



# Year-end report ICA AB

January 1 - December 31, 2011



## Year-end report

Stockholm, Sweden, February 15, 2012

### Strong income in challenging markets

#### Fourth quarter

- Net sales for the fourth quarter amounted to SEK 24,921 million (24,493), up 1.7 percent. At constant exchange rates net sales increased by 1.4 percent.
- Operating income excluding capital gains and impairments amounted to SEK 941 million (698), up 34.8 percent.
- Operating income amounted to SEK 947 million (718).
- Income after net financial items amounted to SEK 853 million (651).
- Net income for the fourth quarter amounted to SEK 711 million (-152). The fourth quarter of 2010 was charged with a tax expense of SEK 632 million for a reversal of deferred tax in ICA Norway.

#### Full-year

- Net sales for the year amounted to SEK 95,179 million (93,860), up 1.4 percent. At constant exchange rates net sales increased by 2.6 percent.
- Operating income excluding capital gains and impairments amounted to SEK 3,101 million (2,936), up 5.6 percent.
- Consolidated income for the year includes goodwill impairment of SEK 592 million in ICA Norway in the third quarter. Operating income amounted to SEK 2,505 million (2,924).
- Income after net financial items amounted to SEK 2,156 million (2,597).
- Net income for the year amounted to SEK 1,395 million (547). The previous year was charged with a tax expense of SEK 747 million for a tax dispute for the years 2001–2003 as well as SEK 632 million for a reversal of deferred tax in ICA Norway.

Key financial ratios	October – December			Full-year		
	2011	2010	%	2011	2010	%
Net sales	24,921	24,493	1.7%	95,179	93,860	1.4%
Operating income	947	718	31.9%	2,505	2,924	-14.3%
Operating income excl. capital gains and impairments <sup>1)</sup>	941	698	34.8%	3,101	2,936	5.6%
Operating margin, %	3.8	2.9		2.6	3.1	
Operating margin excl. capital gains and impairments <sup>1)</sup>	3.8	2.8		3.3	3.1	
Income after net financial items	853	651	31.0%	2,156	2,597	-17.0%
Net income for the period	711	-152		1,395	547	155.0%
Total assets				40,961	39,703	
Cash flow from operating activities	2,186	648		3,256	3,188	
Equity/assets ratio, %				27.7	30.0	
Return on equity, % <sup>2)</sup>				11.2	3.9	
Return on capital employed, % <sup>3)</sup>				12.5	15.5	

1) Operating income excluding capital gains on real estate sales and impairment losses on tangible and intangible fixed assets.

2) 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.

3) 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

In light of the economic turbulence and weak development in our markets, we are very pleased with the ICA Group's results for 2011. Net sales rose by 2.6 percent at constant exchange rates as a result of higher sales in ICA Sweden and increased income for ICA Bank and ICA Real Estate. The ICA Group delivered operating income excluding capital gains and impairments of over three billion Swedish kronor, our highest profit until now. The reasons were a strong recovery by Rimi Baltic, a very successful year for ICA Bank and ICA Real Estate, and stable development by ICA Sweden. ICA Norway remained a major challenge, but a lower loss in the fourth quarter was a cautious sign of a recovery.

For **ICA Sweden**, 2011 was a challenging year in which the consumer goods market saw slow growth and stiff price pressure. We continued to implement strategic long-term price cuts, which resulted in increased sales and a stronger market position. The price cuts also contributed to higher sales of private label products. Lower margins in certain product categories and temporarily higher logistics costs as a result of the warehouse shutdowns in Umeå and Årsta weakened the operating income to some extent, however. During the year we opened another 12 Cura pharmacies, now giving us a total of 42.

