

### **Supplement 2014:3 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*) (the "SFSA") on 26 May 2014 (ref. no.14-7101) (the "Base Prospectus").

This supplement has been prepared in accordance with Chapter 2 Section 34 in the Swedish Financial Instruments Trading Act (1991:980) (Sw. *lag (1991:980) om handel med finansiella instrument*) and approved and registered by the SFSA on 21 November 2014 and published on ICA Gruppen's website on 21 November 2014.

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 25 November 2014.

This supplement is a part of, and shall be read together with, the Base Prospectus (including previous supplements to the Base Prospectus).

#### **Publication of ICA Gruppen's interim report**

On 12 November 2014, ICA Gruppen published its interim report for the period 1 January – 30 September 2014 (the "Interim Report"). By this supplement, the Interim Report is implemented into, and made part of, the Base Prospectus.

#### **Publication of press release regarding the acquisition of Apotek Hjärtat**

On 12 November 2014, ICA Gruppen published a press release (the "Press Release") regarding that an agreement to acquire all shares in Apotek Hjärtat Holding AB ("Apotek Hjärtat") has been entered into.

#### **Updates of the Base Prospectus due to the Interim Report**

The above-mentioned publication of the Interim Report causes updates of the sections "Summary", "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 historical financial information under "Section B – Issuer" (item B.12) by supplementing the sub-section "Balance sheet" with the columns "30 Sep 2014" and "30 Sep 2013" from the section "Condensed consolidated statement of financial position" on page 12 of the Interim Report and by supplementing the sub-section "Income statement" with the columns "July–September" and "January–September" 2013 and 2014 of the

section “Condensed statement of comprehensive income” on page 11 of the Interim Report. The updates above are set forth in [Appendix 1](#).

#### *Selected historical financial information*

The section “Condensed statement of comprehensive income, Group” on page 51 of the Base Prospectus is supplemented with the columns “July–September” and “January–September” 2013 and 2014 of the section “Condensed statement of comprehensive income” on page 11 of the Interim Report. The section “Condensed statement of financial position, Group” on page 52 of the Base Prospectus is supplemented with the columns “30 Sep 2014” and “30 Sep 2013” of the section “Condensed consolidated statement of financial position” on page 12 of the Interim Report. The section “Statement of cash flows” on page 53 of the Base Prospectus is supplemented with the columns “January–September” 2013 and 2014 of the section “Condensed consolidated statement of cash flows, including ICA Norway” on page 13 of the Interim Report. The section “Key figures” on page 53 of the Base Prospectus is supplemented with the columns “July–September” and “January–September” 2013 and 2014 of the section “Key Figures for ICA Gruppen” on page 21 of the Interim Report. The updates above are set forth in [Appendix 2](#).

The sections ”Historical financial information”, ”Age of the most recent financial information” and ”Documents incorporated by reference” on pages 49 and 50 of the Base Prospectus are updated as set forth in [Appendix 3](#).

#### *Other information*

The sections ”Material changes in the issuer’s financial position” and ”Documents available for inspection” on pages 54 and 55 of the Base Prospectus are updated as set forth in [Appendix 4](#).

### **Updates to the Base Prospectus due to the Press Release**

The above-mentioned Press Release causes updates of the Base Prospectus in the sections ”Summary”, ”Risk factors” and ”Other information” as set forth below.

#### *Summary*

The section ”Summary” of the Base Prospectus is updated under ”Section D – Risks” (item D.2) by supplementing the sub-section ”Key risks associated with the Company” with information that there is a risk that the Swedish Competition Authority (Sw. *Konkurrensverket*) and the Swedish Drug Administration (Sw. *Livsedelsverket*) will not approve the acquisition of Apotek Hjärtat. The updates are set forth in [Appendix 1](#).

#### *Risk factors*

The sections “Regulatory risks related to the retail sector”, “Risks related to Cura’s pharmacy operations” and “Risks related to competition law” on pages 14 and 15 of the Base Prospectus are supplemented with information that ICA Gruppen has entered into an agreement regarding the acquisition of Apotek Hjärtat and that there is a risk that the Swedish Competition Authority and the Swedish Drug

Administration will not approve the acquisition. The updates are set forth in Appendix 5.

*Other information*

The sections “Principal markets” and “Material agreements” on page 54 of the Base Prospectus is supplemented with information that ICA Gruppen has entered into an agreement regarding the acquisition of Apotek Hjärtat. The updates are set forth in Appendix 4.

