



Year-end report ICA AB

January 1 - December 31, 2012





Year-end report

Stockholm, Sweden, February 11, 2013

A successful year for the ICA Group

Ownership changes in ICA

- Hakon Invest and Ahold have today announced that Hakon Invest is acquiring Ahold's shares in ICA. Following completion of the acquisition, ICA and Hakon Invest will become one group – ICA Gruppen. ICA's CEO Per Strömberg is envisioned as CEO of ICA Gruppen. Due to this announcement, ICA has moved forward the publication of the year-end report to today.

Fourth quarter

- Net sales for the fourth quarter amounted to SEK 24,990 million (24,921), up 0.3 percent. Adjusted for the divested ICA Maxi stores in Norway, net sales increased by 3.6 percent, or 4.2 percent at constant exchange rates.
- Operating income amounted to SEK 928 million (947), a decrease of 2.0 percent.
- Income after net financial items amounted to SEK 812 million (853).
- Net income for the fourth quarter amounted to SEK 733 million (711). The quarter contains a one-time tax reduction of SEK 139 million after the Swedish corporate tax rate was cut to 22 percent as of 2013.

Full-year

- Net sales for the year amounted to SEK 96,863 million (95,179), up 1.8 percent. Adjusted for the divested ICA Maxi stores in Norway, net sales increased by 4.0 percent, or 4.2 percent at constant exchange rates.
- Operating income amounted to SEK 3,466 million (3,097) excluding non-recurring items of SEK 192 million (592), up 11.9 percent.
- Income after net financial items amounted to SEK 2,937 million (2,156).
- Net income for the year amounted to SEK 919 million (1,395). Net income for the year includes a tax expense of SEK 1,274 million related to a tax dispute for the years 2004–2008 as well as a one-time tax reduction of SEK 139 million after the Swedish corporate tax rate was cut to 22 percent as of 2013.

Key financial ratios	October – December			January – December		
	2012	2011	%	2012	2011	%
Net sales	24,990	24,921	0.3%	96,863	95,179	1.8%
Operating income excl. non-recurring items ¹⁾	928	947	-2.0%	3,466	3,097	11.9%
Operating income	928	947	-2.0%	3,274	2,505	30.7%
Operating income excl. capital gains and impairments ²⁾	925	941	-1.7%	3,193	3,101	3.0%
Operating margin excl. non-recurring items ¹⁾	3.7	3.8		3.6	3.3	
Operating margin, %	3.7	3.8		3.4	2.6	
Operating margin excl. capital gains and impairments ²⁾	3.7	3.8		3.3	3.3	
Income after net financial items	812	853	-4.8%	2,937	2,156	36.2%
Net income for the period	733	711	3.1%	919	1,395	-34.1%
Total assets				40,908	40,961	
Cash flow from operating activities	1,473	2,186		4,912	3,256	
Equity/assets ratio, %				25.0	27.7	
Return on equity, % ³⁾				7.6	11.2	
Return on capital employed, % ⁴⁾				17.6	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 a provision for 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.

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.

Comment by the CEO

2012 was a successful year for the **ICA Group**. The grocery market in all the countries where ICA operates performed fairly strongly despite the turbulent economic situation in Europe. Operating income excluding non-recurring items amounted to SEK 3,466 million, up 12 percent, mainly driven by a continued strong sales trend in ICA Sweden. Rimi Baltic, ICA Bank and ICA Real Estate also posted better results during the year. However, net income was affected by a tax expense of about SEK 1.3 billion due to a ruling by the County Administrative Court on October 4.

Our work during the year was characterized by the development of the ICA Group's new strategy and the strategic priorities that will guide us going forward. In accordance with these, we continued to broaden ICA's offering during the year, through for example the continued expansion of the Cura pharmacies and the launch of ICA Bank funds. Our private labels have been positively received by customers, resulting in a considerably higher private label growth level in Sweden than of other assortments. The focus has also been on ensuring competitive prices and improving price perception among customers. In 2013 one of our priorities will be achieving a turnaround in ICA Norway. In addition, the Group's companies will cooperate more closely and focus on increased Group synergies, especially in sourcing. We will also initiate a digital effort that will, among other things, give ICA's customers the option to also shop for our products online. Essential, to fulfill the new strategy, work has begun to develop shared values for the entire ICA Group.

