

# Mekonomen Group

## Interim report January - September 2015

11 November 2015

### SUMMARY OF THE THIRD QUARTER, 1 July - 30 September 2015 <sup>1)</sup>

- Revenue increased 5 per cent to SEK 1,405 M (1,340). Excluding the acquisition of Opus Equipment revenue increased 3 per cent. Adjusted for currency effects and calculated on the comparable number of workdays, revenue rose 8 per cent. Sales in comparable units rose 4 per cent.
- EBITA amounted to SEK 196 M (214) and the EBITA margin amounted to 14 per cent (16).
- EBIT amounted to SEK 168 M (186) and the EBITA margin amounted to 12 per cent (14).
- EBITA and EBIT have been negatively affected by SEK 32 M compared with the year-earlier period; from currency effects in the balance sheet of SEK 12 M (pos: 4) as well as from currency effects pertaining to the NOK of SEK 16 M compared with the year-earlier period.
- The gross margin increased to 55.8 per cent (55.4).
- Earnings per share, before and after dilution, amounted to SEK 3.01 (3.69).
- Cash flow from operating activities rose to SEK 155 M (113), of which discontinued operations comprised a negative SEK 18 M (neg: 39).
- Net debt at the end of the period amounted to SEK 1,760 M (1,763), compared with SEK 1,629 M at the end of the year.

SUMMARY OF THE GROUP'S EARNINGS TREND SEK M	Jul - Sep 2015	Jul - Sep 2014	Change %	Jan - Sep 2015	Jan - Sep 2014	Change %	12 months Oct - Sep	Full-year 2014
Revenue	1 405	1 340	5	4 314	4 016	7	5 688	5 390
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	196	214	-8	589	580	2	773	763
EBIT	168	186	-9	507	494	3	652	639
Profit after financial items	154	174	-12	485	478	2	627	620
Profit after tax, continuing operations	111	135	-18	354	364	-3	456	466
Profit after tax, discontinued operations	0	-18	-100	-1	-69	-99	-272	-340
Profit after tax	111	118	-6	353	296	19	184	127
Earnings per share, continuing operations, SEK	3,01	3,69	-19	9,63	9,93	-3	12,50	12,80
Earnings per share, discontinued operations, SEK	0,00	-0,49	-100	-0,03	-1,91	-99	-7,57	-9,46
Earnings per share, SEK	3,01	3,20	-6	9,60	8,02	20	4,92	3,34
EBITA margin, %	14	16		14	14		14	14
EBIT margin, %	12	14		12	12		11	12

The amounts in the table above pertain to continuing operations, except for Profit after tax and Earnings per share. Comparative figures have been recalculated.

For further information about discontinued operations, see page 17.

<sup>1)</sup> During the first quarter 2015, the last two stores in Denmark were discontinued and, in the 2015 interim reports, the Danish store operation is presented according to the rules for discontinued operations in IFRS 5. All comparative periods have been recalculated. The Danish store operation was previously included in the MECA segment. With the exception of cash flow and net debt, all amounts pertain to continuing operations.

## CEO's comments

### **Good growth but negative currency effects in the third quarter**

**Growth remained favourable during the third quarter and cash flow strengthened compared with the year-earlier period. In the quarter however, Mekonomen Group was impacted by negative currency effects amounting to SEK 30 M and did not match the earnings of the year-earlier period.**

Mekonomen Group's revenue for the third quarter of 2015 increased 5 per cent to SEK 1,405 M (1,340) and the operating profit declined to SEK 168 M (186). The operating margin declined to 12 per cent (14). MECA's export business to Denmark negatively impacted profit for the third quarter with a negative EBIT impact of SEK 9 M. Cash flow strengthened during the quarter.

Revenue for the nine-month period rose 7 per cent to SEK 4,314 M (4,016) and the EBIT increased 3 per cent to SEK 507 M (494). The market trend was stable compared with the year-earlier period and our assessment is that this trend will continue for the rest of the year.

MECA's export business to Denmark is expected to have a continued negative impact on earnings in the fourth quarter. Measures have been taken to offset the gross margin effects of the weaker NOK, but expectations are that the currency effects will continue to have some negative impact on earnings for the Group also in the fourth quarter.

In the third quarter, the good growth has continued with a 12 per cent increase in MECA, 2 per cent in Mekonomen Nordic and 1 per cent in Sørensen og Balchen. Sales increased with 5 per cent to our affiliated workshops, with 8 per cent to consumers and with 4 per cent to other workshops during the quarter. The affiliation of our concept workshops in Sweden, in MECA and Mekonomen to the Swedish Association of Vehicle Workshops is one example of how we continuously increase quality requirements in our concept workshops, to thereby ensure continued growth.

We posted continued healthy sales increase for our proprietary brand ProMeister, which accounted for about 13 per cent of spare-parts sales in the Group in the third quarter.

With the aim of enhancing our efficiency and speed, Mekonomen Sweden and Mekonomen Norway will be reporting directly to me as from 2016. This means that one organisational level, Mekonomen Nordic, is removed. The measure is expected to result in savings with a positive EBIT effect of SEK 15 M per year, which will start to generate an effect in 2016 and will be fully realised after the first half of 2017.

To ensure the good growth, we will implement programmes aimed at raising quality levels in our workshops, which will include training courses, as well as the development and launch of new workshop concepts. In addition, we will take further steps in our digital business, where our Group-wide e-commerce platform for B2B and B2C comprises the single largest project decided to date.

It is by strengthening our relationships with existing and new customers that we generate profitable growth. This effort is progressing in all parts of the Group!

Magnus Johansson  
President and CEO

## MEKONOMEN GROUP IN BRIEF

Mekonomen makes CarLife easier, through a broad and easily accessible range of affordable and innovative solutions and products for consumers and companies. We are the leading car service chain in the Nordic region, with proprietary wholesale operations with approximately 350 stores and more than 2,100 affiliated workshops under the Mekonomen Group brands.

### Business concept

With clear and innovative concepts, high quality and an efficient logistics chain, Mekonomen Group offers solutions to consumers and companies for an easier and more affordable CarLife.

### Business flow

Approximately 160 suppliers account for 80 per cent of the supply of goods. The three Group companies are responsible for their individual wholesale operations. The approximately 350 stores deliver to more than 2,100 affiliated workshops and to other workshops and consumers. The Group also has about 30 proprietary workshops.



## GROUP REVENUE

TOTAL REVENUE DISTRIBUTION CONTINUING OPERATIONS, SEK M	Jul - Sep 2015	Jul - Sep 2014	Change %	Jan - Sep 2015	Jan - Sep 2014	Change %	12 months Oct - Sep	Full-year 2014
MECA	466	414	12	1 382	1 245	11	1 816	1 679
Mekonomen Nordic	682	671	2	2 106	2 004	5	2 794	2 692
Sørensen og Balchen	179	176	1	570	536	6	746	712
Other	47	45	6	150	131	15	199	180
<b>Total net sales</b>	<b>1 374</b>	<b>1 306</b>	<b>5</b>	<b>4 209</b>	<b>3 915</b>	<b>8</b>	<b>5 556</b>	<b>5 262</b>
Other operating revenue	31	34	-8	106	102	4	132	128
<b>GROUP REVENUE</b>	<b>1 405</b>	<b>1 340</b>	<b>5</b>	<b>4 314</b>	<b>4 016</b>	<b>7</b>	<b>5 688</b>	<b>5 390</b>

GROWTH PER CENT	July-September 2015				January-September 2015			
	MECA	Mekonomen Nordic	Sørensen og Balchen	Group	MECA	Mekonomen Nordic	Sørensen og Balchen	Group
Underlying increase	16,1	3,9	9,1	8,2	12,1	5,5	9,1	8,3
Currency effects	-3,6	-2,2	-7,8	-3,3	-1,3	-0,8	-2,7	-1,2
Effect, workdays	0,0	0,0	0,0	0,0	0,3	0,4	0,0	0,3
<b>Nominal increase</b>	<b>12,5</b>	<b>1,7</b>	<b>1,3</b>	<b>4,9</b>	<b>11,1</b>	<b>5,1</b>	<b>6,3</b>	<b>7,4</b>

### 1 July – 30 September, 2015

Revenue for continuing operations rose 5 per cent to SEK 1,405 M (1,340). Excluding the acquisition of Opus Equipment revenue rose 3 per cent. Adjusted for negative currency effects of SEK 44 M, revenue increased 8 per cent. In the third quarter, the number of workdays was unchanged in Sweden, Norway, Denmark and Finland, compared with the year-earlier period. Calculated on comparable workdays and adjusted for currency effects, revenue increased 8 per cent. Sales in comparable units rose 4 per cent.