**ICA Norway's** challenges and changes continued during the year. Its loss increased, mainly due to goodwill impairment of SEK 592 million in the third quarter, but also because of higher expenses, since more stores are now company-owned. During the year, 76 stores were converted to the successful new Rimi concept. Today there are a total of 266 new Rimi stores, including six Mini Rimi stores. Sales in the new Rimi stores remained positive, with growth of 8.1 percent compared with the previous year. Intense efforts to execute the business plan continue on schedule, and at the end of the year we saw some stability in terms of expenses and margins. The process to sell the ICA Maxi stores is continuing, and as part of current efficiency improvements the logistics structure is now being revised. In January of this year we announced that Thorbjørn Theie will take over as CEO by June at the latest, succeeding Antonio Soares, who is retiring. As a whole, we believe that the overall measures being taken will gradually lead to an improved result for 2012, and that a solid foundation has been laid for ICA Norway to reach a satisfactory profitability in the years ahead.

**Rimi Baltic** reported very positive development and a strong recovery during the year, returning to the same profit level as before the financial crisis in 2008. This was thanks to a number of margin-improving measures and solid cost controls throughout its operations. Sales in local currency increased in a market still faced with tight competition and massive price pressure. Operations in all three countries improved, with the biggest recovery in Lithuania. The number of new store openings will gradually increase in 2012.

**ICA Bank's** performance was very positive during the year, with increased revenue, improved income, more customers and higher loan volumes. We are pleased to say that the measures taken to create a full-service bank have been successful. The launches of ICA Student and a new savings account are recent examples.

**ICA Real Estate** had a successful 2011. An unseasonably mild winter in the fourth quarter and increased rental revenue from new properties and acquisitions had the biggest positive impact on income.

The ICA Group's consolidated sales rose in the fourth quarter by 1.4 percent at constant exchange rates. Operating income improved thanks to stable development in all our companies. Operating income increased for Rimi Baltic, ICA Bank, ICA Real Estate and ICA Sweden. ICA Norway's loss shrank in the fourth quarter thanks to more stable margins and lower costs, which shows that our hard work to turn ICA Norway around is beginning to produce results.

Despite major challenges, a turbulent market and weakness in consumer goods in all our markets, we succeeded in delivering good results for 2011. The business plan in Norway will be a priority in 2012. Other priorities include selective price cuts, further investments in private label products and the development of services that make every day a little easier for our customers.

## Important events in January–September

- In January 2011, SEK 1,187 million was paid to the Swedish Tax Agency as a result of the County Administrative Court's ruling in December 2010 on a tax dispute regarding interest deductions for the period 2004–2008. The payment was made after ICA's request for deferment was denied. The amount has been booked as receivable from the Tax Agency. ICA has appealed the County Administrative Court's ruling to the Administrative Court of Appeal.
- In March, the Supreme Administrative Court denied ICA's appeal and request for leave to appeal a tax dispute concerning interest deductions for the period 2001–2003. The decision means that the Administrative Court of Appeal's ruling has been upheld. The decision has no financial effect on ICA, since the tax claim of SEK 747 million was paid in 2009 and expensed in the second quarter of 2010.
- In August, ICA decided to discontinue the ICA Maxi concept in Norway and to initiate a sales process for the ICA Maxi stores.

## Important events during the fourth quarter

- Per Strömberg was appointed the new CEO of the ICA Group in October. Formerly CEO of Lantmännen, he will take over on April 1, 2012, succeeding Kenneth Bengtsson, who is stepping down after 11 years.

## Important events after the conclusion of the year

- Thorbjørn Theie was appointed new CEO of ICA Norway. He was former CEO of Kjøpmanngruppen, part of the Norwegian chain Norgesgruppen. Thorbjørn will assume his new post in June 2012, succeeding Antonio Soares, who is retiring.

## Sales and financial results

### THE ICA GROUP

Net sales during the **fourth quarter** amounted to SEK 24,921 million (24,493), up 1.7 percent. Net sales at constant exchange rates rose by 1.4 percent. Operating income amounted to SEK 947 million (718). Operating income includes capital gains of SEK 14 million (15) and impairments of SEK 8 million (–5). Operating income excluding capital gains/losses and impairments amounted to SEK 941 million (698). Income after net financial items was SEK 853 million (651). Net income for the fourth quarter amounted to SEK 711 million (–152). The fourth quarter of 2010 was charged with a tax expense of SEK 632 million for a reversal of deferred tax in ICA Norway.