In 2012, the Swedish grocery market outperformed the previous year, and for the seventh consecutive quarter ICA stores generated stronger sales growth than the market as a whole. **ICA Sweden** also achieved good sales to stores thanks to increased buyer loyalty among retailers. In total, ICA Sweden's net sales rose by 5.2 percent. The cost level in logistics was reduced, and efforts to further cut costs will continue. The positive sales trend, increased sales in Cura pharmacies as well as an increased share of private labels and a strong performance by non-foods contributed to an improvement in operating income for 2012 of no less than 8.9 percent.

ICA Norway didn't manage overall to keep pace with the market, and net sales excluding the divested ICA Maxi stores increased by 1.3 percent in local currency. The converted ICA Supermarked stores outperformed the market, however, and the new Rimi stores, which are managed by franchisees, kept pace with the market. Operating income, excluding non-recurring items for ICA Norway improved slightly compared with 2011. The year was distinguished by the long-term turnaround efforts. During the first half-year the Norwegian ICA Maxi stores were divested and during the second half-year intensive work involved the cooperation agreement signed with Norgesgruppen in early 2013. The cooperation implies that on April 1, 2013, Norgesgruppen will take over parts of ICA Norway's purchasing and distribution. The agreement will ensure competitive prices for Norwegian customers and long-term profitability for the company. 2013 will be an important year with major changes for ICA Norway, when we will both implement the agreement with Norgesgruppen and increase sales in stores.

The three Baltic countries produced good economic growth in 2012. The grocery markets were distinguished by stiff competition and a high rate of new store openings. **Rimi Baltic** performed best in Latvia. Rimi stores continued to be successful in Estonia and Latvia and in Lithuania, we discontinued the Supernetto format. Out of the 13 stores five were converted to Rimi stores. The focus on Rimi as our most important brand in the Baltics will continue in 2013. In local currency, net sales rose by 3.3 percent. The sales increase and improved gross margins, together with a major emphasis on costs, resulted in strong operating income in 2012. In 2013 the rate of new store openings will increase, primarily in Lithuania as our most important growth area in the Baltic countries.

ICA Bank also reported good volume growth in 2012. Despite the gradually falling repo rate during the year, ICA Bank's operating income increased. In the fourth quarter, we broadened our offering by launching ICA Bank funds and a new bank card, which generated an increased number of card customers. **ICA Real Estate's** development was stable during the year with satisfactory operating income on the same level as the corresponding period last year.

Adjusted for the divested Norwegian ICA Maxi stores, net sales increased in the **fourth quarter** by 4.2 percent at constant exchange rates. Growth was mainly driven by higher sales in ICA Sweden. Operating income amounted to SEK 928 million, a decrease of 2.2 percent. Adjusted for the divested ICA Maxi stores operating income improved.

Important events during the fourth quarter

- Liv Forhaug was appointed Senior Vice President Strategy and Business Development at ICA AB. She took over the position on the first of February, 2013. Liv Forhaug is a member of ICA's Group Management Team.
- On October 4, 2012, 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 a tax surcharge for the tax year 2007. The total tax claim amounted to about SEK 1.3 billion, of which ICA already paid about SEK 1.2 billion in January 2011. The tax expense was reported in the third quarter 2012.

Important events after the conclusion of the year

- Hakon Invest and Ahold have today announced that Hakon Invest is acquiring Ahold's shares in ICA. Following completion of the acquisition, ICA and Hakon Invest will become one group, ICA Gruppen, with four business areas: food, banking, real estate and non-food. ICA's CEO Per Strömberg is envisioned as CEO of ICA Gruppen, following completion of the deal.
- On the 14th of January 2013, ICA Norway entered a cooperation agreement with Norgesgruppen in areas of sourcing and distribution. The agreement is an important step for ICA Norway to ensure competitive prices for Norwegian customers and achieve long-term profitability. The agreement will gradually take effect from the first of April, 2013 and will affect around 350 positions in ICA Norway's sourcing and logistics departments. The structural costs associated with these changes are estimated at NOK 150 million and will be charged against the first quarter 2013. The agreement will extend for at least five years and can be terminated by either party.
- In late January, ICA Real Estate signed a letter of intent with the City of Stockholm on the divestment and acquisition of land in Årsta. The decision will officially be made by the Stockholm County Council during spring 2013. The transaction would generate an estimated capital gain for ICA Real Estate of about SEK 400–500 million. This will affect income in 2016 at the earliest, when the transaction is finalized.