### 1 January – 30 September, 2015

Revenue for continuing operations rose 7 per cent to SEK 4,314 M (4,016). Excluding the acquisition of Opus Equipment revenue rose 7 per cent. Adjusted for negative currency effects of SEK 47 M, revenue increased 9 per cent. In the nine-month period, the number of workdays was one day higher in Sweden, unchanged in Norway and Finland and one day less in Denmark compared with the preceding year. Calculated on comparable workdays and adjusted for currency effects, revenue increased 8 per cent. Sales in comparable units rose 6 per cent.

## GROUP PERFORMANCE

### 1 July – 30 September, 2015

*Operating profit before amortisation and impairment of intangible fixed assets, EBITA*

EBITA for continuing operations amounted to SEK 196 M (214) and the EBITA margin amounted to 14 per cent (16). Currency effects in the balance sheet had a negative impact of SEK 12 M (pos: 4) on earnings.

#### *EBIT*

EBIT for continuing operations amounted to SEK 168 M (186) and the EBIT margin amounted to 12 per cent (14). EBIT has been negatively affected by SEK 32 M compared with the year-earlier period; from currency effects in the balance sheet of SEK 12 M (pos: 4), as well as from currency effects pertaining particularly to NOK for so-called transaction and translation effects, of SEK 16 M compared with the year-earlier period.

#### *Other earnings*

Profit after financial items for continuing operations amounted to SEK 154 M (174). Net interest expense amounted to SEK 7 M (expense: 9) and other financial items to an expense of SEK 8 M (expense: 3). Profit after tax for continuing operations amounted to SEK 111 M (135), for discontinued operations to a loss of SEK 0 M (loss: 18) and totalled SEK 111 M (118). Earnings per share for continuing operations, before and after dilution, amounted to SEK 3.01 (3.69), for discontinued operations to a negative SEK 0.00 (neg: 0.49) and totalled SEK 3.01 (3.20).

### 1 January – 30 September, 2015

*Operating profit before amortisation and impairment of intangible fixed assets, EBITA*

EBITA for continuing operations increased to SEK 589 M (580) and the EBITA margin amounted to 14 per cent (14). Earnings were negatively impacted by non-recurring effects of SEK 1 M (10). Currency effects in the balance sheet had a negative impact of SEK 6 M (pos: 4) on earnings.

#### *EBIT*

EBIT for continuing operations increased to SEK 507 M (494) and the EBIT margin amounted to 12 per cent (12). Earnings were negatively impacted by non-recurring effects of SEK 1 M (10). EBIT has been negatively affected by SEK 26 M compared with the year-earlier period; from currency effects in the balance sheet of SEK 6 M (pos: 4), as well as from currency effects pertaining particularly to NOK for so-called transaction and translation effects, of SEK 16 M compared with the year-earlier period.

#### *Other earnings*

Profit after financial items for continuing operations increased to SEK 485 M (478). Net interest expense amounted to SEK 21 M (expense: 27) and other financial items to SEK 0 M (10). Other financial items were positively impacted by non-recurring effects of SEK 7 M (10). Profit after tax for continuing operations amounted to SEK 354 M (364), for discontinued operations to a loss of SEK 1 M (loss: 69) and totalled SEK 353 M (296). Earnings per share for continuing operations, before and after dilution, amounted to SEK 9.63 (9.93), for discontinued operations to a negative SEK 0.03 (neg: -1.91) and totalled SEK 9.60 (8.02).

## FINANCIAL POSITION AND CASH FLOW

Cash flow from operating activities amounted to SEK 155 M (113) for the third quarter, of which discontinued operations comprised a negative SEK 18 M (neg: 39) and for the nine-month period to SEK 244 M (235), of which discontinued operations comprised a negative SEK 147 M (neg: 90). Tax paid amounted to SEK 33 M (33) for the third quarter and to SEK 186 M (159) for the nine-month period. Cash and cash equivalents amounted to SEK 256 M (197) compared with SEK 258 M at the end of the year. The equity/assets ratio was 39 per cent (42). Long-term interest-bearing liabilities were SEK 1,510 M (1,502) compared with SEK 1,404 M at year-end. Current interest-bearing liabilities amounted to SEK 522 M (466) compared with SEK 495 M at the end of the year. Long-term interest-bearing liabilities for the nine-month period rose primarily due to higher utilisation of credit facilities totaling SEK 200 M.

The net debt amounted to SEK 1,760 M (1,763), compared with SEK 1,629 M at the end of the year, entailing an increase of SEK 131 M since the end of the year and a reduction of SEK 81 M during the third quarter. The increase in the net debt is largely attributable to dividends of SEK 261 M, of which SEK 251 M were dividends to the Parent Company's shareholders, which were paid during the second quarter. Loans were amortised by SEK 45 M in the third quarter, of which SEK 11 M pertains to the amortisation of loans in the company Opus Equipment AB acquired during the quarter, and loans were amortised by SEK 113 M during the nine-month period.

## INVESTMENTS

During the third quarter, investments in fixed assets amounted to SEK 19 M (14) and to SEK 70 M (44) during the nine-month period. Depreciation and impairment of tangible fixed assets in continuing operations amounted to SEK 14 M (14) for the third quarter and to SEK 44 M (46) for the nine-month period.

During the quarter, company and business acquisitions amounted to SEK 42 M (16) and to SEK 55 M (48) during the nine-month period. Acquired assets totalled SEK 75 M (15) and assumed liabilities SEK 37 M (4) for the nine-month period. Apart from goodwill, which amounted to SEK 13 M (22), intangible surplus values of SEK 0 M (4) were identified pertaining to brands, SEK 0 M (1) pertaining to capitalised expenditure for IT systems, and SEK 6 M (9) for customer relations. Deferred tax liabilities attributable to acquired intangible fixed assets amounted to SEK 1 M (0). Acquired minority shares amounted to SEK 0 M (0) in the third quarter and to SEK 8 M (2) for the nine-month period. Divested minority shares amounted to SEK 0 M (0) in the third quarter and to SEK 0 M (0) for the nine-month period.

## ACQUISITIONS AND START-UPS

### Third quarter

MECA has acquired OPUS Equipment AB, a comprehensive supplier of workshop equipment for car workshops and vehicle inspection. The supply of workshop equipment is a new business within Mekonomen Group that offers equipment with assembly and maintenance services to existing and new customers in the automotive aftermarket. The purchase price for the shares amounted to SEK 41 M and the net debt that was taken over amounted to SEK 10 M. From 1 July 2015, the company has been consolidated in Mekonomen Group. Sørensen og Balchen established a store in Mysen.

### Earlier in the year

Mekonomen Nordic acquired minority shares in five stores for a minor amount. In Sweden, two partner stores were also acquired in Kiruna and Linköping, as well as three workshops in Härnosand, Ljusdal and Lidingö in Stockholm. Mekonomen Nordic also acquired a partner store in Iceland. MECA acquired a partner store and workshop in Köping. Sørensen og Balchen acquired all minority shares in DinDel Norway.

In the third quarter, the acquired company, Opus Equipment AB, impacted net sales for the Group by a total of SEK 30 M, as well as EBITA and EBIT by SEK 2 M, excluding acquisition costs. Other acquisitions had only a marginal impact on consolidated sales and earnings.

### Number of stores and workshops

The total number of stores in the chains for continuing operations at the end of the period was 345 (350), of which 259 (255) were proprietary stores. The number of affiliated workshops totalled 2,140 (2,330). See distribution in the table on page 16.

