



# Interim report ICA AB

January 1 – September 30, 2012

**ICA**



## Interim report

Stockholm, Sweden, November 14, 2012

### Strong operating income in third quarter

#### Third quarter

- Net sales for the third quarter amounted to SEK 23,805 million (24,008), down 0.8 percent. Adjusted for the closed ICA Maxi stores in Norway, net sales increased by 2.6 percent, or 4.0 percent at constant exchange rates.
- Operating income amounted to SEK 1,043 million (922) excluding non-recurring items of SEK 0 million (592), an increase of 13.1 percent.
- Income after net financial items amounted to SEK 964 million (235).
- Net income for the third quarter amounted to SEK -590 million (-2). The net income includes a tax expense of SEK 1,279 million related to a tax dispute for the years 2004 – 2008.

#### Nine-month period

- Net sales for the nine-month period amounted to SEK 71,872 million (70,258), up 2.3 percent. Adjusted for the closed ICA Maxi stores in Norway, net sales increased by 4.1 percent, or 4.2 percent at constant exchange rates.
- Operating income amounted to SEK 2,540 million (2,150) excluding non-recurring items of SEK 194 million (592), an increase of 18.1 percent.
- Income after net financial items amounted to SEK 2,125 million (1,303).
- Net income for the nine-month period amounted to SEK 186 million (684). The net income includes a tax expense of SEK 1,279 million related to a tax dispute for the years 2004 – 2008.

Key financial ratios	July – September			January – September			Full-year 2011
	2012	2011	%	2012	2011	%	
Net sales	23,805	24,008	-0.8%	71,872	70,258	2.3%	95,179
Operating income excl. non-recurring items <sup>1)</sup>	1,043	922	13.1%	2,540	2,150	18.1%	3,097
Operating income	1,043	330	216.1%	2,346	1,558	50.6%	2,505
Operating income excl. capital gains and impairments <sup>2)</sup>	1,045	947	10.3%	2,268	2,160	5.0%	3,101
Operating margin excl. non-recurring items <sup>1)</sup>	4.4	3.8		3.5	3.1		3.3
Operating margin, %	4.4	1.4		3.3	2.2		2.6
Operating margin excl. capital gains and impairments <sup>2)</sup>	4.4	3.9		3.2	3.1		3.3
Income after net financial items	964	235	310.2%	2,125	1,303	63.1%	2,156
Net income for the period	-590	-2		186	684	-72.8%	1,395
Total assets				39,823	40,160		40,961
Cash flow from operating activities	723	1,285		3,439	1,070		3,256
Equity/assets ratio, %				23.5	27.2		27.7
Return on equity, % <sup>3)</sup>				7.0	3.7		11.2
Return on capital employed, % <sup>4)</sup>				16.8	11.7		12.5

1) Operating income excluding non-recurring items is operating income adjusted for income and expenses in connection with the closure of ICA Maxi in Norway, goodwill impairment and structure costs regarding administrative efficiencies in Norway.

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

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

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

## Comment by the CEO

The ICA Group's positive development continued during the third quarter. Operating income amounted to SEK 1,043 million, our strongest quarterly result to date. However, net income for the period was impacted by a tax expense of about SEK 1.3 billion due to the ruling by the Administrative Court of Appeal on October 4th.

The work to define the ICA Group's future strategic direction has resulted in a new Group-wide strategy approved by the Board of Directors in September. The strategy is based on ICA's strengths – including our fundamental business model with retailer-owned stores, a strong customer base and strong brands – and accentuates the importance of capitalizing on opportunities for synergies within the Group. The Group strategy is based on six strategic themes that will set the direction for everything we do: *Strengthen customer loyalty and brand position, Strengthen and expand our customer offering, Optimize and broaden our sales channels, Simplify our business, Engage and develop our people, Excel in corporate responsibility*. These in turn define a number of areas and priorities which we will work with in the short and medium term and now serve as the basis of the companies' continued strategy work for 2013 and beyond.

The ICA stores continued to outperform the Swedish consumer goods market in the third quarter, which had stronger growth than last year. Sales to stores were also strong during the quarter and net sales for **ICA Sweden** increased by 4.3 percent. Our Private Labels maintained a growth level that was twice as high as for other products. Cura pharmacies also continued to report a positive sales trend. By the end of the quarter we had 43 Cura pharmacies, with another five opening in the fourth quarter. Logistics costs showed a slightly positive trend and together with the positive sales increase, improved margins and good cost controls, ICA Sweden achieved good operating income during the quarter.

