

Mekonomen Group

21 August 2014

Interim report January – June 2014

SUMMARY FOR THE SECOND QUARTER, 1 April – 30 June, 2014

- Revenues for the quarter declined 4 per cent to SEK 1,534 M (1,591). Adjusted for currency effects and calculated on a comparable number of workdays, revenues declined 2 per cent.
- EBIT amounted to SEK 157 M (166) and the EBIT margin was 10 per cent (10). Earnings were negatively impacted by non-recurring effects of SEK 9 M (2).
- The gross margin increased to 54.5 per cent (52.9).
- Profit after financial items amounted to SEK 154 M (160). Other financial items were positively impacted by non-recurring effects of SEK 5 M (0).
- Earnings per share before and after dilution amounted to SEK 2.99 (3.24).
- The net debt at the end of the period amounted to SEK 1,848 M (1,883), compared with SEK 1,642 M at the end of the year.
- Refinancing totalling SEK 1,100 M, with a five-year maturity term, was signed during the second quarter.

Significant events

- No significant events occurred during the second quarter of 2014.

SUMMARY OF THE GROUP'S								
EARNINGS TREND								
SEK M	April - June			January - June			12 months	Full-year
	2014	2013	Change %	2014	2013	Change %	July-June	2013
Revenue	1 534	1 591	-4	2 975	2 997	-1	5 842	5 863
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	184	195	-6	318	324	-2	619	626
EBIT	157	166	-5	260	268	-3	460	469
Profit after financial items	154	160	-4	253	247	2	435	429
Profit after tax	110	120	-8	178	185	-4	308	315
Earnings per share, SEK	2.99	3.24	-8	4.82	5.01	-4	8.37	8.56
EBITA margin, %	12	12		11	11		11	11
EBIT margin, %	10	10		9	9		8	8

CEO's comments

Stable trend in a tough market climate

Weak market growth continues to characterise the Nordic market. The Mekonomen Group's profitability improved in Sweden, Norway and Finland. In Denmark, where both the market and our development is weakest, further measures are required to achieve profitability.

In the second quarter of 2014, revenues for the Mekonomen Group declined 4 per cent to SEK 1,534 M (1,591) and EBIT to SEK 157 M (166). The operating margin remained at a stable level of 10 per cent (10). Non-recurring costs attributable to the action plan in Denmark had a negative impact of SEK 9 M (2) on EBIT. Excluding Denmark, EBIT rose to SEK 182 M (178). Adjusted for currency effects and calculated on the comparable number of workdays, revenues declined 2 per cent in the second quarter. The consolidation of the store network impacted sales, which declined 1 per cent in comparable units during the second quarter.

Improved profitability in Sweden and Norway

The trend in Sweden and Norway was favourable and market shares were captured, above all, by MECA and Sørensen og Balchen, which resulted in improved profitability in both Sweden and Norway during the most recent quarter.

Customers are increasingly recognising our proprietary brand ProMeister, which was launched in 2013 and is sold across the entire Group, as a high-quality brand. Increased sales of ProMeister have contributed to improved profitability.

Strong measures in Denmark

In the second quarter, EBIT in Denmark declined to a loss of SEK 26 M (loss: 12) and net sales decreased to SEK 145 M (169). EBIT was negatively impacted by non-recurring costs of SEK 9 M (2). The Danish market remains weak and this, combined with intense competition, is presenting major challenges. Our efforts to implement the action plan continue. During the quarter, this included the merging and discontinuation of seven units, and staff cuts of some 70 employees. A strong core of fewer and larger units in Denmark and a lower overall cost base will provide more opportunities to generate profitability.

In addition, market initiatives are being implemented for our workshop chains that hold strong positions in Denmark, as well as launching ProMeister. Non-recurring costs associated with the action plan in Denmark are expected to be SEK 10 M in the third quarter of 2014.

Organic growth in focus

In 2014, organic growth is a primary focus for the Mekonomen Group. ProMeister and MECA's strength in business-to-business are the main reasons for the improved trend in the Other workshops customer segment. Investments are being made to strengthen our position in the e-commerce area, which will be an increasingly significant sales channel.

Although the Mekonomen Group is well-prepared, is capturing market shares in a generally weak market and has a stable EBIT margin, our aims are higher. By continuing to focus on ProMeister, develop our workshop concept, increase cost-efficiency, strengthen purchasing power and implement the necessary measures in Denmark, our position in the Nordic region will be further strengthened.