## EMPLOYEES

The number of employees in continuing operations at the end of the period was 2,167 (2,064) and the average number of employees during the period was 2,120 (2,078). See the distribution on the table on page 17.

## PERFORMANCE BY SEGMENT

### SEGMENT MECA

MECA <sup>1)</sup> SEK M	Jul - Sep 2015	Jul - Sep 2014	Change %	Jan - Sep 2015	Jan - Sep 2014	Change %	12 months Oct - Sep	Full-year 2014
Net sales, external	466	414	12	1 382	1 245	11	1 816	1 679
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	54	73	-26	205	196	5	277	268
EBIT <sup>2)</sup>	51	69	-27	195	186	5	252	243
EBITA margin, %	12	18		15	16		15	16
EBIT margin, % <sup>2)</sup>	11	17		14	15		14	14
Number of stores/of which own				86 / 73	87 / 72			87 / 72
Number of Mekonomen Service Centres				116	204			195
Number of MekoPartner				59	177			153
Number of MECA Car Service				657	607			628

<sup>1)</sup> From 1 January 2015, the operation in Denmark is presented as a discontinued operation and therefore not included in the MECA segment. Comparative figures have been recalculated. For further information about discontinued operations, see page 17.

<sup>2)</sup> Acquisition-related items attributable to Mekonomen AB's direct acquisition of MECA have been reallocated from the MECA segment to "Other." Comparative figures have been recalculated. Amortisation of acquired intangible assets for the quarter totalling SEK 15 M (15), for the period of SEK 45 M (45) and for the full-year 2014 of SEK 60 M have been reallocated from EBIT for MECA to EBIT for "Other."

Major sales efforts have been implemented in the export business to Denmark. This, combined with discounts, impacting the gross margin, had a negative effect of SEK 9 M on MECA's EBIT in the third quarter and SEK 21 M in the nine-month period. Net sales for the export business to Denmark amounted to SEK 15 M in the third quarter and to SEK 34 M in the nine-month period. A strong sales increase to MECA Car Service workshops was key to MECA's increase in net sales for the quarter and in the nine-month period. The sales trend for ProMeister also contributed to higher volumes during the quarter and in the nine-month period. Opus Equipment has been consolidated since 1 July 2015 and had an impact of SEK 30 M on net sales for the third quarter, and SEK 2 M on EBITA and EBIT excluding acquisition costs. Acquisition-related expenses of SEK 1 M pertaining to Opus Equipment had a negative impact on MECA's EBIT in the nine-month period, and SEK 0 M in the third quarter. During the quarter, MECA launched the service and repair of motorhomes.

The currency effect on net sales against the NOK was negative SEK 15 M during the third quarter and negative SEK 16 M in the nine-month period. In the third quarter, the number of workdays was unchanged in Sweden and Norway, compared with the year-earlier period, and one day more in Sweden but unchanged in Norway for the nine-month period. Underlying net sales increased 16 per cent in the third quarter and rose 12 per cent for the nine-month period. MECA's EBIT amounted to SEK 51 M (69) for the quarter. EBITA and EBIT were negatively impacted by personnel-related non-recurring costs of SEK 9 M in the comparative, nine-month period. There was no impact in the comparative period for the third quarter.

### SEGMENT MEKONOMEN NORDIC

MEKONOMEN NORDIC SEK M	Jul - Sep 2015	Jul - Sep 2014	Change %	Jan - Sep 2015	Jan - Sep 2014	Change %	12 months Oct - Sep	Full-year 2014
Net sales, external	682	671	2	2 106	2 004	5	2 794	2 692
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	119	121	-1	334	325	3	431	422
EBIT	115	117	-2	321	309	5	414	401
EBITA margin, %	17	17		15	16		15	15
EBIT margin, %	16	17		15	15		14	14
Number of stores/of which own				189 / 151	191 / 149			192 / 151
Number of Mekonomen Service Centres				813	874			863
Number of MekoPartner				215	199			202

The sales trend for ProMeister contributed to higher volumes to other workshops during the third quarter primarily for Mekonomen Sweden. At Mekonomen Norway, the key growth driver was sales to Mekonomen Service Centre. Implemented quality initiatives in Sweden led to a slightly lower number of affiliated workshops, which negatively

impacted sales to the affiliated workshops customer group. Sales to consumers increased in both Sweden and Norway during the quarter, mainly as a result of successful campaigns. Extra marketing investments negatively impacted earnings during the quarter, however this was offset by the favourable sales trend.

Underlying net sales rose 4 per cent in the third quarter and 6 per cent in the nine-month period. The currency effect in net sales against the NOK was a negative SEK 15 M during the third quarter and a negative SEK 16 M in the nine-month period. In the third quarter, the number of workdays was unchanged in Sweden, Norway, and Finland, compared with the year-earlier period, and one day more in Sweden but unchanged in Norway and Finland during the nine-month period. In the comparative period for the nine-month period, EBIT was negatively impacted by non-recurring costs of SEK 1 M. There was no impact in the comparative period for the quarter.

Mekonomen Sweden's EBIT margin was 15 per cent (17) in the third quarter and 14 per cent (16) in the nine-month period. EBIT for the quarter amounted to SEK 69 M (76) and to SEK 208 M (207) for the nine-month period. Net sales rose to SEK 455 M (431) in the third quarter and increased to SEK 1,386 M (1,295) in the nine-month period. Mekonomen Norway's EBIT margin for the third quarter rose to 19 per cent (17) and 19 per cent (17) for the nine-month period. EBIT for the quarter increased to SEK 36 M (34) and to SEK 118 M (101) for the nine-month period. Net sales amounted to SEK 192 M (200) for the third quarter and increased to SEK 615 M (594) for the nine-month period.

## SEGMENT SØRENSEN OG BALCHEN

SØRENSEN OG BALCHEN SEK M	Jul - Sep			Jan - Sep			12 months		Full-year 2014
	2015	2014	Change %	2015	2014	Change %	Oct - Sep		
Net sales, external	179	176	1	570	536	6	746	712	
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	30	29	3	90	87	4	113	109	
EBIT <sup>1)</sup>	30	29	3	90	87	4	112	109	
EBITA margin, %	16	16		16	16		15	15	
EBIT margin, % <sup>1)</sup>	16	16		16	16		15	15	
Number of stores/of which own				70 / 35	71 / 33			71 / 34	
Number of BilXtra				244	238			232	

<sup>1)</sup> Acquisition-related items attributable to Mekonomen AB's direct acquisitions of Sørensen og Balchen AS have been reallocated from Segment Sørensen og Balchen to "Other." Comparative figures have been recalculated. Amortisation of acquired intangible assets for the quarter totalling SEK 4 M (5), for the period of SEK 13 M (13) and for the full-year 2014 of SEK 18 M have been reallocated from EBIT for Sørensen og Balchen to EBIT for "Other."

Sørensen og Balchen reported a favourable trend for sales to affiliated BilXtra workshops and also reported a healthy trend for sales of accessories for the quarter and the nine-month period. However, this had a negative impact on the gross margin. The underlying net sales increased 9 per cent during the third quarter and 9 per cent for the nine-month period. The currency effect in net sales against the NOK was a negative SEK 14 M in the third quarter and a negative SEK 15 M in the nine-month period. EBIT and EBITA increased to SEK 30 M (29) for the third quarter.

## SALES GROWTH PER CUSTOMER GROUP

GROWTH PER CUSTOMER GROUP CONTINUING OPERATIONS, PER CENT	July - September 2015			January - September 2015		
	Affiliated workshops	Consumers	Other workshops	Affiliated workshops	Consumers	Other workshops
Nominal growth	4,9	7,6	4,0	10,5	5,3	6,7
Currency adjusted growth	8,3	10,8	7,9	11,7	6,3	8,0

## NUMBER OF WORKDAYS PER QUARTER AND COUNTRY

Mekonomen has no actual seasonal effects in its operations. However, the number of workdays affects sales and profits.