Solna on 21 November 2014

**APPENDIX 1**

B.12	Selected historical financial information:	Balance sheet						
		Condensed statement of financial position, Group						
		30 Sep 2014	30 Sep 2013	SEK m.	Mar 31, 2014	Mar 31, 2013	Dec 31, 2013	Dec 31, 2012
	<b>ASSETS</b>			<b>ASSETS</b>				
	<b>Non-current assets</b>			<b>Non-current assets</b>				
	Goodwill	11 545	12 120	Goodwill	11,867	12,119	11,867	574
	Trademarks	13,084	13,163	Trademarks	13,065	13,136	13,065	935
	Other intangible assets	740	769	Other intangible assets	830	735	770	86
	Interests in companies recognised according to the equity method	773	834	Interests in companies recognised according to the equity method	694	820	712	6,339
	Deferred tax assets	350	369	Deferred tax assets	385	238	369	223
	Non-current receivables in ICA Bank	6,931	6,127	Non-current receivables in ICA Bank	6,261	5,541	6,27	-
	Land and buildings	15,702	17,017	Land and buildings	16,867	16,075	16,778	-
	Other non-current assets	1,599	2,372	<b>Other non-current assets</b>	<b>2,462</b>	<b>2,554</b>	<b>2,521</b>	<b>50</b>
	<b>Total non-current assets</b>	<b>50,724</b>	<b>52,771</b>	<b>Total non-current assets</b>	<b>52,431</b>	<b>51,218</b>	<b>52,352</b>	<b>8,207</b>
	<b>Current assets</b>			<b>Current assets</b>				
	Inventories	3,313	4,306	Inventories	4,218	4,463	4,253	433
	Short-term investments	1	0	Short-term investments	1	6	1	1,155
	Current receivables in ICA Bank	2,923	2,949	Current receivables in ICA Bank	2,892	3,13	2,931	-
	Other current assets	4,063	4,712	Other current assets	4,493	5,856	4,833	295
	Cash and cash equivalents in ICA Bank	2,749	2,837	Cash and cash equivalents in ICA Bank	2,952	2,709	2,814	-
	Cash and cash equivalents	1,608	576	Cash and cash equivalents	552	1,791	1,134	291
	<b>Total current assets</b>	<b>14,657</b>	<b>15,380</b>	<b>Total current assets</b>	<b>15,108</b>	<b>17,955</b>	<b>15,966</b>	<b>2,174</b>
	Assets available for sale	3,782	20	Available-for-sale assets	866	12	643	-
	<b>TOTAL ASSETS</b>	<b>69,163</b>	<b>68,171</b>	<b>TOTAL ASSETS</b>	<b>68,405</b>	<b>69,185</b>	<b>68,961</b>	<b>10,381</b>
	<b>EQUITY AND LIABILITIES</b>			<b>EQUITY AND LIABILITIES</b>				
	<b>Equity</b>	<b>27,352</b>	<b>22,977</b>	<b>Equity</b>	<b>26,753</b>	<b>16,883</b>	<b>26,541</b>	<b>9,02</b>
	<b>Non-current liabilities</b>			<b>Non-current liabilities</b>				
	Provisions	2,021	2,071	Provisions	2,058	2,278	1,909	23
	Deferred tax liabilities	4,827	4,837	Deferred tax liabilities	4,908	4,806	4,925	21
	Non-current interest-bearing liabilities	7,514	12,765	Non-current interest-bearing liabilities	7,615	12,69	6,77	18
	Other non-current liabilities	107	21	Other non-current liabilities	35	2	8	
	<b>Total non-current liabilities</b>	<b>14,469</b>	<b>19,694</b>	<b>Total non-current liabilities</b>	<b>14,616</b>	<b>19,776</b>	<b>13,612</b>	<b>63</b>
	<b>Current liabilities</b>			<b>Current liabilities</b>				
	Deposits ICA Bank	10,972	10,648	Deposits ICA Bank	10,58	10,352	10,6	-
	Current interest-bearing liabilities	2,506	1,666	Current interest-bearing liabilities	2,817	7,122	3,523	61
	Other current liabilities	11,526	13,186	Other current liabilities	13,205	15,052	14,173	666
	<b>Total current liabilities</b>	<b>25,004</b>	<b>25,500</b>	<b>Total current liabilities</b>	<b>26,602</b>	<b>32,526</b>	<b>28,296</b>	<b>727</b>
	Liabilities available for sale	2,338	-	Available-for-sale liabilities	434	=	512	-
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>69,163</b>	<b>68,171</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>68,405</b>	<b>69,185</b>	<b>68,961</b>	<b>10,381</b>