Net sales and financial results

THE ICA GROUP

Net sales during the **fourth quarter** amounted to SEK 24,990 million (24,921), up 0.3 percent. Net sales at constant exchange rates rose by 0.8 percent. Adjusted for the divested ICA Maxi stores in Norway, net sales increased by 3.6 percent, or 4.2 percent at constant exchange rates. Operating income amounted to SEK 928 million (947), down 2.0 percent. Income after net financial items amounted to SEK 812 million (853). Net income for the fourth quarter amounted to SEK 733 million (711). The quarter contains a one-time tax reduction of SEK 139 million after the Swedish corporate tax rate was cut to 22 percent as of 2013.

Net sales during the year amounted to SEK 96,863 million (95,179), up 1.8 percent. Net sales at constant exchange rates rose by 2.0 percent. Adjusted for the closed ICA Maxi stores in Norway, net sales increased by 4.0 percent, or 4.2 percent at constant exchange rates. Operating income excluding non-recurring items in Norway amounted to SEK 3,466 million (3,097), up 11.9 percent. The year was charged with non-recurring expenses for the closure of ICA Maxi of SEK –368 million and administrative efficiencies of SEK –59 million in ICA Norway as well as a capital gain on ICA Maxi's properties of SEK 235 million within ICA Real Estate. The third quarter of 2011 included a goodwill impairment of 592 million. Operating income amounted to SEK 3,274 million (2,505). Income after net financial items amounted to SEK 2,937 million (2,156). Net income for the period amounted to SEK 919 million (1,395). Net income for the year includes a tax expense of SEK 1,274 million related to a tax dispute for the years 2004 – 2008 as well as a one-time tax reduction of SEK 139 million after the Swedish corporate tax rate was cut to 22 percent as of 2013.

ICA SWEDEN

Net sales during the **fourth quarter** amounted to SEK 17,184 million (16,334), 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 793 million (750). The higher income is mainly due to the sales increase, but also to better margins.

Net sales during the year amounted to SEK 65,750 million (62,500), 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 2,849 million (2,617). The higher income is mainly due to the sales increase, but also to better margins as well as a strong performance in non-food.

ICA NORWAY

Net sales during the **fourth quarter** amounted to SEK 4,681 million (5,387), down 13.1 percent. The decrease is mainly due to divestment of the Norwegian ICA Maxi stores. Adjusted for the divested ICA Maxi stores in Norway, net sales increased by 2.4 percent in local currency. ICA Norway's operating income amounted to SEK -166 million (-133). The decrease in operating income is mainly due lower sales and margins.

Net sales during the **year** amounted to SEK 19,050 million (20,679), down 7.9 percent. The decrease is mainly due to the divestment of the Norwegian ICA Maxi stores. Adjusted for the divested ICA Maxi stores in Norway, net sales increased by 1.3 percent in local currency. ICA Norway's operating income excluding non-recurring items amounted to SEK -597 million (-663). The second quarter of the year was charged with non-recurring expenses for the divestment of ICA Maxi of SEK -368 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 -1,023 million (-1,255).

RIMI BALTIC

Net sales during the **fourth quarter** amounted to SEK 2,625 million (2,699), down 2.7 percent. Sales in local currency increased by 2.4 percent. Operating income amounted to SEK 99 million (87). The improvement was due to higher sales, improved gross margins and good cost controls.

Net sales during the **year** amounted to SEK 10,050 million (10,089), down 0.4 percent. Sales in local currency increased by 3.3 percent. Operating income amounted to SEK 224 million (173). The result includes impairment charges for the discount store trademark (Supernetto) and properties in Lithuania totaling SEK 35 million (21). The income improvement is mainly due to higher sales, better margins and good cost controls.