Net sales during the **year** amounted to SEK 95,179 million (93,860), up 1.4 percent. Net sales at constant exchange rates rose by 2.6 percent. Operating income amounted to SEK 2,505 million (2,924). Operating income includes capital gains of SEK 32 million (27) and impairments of SEK 628 million (39), which mainly consist of goodwill impairment of SEK 592 million in ICA Norway. Operating income excluding capital gains and impairments amounted to SEK 3,101 million (2,936). Income after net financial items was SEK 2,156 million (2,597). Net income for the period amounted to SEK 1,395 million (547). The previous year was charged with a tax expense of SEK 747 million for a tax dispute for the years 2001–2003 as well as SEK 632 million for a reversal of deferred tax in ICA Norway.

### ICA SWEDEN

Net sales during the **fourth quarter** amounted to SEK 16,334 million (15,974), up 2.2 percent. The increase was mainly due to higher sales to stores and the addition of more Cura pharmacies. Operating income amounted to SEK 750 million (741). The improved result was largely due to higher sales.

Net sales during the **year** amounted to SEK 62,500 million (60,596), up 3.1 percent. The increase was mainly due to higher sales to stores and the addition of more Cura pharmacies. Operating income amounted to SEK 2,617 million

(2,750). The lower result was largely due to temporarily higher logistics costs resulting from changes in the logistics structure as well as lower margins.

### ICA NORWAY

Net sales during the **fourth quarter** amounted to SEK 5,387 million (5,445), down 1.1 percent. Sales in local currency fell by 3.3 percent. More company-owned stores affected sales positively, while fewer franchised stores affected sales negatively as well as lower sales in comparable stores. The new Rimi stores performed positively, with quarterly sales growth of 5.2 percent for comparable units. Changes in the logistics structure at the end of the year resulted in one-off costs of SEK 17 million. Operating income amounted to SEK -133 million (-247). The lower loss was mainly due to more stable margins and lower costs.

Net sales during the **year** amounted to SEK 20,679 million (21,225), down 2.6 percent. Sales in local currency rose by 0.2 percent. More company-owned stores and converted Rimi stores affected sales positively while fewer franchised stores and closed stores affected sales negatively.

The conversion of stores to the new Rimi concept continued according to plan during the year. As of December 31 there were a total of 266 converted stores, including six Mini Rimi stores. The total number of stores operated by ICA Norway on the same date was 550.

Operating income amounted to SEK -1,255 million (-588). Operating income includes goodwill impairment of SEK 592 million. Operating income excluding impairments was SEK -663 million (-588). The higher loss was mainly caused by increased costs for retail operations due to more unprofitable company-owned stores.

### RIMI BALTIC

Net sales during the **fourth quarter** amounted to SEK 2,699 million (2,630), up 2.6 percent. Sales in local currency increased by 4.0 percent. Operating income amounted to SEK 87 million (53). The improvement was mainly due to better sales and gross margins.

Net sales during the **year** amounted to SEK 10,089 million (10,352), down 2.5 percent. Sales in local currencies increased by 2.9 percent. Operating income amounted to SEK 173 million (-13). Operating income for the year was charged with an impairment loss of SEK 21 million for the Säästumarket trademark in Estonia. The previous year was charged with closure costs for stores in Lithuania, consisting of SEK 37 million in impairments and SEK 33 million in liquidation costs for personnel and premises. The improvement in income excluding these costs was SEK 137 million and was mainly due to higher sales and gross margins as well as good cost controls. The biggest improvements have been in Lithuania.

### ICA BANK

Revenues during the **fourth quarter** amounted to SEK 208 million (163). The increase of 27.6 percent was mainly due to better net interest income driven by higher interest rate levels as well as higher volume. Business volume grew by 3.5 percent (3.4) in the fourth quarter. Operating income rose to SEK 53 million (23). The improvement was mainly due to better net interest income and net commission income.

