

## **Supplement 2015:1 to base prospectus regarding ICA Gruppen Aktiebolag's (publ) MTN-programme**

Supplement to base prospectus regarding ICA Gruppen Aktiebolag's (publ) ("ICA Gruppen") MTN-programme, approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) on May 29, 2015 (ref. no. 15-7094) (the "**Base Prospectus**").

This supplement has been prepared in accordance with Chapter 2 Section 34 in the Swedish Financial Instruments Trading Act (1991:980) and approved and registered by the Swedish Financial Supervisory Authority on September 8, 2015 (ref. no. 15-11960) and published on ICA Gruppen's website on September 8, 2015.

According to Chapter 2, Section 34 of the Swedish Financial Instruments Trading Act rights for investors who have agreed to purchase or subscribe for transferable securities under the Base Prospectus to withdraw their acceptances by reason of the publication of this supplement shall be exercised no later than two (2) business days from the publication, *i.e.*, no later than on September 10, 2015.

This supplement is a part of, and shall be read together with, the Base Prospectus.

### **Publication of ICA Gruppen's interim report and early redemption of preference shares**

On August 19, 2015 ICA Gruppen published its interim report for the period January 1 – June 30, 2015 (the "**Interim Report**"). By this supplement, the Interim report is implemented into, and made part of, the Base Prospectus.

On June 4, 2015 ICA Gruppen announced its decision to early redeem the preference shares in the subsidiary ICA Fastigheter Sverige AB.

### **Updates of the Base Prospectus**

The above-mentioned publication of the Interim Report and the early redemption of preference shares cause updates of the sections "Summary", "Information about ICA Gruppen", "Selected historical financial information" and "Other information" of the Base Prospectus as stated below.

#### *Summary*

The section "Summary" of the Base Prospectus is updated with selected historical financial information under "Section B – Issuer" (item B.12) as set forth below.

In sub-section "Income statement", the columns "Jan–Mar" 2014 and 2015 are replaced with the columns "Jan–Jun" 2014 and 2015 of the section "Consolidated statement of comprehensive income" on page 14 of the Interim Report. In sub-section "Balance sheet", the columns "2014-03-31" and "2015-03-31" are replaced with the columns "30 June" 2014 and 2015 from the section "Condensed consolidated statement of financial position" on page 15 of the Interim Report. In

sub-section “Key figures”, the columns “Jan–Mar” 2014 and 2015 are replaced with the columns “Jan–Jun” 2014 and 2015 of the section “Key figures ICA Gruppen” on page 25 of the Interim Report. The updates above are set forth in [Appendix 1](#).

#### *Information about ICA Gruppen*

The section “Recent events affecting the solvency of the issuer” on page 41 of the Base Prospectus is updated as set forth in [Appendix 2](#).

#### *Selected historical financial information*

In section “Condensed statement of comprehensive income, Group” on page 49 of the Base Prospectus, the columns “Jan–Mar” 2014 and 2015 are replaced with the columns “Jan–Jun” 2014 and 2015 of the section “Consolidated statement of comprehensive income” on page 14 of the Interim Report. In section “Condensed statement of financial position, Group” on page 50 of the Base Prospectus, the columns “2014-03-31” and “2015-03-31” are replaced with the columns “30 June” 2014 and 2015 of the section “Condensed consolidated statement of financial position” on page 15 of the Interim Report. In section “Statement of cash flows” on page 51 of the Base Prospectus, the columns “Jan–Mar” 2014 and 2015 are replaced with the columns “Jan–Jun” 2014 and 2015 of the section “Condensed consolidated statement of cash flows, incl. ICA Norway” on page 16 of the Interim Report. In section “Key figures, Group” on page 51 of the Base Prospectus, the columns “Jan–Mar” 2014 and 2015 are replaced with the columns “Jan–Jun” 2014 and 2015 of the section “Key Figures ICA Gruppen” on page 25 of the Interim Report. The updates above are set forth in [Appendix 3](#).