Income statement									
Condensed statement of comprehensive income, Group									
SEKm	July- September 2014	July- September 2013	January- September 2014	January- September 2013	SEK m	Mar 31, 2014	Mar 31, 2013	Full year 2013	Full year 2012
Net sales	22,016	20,800	63,994	43,335	Net sales	23,509	1,89	77,702	2,726
Cost of goods sold <sup>1</sup>	-18,914	-17,654	-55,171	-36,794	Cost of goods sold	-20,384	-1,511	-66,074	-1,494
Gross profit	3,102	3,146	8,823	6,541	Gross profit	3,125	379	11,628	1,232
Other operating income	213	59	816	129	Other operating income	69	3	191	167
Selling expenses <sup>1,2</sup>	-1,860	-1,545	-4,891	-3,458	Selling expenses	-1,995	-330	-7,271	-1,147
Administrative expenses <sup>1</sup>	-552	-560	-1,728	-1,321	Administrative expenses	-678	-97	-2,446	-372
Share of profits of associates and joint ventures	1	9	11	92	Share of profits of associates and joint ventures	7	83	121	332
Effects of acquisition of ICA AB	-	-	-	8,051	Effects of acquisition of ICA AB	=	8,051	8,051	=
Operating profit	904	1,109	3,031	10,034	Operating profit	528	8,089	10,274	212
Financial income	5	3	31	23	Financial income	13	7	47	63
Financial expense	-86	-164	-287	-333	Financial expense	-104	-7	-512	-31
Change in fair value of financial instruments	-	-	-	16	Change in fair value of financial instruments	=	16	16	=
Profit before tax	823	948	2,775	9,740	Profit before tax	437	8,105	9,825	244
Tax	-147	-235	-478	-391	Tax	-138	4	-379	18
Profit for the period from continuing operations	676	713	2,297	9,349	Profit for the period	299	8,109	9,446	262
Profit/loss from discontinued operations	-181	-162	-510	-434	Other comprehensive income, items that may not be reclassified to profit or loss				
Profit for the period	495	551	1,787	8,915	Actuarial gains or losses defined benefit pensions	-92	0	214	-
Other comprehensive income, items that may not be reclassified to profit or loss					Other comprehensive income, items that may not be reclassified to profit or loss				
Actuarial gains or losses defined benefit pensions	73	213	-19	213	Actuarial gains or losses defined benefit pensions	-92	0	214	-
Other comprehensive income, items that may be reclassified to profit or loss, net after tax					Other comprehensive income, items that may be reclassified to profit or loss, net after tax				
Change in translation reserve	54	-163	206	17	Change in translation reserve	60	4	81	8
Change in fair value reserve	0	0	0	0	Change in fair value reserve	0	0	0	-28
Change in hedging reserve	-1	0	-72	0	Change in hedging reserve	-49	0	0	-7
Share of other comprehensive income of joint ventures	-11	-10	-68	37	Share of other comprehensive income of joint ventures	-16	0	20	0
Items reclassified to profit or loss at acquisition of ICA AB	-	-	-	-259	Items reclassified to profit or loss at acquisition of ICA AB	0	-259	-259	=
Total items that may be reclassified to profit or loss	42	-173	66	-205	Total items that may be reclassified to profit or loss	-5	-255	-158	-27
Comprehensive income for the period	610	591	1,834	8,923	Comprehensive income for the period	202	7,854	9,502	235
Profit for the period attributable to					Profit for the period attributable to				
Owners of the parent	461	555	1,698	8,939	Owners of the parent	302	8,121	9,439	280
Non-controlling interests	34	-4	89	-24	Non-controlling interests	-3	-12	7	-18
Comprehensive income for the period attributable to					Comprehensive income for the period attributable to				
Owners of the parent	580	595	1,757	8,947	Owners of the parent	208	7,866	9,495	253
Non-controlling interests	30	-4	77	-24	Non-controlling interests	-6	-12	7	-18
Earnings per share before after dilution, SEK <sup>1</sup>					Earnings per share before after dilution, SEK				
Ordinary share	2.29	2.76	8.44	50.07	Ordinary Share	1.50	50.51	49.68	1.65
Ordinary share, continuing operations	3.19	3.57	10.98	52.51	C Share	1.50	50.51	49.68	1.65
Ordinary share, discontinued operations	-0.90	-0.81	-2.54	-2.44					

D.2	<p><b>Key risks associated with the Company:</b></p>	<p>Before an investor decides to invest in MTNs, it is important to carefully analyze the risks that are associated with the Company and the industries in which the Company operates. The main categories of risk factors that may affect the Company's operations, profits and/or financial position are described below. They are in no particular order and there is no claim as to the completeness of the information.</p> <p>Financial risks include risks relating to the Company's financing and refinancing, exchange rate risk and risks relating to the Group's sales and earnings.</p> <p>Market-related risk includes changes in consumer behavior and competition resulting from an increase in online sales.</p> <p>Operational risks include risks relating to having suppliers and operations in multiple countries (including the risk of changes in trade-related regulations in different jurisdictions), logistics risks (including warehousing and transports to stores), increased production and distribution costs, damaged reputation (mainly due to independent producers, suppliers, distributors or ICA retailers acting in ways that conflict with the values represented by the Company's brands, or breaking laws or deviating from ethical labor practices, quality or environmental requirements or from international labor norms), risks relating to ICA's Norwegian operations, risks relating to information and IT systems, dependence on group management, ICA retailers and other key individuals and risks relating to decisions by competition authorities and other authorities (including that the Norwegian competition authority decides not to approve the cooperation agreement with NorgesGruppen, as has been notified in an advance ruling, and that the Swedish Competition Authority (Sw. <i>Konkurrensverket</i>) or the Swedish Drug Administration (Sw. <i>Livsmedelsverket</i>) decides to not approve the acquisition of Apotek Hjärtat).</p> <p>There may be risks relevant to the Company that are not known to the Company at this time.</p>
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## APPENDIX 2