ICA BANK

Revenues during the **fourth quarter** amounted to SEK 207 million (208), down 0.5 percent. Business volume increased by 3.1 percent (3.5) during the fourth quarter. Operating income decreased to SEK 26 million (53). The decrease is due to higher marketing measures, as well as lower interest rate margins.

Revenues during the **year** amounted to SEK 814 million (764), up 6.5 percent, mainly due to increased commissions and net interest income resulting from higher business volumes. Business volume increased by 11.6 percent (8.7) from the beginning of the year. Operating income increased to SEK 181 million (171). The improvement is mainly due to better net commissions and net interest income.

ICA REAL ESTATE

Revenues during the **fourth quarter** amounted to SEK 555 million (553), up 0.4 percent. Operating income excluding capital gains amounted to SEK 227 million (247), mainly due to the divestment of the Maxi properties in Norway. Operating income decreased to SEK 238 million (258). Operating income includes capital gains on real estate sales of SEK 0 million (14) and impairments of SEK 11 million (-3).

Revenues during the **year** amounted to SEK 2,252 million (2,202), up 2.3 percent. Operating income excluding capital gains amounted to SEK 985 million (978). Operating income increased to SEK 1,297 million (1,005). Operating income includes capital gains on real estate sales of SEK 307 million (30) and impairments of SEK 5 million (-3). Of the year's capital gains, SEK 235 million relates to the Norwegian ICA Maxi transaction.

ICA GROUP FUNCTIONS

Operating income during the **fourth quarter** amounted to SEK -62 million (-68).

Operating income during the **year** amounted to SEK -254 million (-206).

NET FINANCIAL ITEMS AND TAXES

The ICA Group's net financial items during the **fourth quarter** amounted to SEK -116 million (-94). The fourth quarter was charged with a tax expense of SEK 61 million to redeem loans related to two repurchased sale and leaseback properties. The tax expense was SEK 79 million (142). The quarter contains a one-time tax reduction of SEK 139 million after the Swedish corporate tax rate was cut to 22 percent as of 2013.

The ICA Group's net financial items for the **year** amounted to SEK -337 million (-349). The tax expense was SEK 2,018 million (761). Net income for the year includes a tax expense of SEK 1,274 million related to a tax dispute for the years 2004–2008 as well as a one-time tax reduction of SEK 139 million after the Swedish corporate tax rate was cut to 22 percent as of 2013.

FINANCIAL POSITION

The Group's total assets amounted to SEK 40,908 million (40,961). Capital employed decreased by SEK 567 million from the beginning of the year to SEK 27,501 million. The equity/assets ratio was 25.0 percent (27.7). The Group had a net cash position excluding ICA Bank of SEK 29 million as of December 31, 2012, compared with net debt of SEK 1,143 million a year earlier.

CASH FLOW

Cash flow from operating activities during the year amounted to SEK 4,912 million (3,256). 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 621 million (214). Cash flow from investing activities amounted to SEK -395 million (-2,242). The sale of ICA Maxi in Norway affected cash flow by SEK 1,397 million. Cash flow from financing activities amounted to SEK -3,046 million (-1,104). The Group's liquid assets totaled SEK 4,469 million (3,009) as of December 31, 2012.

INVESTMENTS

Investments during the year amounted to SEK 2,035 million (2,388) and are distributed according to the table below. The decreases relate to ICA Norway and ICA Real Estate. The increased investments in intangible fixed assets relate to IT systems for Swedish operations.

Investments SEK million	October – December		January – December	
	2012	2011	2012	2011
Retail	504	468	1,525	1,813
Distribution	7	27	88	98
Investment properties	31	76	102	188
Intangibles	46	115	318	237
Other	1	7	2	52
TOTAL	589	693	2,035	2,388

PERSONNEL

The Group had an average of 21,020 employees (20,806) during the year.

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, brand risk, personnel risk, sustainability and product safety risks, 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 2011.

PARENT COMPANY, ICA AB

The Parent Company's net sales during the year amounted to SEK 43 million (41) with income after net financial items of SEK 4,048 million (1,932). The difference between years is because the Parent Company has received SEK 900 million (0) in dividends from subsidiaries as well as increased Group contributions received. Investments during the period amounted to SEK 114 million (86). Cash, bank balances and short-term investments amounted to SEK 0 million (0).

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.