Store sales in **ICA Norway** including ICA Maxi fell in the third quarter. Adjusted for the closed ICA Maxi stores, however, net sales rose by 3.3 percent. The modernized ICA Supermarket stores continued to report good sales figures, although the Rimi stores performed best. Operating income, excluding non-recurring items last year, declined compared to the same period last year due to lower sales and tighter margins. The structural measures we have taken so far this year will achieve their full effect in 2013. Additional structural measures will be needed before ICA Norway reaches a satisfactory level of profitability. One important success factor for us going forward is to improve the agreements with our suppliers.

The market in the three Baltic countries saw good growth during the quarter. Rimi stores continued to perform well and raised their market shares, while the challenges continued for our discount stores. In total, **Rimi Baltic's** sales increased by 3.7 percent in local currency. Our growth ambitions in the Baltics remain and the focus on Rimi, our most important brand in the Baltic countries, will continue. During the quarter, we decided to discontinue with the hard discount format (Supernetto) in Lithuania. Some of these 13 stores will be formatted to Rimi branded stores. As a result, we recognized impairment charges for trademarks and properties totaling SEK 32 million in the quarter. In spite of this, operating income improved thanks to a positive trend in gross margins and expenses.

**ICA Bank's** revenues and operating income were in line with the same period last year. In general, we are seeing more cautious customer behavior due to the financial instability in Europe. The low interest rates are also contributing to lower margins for ICA Bank. **ICA Real Estate's** revenues and operating income were slightly better than in the third quarter 2011.

During the first nine months of the year, the ICA Group's sales, adjusted for the closed ICA Maxi stores in Norway, increased by 4.2 percent at constant exchange rates. Growth is being driven primarily by the positive development of **ICA Sweden**. Operating income excluding non-recurring items amounted to SEK 2,540 million, an increase of 18.1 percent.

## Important events during the third quarter

- The dispute with the Norwegian Møre retailers was resolved when the Supreme Court of Norway denied the retailers' petition for leave to appeal. The March ruling of the Borgarting Court of Appeal in Oslo in ICA's favor is thereby final.

## Important events after the conclusion of the third quarter

- On October 4, the Administrative Court of Appeal affirmed the County Administrative Court ruling to deny ICA interest deductions of about SEK 3.4 billion for the period 2004 – 2008 and imposed in addition to this a tax surcharge for the tax year 2007. The total tax claim amounts to about SEK 1.3 billion, of which ICA already paid nearly SEK 1.2 billion in January 2011. The tax expense is reported in the third quarter.

## Net sales and financial results

### THE ICA GROUP

Net sales during the **third quarter** amounted to SEK 23,805 million (24,008), down 0.8 percent. Net sales at constant exchange rates rose by 0.6 percent. Adjusted for the closed ICA Maxi stores in Norway, net sales increased by 2.6 percent or 4.0 percent at constant exchange rates. Operating income excluding non-recurring items in Norway amounted to SEK 1,043 million (922), an increase of 13.1 percent. The third quarter of 2011 was charged with goodwill impairment in ICA Norway of SEK 592 million. Operating income amounted to SEK 1,043 million (330). Income after net financial items amounted to SEK 964 million (235). The third quarter was impacted by a tax expense of SEK 1,279 million related to a tax dispute for the years 2004 – 2008. Net income for the third quarter amounted to SEK –590 million (–2).

Net sales during the **nine-month period** amounted to SEK 71,872 million (70,258), up 2.3 percent. Net sales at constant exchange rates rose by 2.5 percent. Adjusted for the closed ICA Maxi stores in Norway, net sales increased by 4.1 percent, or 4.2 percent at constant exchange rates. Operating income excluding non-recurring items in Norway amounted to SEK 2,540 million (2,150), an increase of 18.1 percent. The second quarter of this year was charged with non-recurring expenses for the closure of ICA Maxi of SEK –367 million and administrative efficiencies of SEK –59 million in ICA Norway as well as a capital gain on ICA Maxi's properties of SEK 232 million within ICA Real Estate. The third quarter of 2011 included a goodwill impairment of SEK 592 million. Operating income amounted to SEK 2,346 million (1,558). Income after net financial items was SEK 2,125 million (1,303). Net income for the period amounted to SEK 186 million (684).