### Condensed statement of comprehensive income, Group

SEKm	July- September 2014	July- September 2013	January- September 2014	January- September 2013	SEK m	Jan-Mar 2014	Jan-Mar 2013	Full year 2013	Full year 2012
<b>Net sales</b>	22,016	20,800	63,994	43,335	<b>Net sales</b>	23,509	1,890	77,702	2,726
<b>Cost of goods sold<sup>1</sup></b>	-18,914	-17,654	-55,171	-36,794	<b>Cost of goods sold</b>	-20,384	-1,511	-66,074	-1,494
<b>Gross profit</b>	<b>3,102</b>	<b>3,146</b>	<b>8,823</b>	<b>6,541</b>	<b>Gross profit</b>	<b>3,125</b>	<b>379</b>	<b>11,628</b>	<b>1,232</b>
Other operating income	213	59	816	129	Other operating income	69	3	191	167
Selling expenses <sup>1,2</sup>	-1,860	-1,545	-4,891	-3,458	Selling expenses	-1,995	-330	-7,271	-1,147
Administrative expenses <sup>1</sup>	-552	-560	-1,728	-1,321	Administrative expenses	-678	-97	-2,446	-372
Share of profits of associates and joint ventures	1	9	11	92	Share of profits of associates and joint ventures	7	83	123	332
Effects of acquisition of ICA AB	-	-	-	8,051	Effects of acquisition of ICA AB	-	8,051	8,051	-
<b>Operating profit</b>	<b>904</b>	<b>1,109</b>	<b>3,031</b>	<b>10,034</b>	<b>Operating profit</b>	<b>528</b>	<b>8,089</b>	<b>10,274</b>	<b>212</b>
Financial income	5	3	31	23	Financial income	13	7	47	63
Financial expense	-86	-164	-287	-333	Financial expense	-104	-7	-512	-31
Change in fair value of financial instruments	-	-	-	16	Change in fair value of financial instruments	-	16	16	-
<b>Profit before tax</b>	<b>823</b>	<b>948</b>	<b>2,775</b>	<b>9,740</b>	<b>Profit before tax</b>	<b>437</b>	<b>8,105</b>	<b>9,825</b>	<b>244</b>
Tax	-147	-235	-478	-391	Tax	-138	4	-379	18
<b>Profit for the period from continuing operations</b>	<b>676</b>	<b>713</b>	<b>2,297</b>	<b>9,349</b>	<b>Profit for the period</b>	<b>299</b>	<b>8,109</b>	<b>9,446</b>	<b>262</b>
Profit/loss from discontinued operations	-181	-162	-510	-434	Other comprehensive income, items that may not be reclassified to profit or loss	-92	0	214	-
<b>Profit for the period</b>	<b>495</b>	<b>551</b>	<b>1,787</b>	<b>8,915</b>	Actuarial gains or losses defined benefit pensions	-	-	-	8
Other comprehensive income, items that may not be reclassified to profit or loss	-	-	-	-	Other comprehensive income, items that may be reclassified to profit or loss, net after tax	-	-	-	-
Actuarial gains or losses defined benefit pensions	73	213	-19	213	Change in translation reserve	60	4	81	8
Other comprehensive income, items that may be reclassified to profit or loss, net after tax	-	-	-	-	Change in fair value reserve	0	0	0	-28
Change in translation reserve	54	-163	206	17	Change in hedging reserve	-49	0	0	-7
Change in fair value reserve	0	0	0	0	Share of other comprehensive income of joint ventures	-16	0	20	0
Change in hedging reserve	-1	0	-72	0	Items reclassified to profit or loss at acquisition of ICA AB	0	-259	-259	-
Share of other comprehensive income of joint ventures	-11	-10	-68	37	<b>Total items that may be reclassified to profit or loss</b>	<b>-5</b>	<b>-255</b>	<b>-158</b>	<b>-27</b>
Items reclassified to profit or loss at acquisition of ICA AB	-	-	-	-259	<b>Comprehensive income for the period</b>	<b>202</b>	<b>7,854</b>	<b>9,502</b>	<b>235</b>
<b>Total items that may be reclassified to profit or loss</b>	<b>42</b>	<b>-173</b>	<b>66</b>	<b>-205</b>	<b>Profit for the period attributable to</b>	<b>302</b>	<b>8,121</b>	<b>9,439</b>	<b>280</b>
<b>Comprehensive income for the period</b>	<b>610</b>	<b>591</b>	<b>1,834</b>	<b>8,923</b>	Owners of the parent	-3	-12	7	-18
Profit for the period attributable to	-	-	-	-	Non-controlling interests	-	-	-	-
Owners of the parent	461	555	1,698	8,939	<b>Comprehensive income for the period attributable to</b>	<b>208</b>	<b>7,866</b>	<b>9,495</b>	<b>253</b>
Non-controlling interests	34	-4	89	-24	Owners of the parent	-6	-12	7	-18
Comprehensive income for the period attributable to	-	-	-	-	Non-controlling interests	-	-	-	-
Owners of the parent	580	595	1,757	8,947	<b>Earnings per share before and after dilution, SEK</b>	<b>1.50</b>	<b>50.51</b>	<b>49.68</b>	<b>1.65</b>
Non-controlling interests	30	-4	77	-24	Ordinary Share	1.50	50.51	49.68	1.65
<b>Earnings per share before after dilution, SEK<sup>1</sup></b>	<b>2.29</b>	<b>2.76</b>	<b>8.44</b>	<b>50.07</b>	C Share	1.50	50.51	49.68	1.65
Ordinary share	3.19	3.57	10.98	52.51					
Ordinary share, continuing operations	-0.90	-0.81	-2.54	-2.44					
Ordinary share, discontinued operations									