DIVIDEND

The Board of Directors proposes that a dividend of SEK 2,000 million be paid to ICA AB's shareholders. The proposed dividend is in accordance with an agreement between the shareholders, which stipulates that the annual dividend shall be at least 40 percent of net income for the year.

SCHEDULED REPORTING DATES

The annual report will be published on www.ica.se on March 4.

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.

The interim report for the third quarter 2013 will be presented on November 13, 2013.

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

Stockholm, February 11, 2013

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

Financial reports for the Group

Income statement – Group SEK million	October – December		Full-year	
	2012	2011	2012	2011
Net sales	24,990	24,921	96,863	95,179
Cost of sales	-21,363	-21,319	-83,026	-81,702
Gross profit	3,627	3,602	13,837	13,477
Selling and administrative expenses	-2,774	-2,748	-11,178	-11,244
Other operating revenue	73	91	603	263
Share of associated companies' net profit	2	2	12	9
Operating income	928	947	3,274	2,505
Financial income	35	14	84	72
Financial expenses	-151	-108	-421	-421
Net financial items	-116	-94	-337	-349
Income after net financial items	812	853	2,937	2,156
Tax	-79	-142	-2,018	-761
Net income for the period	733	711	919	1,395
Of which attributable to ICA AB's shareholders	733	712	919	1,395
Of which attributable to non-controlling interests	0	-1	0	0

Statement of comprehensive income SEK million	October – December		Full-year	
	2012	2011	2012	2011
Net income for the period	733	711	919	1,395
Other comprehensive income for the period				
Change in translation reserve, net after tax	149	-232	-64	-26
Change in fair value reserve, net after tax	1	-2	20	1
Change in hedge reserve, net after tax	-12	-26	-19	-21
Total other comprehensive income	138	-260	-63	-46
Total comprehensive income for the period	871	451	856	1,349
Of which attributable to ICA AB's shareholders	871	450	856	1,349
Of which attributable to non-controlling interests	0	1	0	0

Condensed balance sheet – Group		
SEK million	Dec. 31, 2012	Dec. 31, 2011
Intangible fixed assets	3,080	2,967
Tangible fixed assets	14,825	14,638
Financial fixed assets	6,507	5,327
Deferred tax assets	25	41
Total fixed assets	24,437	22,973
Inventory	4,133	4,520
Current receivables	7,843	9,050
Liquid assets	4,469	3,009
Assets held for sale	26	1,409
Total current assets	16,471	17,988
TOTAL ASSETS	40,908	40,961
Shareholders' equity	10,218	11,359
Long-term liabilities	6,800	7,277
Current liabilities	23,890	22,325
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	40,908	40,961
Pledged assets	395	419
Contingent liabilities	273	1,487

Change in shareholders' equity – Group		
SEK million	Full-year	Full-year 2011
Opening balance	11,359	11,913
Dividend	-2,000	-1,900
Change in non-controlling interests	3	-3
Total comprehensive income for the period	856	1,349
Closing balance	10,218	11,359
Of which attributable to ICA AB's shareholders	10,212	11,356
Of which attributable to non-controlling interests	6	3

Condensed statement of cash flows – Group		
SEK million	Full-year 2012	Full-year 2011
Operating income	3,274	2,505
Depreciation, amortization and impairments	1,756	2,104
Other items not included in cash flow	-271	-31
Income tax paid	-1,011	-1,733
Cash flow from operating activities before change in working capital	3,748	2,845
Change in working capital		
Inventory	389	-30
Current receivables	-580	46
Current liabilities	734	181
ICA Bank's net deposits, lending and investments	621	214
Cash flow from operating activities	4,912	3,256
Cash flow from investing activities	-395	-2,242
Cash flow from financing activities	-3,046	-1,104
Cash flow for the period	1,471	-90
Liquid assets at beginning of period	3,009	3,102
Exchange rate differences in liquid assets	-11	-3
Liquid assets at end of period	4,469	3,009

