	-3,915	-3,913
Current interest-bearing liabilities	-3,653	-4,657	-4,068	-3,057	-736	-4,380	-3,998	-3,975
Current interest-bearing liabilities to ICA Bank	—	-350	-150	—	—	—	—	—
Cash and cash equivalents	366	549	362	705	455	517	528	2,290
Net debt	-10,987	-12,161	-11,563	-9,758	-7,683	-7,776	-7,384	-5,598

Reconciliation Capital employed excluding ICA Bank

SEKm	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Equity	28,806	27,620	28,705	29,688	31,169	29,973	31,069	32,017
Provisions for pensions	2,143	2,302	2,475	2,286	2,318	2,488	2,521	2,619
Other provisions	31	24	21	21	12	13	10	11
Non-current interest-bearing liabilities	7,700	7,704	7,706	7,407	7,404	3,914	3,915	3,913
Current interest-bearing liabilities	3,653	4,657	4,068	3,057	736	4,380	3,998	3,975
Current interest-bearing liabilities to ICA Bank	—	350	150	—	—	—	—	—
Other non-current liabilities	173	180	168	138	122	68	62	56
Capital employed	42,506	42,837	43,293	42,597	41,761	40,836	41,575	42,591

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.

Items affecting comparability

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

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.

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 year-end report has not been reviewed by the company's auditors.

Stockholm, 8 February 2018

Per Strömberg
CEO ICA Gruppen

Contacts and calendar

For further information, please contact:

Frans Benson, Head of Investor Relations
tel. +46 8-561 500 20

ICA Gruppen press service
Tel +46 10 422 52 52

Press and analyst conference call

ICA Gruppen will hold a conference call at 10.00 CET on Thursday, 8 February 2018 during which CEO Per Strömberg and CFO Sven Lindskog will present the year-end 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 56642508 or +44 20 30089813.

Location: IVA, Grev Turegatan 16, Stockholm

Calendar

12 April 2018	Annual General Meeting
27 April 2018	Q1 interim report
16 August 2018	Q2 interim report
25 October 2018	Q3 interim report
13 December 2018	Capital Market Day
7 February 2019	2018 year-end report

The information in this year-end 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 Thursday, 8 February 2018.

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

ICA Gruppen AB (publ)
Svetsarvägen 16
SE-171 93 Solna
Tel. +46 8 561 500 00
www.icagruppen.se
Reg. no. 556048-2837