WORKDAYS BY COUNTRY	Q1			Q2			Q3			Q4			Full-year		
	2015	2014	2013	2015	2014	2013	2015	2014	2013	2015	2014	2013	2015	2014	2013
Sweden	62	62	62	60	59	60	66	66	66	63	62	62	251	249	250
Norway	63	63	61	59	59	60	66	66	66	63	62	62	251	250	249
Denmark	63	63	61	58	59	60	66	66	66	63	62	62	250	250	249
Finland	62	62	62	60	60	61	66	66	66	63	62	61	251	250	250

## SIGNIFICANT RISKS AND UNCERTAINTIES

The company conducted a review and assessment of operating and financial risks and uncertainties in accordance with the 2014 Annual Report and found that no significant risks have arisen since then. During the period, the NOK weakened. For the effect of exchange-rate fluctuations on profit before tax, refer to the 2014 Annual Report, page 31. For a complete report of the risks that affect the Group, refer to the 2014 Annual Report.

## PARENT COMPANY AND OTHER OPERATION AND ELIMINATIONS

The Parent Company's operations comprise mainly Group Management and finance management. The Parent Company's earnings after financial items amounted to a negative of SEK 14 M (neg: 16) for the third quarter and a negative of SEK 40 M (neg: 32) for the nine-month period excluding share dividends of SEK 421 M (888) from subsidiaries for the nine-month period. The average number of employees was 15 (15). Mekonomen AB sold goods and services to Group companies for a total of SEK 8 M (10) during the quarter and SEK 26 M (30) during the nine-month period.

The headline "Other" comprises Mekonomen AB, the purchasing company in Hong Kong, Meko Service Nordic, the joint venture in Poland, Mekonomen Group Inköp AB, as well as Group-wide functions and eliminations. M by Mekonomen was discontinued during the third quarter. The operating loss for "Other" amounted to SEK 27 M (loss: 29) for the quarter and a loss of SEK 99 M (loss: 87) for the nine-month period. A reallocation of acquisition-related items attributable to Mekonomen AB's direct acquisitions have been made from the segments MECA and Sørensen og Balchen to "Other." Comparative figures have been recalculated. Current acquisition-related items pertain to amortisation of acquired intangible assets of SEK 19 M (neg: 20) for the quarter and SEK 58 M (neg: 58) for the nine-month period pertaining to the acquisitions of MECA and Sørensen og Balchen, which were reversed to EBIT for these segments and reported instead in EBIT for "Other." EBIT for the Group was not impacted by this reallocation.

## EVENTS AFTER THE END OF THE PERIOD

No significant events occurred after the end of the reporting period.

## ACCOUNTING POLICIES

Mekonomen Group applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report was prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting. The same accounting policies and measurement methods were applied as in the most recent Annual Report.

New standards or interpretations that became effective on 1 January 2015 have not had any material effect on Mekonomen Group's financial reporting for this period.

The Parent Company prepares its accounts in accordance with the Annual Accounts Act and RFR 2 and applies the same accounting policies and measurement methods as in the most recent Annual Report.

## FORTHCOMING FINANCIAL REPORTING DATES

Information	Period	Date
Year-end report	January - December 2015	17 February 2016
Interim report	January - March 2016	11 May 2016
Interim report	January - June 2016	26 August 2016
Interim report	January - September 2016	11 November 2016
Year-end report	January - December 2016	15 February 2017



## **ANNUAL GENERAL MEETING**

The 2015 Annual General Meeting will be held on 12 April 2016 in Stockholm. The Annual Report will be published and available on Mekonomen's website not later than 22 March 2016.

## **NOMINATION COMMITTEE**

In accordance with the guidelines established at the Annual General Meeting on 14 April 2015, Mekonomen has established a Nomination Committee. The Nomination Committee shall prepare and submit proposals to the Annual General Meeting on 12 April 2016 pertaining to the election of the Chairman at the Annual General Meeting, the number of Board members and deputy members, the election of Chairman of the Board and other members to the Board of Directors of the company, Board fees, as well as any remuneration for committee work, the election of and fees to be paid to auditors and guidelines for appointment of the Nomination Committee.

Prior to the 2016 Annual General Meeting, the Nomination Committee consists of Caroline Berg, representing the Axel Johnson AB Group, Jonathan Mårtensson, representing Handelsbanken Funds, Mats Gustafsson, representing Lannebo Funds, as well as Annika Andersson, representing Swedbank Robur Funds. Caroline Berg has been appointed Chairman of the Nomination Committee. Mekonomen's Chairman of the Board, Kenneth Bengtsson has been co-opted to the Nomination Committee.

Stockholm, 11 November 2015  
Mekonomen AB (publ), Corp. Reg. No: 556392-1971

Magnus Johansson  
President and CEO

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The information in this interim report is such that Mekonomen is obligated to publish in accordance with the Securities Market Act.

The information was submitted for publication on 11 November 2015 at 7:30 a.m.

The interim report will be published in Swedish and English. The Swedish version represents the original version and has been translated into English. Only the original version of the interim report has been reviewed by the company's auditors.

# Auditors' report of Review of Interim Financial Information

## Introduction

We have reviewed the condensed interim financial information (interim report) of Mekonomen AB (publ) as of 30 September 2015 and the nine-month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards of Auditing, ISA, and other generally accepted auditing practices in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 11 November, 2015

PricewaterhouseCoopers AB

Lennart Danielsson  
Authorised Public Accountant

## CONSOLIDATED FINANCIAL REPORTS

CONDENSED CONSOLIDATED INCOME STATEMENT, SEK M	Jul - Sep 2015	Jul - Sep 2014	Jan - Sep 2015	Jan - Sep 2014	12 months Oct - Sep	Full-year 2014
<b>Continuing operations:</b>						
Net sales	1 374	1 306	4 209	3 915	5 556	5 262
Other operating revenue	31	34	106	102	132	128
<b>Total revenue</b>	<b>1 405</b>	<b>1 340</b>	<b>4 314</b>	<b>4 016</b>	<b>5 688</b>	<b>5 390</b>
Goods for resale	-607	-582	-1 881	-1 745	-2 473	-2 337
Other external costs	-284	-246	-862	-770	-1 136	-1 044
Personnel expenses	-304	-284	-939	-875	-1 248	-1 185
Depreciation and impairment of tangible fixed assets	-14	-14	-44	-46	-58	-61
<b>Operating profit before amortisation and impairment of intangible fixed assets (EBITA)</b>	<b>196</b>	<b>214</b>	<b>589</b>	<b>580</b>	<b>773</b>	<b>763</b>
Amortisation and impairment of intangible fixed assets	-27	-28	-82	-85	-121	-124
<b>EBIT</b>	<b>168</b>	<b>186</b>	<b>507</b>	<b>494</b>	<b>652</b>	<b>639</b>
Interest income	1	1	4	4	6	6
Interest expenses	-8	-10	-25	-31	-35	-41
Other financial items	-8	-3	0	10	5	16
<b>Profit after financial items</b>	<b>154</b>	<b>174</b>	<b>485</b>	<b>478</b>	<b>627</b>	<b>620</b>
Tax	-42	-38	-131	-113	-172	-153
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>111</b>	<b>135</b>	<b>354</b>	<b>364</b>	<b>456</b>	<b>466</b>
<b>Discontinued operations:</b>						
Loss for the period from discontinued operations <sup>1)</sup>	0	-18	-1	-69	-272	-340
<b>PROFIT FOR THE PERIOD</b>	<b>111</b>	<b>118</b>	<b>353</b>	<b>296</b>	<b>184</b>	<b>127</b>
<b>Net profit for the period attributable to:</b>						
Parent Company shareholders	108	115	345	288	177	120
Minority owners	3	3	8	8	7	7
<b>PROFIT FOR THE PERIOD</b>	<b>111</b>	<b>118</b>	<b>353</b>	<b>296</b>	<b>184</b>	<b>127</b>
<b>Earnings per share before and after dilution, SEK</b>						
- Earnings from continuing operations	3,01	3,69	9,63	9,93	12,50	12,80
- Loss from discontinued operations	0,00	-0,49	-0,03	-1,91	-7,57	-9,46
<b>Profit for the period</b>	<b>3,01</b>	<b>3,20</b>	<b>9,60</b>	<b>8,02</b>	<b>4,92</b>	<b>3,34</b>