Revenues during the **year** amounted to SEK 764 million (612). The increase of 24.8 percent was mainly due to better net interest income driven by higher interest rate levels. Business volume grew by 8.7 percent (8.8) from the beginning of the year. Operating income rose to SEK 171 million (91). The improvement was mainly due to better net interest income.

### ICA REAL ESTATE

Revenues during the **fourth quarter** amounted to SEK 553 million (537), up 3.0 percent. Operating income amounted to SEK 258 million (221) and includes capital gains on real estate sales of SEK 14 million (10) and impairments of SEK 3 million (-9). Operating income excluding capital gains and impairments amounted to SEK 247 million (202).

Revenues during the **year** amounted to SEK 2,202 million (2,135), up 3.1 percent. Operating income increased partly due to lower overhead and higher rental income, amounting to SEK 1,005 million (917). Operating income includes capital gains on real estate sales of SEK 30 million (30) and impairments of SEK 3 million (-9). Operating income excluding capital gains and impairments amounted to SEK 978 million (878).

## ICA GROUP FUNCTIONS

Operating income during the **fourth quarter** amounted to SEK –68 million (–73).

Operating income during the **year** amounted to SEK –206 million (–233).

## NET FINANCIAL ITEMS AND TAXES

The ICA Group's net financial items during the **fourth quarter** amounted to SEK –94 million (–67). Interest expenses increased due to higher interest-bearing liabilities. The tax expense was SEK 142 million (803). The fourth quarter of 2010 was charged with a tax expense of SEK 632 million for the reversal of deferred tax in ICA Norway. The fourth quarter was positively affected by tax components in the year's goodwill impairment.

The ICA Group's net financial items during the **year** amounted to SEK –349 million (–327). The tax expense was SEK 761 million (2,050). The previous year was charged with a tax expense of SEK 747 million for a tax dispute for the years 2001–2003 as well as SEK 632 million for the reversal of deferred tax in ICA Norway. The fourth quarter of 2011 was positively affected by tax components in the year's goodwill impairment.

## FINANCIAL POSITION

The Group's total assets amounted to SEK 40,961 million (39,703). The increase in total assets is largely due to the receivable from the Swedish Tax Agency. Capital employed increased by SEK 1,008 million to SEK 28,068 million. The equity/assets ratio was 27.7 percent (30.0). As of December 31, 2011, the Group had net debt excluding ICA Bank of SEK 1,143 million (SEK 201 million in net cash reserves).

## CASH FLOW

Cash flow from operating activities during the year amounted to SEK 3,256 million (3,188). In 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 214 million (–1,101). Cash flow from investing activities amounted to SEK –2,242 million (–2,453). Cash flow from financing activities was SEK –1,104 million (–1,045). The Group's liquid assets totaled SEK 3,009 million on December 31, 2011 (3,102).

## INVESTMENTS

Investments during the year amounted to SEK 2,388 million (2,319), distributed according to the table below. The biggest investment of the year was ICA Maxi Härnösand. Investments have increased in the Baltic countries and decreased in Norway.

Investments SEK million	October – December		Full-year	
	2011	2010	2011	2010
Retail locations	468	477	1,813	1,919
Distribution	27	41	98	128
Investment properties	76	50	188	103
Intangibles	115	46	237	144
Other	7	15	52	25
<b>TOTAL</b>	<b>693</b>	<b>629</b>	<b>2,388</b>	<b>2,319</b>

## PERSONNEL

The Group had an average of 20,806 employees (20,373) during the year. The increase was mainly due to the opening of Cura pharmacies and addition of more company-owned stores in Norway and the Baltic countries.

## SIGNIFICANT RISKS AND UNCERTAINTIES

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

Given the nature of the Group's operations, a financial exposure naturally arises with regard to interest rates, liquidity, exchange rates and credit. The Group has a central treasury function whose primary purpose is to ensure that the Group has secured financing through loans and lines of credit, as well as to provide cash management and to actively manage and verify that the financial exposure is in compliance with the Group's finance policy.