### ICA SWEDEN

Net sales during the **third quarter** amounted to SEK 16,498 million (15,811), up 4.3 percent. The sales increase is due to higher sales volumes to stores and increased revenues for Cura pharmacies. Operating income amounted to SEK 854 million (714). The higher income is mainly due to the sales increase, but also to better margins.

Net sales during the **nine-month period** amounted to SEK 48,566 million (46,166), up 5.2 percent. The sales increase is due to higher sales volumes to stores and increased revenues for Cura pharmacies. Operating income amounted to SEK 2,056 million (1,867). The higher income is mainly due to the sales increase, but also to better margins.

### ICA NORWAY

Net sales during the **third quarter** amounted to SEK 4,395 million (5,207), down 15.6 percent. ICA Norway's operating income excluding non-recurring items amounted to SEK –131 million (–97). The decline in operating income is mainly due to lower sales and tighter margins. Operating income after non-recurring items amounted to SEK –131 million (–689). The third quarter of 2011 included a goodwill impairment of SEK 592 million.

Adjusted for the closed ICA Maxi stores in Norway, net sales increased by 3.3 percent in local currency.

Net sales during the **nine-month period** amounted to SEK 14,369 million (15,292), down 6.0 percent. The decrease is mainly due to the closure of the ICA Maxi stores. ICA Norway's operating income excluding non-recurring items

amounted to SEK -431 million (-530). The second quarter of this year was charged with non-recurring expenses for the closure of ICA Maxi of SEK -367 million and administrative efficiencies of SEK -59 million. The third quarter of 2011 included a goodwill impairment of SEK 592 million. Operating income including these expenses amounted to SEK -857 million (-1,122).

Adjusted for the closed ICA Maxi stores in Norway, net sales increased by 0.9 percent in local currency.

### RIMI BALTIC

Net sales during the **third quarter** amounted to SEK 2,418 million (2,524), down 4.2 percent. Sales in local currency increased by 3.7 percent. Operating income amounted to SEK 36 million (29). The operating income included impairment charges for discount store trademarks (Supernetto) and properties in Lithuania totaling SEK 32 million (SEK 21 million). The income improvement is due to improved gross margins and good cost development.

Net sales during the **nine-month period** amounted to SEK 7,425 million (7,390), up 0.5 percent. Sales in local currency increased by 3.7 percent. Operating income amounted to SEK 125 million (86). The operating result included impairment charges for discount store trademarks (Supernetto) and properties in Lithuania totaling SEK 32 million (SEK 21 million). The income improvement is mainly due to higher sales, better gross margins and good cost controls.

### ICA BANK

Revenues during the **third quarter** amounted to SEK 199 million (198), up 0.5 percent. Business volume rose by 2.4 percent (3.5) during the third quarter. Operating income increased to SEK 58 million (57).

Revenues during the **nine-month period** amounted to SEK 607 million (556), up 9.2 percent, mainly due to increased commissions and net interest income due to higher business volumes. Business volume have increased by 12.1 percent (8.6) compared with the third quarter 2011 and by 8.2 percent (5.0) since the beginning of the year. Operating income increased to SEK 155 million (118). The improvement is mainly due to better commission and net interest income.

### ICA REAL ESTATE

Revenues during the **third quarter** amounted to SEK 548 million (543), up 0.9 percent. Operating income excluding capital gains amounted to SEK 238 million (241). Operating income increased to SEK 266 million (242) and includes capital gains on real estate sales of SEK 28 million (1).

Revenues during the **nine-month period** amounted to SEK 1,697 million (1,649), up 2.9 percent. Operating income excluding capital gains amounted to SEK 758 million (732). The increase is mainly due to terminated depreciation of ICA Maxi's properties in Norway and rents from new properties. Operating income increased to SEK 1,059 million (747) and includes capital gains on real estate sales of SEK 307 million (15) and impairments of SEK 6 million (0). Of the year's capital gains, SEK 232 million relates to the Norwegian ICA Maxi transaction.