<sup>1)</sup> The loss from discontinued operations of SEK 1 M in the nine-month period of 2015 pertained to tax expenses. The full-year 2014 includes non-recurring costs resulting from structural changes in Denmark totalling SEK 280 M in the earnings from discontinued operations. For further information about discontinued operations, see page 17.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, SEK M	Jul - Sep 2015	Jul - Sep 2014	Jan - Sep 2015	Jan - Sep 2014	12 months Oct - Sep	Full-year 2014
<b>Profit for the period</b>	<b>111</b>	<b>118</b>	<b>353</b>	<b>296</b>	<b>184</b>	<b>127</b>
<b>Other comprehensive income:</b>						
<i>Components that will not be reclassified to earnings for the year:</i>						
- Actuarial gains and losses	-	-	-	-	-7	-7
<i>Components that may later be reclassified to earnings for the year:</i>						
- Exchange-rate differences from translation of foreign subsidiaries <sup>1)</sup>	-50	31	-51	73	-145	-20
- Cash-flow hedges <sup>2)</sup>	-3	0	-2	-1	-1	0
<b>Other comprehensive income/loss, net after tax</b>	<b>-53</b>	<b>31</b>	<b>-54</b>	<b>72</b>	<b>-152</b>	<b>-27</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>58</b>	<b>149</b>	<b>299</b>	<b>368</b>	<b>32</b>	<b>100</b>
<b>Comprehensive income for the period attributable to:</b>						
Parent Company shareholders	55	146	291	360	25	93
Minority owners	3	3	8	8	7	7
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>58</b>	<b>149</b>	<b>299</b>	<b>368</b>	<b>32</b>	<b>100</b>
<b>Total comprehensive income attributable to Parent Company shareholders derived from:</b>						
Continuing operations	53	163	291	425	303	437
Discontinued operations	2	-17	0	-66	-278	-344

<sup>1)</sup> As at 30 September 2015, the accumulated translation reserve pertaining to Denmark was a negative SEK 15 M. The translation reserve pertaining to Denmark will be reclassified in shareholders' equity via the income statement in the current amount at the time when the Danish company is liquidated. For further information about discontinued operations, see page 17.

<sup>2)</sup> Holding of financial interest rate derivatives for hedging purposes, valued according to level 2 defined in IFRS 13.

CONDENSED CONSOLIDATED BALANCE SHEET SEK M	30 September 2015	30 September 2014	31 December 2014
<b>ASSETS<sup>1)</sup></b>			
Intangible fixed assets	2 759	2 892	2 813
Tangible fixed assets	178	231	201
Financial fixed assets	51	85	65
Deferred tax assets <sup>2)</sup>	54	23	55
Goods for resale	1 235	1 312	1 223
Current receivables	894	891	769
Cash and cash equivalents	256	197	258
<b>TOTAL ASSETS</b>	<b>5 426</b>	<b>5 631</b>	<b>5 384</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES<sup>1)</sup></b>			
Shareholders' equity	2 111	2 344	2 080
Long-term liabilities, interest-bearing	1 510	1 502	1 404
Deferred tax liabilities	149	189	168
Long-term liabilities, non-interest-bearing	4	1	3
Current liabilities, interest-bearing	522	466	495
Current liabilities, non-interest-bearing	1 131	1 129	1 234
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>5 426</b>	<b>5 631</b>	<b>5 384</b>

<sup>1)</sup> The carrying amounts of financial assets and liabilities are measured at either fair value or a reasonable approximation of fair value.

<sup>2)</sup> Deferred tax assets of SEK 53 M as of 30 September 2015 pertaining to tax deduction for Denmark will not be realised according to plan in 2016 but has been postponed.

CONDENSED CONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY, SEK M	30 September 2015	30 September 2014	31 December 2014
Shareholders' equity at the beginning of the year	2 080	2 240	2 240
Comprehensive income for the period	299	368	100
Acquisition/divestment of non-controlling interests	-8	-2	2
Dividend to shareholders	-261	-262	-262
<b>SHAREHOLDERS' EQUITY AT THE END OF THE PERIOD</b>	<b>2 111</b>	<b>2 344</b>	<b>2 080</b>
of which, non-controlling interests	13	10	14

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT, SEK M	Jul - Sep 2015	Jul - Sep 2014	Jan - Sep 2015	Jan - Sep 2014	12 months Oct - Sep	Full-year 2014
<b>Operating activities</b>						
<i>Cash flow from operating activities before changes in working capital, excluding tax paid</i>	185	205	520	560	671	711
Tax paid	-33	-33	-186	-159	-187	-160
<b>Cash flow from operating activities before changes in working capital</b>	<b>152</b>	<b>172</b>	<b>333</b>	<b>400</b>	<b>484</b>	<b>552</b>
Cash flow from changes in working capital:						
Changes in inventory	-39	-54	-10	-58	-11	-59
Changes in receivables	-9	-44	-83	-142	-3	-62
Changes in liabilities	51	40	4	35	-48	-17
<i>Increase (-)/decrease (+) restricted working capital</i>	3	-59	-89	-165	-62	-138
<b>Cash-flow from operating activities</b>	<b>155</b>	<b>113</b>	<b>244</b>	<b>235</b>	<b>422</b>	<b>413</b>
<b>Cash flow from investing activities</b>	<b>-53</b>	<b>-31</b>	<b>-97</b>	<b>-91</b>	<b>-126</b>	<b>-121</b>
<b>Cash flow from financing activities</b>	<b>-98</b>	<b>-164</b>	<b>-150</b>	<b>-243</b>	<b>-217</b>	<b>-309</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>4</b>	<b>-82</b>	<b>-3</b>	<b>-98</b>	<b>79</b>	<b>-17</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>259</b>	<b>272</b>	<b>258</b>	<b>279</b>	<b>197</b>	<b>279</b>
Exchange-rate difference in cash and cash equivalents	-6	7	1	17	-20	-4
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>256</b>	<b>197</b>	<b>256</b>	<b>197</b>	<b>256</b>	<b>258</b>

**INFORMATION ABOUT FINANCIAL INSTRUMENTS RECOGNISED AT FAIR VALUE IN THE BALANCE SHEET**

The financial instruments that were measured at fair value in the balance sheet are shown below. This was done by dividing the values into three levels, which are described in the 2014 Annual Report, Note 12. All of Mekonomen's financial instruments are included in Level 2.

The methods and assumptions mostly used to establish the fair value of the financial instruments shown in the table below are described in the 2014 Annual Report, Note 12. The types of financial instruments contained in the interim report are the same as those in the 2014 Annual Report.

CONSOLIDATED DERIVATIVE INSTRUMENTS MEASURED AT FAIR VALUE IN THE BALANCE SHEET, SEK M	30 September 2015	30 September 2014
<b>FINANCIAL ASSETS</b>		
Derivatives: Currency swaps	0	-
Interest-rate swaps	-	-
<b>TOTAL</b>	<b>0</b>	<b>-</b>
<b>FINANCIAL LIABILITIES</b>		
Derivatives: Currency swaps	-	-
Interest-rate swaps	4	3
<b>TOTAL</b>	<b>4</b>	<b>3</b>

GROUP'S FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY 30 September 2015							Total
SEK M	Derivative instruments	Loan and accounts receivable	Other financial liabilities	Total carrying amount	Fair value	Non-financial assets & liabilities	Balance sheet summary
<b>FINANCIAL ASSETS</b>							
Financial fixed assets	-	49	-	49	49	2	51
Accounts receivable	-	565	-	565	565	-	565
Other current receivables	0	-	-	0	0	329	329
Cash and cash equivalents	-	256	-	256	256	-	256
<b>TOTAL</b>	<b>0</b>	<b>871</b>	<b>-</b>	<b>871</b>	<b>871</b>	<b>330</b>	<b>1 201</b>
<b>FINANCIAL LIABILITIES</b>							
Long-term liabilities, interest-bearing	4	-	1 506	1 510	1 510	-	1 510
Current liabilities, interest-bearing	-	-	522	522	522	-	522
Accounts payable	-	-	571	571	571	-	571
Other current liabilities	-	-	-	-	-	560	560
<b>TOTAL</b>	<b>4</b>	<b>-</b>	<b>2 598</b>	<b>2 603</b>	<b>2 603</b>	<b>560</b>	<b>3 163</b>