ICA Bank's operations are exposed to a number of risks, the most prominent of which are considered to be credit risk, operating risk and business risk/strategic risk, while market risk and liquidity risk are limited.

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

## DISPUTES

### TAX DISPUTE

The Swedish Tax Agency has decided to disallow interest deductions to a Dutch Group company in 2004–2008. In December 2010, the County Administrative Court affirmed the Tax Agency's ruling and denied interest deductions of SEK 3,358 million. The tax claim amounts to SEK 1,187 million (including penalties and interest). ICA is confident that the deductions complied with applicable tax laws. This opinion is shared by outside counsel, which has analyzed the Tax Agency's argument and the legal principles applied by the court. ICA has appealed the County Administrative Court's decision to the Administrative Court of Appeal. The Administrative Court of Appeal has not set a date for oral arguments. The Tax Agency has denied ICA's request to defer payment, due to which SEK 1,187 million was paid in January 2011. The amount was booked as a receivable from the Tax Agency in connection with the payment in 2011. The amount is recognized as a contingent liability.

### OTHER DISPUTES

In June 2010, the District Court of Oslo ruled in favor of a group of Norwegian retailers, requiring ICA Norway to pay NOK 96 million in damages. ICA Norway has appealed the ruling and feels it is unfounded. The amount is reported as a contingent liability. Proceedings in the Borgarting Court of Appeal in Oslo began in January 2012. A ruling is expected during the first quarter of 2012.

### PARENT COMPANY, ICA AB

The Parent Company's net sales during the year amounted to SEK 41 million (43) with income after net financial items of SEK 1,932 million (3,418). Investments during the period amounted to SEK 86 million (47). Cash, bank balances and short-term investments amounted to SEK 0 million (5).

### TRANSACTIONS WITH RELATED PARTIES

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

### 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 that 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 online at [www.ica.se](http://www.ica.se) on March 5.

The interim report for January – March 2012 will be presented on May 9.

The interim report for January – June 2012 will be presented on August 22.

The interim report for January – September 2012 will be presented on November 14.

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

Stockholm, February 15, 2012

Kenneth Bengtsson  
President and CEO, ICA AB

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**About ICA**

The ICA Group (ICA AB) is one of the Nordic region's leading retail companies, with around 2,125 of its own and retailer-owned stores in Sweden, Norway and the three Baltic countries. The Group includes ICA Sweden, ICA Norway, Rimi Baltic and 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 N.V. 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 [www.ica.se](http://www.ica.se)

## Financial reports for the Group

Income statement – Group SEK million	October – December		Full-year	
	2011	2010	2011	2010
Net sales	24,921	24,493	95,179	93,860
Cost of sales	-21,319	-21,026	-81,702	-80,387
Gross profit	<b>3,602</b>	<b>3,467</b>	<b>13,477</b>	<b>13,473</b>
Selling and administrative expenses (Note 5)	-2,748	-2,821	-11,244	-10,772
Other operating revenue	91	72	263	221
Share of associated companies' net profit	2	0	9	2
Operating income	<b>947</b>	<b>718</b>	<b>2,505</b>	<b>2,924</b>
Financial income	14	23	72	51
Financial expenses	-108	-90	-421	-378
Net financial items	-94	-67	-349	-327
Income after net financial items	<b>853</b>	<b>651</b>	<b>2,156</b>	<b>2,597</b>
Tax	-142	-803	-761	-2,050
Net income for the period	<b>711</b>	<b>-152</b>	<b>1,395</b>	<b>547</b>
Of which attributable to ICA AB's shareholders	712	-149	1,395	548
Of which attributable to non-controlling interests	-1	-3	0	-1