### ICA GROUP FUNCTIONS

Operating income during the **third quarter** amounted to SEK -40 million (-23).

Operating income during the **nine-month period** amounted to SEK -192 million (-138).

### NET FINANCIAL ITEMS AND TAXES

The ICA Group's net financial items during the **third quarter** amounted to SEK -79 million (-95). The tax expense was SEK 1,554 million (237). The quarter was impacted by a tax expense of SEK 1,279 million related to a tax dispute for the years 2004 – 2008.

The ICA Group's net financial items during the **nine-month period** amounted to SEK -221 million (-255). The tax expense was SEK 1,939 million (619). The third quarter was impacted by a tax expense of SEK 1,279 million related to a tax dispute for the years 2004 – 2008.

## FINANCIAL POSITION

The Group's total assets by September 30 amounted to SEK 39,823 million (SEK 40,961 million at the beginning of the year). Capital employed has decreased by SEK 830 million since the beginning of the year to SEK 27,238 million. The equity/assets ratio was 23.5 percent (27.7 percent at the beginning of the year). As of September 30, 2012, the Group had net debt excluding ICA Bank of SEK 1,895 million (SEK 1,143 million at the beginning of the year).

## CASH FLOW

Cash flow from operating activities during the nine-month period amounted to SEK 3,439 million (1,070). In the first quarter of 2011, SEK 1,187 million was paid to the Swedish Tax Agency for a dispute for the years 2004–2008. Changes in ICA Bank's deposits, lending and investments affected cash flow by SEK 486 million (186). Cash flow from investing activities amounted to SEK –1,000 million (–1,547). Proceeds from the sale of the ICA Maxi properties in Norway will be received and recognized during the fourth quarter. Cash flow from financing activities amounted to SEK –1,914 million (141). The Group's liquid assets totaled SEK 3,519 million as of September 30, 2012 (SEK 3,009 million at the beginning of the year).

## INVESTMENTS

Investments during the year have amounted to SEK 1,446 million (1,695) and are distributed according to the table below. The decrease relates to ICA Norway and ICA Real Estate. The increased investments in intangible fixed assets relate to IT systems for Swedish operations.

Investments SEK million	July – September		January – September		Full-year
	2012	2011	2012	2011	2011
Retail	395	271	1,021	1,345	1,813
Distribution	0	23	81	71	98
Investment properties	42	23	71	112	188
Intangibles	97	48	272	122	237
Other	0	21	1	45	52
<b>TOTAL</b>	<b>534</b>	<b>386</b>	<b>1,446</b>	<b>1,695</b>	<b>2,388</b>

## PERSONNEL

The Group had an average of 21,122 employees (20,718) during the nine-month period.

## SIGNIFICANT RISKS AND UNCERTAINTIES

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

Given the nature of the Group's operations, a financial exposure naturally arises with regard to interest rates, liquidity, exchange rates and credit. The Group has a central treasury function whose primary purpose is to ensure that the Group has secured financing through loans and lines of credit, as well as to provide cash management and to actively manage and verify that the financial exposure is in compliance with the Group's finance policy. ICA Bank's operations are exposed to a number of risks, foremost of which are credit risk, operating risk and business risk/strategic risk, while market risk and liquidity risk are limited.

For a further description of the risks affecting the Group, refer to the annual report.

## DISPUTES

### TAX DISPUTE

The Swedish Tax Authority decided in 2008 to disallow deductions related to intra-Group interest payments during 2004–2008. In December 2010, the County Administrative Court affirmed the Tax Authority's decision and denied interest deductions of SEK 3,358 million. ICA appealed the County Administrative Court's ruling to the Administrative Court of Appeal, which on October 4, 2012 announced its ruling in the Tax Authority's favor. ICA

recognized a tax expense of SEK 1,279 million during the third quarter in accordance with the Administrative Court of Appeal's ruling.

#### **OTHER DISPUTES**

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

#### **PARENT COMPANY, ICA AB**

The Parent Company's net sales during the nine-month period amounted to SEK 31 million (32) and with income after net financial items of SEK 488 million (-428). The difference between years is because the Parent Company has received SEK 900 million (0) in dividends from subsidiaries. Investments during the period amounted to SEK 99 million (25). Cash, bank balances and short-term investments amounted to SEK 0 million (5).