Financial reports for the Parent Company

Income statement – Parent Company SEK million	October – December		January – December	
	2012	2011	2012	2011
Net sales	12	9	43	41
Administrative expenses	-66	-74	-272	-262
Operating income	-54	-65	-229	-221
Result from shares in Group companies	3,707	2,524	4,607	2,524
Result from shares in associates	-2	-	-2	-
Other financial income	1	1	5	27
Other financial expenses	-92	-100	-333	-398
Income after net financial items	3,560	2,360	4,048	1,932
Appropriations	-685	-415	-685	-415
Income before tax	2,875	1,945	3,363	1,517
Tax	-758	-513	-661	-412
Net income for the period	2,117	1,432	2,702	1,105

Statement of comprehensive income SEK million	October – December		January – December	
	2012	2011	2012	2011
Net income for the period	2,117	1,432	2,702	1,105
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	2,117	1,432	2,702	1,105

Condensed balance sheet – Parent Company SEK million	Dec. 31, 2012		Dec. 31, 2011	
Intangible fixed assets	104	56		
Tangible fixed assets	80	63		
Financial fixed assets	52,728	35,216		
Deferred tax assets	2	6		
Total fixed assets	52,914	35,341		
Current receivables	4,644	3,494		
Liquid assets	-	-		
Total current assets	4,644	3,494		
TOTAL ASSETS	57,558	38,835		
Shareholders' equity	28,577	27,875		
Untaxed reserves	3,106	2,421		
Provisions	301	299		
Long-term liabilities	6,000	6,000		
Current liabilities	19,574	2,240		
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	57,558	38,835		
Pledged assets	-	-		
Contingent liabilities	7,800	8,300		

Change in shareholders' equity – Parent Company SEK million	Full-year	
	2012	2011
Opening balance	27,875	28,670
Dividend	-2,000	-1,900
Total comprehensive income for the period	2,702	1,105
Closing balance	28,577	27,875

Supplemental disclosures – Group

Note 1 Accounting principles

This year-end 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 year-end report are presumed to have access to the annual report for 2011. The year-end 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 were applied in 2012.

The following EU-approved IFRS standards of relevance to ICA will be applied as of 2013:

IAS 1 Presentation of Financial Statements (amended 2011)

IAS 19 Employee Benefits (amended 2011)

IFRS 10 Consolidated Financial Statements

IFRS 11 Joint Arrangements

IFRS 12 Disclosure of Interest in Other Entities

IFRS 13 Fair Value Measurement

The principal change for ICA resulting from IAS 19 is that the so-called corridor rule disappears. This means that all actuarial gains and losses are recognized in other comprehensive income when they arise. Another change is that an interest rate is applied and calculated on the net of the pension debt and assets under management, instead of different interest rates for the debt and assets. The effect for ICA of the elimination of the corridor is that the reported pension debt, including payroll tax, increases by SEK 611 million and SEK 605 million as of January 1, 2012 and January 1, 2013 respectively.

IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interest in Other Entities and IFRS 13 Fair Value Measurement will all be applied as of 2013. None of them are expected to have a material impact on the reporting with the exception of the amended disclosure requirements.

No other new or amended (and EU-approved) standards with a material impact on ICA's financial reports will be applied as of 2013.

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	October – December		January – December	
	2012	2011	2012	2011
ICA Sweden	17,184	16,334	65,750	62,500
ICA Norway	4,681	5,387	19,050	20,679
Rimi Baltic	2,625	2,699	10,050	10,089
ICA Bank	207	208	814	764
ICA Real Estate	555	553	2,252	2,202
ICA Group Functions	28	26	102	348
Intra-Group sales	-289	-286	-1,155	-1,403
Net sales	24,991	24,921	96,863	95,179

Operating income by segment – Group SEK million	October – December		January – December	
	2012	2011	2012	2011
ICA Sweden	793	750	2,849	2,617
ICA Norway *	-166	-133	-1,023	-1,255
Rimi Baltic	99	87	224	173
ICA Bank	26	53	181	171
ICA Real Estate *	238	258	1,297	1,005
ICA Group Functions	-62	-68	-254	-206
Total operating income	928	947	3,274	2,505

*The closure of ICA Maxi in Norway has affected operating income for the ICA Norway and ICA Real Estate segments. ICA Norway's operating income includes expenses of SEK -368 million and ICA Real Estate's operating income includes a capital gain of SEK 235 million. Furthermore, ICA Norway's operating income for the second quarter includes non-recurring expenses related to administrative efficiencies of SEK -59 million. The third quarter of 2011 included a goodwill impairment of SEK 592 million. Excluding non-recurring expenses, operating income amounted to SEK -597 million (-663) for the year.