Statement of comprehensive income SEK million	October – December		Full-year	
	2011	2010	2011	2010
Net income for the period	711	-152	1,395	547
Other comprehensive income				
Change in translation reserve, net after tax	-232	-60	-26	-991
Change in fair value reserve, net after tax	-2	-7	1	-19
Change in hedge reserve, net after tax	-26	26	-21	-20
Total other comprehensive income	-260	-41	-46	-1,030
<b>Total comprehensive income for the period</b>	<b>451</b>	<b>-193</b>	<b>1,349</b>	<b>-483</b>
Of which attributable to ICA AB's shareholders	450	-191	1,349	-482
Of which attributable to non-controlling interests	1	-2	0	-1

Condensed balance sheet – Group		
SEK million	Dec. 31, 2011	Dec. 31, 2010
Intangible fixed assets (Note 5)	2,967	3,590
Tangible fixed assets	14,638	15,364
Financial fixed assets	5,327	5,368
Deferred tax assets	41	7
<b>Total fixed assets</b>	<b>22,973</b>	<b>24,329</b>
Inventory	4,520	4,495
Current receivables	9,050	7,751
Liquid assets	3,009	3,102
Assets held for sale (Note 4)	1,409	26
<b>Total current assets</b>	<b>17,988</b>	<b>15,374</b>
<b>TOTAL ASSETS</b>	<b>40,961</b>	<b>39,703</b>
Shareholders' equity	11,359	11,913
Long-term liabilities	7,277	5,884
Current liabilities	22,325	21,906
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>40,961</b>	<b>39,703</b>
Pledged assets	419	327
Contingent liabilities	1,487	1,520

Change in shareholders' equity – Group		
SEK million	Full-year 2011	Full-year 2010
Opening balance	11,913	13,962
Dividend	-1,900	-1,566
Change in non-controlling interests	-3	-
Total comprehensive income for the period	1,349	-483
<b>Closing balance</b>	<b>11,359</b>	<b>11,913</b>
Of which attributable to ICA AB's shareholders	11,356	11,907
Of which attributable to non-controlling interests	3	6

Condensed statement of cash flows – Group		
SEK million	Full-year 2011	2010
Operating income	2,505	2,924
Depreciation, amortization and impairments	2,104	1,605
Other items not included in cash flow	-31	124
Dividends from associated companies	0	0
Income tax paid	-1,733	-669
<b>Cash flow from operating activities before change in working capital</b>	<b>2,845</b>	<b>3,984</b>
Change in working capital		
Inventory	-30	-252
Current receivables	46	-343
Current liabilities	181	900
ICA Bank's net deposits, lending and investments	214	-1,101
<b>Cash flow from operating activities</b>	<b>3,256</b>	<b>3,188</b>
Cash flow from investing activities	-2,242	-2,453
Cash flow from financing activities	-1,104	-1,045
<b>Cash flow for the period</b>	<b>-90</b>	<b>-310</b>
Liquid assets at beginning of period	3,102	3,422
Exchange rate differences in liquid assets	-3	-10
<b>Liquid assets at end of period</b>	<b>3,009</b>	<b>3,102</b>

## Financial reports for the Parent Company

Income statement – Parent Company SEK million	October – December		Full-year	
	2011	2010	2011	2010
Net sales	9	14	41	43
Cost of sales	–	0	–	0
Gross profit	<b>9</b>	<b>14</b>	<b>41</b>	<b>43</b>
Selling and administrative expenses	–74	–82	–262	–236
Operating income	<b>–65</b>	<b>–68</b>	<b>–221</b>	<b>–193</b>
Result from shares in Group companies	2,524	4,071	2,524	4,071
Other financial income	1	3	27	4
Other financial expenses	–100	–118	–398	–464
Income after net financial items	<b>2,360</b>	<b>3,888</b>	<b>1,932</b>	<b>3,418</b>
Appropriations	–415	–499	–415	–499
Income before tax	<b>1,945</b>	<b>3,389</b>	<b>1,517</b>	<b>2,919</b>
Tax	–513	–688	–412	–576
Net income for the period	<b>1,432</b>	<b>2,701</b>	<b>1,105</b>	<b>2,343</b>