#### **TRANSACTIONS WITH RELATED PARTIES**

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

#### **SCHEDULED REPORTING DATES**

The year-end report for 2012 will be presented on February 13, 2013.

The interim report for the first quarter 2013 will be presented on May 7, 2013.

The interim report for the second quarter 2013 will be presented on August 21, 2013.

Stockholm, November 14, 2012

Per Strömberg  
CEO, ICA AB

#### **FOR FURTHER INFORMATION, PLEASE CONTACT:**

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#### **About ICA**

The ICA Group (ICA AB) is one of the Nordic region's leading retail companies, with around 2,100 of its own and retailer-owned stores in Sweden, Norway and the three Baltic states. The Group includes the retail companies ICA Sweden, ICA Norway and Rimi Baltic as well as ICA Real Estate. ICA also offers financial services to Swedish customers through ICA Bank. ICA AB is a joint venture 40% owned by Hakon Invest AB and 60% by Royal Ahold of the Netherlands. According to a shareholder agreement, Royal Ahold and Hakon Invest jointly share controlling influence over ICA AB. Through Royal Ahold, ICA AB is part of an international retail network. For more information, please visit [www.ica.se](http://www.ica.se)

## REVIEW REPORT

### *Introduction*

We have reviewed the interim report for the period 1 January 2012 – 30 September 2012 for ICA AB. The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### *Scope of review*

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Financial Information Performed by Company's Auditors. A review 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 ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not 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, 14 November 2012

Deloitte AB

Jan Berntsson

Authorised Public Accountant

## Financial reports for the Group

Income statement – Group SEK million	July – September		January – September		Full-year 2011
	2012	2011	2012	2011	2011
Net sales	23,805	24,008	71,872	70,258	95,179
Cost of sales	-20,337	-20,562	-61,662	-60,383	-81,702
<b>Gross profit</b>	<b>3,468</b>	<b>3,446</b>	<b>10,210</b>	<b>9,875</b>	<b>13,477</b>
Selling and administrative expenses	-2,507	-3,168	-8,404	-8,496	-11,244
Other operating revenue	79	49	530	172	263
Share of associated companies' net profit	3	3	10	7	9
<b>Operating income</b>	<b>1,043</b>	<b>330</b>	<b>2,346</b>	<b>1,558</b>	<b>2,505</b>
Financial income	14	11	49	58	72
Financial expenses	-93	-106	-270	-313	-421
<b>Net financial items</b>	<b>-79</b>	<b>-95</b>	<b>-221</b>	<b>-255</b>	<b>-349</b>
<b>Income after net financial items</b>	<b>964</b>	<b>235</b>	<b>2,125</b>	<b>1,303</b>	<b>2,156</b>
Tax	-1,554	-237	-1,939	-619	-761
<b>Net income for the period</b>	<b>-590</b>	<b>-2</b>	<b>186</b>	<b>684</b>	<b>1,395</b>
Of which attributable to ICA AB's shareholders	-590	-2	186	683	1,395
Of which attributable to non-controlling interests	0	0	0	1	0

Statement of comprehensive income SEK million	July – September		January – September		Full-year
	2012	2011	2012	2011	2011
Net income for the period	-590	-2	186	684	1,395
Other comprehensive income for the period					
Change in translation reserve, net after tax	-196	55	-213	206	-26
Change in fair value reserve, net after tax	15	-1	19	3	1
Change in hedge reserve, net after tax	-19	-28	-7	5	-21
Total other comprehensive income	-200	26	-201	214	-46
<b>Total comprehensive income for the period</b>	<b>-790</b>	<b>24</b>	<b>-15</b>	<b>898</b>	<b>1,349</b>
Of which attributable to ICA AB's shareholders	-790	23	-15	899	1,349
Of which attributable to non-controlling interests	0	1	0	-1	0