QUARTERLY DATA, CONTINUING OPERATIONS, SEGMENT	Q3	2015 Q2	Q1	FY	2014 Q4	Q3	Q2	Q1	FY	2013 Q4	Q3	Q2	Q1
<b>NET SALES, SEK M<sup>1)</sup></b>													
MECA <sup>2)</sup>	466	473	444	1 679	435	414	419	411	1 599	401	382	424	394
Mekonomen Nordic	682	761	664	2 692	685	671	700	634	2 656	673	645	728	609
Sørensen og Balchen	179	201	191	712	176	176	188	171	701	159	174	195	174
Other <sup>3)</sup>	47	55	48	180	50	45	47	39	172	45	42	48	38
<b>GROUP</b>	<b>1 374</b>	<b>1 489</b>	<b>1 346</b>	<b>5 262</b>	<b>1 347</b>	<b>1 306</b>	<b>1 354</b>	<b>1 255</b>	<b>5 129</b>	<b>1 280</b>	<b>1 243</b>	<b>1 395</b>	<b>1 215</b>
<b>EBITA, SEK M</b>													
MECA <sup>2)</sup>	54	80	71	268	72	73	76	47	213	42	57	63	51
Mekonomen Nordic	119	129	86	422	97	121	108	95	390	80	107	119	83
Sørensen og Balchen	30	35	25	109	22	29	34	24	99	24	27	30	19
Other <sup>3)</sup>	-8	-20	-13	-36	-8	-10	-9	-10	-19	0	-3	-5	-11
<b>GROUP</b>	<b>196</b>	<b>224</b>	<b>169</b>	<b>763</b>	<b>184</b>	<b>214</b>	<b>210</b>	<b>156</b>	<b>683</b>	<b>146</b>	<b>188</b>	<b>207</b>	<b>142</b>
<b>EBIT, SEK M</b>													
MECA <sup>2) 4)</sup>	51	77	68	243	57	69	73	44	202	40	54	60	48
Mekonomen Nordic	115	124	82	401	93	117	104	88	323	31	101	112	79
Sørensen og Balchen <sup>4)</sup>	30	35	25	109	22	29	34	24	99	24	27	30	19
Other <sup>3)</sup>	-27	-39	-33	-114	-27	-29	-28	-29	-97	-19	-22	-24	-32
<b>GROUP</b>	<b>168</b>	<b>197</b>	<b>142</b>	<b>639</b>	<b>145</b>	<b>186</b>	<b>182</b>	<b>126</b>	<b>527</b>	<b>75</b>	<b>159</b>	<b>178</b>	<b>115</b>
<b>INVESTMENTS, SEK M<sup>5)</sup></b>													
MECA <sup>2)</sup>	2	2	8	20	5	6	5	4	16	8	1	5	2
Mekonomen Nordic	17	19	18	44	20	6	11	7	28	3	4	12	9
Sørensen og Balchen	0	1	1	4	1	0	1	1	2	0	-	1	1
Other <sup>3)</sup>	0	2	0	2	0	1	0	1	3	1	-	2	0
<b>GROUP</b>	<b>19</b>	<b>24</b>	<b>28</b>	<b>70</b>	<b>27</b>	<b>14</b>	<b>17</b>	<b>13</b>	<b>49</b>	<b>12</b>	<b>5</b>	<b>20</b>	<b>12</b>
<b>EBITA MARGIN, %</b>													
MECA <sup>2)</sup>	12	17	16	16	16	18	18	11	13	11	15	15	13
Mekonomen Nordic	17	16	13	15	14	17	15	14	14	12	17	16	14
Sørensen og Balchen	16	17	13	15	12	16	18	14	14	15	15	15	11
<b>GROUP</b>	<b>14</b>	<b>15</b>	<b>12</b>	<b>14</b>	<b>13</b>	<b>16</b>	<b>15</b>	<b>12</b>	<b>13</b>	<b>11</b>	<b>15</b>	<b>15</b>	<b>11</b>
<b>EBIT MARGIN, %</b>													
MECA <sup>2) 4)</sup>	11	16	15	14	13	17	17	11	13	10	14	14	12
Mekonomen Nordic	16	16	12	14	13	17	14	13	12	5	15	15	13
Sørensen og Balchen <sup>4)</sup>	16	17	13	15	12	16	18	14	14	15	15	15	11
<b>GROUP</b>	<b>12</b>	<b>13</b>	<b>10</b>	<b>12</b>	<b>11</b>	<b>14</b>	<b>13</b>	<b>10</b>	<b>10</b>	<b>6</b>	<b>13</b>	<b>13</b>	<b>9</b>

<sup>1)</sup> Net sales for each segment are from external customers.

<sup>2)</sup> The operation in Denmark is presented from 1 January 2015 as a discontinued operation and therefore not included in the MECA segment. Comparative figures have been recalculated. For further information about discontinued operations, see page 17. EBITA for the fourth quarter of 2014 and the full year 2014 have been positively affected by SEK 11 M due to the allocation of costs for IT systems regarding the discontinued Danish operation. Impairment of intangible fixed assets have had a corresponding negative effect and the impact on EBIT was therefore neutral.

<sup>3)</sup> "Other" comprises the Parent Company Mekonomen AB (publ), M by Mekonomen (discontinued in the third quarter of 2015), the purchasing company in Hong Kong, Meko Service Nordic, the joint venture in Poland, Mekonomen Group Inköp AB (from June 2015), as well as Group-wide functions and eliminations. Mekonomen AB's operations mainly comprise Group Management and finance management.

<sup>4)</sup> Acquisition-related items attributable to Mekonomen AB's direct acquisitions have been reallocated from the segments MECA and Sørensen og Balchen to "Other." Comparative figures have been recalculated. Current acquisition-related items pertain to amortisation of acquired intangible assets pertaining to the acquisitions of MECA and Sørensen og Balchen, which were reversed to EBIT for these segments and reported instead in EBIT for "Other." Group EBIT is unchanged.

<sup>5)</sup> Investments do not include company and business combinations.

QUARTERLY DATA, CONTINUING OPERATIONS, SEK M	Q3	2015				2014				2013			
		Q2	Q1	FY	Q4	Q3	Q2	Q1	FY	Q4	Q3	Q2	Q1
Revenue	1 405	1 527	1 382	5 390	1 373	1 340	1 387	1 290	5 251	1 318	1 269	1 422	1 245
EBITA	196	224	169	763	184	214	210	156	683	146	188	207	142
EBIT	168	197	142	639	145	186	182	126	527	75	159	178	115
Net financial items	-15	-9	2	-19	-3	-12	-1	-4	-39	-2	-15	-6	-15
Profit after financial items	154	188	144	620	142	174	181	123	489	73	144	172	99
Tax	-42	-50	-39	-153	-40	-38	-44	-31	-129	-18	-38	-46	-27
Profit for the period	111	138	105	466	102	135	137	92	360	55	106	127	72
EBITA margin, %	14	15	12	14	13	16	15	12	13	11	15	15	11
EBIT margin, %	12	13	10	12	11	14	13	10	10	6	13	13	9
Earnings per share, continuing operations, SEK	3,01	3,74	2,88	12,80	2,87	3,69	3,74	2,50	9,81	1,57	2,84	3,43	1,97
Earnings per share, discontinued operations, SEK	0,00	-0,02	-0,01	-9,46	-7,55	-0,49	-0,75	-0,67	-1,25	-0,69	-0,18	-0,19	-0,20
Earnings per share, SEK	3,01	3,72	2,87	3,34	-4,68	3,20	2,99	1,83	8,56	0,88	2,67	3,24	1,77
Shareholders' equity per share, SEK	58,4	56,9	61,0	57,5	57,5	65,0	60,9	64,6	62,1	62,1	61,4	60,4	64,0
Cash flow per share, SEK <sup>1)</sup>	6,8	3,8	-1,3	11,5	5,0	3,2	5,4	-2,0	15,5	4,8	3,0	7,3	0,4
Return on equity, % <sup>2)</sup>	20,9	21,9	21,3	20,6	20,6	18,3	17,2	16,6	15,7	15,7	-	-	-

<sup>1)</sup> The key figures are calculated including discontinued operations for each quarter.