### Condensed statement of financial position, Group

SEKm	30 Sep 2014	30 Sep 2013	SEK m	Mar 31, 2014	Mar 31, 2013	Dec 31, 2013	Dec 31, 2012
<b>ASSETS</b>			<b>ASSETS</b>				
<b>Non-current assets</b>			<b>Non-current assets</b>				
Goodwill	11,545	12,120	Goodwill	11,867	12,119	11,867	574
Trademarks	13,084	13,163	Trademarks	13,065	13,136	13,065	935
Other intangible assets	740	769	Other intangible assets	830	735	770	86
Interests in companies recognised according to the equity method	773	834	Interests in companies recognised according to the equity method	694	820	712	6,339
Deferred tax assets	350	369	Deferred tax assets	385	238	369	223
Non-current receivables in ICA Bank	6,931	6,127	Non-current receivables in ICA Bank	6,261	5,541	6,270	-
Land and buildings	15,702	17,017	Land and buildings	16,867	16,075	16,778	50
Other non-current assets	1,599	2,372	Other non-current assets	2,462	2,554	2,521	-
<b>Total non-current assets</b>	<b>50,724</b>	<b>52,771</b>	<b>Total non-current assets</b>	<b>52,431</b>	<b>51,218</b>	<b>52,352</b>	<b>8,207</b>
<b>Current assets</b>			<b>Current assets</b>				
Inventories	3,313	4,306	Inventories	4,218	4,463	4,253	433
Short-term investments	1	0	Short-term investments	1	6	1	1,155
Current receivables in ICA Bank	2,923	2,949	Current receivables in ICA Bank	2,892	3,130	2,931	-
Other current assets	4,063	4,712	Other current assets	4,493	5,856	4,833	295
Cash and cash equivalents in ICA Bank	2,749	2,837	Cash and cash equivalents in ICA Bank	2,952	2,709	2,814	-
Cash and cash equivalents	1,608	576	Cash and cash equivalents	552	1,791	1,134	291
<b>Total current assets</b>	<b>14,657</b>	<b>15,380</b>	<b>Total current assets</b>	<b>15,108</b>	<b>17,955</b>	<b>15,966</b>	<b>2,174</b>
Assets available for sale	3,782	20	Available-for-sale assets	866	17	643	-
<b>TOTAL ASSETS</b>	<b>69,163</b>	<b>68,171</b>	<b>TOTAL ASSETS</b>	<b>68,405</b>	<b>69,185</b>	<b>68,961</b>	<b>10,381</b>
<b>EQUITY AND LIABILITIES</b>			<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>	<b>27,352</b>	<b>22,977</b>	<b>Equity</b>	<b>26,753</b>	<b>16,883</b>	<b>26,541</b>	<b>9,021</b>
<b>Non-current liabilities</b>			<b>Non-current liabilities</b>				
Provisions	2,021	2,071	Provisions	2,058	2,278	1,909	234
Deferred tax liabilities	4,827	4,837	Deferred tax liabilities	4,908	4,806	4,925	212
Non-current interest-bearing liabilities	7,514	12,765	Non-current interest-bearing liabilities	7,615	12,690	6,770	186
Other non-current liabilities	107	21	Other non-current liabilities	35	2	8	1
<b>Total non-current liabilities</b>	<b>14,469</b>	<b>19,694</b>	<b>Total non-current liabilities</b>	<b>14,616</b>	<b>19,776</b>	<b>13,612</b>	<b>633</b>
<b>Current liabilities</b>			<b>Current liabilities</b>				
Deposits ICA Bank	10,972	10,648	Deposits ICA Bank	10,580	10,352	10,600	-
Current interest-bearing liabilities	2,506	1,666	Current interest-bearing liabilities	2,817	7,122	3,523	61
Other current liabilities	11,526	13,186	Other current liabilities	13,205	15,052	14,173	666
<b>Total current liabilities</b>	<b>25,004</b>	<b>25,500</b>	<b>Total current liabilities</b>	<b>26,602</b>	<b>32,526</b>	<b>28,296</b>	<b>727</b>
Liabilities available for sale	2,338	-	Available-for-sale liabilities	434	-	512	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>69,163</b>	<b>68,171</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>68,405</b>	<b>69,185</b>	<b>68,961</b>	<b>10,381</b>