Condensed balance sheet – Group		Sept. 30, 2012	Sept. 30, 2011	Dec. 31, 2011
SEK million				
Intangible fixed assets		3,021	2,954	2,967
Tangible fixed assets		14,489	14,689	14,638
Financial fixed assets		5,882	5,037	5,327
Deferred tax assets		49	15	41
Total fixed assets		<b>23,441</b>	<b>22,695</b>	<b>22,973</b>
Inventory		4,079	4,515	4,520
Current receivables		8,752	8,801	9,050
Liquid assets		3,519	2,765	3,009
Assets held for sale		32	1,384	1,409
Total current assets		<b>16,382</b>	<b>17,465</b>	<b>17,988</b>
<b>TOTAL ASSETS</b>		<b>39,823</b>	<b>40,160</b>	<b>40,961</b>
Shareholders' equity		9,344	10,911	11,359
Long-term liabilities		6,825	7,556	7,277
Current liabilities		23,654	21,693	22,325
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>39,823</b>	<b>40,160</b>	<b>40,961</b>
Pledged assets		396	330	419
Contingent liabilities		204	1,499	1,487

Change in shareholders' equity – Group		January – September 2012	January – September 2011	Full-year 2011
SEK million				
Opening balance		<b>11,359</b>	<b>11,913</b>	<b>11,913</b>
Dividend		-2,000	-1,900	-1,900
Change in non-controlling interests				-3
Total comprehensive income for the period		-15	898	1,349
Closing balance		<b>9,344</b>	<b>10,911</b>	<b>11,359</b>
Of which attributable to ICA AB's shareholders		9,341	10,906	11,356
Of which attributable to non-controlling interests		3	5	3

Condensed statement of cash flows – Group		January – September 2012	January – September 2011	Full-year 2011
SEK million				
Operating income		2,346	1,558	2,505
Depreciation, amortization and impairments		1,383	1,740	2,104
Other items not included in cash flow		-287	-3	-31
Income tax paid		-708	-1,818	-1,733
Cash flow from operating activities before change in working capital		<b>2,734</b>	<b>1,477</b>	<b>2,845</b>
Change in working capital				
Inventory		406	29	-30
Current receivables		32	350	46
Current liabilities		-219	-972	181
ICA Bank's net deposits, lending and investments		486	186	214
Cash flow from operating activities		<b>3,439</b>	<b>1,070</b>	<b>3,256</b>
Cash flow from investing activities		-1,000	-1,547	-2,242
Cash flow from financing activities		-1,914	141	-1,104
Cash flow for the period		<b>525</b>	<b>-336</b>	<b>-90</b>
Liquid assets at beginning of period		3,009	3,102	3,102
Exchange rate differences in liquid assets		-15	-1	-3
Liquid assets at end of period		<b>3,519</b>	<b>2,765</b>	<b>3,009</b>

## Financial reports for the Parent Company

Income statement – Parent Company SEK million	July – September		January – September		Full-year
	2012	2011	2012	2011	2011
Net sales	9	8	31	32	41
Cost of sales	–	–	–	–	–
Gross profit	<b>9</b>	<b>8</b>	<b>31</b>	<b>32</b>	<b>41</b>
Selling and administrative expenses	–44	–34	–206	–188	–262
Operating income	<b>–35</b>	<b>–26</b>	<b>–175</b>	<b>–156</b>	<b>–221</b>
Result from shares in Group companies	0	–	900	–	2,524
Other financial income	1	4	4	26	27
Other financial expenses	–83	–65	–241	–298	–398
Income after net financial items	<b>–117</b>	<b>–87</b>	<b>488</b>	<b>–428</b>	<b>1,932</b>
Appropriations	–	–	–	–	–415
Income before tax	<b>–117</b>	<b>–87</b>	<b>488</b>	<b>–428</b>	<b>1,517</b>
Tax	27	19	97	101	–412
Net income for the period	<b>–90</b>	<b>–68</b>	<b>585</b>	<b>–327</b>	<b>1,105</b>

Statement of comprehensive income SEK million	July – September		January – September		Full-year
	2012	2011	2012	2011	2011
Net income for the period	–90	–68	585	–327	1,105
Other comprehensive income for the period	–	–	–	–	–
<b>Total comprehensive income for the period</b>	<b>–90</b>	<b>–68</b>	<b>585</b>	<b>–327</b>	<b>1,105</b>