<sup>2)</sup> The key figures for return on shareholders' equity are calculated on a rolling 12-month basis for continuing operations for each quarter. Return on shareholders' equity, quarters 1-3, 2013 was not recalculated for continuing operations. For further information about discontinued operations, see page 17.

KEY FIGURES	Jul - Sep 2015	Jul - Sep 2014	Jan - Sep 2015	Jan - Sep 2014	12 months Oct - Sep	Full-year 2014
Return on equity, % <sup>1)</sup>	-	-	20,9	18,3	20,9	20,6
Return on total capital, % <sup>1)</sup>	-	-	12,1	10,8	12,1	11,9
Return on capital employed, % <sup>1)</sup>	-	-	15,8	14,0	15,8	15,6
Equity/assets ratio, %	-	-	38,9	41,6	-	38,6
Gross margin, continuing operations, %	55,8	55,4	55,3	55,4	55,5	55,6
EBITA margin, continuing operations, %	13,9	15,9	13,6	14,4	13,6	14,2
EBIT margin, continuing operations, %	12,0	13,9	11,8	12,3	11,5	11,9
EBITDA, continuing operations, SEK M	210	228	633	626	831	824
EBITDA margin, continuing operations, %	14,9	17,0	14,7	15,6	14,6	15,3
Earnings per share, continuing operations, SEK	3,01	3,69	9,63	9,93	12,50	12,80
Earnings per share, discontinued operations, SEK	0,00	-0,49	-0,03	-1,91	-7,57	-9,46
Earnings per share, SEK	3,01	3,20	9,60	8,02	4,92	3,34
Shareholders' equity per share, SEK	-	-	58,4	65,0	-	57,5
Cash flow per share, SEK	4,3	3,2	6,8	6,5	11,8	11,5
Number of shares at the end of the period	35 901 487	35 901 487	35 901 487	35 901 487	35 901 487	35 901 487
Average number of shares during the period	35 901 487	35 901 487	35 901 487	35 901 487	35 901 487	35 901 487

<sup>1)</sup> The key figures for return on equity/capital employed/total capital are calculated on a rolling 12-month basis for the January-September period and pertain to continuing operations. The balance sheet was not recalculated for discontinued operations. For further information about discontinued operations, see page 17.

NUMBER OF STORES AND WORKSHOPS	MECA <sup>1)</sup>		Mekonomen Nordic		Sørensen og Balchen		Other		Group total	
	30 September 2015	30 September 2014	30 September 2015	30 September 2014	30 September 2015	30 September 2014	30 September 2015	30 September 2014	30 September 2015	30 September 2014
<b>Number of stores</b>										
Proprietary stores	73	72	151	149	35	33	-	1	259	255
Partner stores	13	15	38	42	35	38	-	-	86	95
<b>Total</b>	<b>86</b>	<b>87</b>	<b>189</b>	<b>191</b>	<b>70</b>	<b>71</b>	<b>-</b>	<b>1</b>	<b>345</b>	<b>350</b>
<b>Number of workshops<sup>1)</sup></b>										
Mekonomen Service Centres	116	204	813	874	-	-	17	17	946	1 095
MekoPartner	59	177	215	199	-	-	-	-	274	376
Speedy	-	-	-	-	-	-	19	14	19	14
BilXtra	-	-	-	-	244	238	-	-	244	238
MECA Car Service	657	607	-	-	-	-	-	-	657	607
<b>Total</b>	<b>832</b>	<b>988</b>	<b>1 028</b>	<b>1 073</b>	<b>244</b>	<b>238</b>	<b>36</b>	<b>31</b>	<b>2 140</b>	<b>2 330</b>

<sup>1)</sup> From 1 January 2015, the operation in Denmark is presented as a discontinued operation and the stores are no longer part of the MECA segment. Comparative figures have been recalculated. With respect to workshops, they will remain affiliated to the Mekonomen Group concept. MECA sells directly to these workshops in Denmark. For further information about discontinued operations, see page 17.



AVERAGE NUMBER OF EMPLOYEES, CONTINUING OPERATIONS	Jan - Sep 2015	Jan - Sep 2014
MECA <sup>1)</sup>	577	572
Mekonomen Nordic	1 088	1 078
Sørensen og Balchen	255	253
Other <sup>2)</sup>	199	175
<b>Total</b>	<b>2 120</b>	<b>2 078</b>

<sup>1)</sup> From 1 January 2015, the operation in Denmark is presented as a discontinued operation and therefore not included in the MECA segment. Comparative figures have been recalculated.

For further information about discontinued operations, see below.

<sup>2)</sup> "Other" comprises Mekonomen AB, M by Mekonomen (discontinued in the third quarter of 2015), the purchasing company in Hong Kong, Meko Service Nordic, Mekonomen Group Inköp AB (from June 2015), as well as Group-wide functions and eliminations.

## DISCONTINUED OPERATIONS

A decision on comprehensive structural changes and repositioning of the Group's Danish operations was taken in December 2014. All of the stores, which are also local warehouses and the Danish head office have been closed. The franchise workshops have been retained and these now receive their deliveries of spare parts directly from the central warehouse in Sweden, meaning efficient logistics without intermediaries in the distribution chain.

During March 2015, the last two stores in Denmark were discontinued and from the first quarter of 2015, the Danish store operation is presented according to the rules for discontinued operations in IFRS 5. All comparative periods have been recalculated. The Danish store operation was previously included in the MECA segment.

In the consolidated income statement, the discontinued store operations are recognised as an item under "Discontinued operations." This means that the discontinued operation has been excluded from all income statement items in the consolidated income statement and that only net earnings from the discontinued operation have been stated on the line "Earnings from discontinued operations." Cash flow from discontinued operations is included in the consolidated cash-flow statement and is recognised separately below. The consolidated balance sheet has not been recalculated.

As at 30 September 2015, the accumulated translation reserve pertaining to Denmark was a negative SEK 15 M. The translation reserve pertaining to Denmark will be reclassified in shareholders' equity via the income statement in the current amount at the time when the Danish company is liquidated. The liquidation, which was previously scheduled for 2016 will be postponed.

Below is separate financial information pertaining to discontinued operation in Denmark presented.

PROFIT/LOSS FOR THE PERIOD AND OTHER COMPREHENSIVE INCOME FROM DISCONTINUED OPERATIONS, SEK M	Jul - Sep 2015	Jul - Sep 2014	Jan - Sep 2015	Jan - Sep 2014	12 months Oct - Sep	Full-year 2014
Revenue	0	127	36	426	144	534
Expenses	0	-143	-36	-492	-448	-904
<b>Loss from discontinued operations - before tax</b>	<b>0</b>	<b>-15</b>	<b>0</b>	<b>-66</b>	<b>-304</b>	<b>-370</b>
Tax	0	-2	-1	-3	32	31
<b>Loss from discontinued operations - after tax</b>	<b>0</b>	<b>-18</b>	<b>-1</b>	<b>-69</b>	<b>-272</b>	<b>-340</b>
<b>Other comprehensive income:</b>						
Exchange-rate differences on translation of foreign subsidiaries	2	0	1	3	-6	-5
<b>Comprehensive income from discontinued operations</b>	<b>2</b>	<b>-17</b>	<b>0</b>	<b>-66</b>	<b>-278</b>	<b>-344</b>