Statement of comprehensive income SEK million	October – December		Full-year	
	2011	2010	2011	2010
Net income for the period	1,432	2,701	1,105	2,343
Other comprehensive income for the period	–	–	–	–
<b>Total comprehensive income for the period</b>	<b>1,432</b>	<b>2,701</b>	<b>1,105</b>	<b>2,343</b>

Condensed balance sheet – Parent Company SEK million	Dec. 31,	
	2011	2010
Intangible fixed assets	56	–
Tangible fixed assets	63	71
Financial fixed assets	35,216	34,045
Deferred tax assets	6	1
Total fixed assets	<b>35,341</b>	<b>34,117</b>
Current receivables	3,494	6,261
Liquid assets	–	5
Total current assets	<b>3,494</b>	<b>6,266</b>
<b>TOTAL ASSETS</b>	<b>38,835</b>	<b>40,383</b>
Shareholders' equity	27,875	28,670
Untaxed reserves	2,421	2,007
Provisions	299	253
Long-term liabilities	6,000	8,000
Current liabilities	2,240	1,453
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>38,835</b>	<b>40,383</b>
Pledged assets	0	5
Contingent liabilities	<b>8,300</b>	<b>8,364</b>

Change in shareholders' equity – Parent Company SEK million	Full-year	
	2011	2010
Opening balance	<b>28,670</b>	<b>27,893</b>
Dividend	–1,900	–1,566
Total comprehensive income for the period	1,105	2,343
Closing balance	<b>27,875</b>	<b>28,670</b>

## 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 2010. Readers of the year-end report are presumed to have access to the annual report for 2010. 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 are applied as of 2011.

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		Full-year	
	2011	2010	2011	2010
ICA Sweden	16,334	15,974	62,500	60,596
ICA Norway	5,387	5,445	20,679	21,225
Rimi Baltic	2,699	2,630	10,089	10,352
ICA Bank	208	163	764	612
ICA Real Estate	553	537	2,202	2,135
ICA Group Functions	26	144	348	452
Intra-Group sales	-286	-400	-1,403	-1,512
<b>Net sales</b>	<b>24,921</b>	<b>24,493</b>	<b>95,179</b>	<b>93,860</b>

Operating income by segment – Group SEK million	October – December		Full-year	
	2011	2010	2011	2010
ICA Sweden	750	741	2,617	2,750
ICA Norway	-133	-247	-1,255*	-588
Rimi Baltic	87	53	173	-13
ICA Bank	53	23	171	91
ICA Real Estate	258	221	1,005	917
ICA Group Functions	-68	-73	-206	-233
<b>Total operating income</b>	<b>947</b>	<b>718</b>	<b>2,505</b>	<b>2,924</b>

\*Including goodwill impairment of SEK 592 million

### Note 3 Joint venture

#### Ancore Fastigheter AB

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

Joint Venture ICA's share of Ancore	Full-year 2011	Full-year 2010
Revenue	90	7
Expenses	-84	-7
Net income for the year	6	0
Other comprehensive income	-51	13
Total comprehensive income for year	-45	13
Fixed assets	1,431	1,137
Current assets	40	46
Long-term liabilities	930	695
Current liabilities	55	54

#### Note 4 Sale of ICA Maxi Norway

In August, ICA decided to discontinue the ICA Maxi concept in Norway and initiate a sales process of the ICA Maxi stores. The sale is planned to be finalized during 2012. All fixed assets belonging to the Maxi stores were reclassified in September as assets held for sale. These assets primarily consist of properties and store furnishings. No write-downs were made in connection with the reclassification.

#### Note 5 Goodwill Norway

A business plan has been prepared for the remaining operations in ICA Norway following the sale of the Maxi stores. Goodwill impairment testing has been conducted based on the business plan until 2015. Growth beyond this period is assumed to correspond to an inflation rate of 2.5 percent. The need for working capital is expected to remain at the same relative level as at the end of the business plan. The discount rate is 13.1 percent before tax. The test resulted in goodwill impairment of SEK 592 million in the third quarter. The book value of goodwill after impairment is SEK 869 million.