## Statement of cash flows

SEKm	January- September 2014	January- September 2013	Jan-Mar 2014	Jan-Mar 2013	Full year 2013	Full year 2012
Operating profit	2,527	9,633				
Effects of acquisition of ICA AB	-	-8,051	63	-301	3,975	814
Depreciation and impairment	1,778	863	=620	=14,559	=16,585	=266
Other non-cash items	-525	-116	138	19,070	16,203	=505
Income tax paid	-550	-287				
<b>Cash flow from operating activities before change in working capital</b>	<b>3,230</b>	<b>2,042</b>				
Change in working capital:						
Inventories	-54	120	3,948	291	291	248
Current receivables	310	1,034				
Current liabilities	-1,044	-1,092				
ICA Bank's net of deposits, lending and investments	-284	-110	-25	-1	64	0
<b>Cash flow from operating activities</b>	<b>2,158</b>	<b>1,994</b>				
Acquisition of ICA AB	-	-15,739				
Acquisition of tangible and intangible non-current assets	-1,834	-1,890				
Sale of tangible and intangible non-current assets	1,982	37				
Investments in joint ventures	-	-				
Change in financial assets	-144	1,172				
Interest received	28	24				
<b>Cash flow from investing activities</b>	<b>32</b>	<b>-16,396</b>				
New issue ICA Gruppen AB	-	5,002				
New issue preference shares in subsidiary	-	-				
Dividend paid	-1,041	-				
Change in loans	-273	12,789				
Interest paid	-237	-312				
<b>Cash flow from financing activities</b>	<b>-1,551</b>	<b>17,479</b>				
<b>Cash flow for the period</b>	<b>639</b>	<b>3,077</b>				
Cash and cash equivalents at 1 January	3,948	291				
Exchange differences in cash and cash equivalents	-59	45				
<b>Cash and cash equivalents at the end of the period</b>	<b>4,528</b>	<b>3,413</b>				
Cash and cash equivalents are reported on the following lines						
Cash and cash equivalents	4,357	3,413				
Assets available for sale	171	-				
	<b>4,528</b>	<b>3,413</b>				
<b>Disclosures on cash flow from discontinued operations</b>						

ICA Norway's cash flow is included with SEK 40 million (-258) in cash flow from operating activities, with SEK -125 million (-214) in cash flow from investing activities and with SEK 50 million (465) in cash flow from financing activities.

## Key figures

	July- September 2014	July- September 2013	January- September 2014	January- September 2013		Jan-Mar 2014	Jan-Mar 2013	Full year 2013	Full year 2012
Operating profit before depreciation EBITDA, SEKm	1,616	1,408	4,396	2,599	Operating margin, %	2.2%	428.0%	13.2%	7.8%
Operating margin excl. non-recurring items, %	5.3%	5.3%	4.5%	4.5%	Net margin, %	12.2%	429.0%	12.2%	9.6%
Operating margin, %	4.1%	5.3%	4.7%	23.2%	Return on equity, %	7.0%	1.9%	6.5%	2.9%
Net margin, %	2.2%	2.6%	2.8%	20.6%	Return on capital employed, %	6.7%	1.5%	6.6%	2.9%
Return on capital employed, %			9.3%	8.7%	Equity/assets ratio, %	39.1%	24.4%	38.5%	86.9%
Return on equity, %			7.9%	7.1%					
Equity/assets ratio, %			39.5%	33.7%					
Net debt, SEKm			-8,276	-13,854					
Net debt/EBITDA			1.5	2.8					

## **APPENDIX 3**

### **HISTORICAL FINANCIAL INFORMATION**

The Company's annual reports for 2012 and 2013 as well as the Company's interim reports for the periods January–Mars, January–June and January–September 2013 and 2014, but only with respect to the sections listed in subsection *Location of certain information in documents incorporated by reference* below, are incorporated into the Base Prospectus by reference. The sections incorporated are to be read as part of this Base Prospectus. All the reports are available on the Company's website [www.icagruppen.se](http://www.icagruppen.se) and can also be obtained in printed versions from the Company. Other information, if not available in electronic format at [www.icagruppen.se](http://www.icagruppen.se), can be obtained in printed versions from the Company.

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 2012 and 2013 were prepared in accordance with the recommendations and statements issued by the Swedish Financial Accounting Standards Council.

Other than the auditing of the Company's annual reports, the Company's accountants have not audited or reviewed any part of the Base Prospectus or this translation thereof.

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

The most recent financial information has been taken from the annual report for 2013, which was published on 6 March 2014 and from the interim report for the period of January–September 2014, which was published on 12 November 2014.

### **DOCUMENTS INCORPORATED THROUGH REFERENCE**

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

- the Company's audited annual reports and auditors' reports for fiscal years 2012 and 2013; and
- the Company's interim reports for the periods 1 January– 31 March, 1 January – 30 June and 1 January – 30 September 2013 and 2014.

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 *Location of certain information in documents 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.