Condensed balance sheet – Parent Company SEK million	Sept. 30, 2012		Sept. 30, 2011		Dec. 31, 2011
Intangible fixed assets	106		5		56
Tangible fixed assets	77		63		63
Financial fixed assets	35,205		34,095		35,216
Deferred tax assets	2		6		6
<b>Total fixed assets</b>	<b>35,390</b>		<b>34,169</b>		<b>35,341</b>
Current receivables	267		1,036		3,494
Liquid assets	–		5		–
<b>Total current assets</b>	<b>267</b>		<b>1,041</b>		<b>3,494</b>
<b>TOTAL ASSETS</b>	<b>35,657</b>		<b>35,210</b>		<b>38,835</b>
Shareholders' equity	26,460		26,443		27,875
Untaxed reserves	2,421		2,007		2,421
Provisions	297		283		299
Long-term liabilities	6,000		6,000		6,000
Current liabilities	479		477		2,240
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>35,657</b>		<b>35,210</b>		<b>38,835</b>
Pledged assets	0		5		0
Contingent liabilities	7,760		8,360		8,300

Change in shareholders' equity – Parent Company SEK million	January – September		January – September		Full-year
	2012	2011	2011	2011	2011
Opening balance	<b>27,875</b>		<b>28,670</b>		<b>28,670</b>
Dividend	–2,000		–1,900		–1,900
Total comprehensive income for the period	585		–327		1,105
<b>Closing balance</b>	<b>26,460</b>		<b>26,443</b>		<b>27,875</b>

## Supplemental disclosures – Group

### Note 1 Accounting principles

This interim report is prepared according to IAS 34. The same accounting principles and calculation methods are applied as in the annual report for 2011. Readers of the interim report are presumed to have access to the annual report for 2011. The interim report primarily contains information on events and changes which have taken place since the most recent annual report was issued and which are of material importance to understanding the changes in the Group's financial position and results of operations.

No new or amended (and EU-approved) standards with a material impact on ICA's financial reports are applied as of 2012.

From 2013 the revised IAS 19 Employee benefits applies. The main change for ICA is that all actuarial gains and losses are recognized in Other comprehensive income. As per December 31, 2011 unrecognized actuarial losses including payroll tax for ICA Group amounted to SEK 576 million.

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

### Note 2 Segment reporting

Net sales by segment – Group SEK million	July – September		January – September		Full-year
	2012	2011	2012	2011	2011
ICA Sweden	16,498	15,811	48,566	46,166	62,500
ICA Norway	4,395	5,207	14,369	15,292	20,679
Rimi Baltic	2,418	2,524	7,425	7,390	10,089
ICA Bank	199	198	607	556	764
ICA Real Estate	548	543	1,697	1,649	2,202
ICA Group Functions	23	96	74	322	348
Intra-Group sales	-276	-371	-866	-1,117	-1,403
Net sales	<b>23,805</b>	<b>24,008</b>	<b>71,872</b>	<b>70,258</b>	<b>95,179</b>

Operating income by segment – Group SEK million	July – September		January – September		Full-year
	2012	2011	2012	2011	2011
ICA Sweden	854	714	2,056	1,867	2,617
ICA Norway *	-131	-689	-857	-1,122	-1,255
Rimi Baltic	36	29	125	86	173
ICA Bank	58	57	155	118	171
ICA Real Estate *	266	242	1,059	747	1,005
ICA Group Functions	-40	-23	-192	-138	-206
Total operating income	<b>1,043</b>	<b>330</b>	<b>2,346</b>	<b>1,558</b>	<b>2,505</b>

\*The closure of ICA Maxi in Norway affected operating income for the ICA Norway and ICA Real Estate segments during the second quarter 2012. ICA Real Estate's operating income includes a capital gain of SEK 232 million.

ICA Norway's operating income includes expenses for the closure of ICA Maxi of SEK -367 million as well as non-recurring expenses related to administrative efficiencies of SEK -59 million. The third quarter of 2011 included goodwill impairment of SEK 592 million. Excluding non-recurring expenses, operating income amounted to SEK -131 million (-97) in the third quarter and SEK -431 million (-530) for the nine-month period.

### Note 3 Joint venture

#### Ancore Fastigheter AB

ICA Fastigheter AB and Alecta pensionsforsäkring ömsesidigt established a joint venture, Ancore Fastigheter AB, in December 2010. ICA and Alecta each own 50 percent of the company, which in turn owns and manages 15 Swedish properties that have ICA stores as tenants. Financial information on ICA's share of Ancore Fastigheter AB's operations is provided below.