## Appendix – Store sales trends

The following tables refer to store sales. In Sweden, this includes Swedish retailer-owned store sales. In Norway, franchised store sales are included. Sales for 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.

### Stores sales in Sweden

Store sales excl. VAT	October – December 2011			Full-year 2011		
	SEK million	Change, all stores	Change, comparable	SEK million	Change, all stores	Change, comparable
Maxi ICA Stormarket	7,352	4.0%	1.4%	27,333	3.6%	2.2%
ICA Kvantum	5,846	2.6%	1.6%	22,487	3.1%	1.2%
ICA Supermarket	7,512	0.4%	0.9%	29,911	1.0%	1.0%
ICA Nära	3,541	0.4%	0.8%	14,564	0.7%	1.3%
<b>TOTAL</b>	<b>24,452</b>	<b>2.0%</b>	<b>1.2%</b>	<b>94,295</b>	<b>2.2%</b>	<b>1.4%</b>

During the year, the share of private label sales increased to 19.2 percent (18.4) in Sweden.

### Stores sales in Norway

Store sales excl. VAT	October – December 2011			Full-year 2011		
	NOK million	Change, all stores	Change, comparable	NOK million	Change, all stores	Change, comparable
ICA Maxi	691	-15.9%	-12.2%	2,826	-7.1%	-6.1%
ICA Supermarked	1,181	-4.0%	-4.0%	4,425	-4.6%	-1.6%
ICA Naer	748	-18.2%	-2.6%	3,304	-19.2%	-2.5%
Rimi	2,344	8.2%	4.4%	8,799	10.7%	5.7%
<b>TOTAL</b>	<b>4,965</b>	<b>-3.3%</b>	<b>-1.6%</b>	<b>19,353</b>	<b>-1.8%</b>	<b>0.6%</b>

During the year, the share of private label sales increased to 8.4 percent (7.8) in Norway.

### Stores sales in Baltic countries

Store sales excl. VAT	October – December 2011			Full-year 2011		
	EUR million	Change, all stores	Change, comparable	EUR million	Change, all stores	Change, comparable
Estonia	92	3.0%	2.7%	351	2.8%	1.4%
Latvia	144	4.4%	0.5%	545	3.7%	-0.6%
Lithuania	59	4.1%	3.3%	215	0.7%	7.6%
<b>TOTAL</b>	<b>295</b>	<b>3.9%</b>	<b>1.8%</b>	<b>1111</b>	<b>2.8%</b>	<b>1.6%</b>

During the year, the share of private label sales increased to 13.0 percent (12.9) in the Baltic countries.

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

Store format	December 2010	New	Converted	Closed	December 2011
Maxi ICA Stormarket	72	3	1	-1	75
ICA Kvantum	116	4		-3	117
ICA Supermarket	443	2	-4	-6	435
ICA Nära	716	5	3	-20	704
ICA To Go	2	1			3
<b>TOTAL</b>	<b>1,349</b>	<b>15</b>	<b>0</b>	<b>-30</b>	<b>1,334</b>

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

Store format	December 2010	New	Converted	Closed	December 2011
ICA Maxi	25		-1		24
ICA Supermarked	74			-1	73
ICA Naer	213		-19	-26	168
Rimi	266	1	20	-2	285
<b>TOTAL</b>	<b>578</b>	<b>1</b>	<b>0</b>	<b>-29</b>	<b>550</b>

### Number of stores in Baltic countries

Country	December 2010	New	Converted	Closed	December 2011
Estonia	80	3		-1	82
Latvia	108	3			111
Lithuania	47			-1	46
<b>TOTAL</b>	<b>235</b>	<b>6</b>	<b>0</b>	<b>-2</b>	<b>239</b>

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