SUMMARY OF CASH FLOW FROM DISCONTINUED OPERATIONS, SEK M	Jul - Sep 2015	Jul - Sep 2014	Jan - Sep 2015	Jan - Sep 2014	12 months Oct - Sep	Full-year 2014
Cash flow from operating activities	-18	-39	-147	-90	-172	-115
Cash flow from investing activities	3	6	27	-1	27	-1
Cash flow from financing activities	0	0	0	0	0	0
<b>Cash flow from discontinued operations</b>	<b>-15</b>	<b>-33</b>	<b>-120</b>	<b>-91</b>	<b>-145</b>	<b>-116</b>

## FINANCIAL REPORTS, PARENT COMPANY

SUMMARY OF INCOME STATEMENT FOR THE PARENT COMPANY, SEK M	Jul - Sep 2015	Jul - Sep 2014	Jan - Sep 2015	Jan - Sep 2014	12 months Oct - Sep	Full-year 2014
Operating revenue	8	10	19	31	84	95
Operating expenses	-16	-18	-55	-54	-125	-124
<b>EBIT</b>	<b>-8</b>	<b>-8</b>	<b>-35</b>	<b>-23</b>	<b>-41</b>	<b>-29</b>
Net financial items <sup>1)</sup>	-6	-7	416	879	-68	394
<b>PROFIT/LOSS AFTER FINANCIAL ITEMS</b>	<b>-14</b>	<b>-16</b>	<b>381</b>	<b>855</b>	<b>-109</b>	<b>365</b>
Appropriations	-	-	-	-	396	396
Tax	3	3	8	6	-25	-27
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-11</b>	<b>-12</b>	<b>389</b>	<b>862</b>	<b>262</b>	<b>734</b>

<sup>1)</sup> Net financial items include dividends on participations in subsidiaries totalling SEK 421 M (888) for the nine-month period and SEK 888 M for the full-year 2014, and impairment of participations in subsidiaries totalling SEK 486 M for the full-year 2014.

STATEMENT OF COMPREHENSIVE INCOME FOR THE PARENT COMPANY, SEK M	Jul - Sep 2015	Jul - Sep 2014	Jan - Sep 2015	Jan - Sep 2014	12 months Oct - Sep	Full-year 2014
<b>Profit/loss for the period</b>	<b>-11</b>	<b>-12</b>	<b>389</b>	<b>862</b>	<b>262</b>	<b>734</b>
<b>Other comprehensive income:</b>						
<i>Components that may later be reclassified to earnings for the year:</i>						
- Exchange-rate difference, net investments in foreign operations	1	0	-1	2	0	3
<b>Other comprehensive income, net after tax</b>	<b>1</b>	<b>0</b>	<b>-1</b>	<b>2</b>	<b>0</b>	<b>3</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-10</b>	<b>-12</b>	<b>389</b>	<b>864</b>	<b>262</b>	<b>737</b>

CONDENSED BALANCE SHEET FOR THE PARENT COMPANY SEK M	30 September 2015	30 September 2014	31 December 2014
<b>ASSETS</b>			
Fixed assets	3 142	3 199	3 140
Current receivables in Group companies <sup>1)</sup>	1 387	1 332	1 207
Other current receivables	86	87	28
Cash and cash equivalents <sup>1)</sup>	150	129	162
<b>TOTAL ASSETS</b>	<b>4 765</b>	<b>4 746</b>	<b>4 537</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	2 575	2 563	2 437
Untaxed reserves	114	160	114
Provisions	0	1	0
Long-term liabilities	1 494	1 500	1 396
Current liabilities in Group companies	40	34	67
Other current liabilities <sup>1)</sup>	542	489	523
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>4 765</b>	<b>4 746</b>	<b>4 537</b>

<sup>1)</sup> Group-wide bank accounts were reclassified in the balance sheet for the comparative year 30 September 2014.

SUMMARY OF CHANGES IN EQUITY FOR THE PARENT COMPANY, SEK M	30 September 2015	30 September 2014	31 December 2014
Shareholders' equity at the beginning of the year	2 437	1 951	1 951
Comprehensive income for the period	389	864	737
Dividend to shareholders	-251	-251	-251
<b>SHAREHOLDERS' EQUITY AT THE END OF THE PERIOD</b>	<b>2 575</b>	<b>2 563</b>	<b>2 437</b>

## FINANCIAL DEFINITIONS

Return on shareholders' equity	Profit for the period, excluding minority share, as a percentage of average shareholders' equity excluding minority interest.
Return on total capital	Profit after net financial items plus financial costs as a percentage of the average total assets.
Capital employed	Total assets less non-interest-bearing liabilities and provisions including deferred tax.
Return on capital employed	Profit after net financial items plus interest expenses as a percentage of average capital employed.
Equity/assets ratio	Shareholders' equity including non-controlling interest as a percentage of total assets.
Gross margin	Net sales less costs for goods for resale, as a percentage of net sales.
EBIT margin	EBIT after depreciation/amortisation as a percentage of total revenue.
EBITA	EBIT after depreciation according to plan but before amortisation and impairment of intangible fixed assets.
EBITA margin	EBITA as a percentage of total revenue.
EBITDA	EBIT before depreciation/amortisation and impairment of tangible and intangible fixed assets.
EBITDA margin	EBITDA as a percentage of total revenue.
Earnings per share	Net profit for the period excluding minority shares, in relation to the average number of shares.
Shareholders' equity per share	Shareholders' equity excluding minority share, in relation to the number of shares at the end of the period.
Cash flow per share	Cash flow from operating activities in relation to the average number of shares.
Net debt	Current and long-term interest-bearing liabilities for borrowing less cash and cash equivalents, meaning excluding pensions, leasing, derivatives and similar obligations.

## COMPANY-SPECIFIC TERMINOLOGY AND DEFINITIONS

Group companies	The MECA, Mekonomen Nordic and Sørensen og Balchen segments.
Proprietary stores	Stores with operations in subsidiaries, directly or indirectly majority owned, by Mekonomen AB.
Partner stores	Stores that are not proprietary, but conduct business under the Group's brands/store concepts.
Proprietary workshops	Workshops with operations in subsidiaries, directly or indirectly majority owned, by Mekonomen AB.
Affiliated workshops	Workshops that are not proprietary, but conduct business under the Group's brands/workshop concepts (Mekonomen Service Centre, MekoPartner, MECA Car Service, BilXtra and Speedy).
Concept workshops	Affiliated workshops
Sales to customer groups Affiliated workshops	Sales to affiliated workshops and sales to proprietary workshops.
Sales to customer groups Other workshops	Sales to company customers that are not affiliated to any of the Mekonomen Group's concepts, including sales in Fleet operations.
Sales to customer groups Consumers	Cash sales from proprietary stores to other customer groups than Affiliated workshops and Other workshops, and the Group's e-commerce sales to consumers.
Underlying net sales	Sales adjusted for the number of comparable working days and currency effects.
Comparable units	Stores, majority-owned workshops and Internet sales that have been in operation for the past 12-month period and throughout the entire preceding comparative period.
Sales in comparable units	Sales in comparable units comprise external sales (in local currency) in majority-owned stores, wholesale sales to partner stores, external sales in majority-owned workshops and Internet sales.
ProMeister	Mekonomen Group's proprietary brand for high quality spare parts with five-year guarantees.
Lasingoo	The car portal that Mekonomen Group owns together with industry players that simplifies the workshop selection and booking processes for car owners.
Fleet operations	Mekonomen Group's offering to business customers comprising service and repairs of cars, sales of spare parts, tyres, accessories and tyre storage.
Spare parts	Parts that are necessary for a car to function.
Accessories	Products that are not necessary for a car to function, but enhance the experience or extend use of the car, for example, car-care products, roof boxes, car seats for children, etc.
MECA+	MECA's service concept which meets the customers' high demands for quality, accessibility and comfort, with an extended offer of services and integrated solutions.
Currency effects in the balance sheet	Impact of currency with respect to realised and unrealised revaluation of foreign current non-interest-bearing receivables and liabilities.
Currency transaction effects	Impact of currency with respect to internal sales from Mekonomen Grossist AB, as well as from MECA Car Parts AB to each country.
Currency translation effects	Impact of currency from translation of earnings from foreign subsidiaries to SEK.
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