Joint venture Ancore Fastigheter AB	July –September 2012	July –September 2011	January – September 2012	January – September 2011	Full-year 2011
Revenue	29	22	84	65	90
Expenses	-24	-17	-72	-58	-84
Net income for the period	5	5	12	7	6
Other comprehensive income	-15	4	-11	0	-51
Total comprehensive income for the period	-10	9	1	7	-45
Fixed assets			1,657	1,205	1,431
Current assets			41	45	40
Long-term liabilities			1,084	731	930
Current liabilities			56	92	55

## Appendix – Store sales trends

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

### Store sales in Sweden

Store sales excl. VAT	July – September 2012			January – September 2012		
	SEK million	Change, all stores	Change, comparable	SEK million	Change, all stores	Change, comparable
Maxi ICA Stormarknad	7,072	4.3%	2.7%	21,057	5.5%	3.6%
ICA Kvantum	5,825	3.1%	3.3%	17,283	4.0%	4.0%
ICA Supermarket	8,025	4.2%	4.3%	23,250	4.1%	4.4%
ICA Nära	4,041	2.8%	2.8%	11,365	3.0%	3.1%
<b>TOTAL</b>	<b>24,962</b>	<b>3.7%</b>	<b>3.4%</b>	<b>72,956</b>	<b>4.3%</b>	<b>3.9%</b>

During the nine-month period, the share of private label sales increased to 19.7 percent (19.3) in Sweden.

### Store sales in Norway

Store sales excl. VAT	July – September 2012			January – September 2012		
	NOK million	Change, all stores	Change, comparable	NOK million	Change, all stores	Change, comparable
Rimi	2,437	9.8%	0.4%	7,148	10.7%	2.2%
ICA Supermarked	1,209	13.2%	-1.0%	3,400	4.8%	-1.8%
ICA Naer	504	-39.4%	-7.3%	1,707	-33.2%	-6.2%
<b>TOTAL excluding ICA Maxi</b>	<b>4,151</b>	<b>0.7%</b>	<b>-1.1%</b>	<b>12,255</b>	<b>0.0%</b>	<b>-0.2%</b>
ICA Maxi	22			1,132		
<b>TOTAL</b>	<b>4,173</b>	<b>-13.6%</b>	<b>-1.3%</b>	<b>13,387</b>	<b>-6.9%</b>	<b>-1.9%</b>

During the nine-month period, the share of private label sales increased to 9.0 percent (7.9) in Norway.

### Store sales in the Baltic countries

Store sales excl. VAT	July – September 2012			January – September 2012		
	EUR million	Change, all stores	Change, comparable	EUR million	Change, all stores	Change, comparable
Estonia	90	3.2%	0.5%	266	2.6%	0.6%
Latvia	143	6.4%	3.1%	421	4.9%	2.3%
Lithuania	51	-2.6%	-3.6%	158	1.7%	0.5%
<b>TOTAL</b>	<b>284</b>	<b>3.6%</b>	<b>1.0%</b>	<b>845</b>	<b>3.6%</b>	<b>1.4%</b>

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

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

Store format	December 2011	New	Converted	Closed	September 2012
Maxi ICA Stormarknad	75				75
ICA Kvantum	117	1			118
ICA Supermarket	435		-2	-1	432
ICA Nära	704	4	2	-10	700
ICA To Go	3	1			4
<b>TOTAL</b>	<b>1,334</b>	<b>6</b>	<b>0</b>	<b>-11</b>	<b>1,329</b>

### Number of stores in Norway, including franchised stores

Store format	December 2011	New	Converted	Closed	September 2012
Rimi	285	2	28	-3	312
ICA Supermarked	73		6	-1	78
ICA Naer	168		-28	-20	120
ICA Maxi	24		-6	-18	0
<b>TOTAL</b>	<b>550</b>	<b>2</b>	<b>0</b>	<b>-42</b>	<b>510</b>

### Number of stores in the Baltic countries

Country	December 2011	New	Converted	Closed	September 2012
Estonia	82	1		-2	81
Latvia	111	2			113
Lithuania	46				46
<b>TOTAL</b>	<b>239</b>	<b>3</b>		<b>-2</b>	<b>240</b>

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