The sections “Historical financial information”, “Age of the most recent financial information” and “Documents incorporated by reference” on pages 47–48 of the Base Prospectus are updated as set forth in [Appendix 4](#).

#### *Other information*

The sections “Material changes in the issuer’s financial position” and “Documents available for inspection” on pages 52–53 of the Base Prospectus are updated as set forth in [Appendix 5](#).

Solna on September 8, 2015

**APPENDIX 1**

SEKm	Jan-Jun	Jan-Jun	Full year	Full year
	2015	2014	2014	2013
<b>Net sales</b>	49,215	41,978	87,174	65,155
Cost of goods sold	-42,627	-36,256	-75,038	-55,102
<b>Gross profit</b>	<b>6,588</b>	<b>5,722</b>	<b>12,136</b>	<b>10,053</b>
Other operating income	235	603	883	191
Selling expenses	-3,478	-3,032	-6,185	-5,290
Administrative expenses	-1,426	-1,175	-2,362	-2,099
Other operating expenses	-85	0	-386	-240
Share of profits of associates and joint venture	8	10	11	121
Effects of acquisition of ICA AB	-	-	-	8,051
<b>Operating profit</b>	<b>1,842</b>	<b>2,128</b>	<b>4,097</b>	<b>10,787</b>
Financial income	22	26	38	58
Financial expenses	-217	-201	-408	-504
<b>Profit before tax</b>	<b>1,647</b>	<b>1,953</b>	<b>3,727</b>	<b>10,341</b>
Tax	-332	-331	-622	-347
<b>Profit for the period from continuing operations</b>	<b>1,315</b>	<b>1,622</b>	<b>3,105</b>	<b>9,994</b>
Profit/loss from discontinued operations	1,189	-329	-438	-548
<b>Profit for the period</b>	<b>2,504</b>	<b>1,293</b>	<b>2,667</b>	<b>9,446</b>
<b>Other comprehensive income, items that may not be reclassified to profit or loss</b>				
Actuarial gain or losses defined benefit pension	103	-92	-246	214
<b>Other comprehensive income, items that may be reclassified to profit or loss, net after tax</b>				
Change in translation reserve	-61	152	145	81
Change in hedging reserve	-121	-71	-73	0
Share of other comprehensive income of joint	9	-57	-61	20

ventures					
Items reclassified to profit or loss at acquisition of ICA AB	0	0	0	-259	
<b>Total items that may be reclassified to profit or loss</b>	<b>-173</b>	<b>24</b>	<b>11</b>	<b>-158</b>	
<b>Comprehensive income for the period</b>	<b>2,434</b>	<b>1,225</b>	<b>2,432</b>	<b>9,502</b>	
<b>Profit for the period attributable to</b>					
Owners of the parent	2,453	1,238	2,518	9,439	
Non-controlling interests	51	55	149	7	
<b>Comprehensive income for the period attributable to</b>					
Owners of the parent	2,380	1,178	2,301	9,495	
Non controlling interests	54	47	131	7	
<b>Earnings per share before and after dilution, SEK</b>					
Ordinary share	12.19	6.15	12.53	49.68	
Ordinary share, continuing operations	6.28	7.79	14.71	52.56	
Ordinary share, discontinued operations	5.91	-1.64	-2.18	-2.88	
<b>Balance sheet</b>					
<b>CONDENSED STATEMENT OF FINANCIAL POSITION, GROUP</b>					
<b>SEKm</b>	<b>2015-06-30</b>	<b>2014-06-30</b>	<b>2014-12-31</b>	<b>2013-12-31</b>	
<b>ASSETS</b>					
<b>Non-current assets</b>					
Goodwill	16,322	11,867	11,545	11,867	
Trademarks	13,636	13,086	13,112	13,065	
Other intangible assets	979	856	803	770	
Interest in joint ventures and associates	760	675	757	712	
Deferred tax assets	289	359	254	369	
Lending and investments in ICA Bank	6,932	6,771	7,159	6,270	
Land, buildings and investment properties	15,277	16,316	15,923	16,778	
Other non-current assets	1,976	2,477	1,703	2,521	
<b>Total non-current assets</b>	<b>56,171</b>	<b>52,407</b>	<b>51,256</b>	<b>52,352</b>	