***Location of certain information in documents incorporated by reference***

<b>Annual report 2012</b>	<b>Page</b>
Statement of income for the Company	99
Statement of financial position for the Company	100–101
Statement of cash flows for the Company	103
Statement of income for the Group	73
Statement of financial position for the Group	74–75
Statement of cash flows for the Group	77
Description of accounting principles and other explanatory notes	78–98 104–110
Auditor's report	111
Board of Directors' report	68–72
<b>Annual report 2013</b>	<b>Page</b>
Statement of income for the Company	143
Statement of financial position for the Company	144–145
Statement of cash flows for the Company	147
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
Auditor's report	156–157
Board of Directors' report	86–89
<b>Interim report for the period 1 January – 31 March 2013</b>	<b>Page</b>
Statement of income for the Company	17
Statement of financial position for the Company	17
Statement of income for the Group	14
Statement of financial position for the Group	15
Statement of cash flows for the Group	16
Description of accounting principles and other explanatory notes	18–20
<b>Interim report for the period 1 January – 31 March 2014</b>	<b>Page</b>
Statement of income for the Company	14

Statement of financial position for the Company	14
Statement of income for the Group	11
Statement of financial position for the Group	12
Statement of cash flows for the Group	13
Description of accounting principles and other explanatory notes	15–16
<b>Interim report for the period 1 January – 30 June 2013</b>	<b>Page</b>
Statement of income for the Company	14
Statement of financial position for the Company	15
Statement of income for the Group	11
Statement of financial position for the Group	12
Statement of cash flows for the Group	13
Description of accounting principles and other explanatory notes	16–17
<b>Interim report for the period 1 January – 30 June 2014</b>	<b>Page</b>
Statement of income for the Company	14
Statement of financial position for the Company	14
Statement of income for the Group	11
Statement of financial position for the Group	12
Statement of cash flows for the Group	13
Description of accounting principles and other explanatory notes	15–16
<b>Interim report for the period 1 January – 30 September 2014</b>	<b>Page</b>
Statement of income for the Company	15
Statement of financial position for the Company	15
Statement of income for the Group	11
Statement of financial position for the Group	12
Statement of cash flows for the Group	13
Description of accounting principles and other explanatory notes	16–18

## **APPENDIX 4**

### **PRINCIPAL MARKETS**

The Group is primarily active in the retail and food retail markets in Sweden, Norway and the Baltic countries. However, the Company has through a subsidiary entered into an agreement to sell all shares held in ICA Norge, which is subject to Konkurransetsynet's approval. The Group is also active in the bank market in Sweden through ICA Bank and in the real estate market in Sweden and Norway through ICA Real Estate and in the Baltic countries through Rimi Baltic. The properties in Norway owned by ICA Fastigheter are not included in the divestment of ICA Norge. The Group is also, through ICA Gruppen's other portfolio companies, active in the Nordic region in a number of other retail areas within home electronics accessories, glassware, dinnerware and household goods, consumables, home textiles and pharmacy products. As set out in the section *Acquisition of Apotek Hjärtat* below, ICA Gruppen has also entered into an agreement regarding the acquisition of the Swedish pharmacy chain Apotek Hjärtat. In addition, one of the subsidiaries, Forma Holding, publishes books and magazines primarily in Sweden.

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### **MATERIAL CHANGES IN THE ISSUER'S FINANCIAL POSITION**

There has been no adverse material change in the Group's financial position or position in the market that could affect the market's view of the Company since the publication of the interim report for the period 1 January – 30 September 2014.

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### **MATERIAL AGREEMENTS**

#### **Acquisition of Apotek Hjärtat**

On 12 November 2014, it was announced through a press release that ICA Gruppen has entered into an agreement with Altor Fund III and the other shareholders regarding the acquisition of all shares in Apotek Hjärtat Holding AB ("**Apotek Hjärtat**"). The purchase price amounts to approximately SEK 5.7 billion on a cash and debt free basis and will initially be financed using a combination of ICA Gruppen's available cash and its existing credit facilities. The completion of the acquisition is subject to approvals by the Swedish Competition Authority and the Swedish Drug Administration, which are expected to be received in April 2015 at the latest.

#### **Revolving credit facilities**

The Company has borrowings under two revolving credit facilities, one for SEK 5,000 million and one for SEK 2,300 million. The first facility expires on March 27, 2016, and in the second facility SEK 1,300 million expires on February 11, 2015 and SEK 1,000 million on February 11, 2016. The loan agreements also contain customary terms, guarantees and commitments, including restrictions on further borrowing, guarantee commitments, pledges and significant changes in the

business. The Company also undertakes, as customary, to achieve certain levels of key financial ratios (net debt in relation to operating profit before depreciation and amortization (EBITDA) and also EBITDA in relation to net financial items) and the agreements contain provisions concerning the banks' right to terminate the credit facilities in the event of breach of contract by the Company. The loan agreements also contain a provision entitling the banks to terminate the credit facilities should the Company be delisted or should ICA-handlarnas Förbund cease to own and control more than 50 per cent of the shares and votes in the Company, should events occur that have a material negative impact on the ability to meet payment commitments under the credit facility agreements or on the group's financial position as a whole, or if a group company is not able to meet its commitments to other creditors, known as "cross default".

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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 report and audit report for fiscal years 2012 and 2013;
- the Company's interim report for the period 1 January – 31 March, 1 January – 30 June and 1 January – 30 September 2013 and 2014;
- the Base Prospectus; and
- the approval decision by the Swedish Financial Supervisory Authority for the Base Prospectus.