Note 3 Joint venture

Ancore Real Estate AB

ICA Real Estate AB and Alecta pensionsförsäkring ömsesidigt established a joint venture, Ancore Real Estate AB, in December 2010. ICA and Alecta each own 50 percent of the company, which in turn owns and manages 17 Swedish properties that have ICA stores as tenants. Financial information on ICA's share of Ancore Real Estate AB's operations is provided below.

Joint venture Ancore Real Estate AB	October – December 2012	October – December 2011	January – December 2012	January – December 2011
Revenue	32	25	116	90
Expenses	-29	-26	-101	-84
Net income for the year	3	-1	15	6
Other comprehensive income	-8	-51	-19	-51
Total comprehensive income for the year	-5	-52	-4	-45
Fixed assets			1,759	1 431
Current assets			31	40
Long-term liabilities			1,150	930
Current liabilities			54	55

Appendix – Retail sales trends

The following tables refer to retail 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	October – December 2012			Full-year 2012		
	SEK million	Change, all stores	Change, comparable	SEK million	Change, all stores	Change, comparable
Maxi ICA Stormarknad	7,678	4.6%	4.2%	28,735	5.3%	3.8%
ICA Kvantum	6,176	5.0%	3.2%	23,577	4.3%	3.8%
ICA Supermarket	7,787	4.4%	5.0%	30,919	4.2%	4.6%
ICA Nära	3,676	3.6%	3.5%	15,041	3.2%	3.3%
TOTAL	25,317	4.5%	4.1%	98,273	4.4%	4.0%

During the year, the share of private label sales rose to 19.6 percent (19.2) in Sweden.

Store sales in Norway

Store sales excl. VAT	October – December 2012			Full-year 2012		
	NOK million	Change, all stores	Change, comparable	NOK million	Change, all stores	Change, comparable
Rimi	2,552	8.9%	-0.4%	9,701	10.3%	1.5 %
ICA Supermarked	1,342	13.6%	-1.1%	4,750	7.3%	-1.4 %
ICA Naer	442	-40.9%	-4.9%	2,149	-35.0%	-6.0 %
TOTAL excluding ICA Maxi	4,336	1.5%	-1.0%	16,600	0.4%	-0.4 %
ICA Maxi				1,132		
TOTAL	4,336	-12.6%	-1.0%	17,732	-8.3%	-1.7 %

During the year, the share of private label sales rose to 9.6 percent (8.7) in Norway.

Store sales in the Baltic countries

Store sales excl. VAT	October – December 2012			Full-year 2012		
	EUR million	Change, all stores	Change, comparable	EUR million	Change, all stores	Change, comparable
Estonia	93	1.1%	-3.3%	359	2.2%	-0.4%
Latvia	153	6.5%	3.4%	574	5.3%	2.6%
Lithuania	56	-5.7%	-3.9%	214	-0.3%	-0.7%
TOTAL	302	2.4%	-0.1%	1,147	3.3%	1.0%

During the year, the share of private label sales fell to 12.6 percent (13.0) in the Baltic countries.

Number of stores in Sweden, including retailer-owned stores

Store format	December 2011	New	Converted	Closed	December 2012
Maxi ICA Stormarknad	75				75
ICA Kvantum	117	3	1		121
ICA Supermarket	435		-3	-2	430
ICA Nära	704	5	2	-11	700
ICA To Go	3	2		-1	4
TOTAL	1,334	10	0	-14	1,330

Number of stores in Norway, including franchised stores

Store format	December 2011	New	Converted	Closed	December 2012
Rimi	285	2	34	-6	315
ICA Supermarked	73	1	6	-2	78
ICA Naer	168		-34	-30	104
ICA Maxi	24		-6	-18	0
TOTAL	550	3	0	-56	497

Number of stores in the Baltic countries

Country	December 2011	New	Closed	December 2012
Estonia	82	4	-3	83
Latvia	111	3		114
Lithuania	46		-8	38
TOTAL	239	7	-11	235

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