	<b>Current assets</b>				
	Inventories	4,314	4,139	3,566	4,253
	Lending and investments in ICA Bank	2,859	2,997	3,075	2,931
	Other current assets	5,987	4,484	4,926	4,834
	Cash and cash equivalents in ICA Bank	3,469	2,580	2,380	2,814
	Cash and cash equivalents	504	599	3,711	1,134
	<b>Total current assets</b>	<b>17,133</b>	<b>14,799</b>	<b>17,658</b>	<b>15,966</b>
	Assets held for sale	949	1,537	3,520	643
	<b>TOTAL ASSETS</b>	<b>74,253</b>	<b>68,743</b>	<b>72,434</b>	<b>68,961</b>
	<b>EQUITY AND LIABILITIES</b>				
	<b>Equity</b>	<b>29,169</b>	<b>26,780</b>	<b>27,911</b>	<b>26,541</b>
	<b>Non-current liabilities</b>				
	Provisions	2,289	2,095	2,342	1,909
	Deferred tax liabilities	4,961	4,895	4,839	4,925
	Non-current interest-bearing liabilities	9,795	6,941	9,658	6,770
	Other non-current liabilities	169	71	156	8
	<b>Total non-current liabilities</b>	<b>17,214</b>	<b>14,002</b>	<b>16,995</b>	<b>13,612</b>
	<b>Current liabilities</b>				
	Deposits ICA Bank	11,506	10,729	11,031	10,600
	Current interest-bearing liabilities	1,555	2,695	1,277	3,523
	Other current liabilities	14,700	14,272	13,298	14,173
	<b>Total current liabilities</b>	<b>27,761</b>	<b>27,696</b>	<b>25,606</b>	<b>28,296</b>
	Liabilities held for sale	109	265	1,922	512
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>74,253</b>	<b>68,743</b>	<b>72,434</b>	<b>68,961</b>

**Key figures****KEY FIGURES, GROUP**

	Jan-Jun		Full year	Full year
	2015	2014	2014	2013
Operating margin, %	3.7%	5.1%	4.7%	16.6%
Net margin, %	5.1%	3.1%	3.1%	14.5%
Return on equity, %	15.3%	8.6%	9.3%	7.2%
Return on capital employed, %	8.9%	9.7%	10.1%	8.3%
Equity/assets ratio, %	39.3%	39.0%	38.5%	38.5%

On July 20, 2015, the Company redeemed early the preference shares in ICA Real Estate at 110 per cent of the subscription price, which represented a total redemption amount of SEK 3,300 million. Other than the above, no material changes in the Company's financial position or position in the market have taken place since the last audited financial statement was published.

No material adverse changes in the Company's prospects have taken place since the last audited financial statement was published.

**APPENDIX 2****RECENT EVENTS AFFECTING THE SOLVENCY OF THE ISSUER**

On March 15, 2015 it was announced that ICA Gruppen had entered into an agreement regarding disposal of its shares in Cervera Intressenter AB. The disposal, which was conditional upon approval of the Swedish Competition Authority, was completed on April 23, 2015.

On April 13, 2015 the disposal of ICA Norge was completed.

The annual general meeting held on April 22, 2015 authorised the board of directors to resolve on the transfer of own ordinary shares, whereby transfer of not more than 141,655 ordinary shares may be made on Nasdaq Stockholm at a price within the prevailing spread for the ordinary share at Nasdaq Stockholm.

ICA Gruppen has on April 30, 2015 entered into a credit facility in the amount of SEK 5,000 million, which replaced the credit facility from 2013. The facility has a term of five years with a possible extension with one year after that one year of the initial term of the credit has elapsed and with one more year after that two years of the initial term of the credit have elapsed. The new credit facility has improved terms and conditions and price compared to the previous facility and further strengthens ICA Gruppen's financial flexibility and long-term financing structure. The credit does not contain any financial key ratio undertakings or other financial covenants. The facility shall be used for general corporate purposes.