## **APPENDIX 5**

### ***Regulatory risks related to the retail sector***

The retail trade, and the food retail trade in particular, is subject to increasingly extensive and complex regulations and directives from authorities in all the jurisdictions in which the Group operates. Supervisory authorities could intervene in all jurisdictions where the company has operations. This risk arises primarily in the event of sales of food and other grocery products that are contaminated or unsafe. Among other things, fines and charges could be imposed on the Group Company concerned, it could be prohibited from conducting one or more of its business operations or it could be subject to limitations or other restrictions on its activities. New laws or regulations, or changes in the application or interpretation of existing laws and regulations that are applicable to the Group's operations, could result in, among other things, the Group being forced to change certain of its business methods, which could expose the Group to unforeseen costs. The situation is further complicated by the fact that certain regulations are even contradictory, which makes it harder to interpret the rules correctly.

As set out in the section *Risks related to the pharmacy operations* below, ICA Gruppen has entered into an agreement regarding the acquisition of the Swedish pharmacy chain Apotek Hjärtat. The completion of this acquisition is subject to approval by the Swedish Drug Administration. If a local supervisory authority concludes that the Group has acted in contravention of applicable local laws in a particular market, including if the Swedish Drug Administration decides to not approve the acquisition of Apotek Hjärtat, or if the Group fails to establish functioning links with local supervisory authorities, this could negatively impact not just the Group's operations in that market, but also its reputation and brand in general.

All the above risk could negatively impact the Company's operations, earnings and financial position.

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### ***Risks related to the pharmacy operations***

The pharmacy operations run by the Group is carried out through ICA Sverige, Cura apoteket. In addition, ICA Gruppen has entered into an agreement regarding the acquisition of the Swedish pharmacy chain Apotek Hjärtat. Apotek Hjärtat and the existing pharmacy operations of the Group will combine and create a subsidiary of ICA Gruppen

The pharmacy operations that are, or will, be run by the Group are subject to extensive regulation. Changes in drugs legislation, for example (or changes in interpretations of such legislation), or amended or withdrawn licenses, could restrict the Group's ability to conduct pharmacy operations profitably, which could negatively impact the Group's operations, earnings and financial position.

Moreover, pharmacy operations are associated with risks related to handling errors by employees, such as the unauthorized dispensing of prescription drugs or the wrong drugs being dispensed. This could result in action by authorities, such as

amended or withdrawn licenses, which could negatively impact the Group's operations, earnings and financial position.

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### ***Risks related to competition law***

In recent years, competition authorities in the countries where the Group operates have generally made the food and retail sectors a focus of their activities.

ICA Norge has entered into a cooperation agreement with NorgesGruppen for some parts of sourcing and distribution in Norway, as announced on 14 January 2013. This cooperation agreement was subsequently reported to the Norwegian Competition Authority. On 13 February 2014 Konkurransetilsynet gave a stop notice declaring that it intends to stop the implementation of the cooperation agreement. ICA Norge and NorgesGruppen have commented on the stop notice. The authority has recently announced that its final decision cannot be expected until autumn 2014. Should Konkurransetilsynet's decision to stop the cooperation agreement become final, this could necessitate changes in significant aspects of the way that ICA and NorgesGruppen cooperate or prevent such cooperation from taking place, which could negatively impact the Group's operations, earnings and financial position.

Given this background, the Company has through a subsidiary in October 2014 entered into an agreement with Coop Norge regarding the sale of all shares held in ICA Norge. However, this transaction is subject to Konkurransetilsynet's approval. Should Konkurransetilsynet not approve of the transaction, the above risks will still remain.

Furthermore, the Swedish Competition Authority (Sw. *Konkurrensverket*) has on its own initiative previously investigated ICA Sweden's business relations with ICA retailers. Although the Swedish Competition Authority has not taken any action against ICA in conjunction with these investigations, it cannot be ruled out that new investigations may be conducted in the future.

The competition authorities in the Baltic States pay close attention to the retail sector and on a number of occasions have initiated actions against operators in the market, including Rimi Baltic's national company, often based on market dominance of the operator in question. As elsewhere in Europe, the competition rules also allow the authority to impose antitrust penalties on companies that are deemed to have infringed the regulations laid down in competition law, something which may have a negative impact on the Group's operations, earnings and financial position.

As set out in the section *Risks related to the pharmacy operations* above, ICA Gruppen has entered into an agreement regarding the acquisition of the Swedish pharmacy chain Apotek Hjärtat. The completion of this acquisition is subject to approval by, *inter alia*, the Swedish Competition Authority. From time to time the Group considers various other acquisitions, mergers and partnerships that require approvals from competition authorities in the jurisdictions concerned. In the event that such approvals, including the Swedish Competition Authority's approval of the acquisition of Apotek Hjärtat, are not given, or are given only on condition that the

Group makes changes that the Group is not willing to implement, the Group's expansion and other development may be restricted, which could have a negative impact on the Company's operations, earnings and financial position.