On June 4, 2015, it was announced that the Company had decided on early redemption of ICA Real Estate's preference shares. The preference shares were redeemed on July 20, 2015 at 110 per cent of the subscription price, which represented a total redemption amount of SEK 3,300 million.

Other than the above, no significant events have taken place that have a material impact on the Company's solvency since the last audited financial statement was published.

**APPENDIX 3****CONDENSED STATEMENT OF COMPREHENSIVE INCOME, GROUP**

SEKm	Jan-Jun 2015	Jan-Jun 2014	Full year 2014	Full year 2013
<b>Net sales</b>	49,215	41,978	87,174	65,155
Cost of goods sold	-42,627	-36,256	-75,038	-55,102
<b>Gross profit</b>	<b>6,588</b>	<b>5,722</b>	<b>12,136</b>	<b>10,053</b>
Other operating income	235	603	883	191
Selling expenses	-3,478	-3,032	-6,185	-5,290
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Other operating expenses	-85	0	-386	-240
Share of profits of associates and joint venture	8	10	11	121
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<b>Operating profit</b>	<b>1,842</b>	<b>2,128</b>	<b>4,097</b>	<b>10,787</b>
Financial income	22	26	38	58
Financial expenses	-217	-201	-408	-504
<b>Profit before tax</b>	<b>1,647</b>	<b>1,953</b>	<b>3,727</b>	<b>10,341</b>
Tax	-332	-331	-622	-347
<b>Profit for the period from continuing operations</b>	<b>1,315</b>	<b>1,622</b>	<b>3,105</b>	<b>9,994</b>
Profit/loss from discontinued operations	1,189	-329	-438	-548
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Actuarial gain or losses defined benefit pension	103	-92	-246	214
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Ordinary share, continuing operations	6.28	7.79	14.71	52.56
Ordinary share, discontinued operations	5.91	-1.64	-2.18	-2.88

**CONDENSED STATEMENT OF FINANCIAL POSITION, GROUP**

SEKm	2015-06-30	2014-06-30	2014-12-31	2013-12-31
<b>ASSETS</b>				
<b>Non-current assets</b>				
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<b>Current assets</b>				
Inventories	4,314	4,139	3,566	4,253
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<b>Equity</b>	<b>29,169</b>	<b>26,780</b>	<b>27,911</b>	<b>26,541</b>

**Non-current liabilities**

Provisions	2,289	2,095	2,342	1,909
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**Current liabilities**

Deposits ICA Bank	11,506	10,729	11,031	10,600
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<b>Total current liabilities</b>	<b>27,761</b>	<b>27,696</b>	<b>25,606</b>	<b>28,296</b>

Liabilities held for sale	109	265	1,922	512
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>74,253</b>	<b>68,743</b>	<b>72,434</b>	<b>68,961</b>

**STATEMENT OF CASH FLOW, GROUP**

	<b>Jan-Jun</b>		<b>Full year</b>	<b>Full year</b>
	<b>2015</b>	<b>2014</b>	<b>2014</b>	<b>2013</b>
Cash flow from operating activities	3,027	1,607	3,612	3,975
Cash flow from investing activities	-2,025	-529	-563	-16,585
Cash flow from financing activities	-3,261	-1,832	-767	16 203
Cash flow for the period	-2,259	-754	2,282	3,593
Cash and cash equivalents at the beginning of the period	6,258	3,948	3,948	291
Exchange difference in cash and cash equivalents	-26	-15	28	64
Cash and cash equivalents at the end of the period	3,973	3,179	6,258	3,948

**KEY FIGURES, GROUP**

	<b>Jan-Jun</b>		<b>Full year</b>	<b>Full year</b>
	<b>2015</b>	<b>2014</b>	<b>2014</b>	<b>2013</b>
Operating margin, %	3.7%	5.1%	4.7%	16.6%
Net margin, %	5.1%	3.1%	3.1%	14.5%
Return on equity, %	15.3%	8.6%	9.3%	7.2%
Return on capital employed, %	8.9%	9.7%	10.1%	8.3%
Equity/assets ratio, %	39.3%	39.0%	38.5%	38.5%

## **APPENDIX 4**

### **HISTORICAL FINANCIAL INFORMATION**

The Company's annual reports and group accounts for 2013 and 2014 and also the Company's interim reports for the periods January 1 – June 30, 2014 and 2015, but only with respect to the sections listed in the subsection *Place for certain sections incorporated by reference* below, are incorporated into the Base Prospectus by reference. The sections incorporated are to be read as part of the Base Prospectus. All the reports are available on the Company's website [www.icagruppen.se](http://www.icagruppen.se) and can also be obtained from the Company in hard copy. Other information, if not available in electronic format at [www.icagruppen.se](http://www.icagruppen.se), can be obtained from the Company as a hard copy.

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations provided by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. Furthermore, the Group also applies the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups.

The Company's annual reports for 2013 and 2014 have been prepared in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Reporting for Legal Entities. Other than the auditing of the Company's annual reports, the Company's auditors have not audited or reviewed any part of the Base Prospectus or this translation thereof.

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### **AGE OF THE MOST RECENT FINANCIAL INFORMATION**

The most recent financial information has been taken from the annual report for 2014, which was published on March 4, 2015, and from the interim report for the period January 1 – June 30, 2015, which was published on August 19, 2015.

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### **DOCUMENTS INCORPORATED THROUGH REFERENCE**

The following documents have, but only with respect to the sections listed in the subsection *Place for certain sections incorporated by reference* below, been incorporated into the Base Prospectus by reference.

- The Company's audited annual reports and group accounts and auditors' reports for fiscal years 2013 and 2014; and
- The Company's interim reports for the periods January 1 – June 30, 2014 and 2015.

The information that is not included in the sections of the abovementioned annual reports and interim reports that are incorporated by reference in accordance with subsection *Place for certain sections incorporated by reference* below is either not

relevant for investors or can be found elsewhere in this Base Prospectus. The documents incorporated by reference are available at the Company's website [www.icagruppen.se](http://www.icagruppen.se) and can also be obtained from the Company in paper format.

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**Place for certain sections incorporated by reference**

<b><i>Annual report 2013</i></b>	<b><i>Page</i></b>
Statement of income for the Group	113
Statement of financial position for the Group	114–115
Statement of cash flows for the Group	117
Description of accounting principles and other explanatory notes	118–142, 148–154
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Statement of income for the Group	14
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Description of accounting principles and other explanatory notes	18–21

**APPENDIX 5****MATERIAL CHANGES IN THE ISSUER'S FINANCIAL POSITION**

On June 4, 2015 it was announced that the Company had decided on early redemption of ICA Real Estate's preference shares, which were issued in December 2013 as part of the refinancing of the bridge loan raised in conjunction with the acquisition of ICA AB in spring 2013. The preference shares were redeemed on July 20, 2015 at 110 per cent of the subscription price, which represented a total redemption amount of SEK 3,300 million.

Other than the early redemption of the preference shares, there has been no material change in the Group's financial position or position in the market that could affect the market's view of the Company since June 30, 2015.

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**DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available in electronic form on the Company's website [www.icagruppen.se](http://www.icagruppen.se). Copies of the documents are also available at the Company's head office at Svetsarvägen 16, SE-171 93 Solna, Sweden, on weekdays during the Company's regular office hours throughout the period of validity of the Base Prospectus.

- the Company's articles of association;
- the Company's audited annual reports and audit reports for fiscal years 2012 and 2013;
- the Company's interim reports for the periods January 1 – June 30, 2014 and 2015; and
- the Base Prospectus (including supplement(s)).