Håkan Lundstedt
President and CEO

GROUP REVENUE

TOTAL REVENUE	April - June			January - June			12 months	Full-year
DISTRIBUTION, SEK M	2014	2013	Change %	2014	2013	Change %	July-June	2013
MECA	564	593	-5	1 126	1 146	-2	2 191	2 211
Mekonomen Nordic	700	728	-4	1 334	1 338	0	2 652	2 656
Sørensen og Balchen	188	195	-4	360	368	-2	693	701
Other	47	48	-2	86	86	0	172	172
Total net sales	1 499	1 564	-4	2 906	2 939	-1	5 707	5 740
Other operating revenue	35	28	25	70	58	21	135	123
GROUP REVENUE	1 534	1 591	-4	2 975	2 997	-1	5 842	5 863

GROWTH	April - June 2014				January - June 2014			
PER CENT	MECA	Mekonomen Nordic	Sørensen og Balchen	Group	MECA	Mekonomen Nordic	Sørensen og Balchen	Group
Underlying increase	-4.2	-1.7	0.2	-1.9	-1.7	1.4	1.7	0.5
Currency effects	0.8	-0.6	-2.0	-0.2	-0.3	-1.4	-4.7	-1.3
Effect, workdays	-1.5	-1.6	-1.7	-1.5	0.2	-0.3	0.9	0.1
Nominal increase	-4.9	-3.8	-3.6	-3.6	-1.7	-0.3	-2.2	-0.7

1 April – 30 June, 2014

Revenues declined 4 per cent to SEK 1,534 M (1,591). Adjusted for negative currency effects of SEK 5 M, revenues declined 3 per cent during the second quarter. The number of workdays was one day fewer during the second quarter in Sweden, Norway, Denmark and Finland. Calculated on comparable workdays and adjusted for currency effects, revenues declined 2 per cent. Sales in comparable units declined 1 per cent.

1 January – 30 June, 2014

Revenues declined 1 per cent to SEK 2,975 M (2,997). Adjusted for negative currency effects of SEK 43 M, revenues rose 1 per cent during the half year. The number of workdays was one day fewer in Sweden and Finland for the half year and one day more in Norway and Denmark, compared with the year-earlier period. Calculated on comparable workdays and adjusted for currency effects, revenues remained unchanged. Sales in comparable units rose 2 per cent.

GROUP PERFORMANCE

1 April – 30 June, 2014

Operating profit before amortisation and impairment of intangible assets, EBITA

EBITA amounted to SEK 184 M (195) and the EBITA margin was 12 per cent (12). Earnings were negatively impacted by non-recurring effects of SEK 9 M (2) in Denmark. Currency effects had a negative impact of SEK 2 M (6) on earnings.

EBIT

EBIT amounted to SEK 157 M (166) and the EBIT margin amounted to 10 per cent (10). Earnings were negatively impacted by non-recurring effects of SEK 9 M (2) in Denmark. Currency effects had a negative impact of SEK 2 M (6) on earnings.

Other earnings

Profit after financial items amounted to SEK 154 M (160). Net interest expense improved to SEK 11 M (expense: 12) and other financial items amounted to SEK 8 M (6). Other financial items were positively impacted by non-recurring effects totalling SEK 5 M (0). Profit after tax totalled SEK 110 M (120). Earnings per share before and after dilution amounted to SEK 2.99 (3.24).

1 January – 30 June, 2014

Operating profit before amortisation and impairment of intangible assets, EBITA

EBITA amounted to SEK 318 M (324) and the EBITA margin was 11 per cent (11). Earnings were negatively impacted by non-recurring effects of SEK 19 M (10), of which Denmark accounted for SEK 9 M (10). Currency effects had a negative impact of SEK 0 M (4) on earnings.

EBIT

EBIT amounted to SEK 260 M (268) and the EBIT margin was 9 per cent (9). Earnings were negatively impacted by non-recurring effects of SEK 19 M (10), of which Denmark accounted for SEK 9 M (10). Currency effects had a negative impact of SEK 0 M (4) on earnings.

Other earnings

Profit after financial items increased to SEK 253 M (247). Net interest expense improved to SEK 20 M (expense: 23) and other financial items amounted to SEK 13 M (2). Other financial items were positively impacted by non-recurring effects of SEK 10 M (0). Profit after tax totalled SEK 178 M (185). Earnings per share before and after dilution amounted to SEK 4.82 (5.01).

FINANCIAL POSITION AND CASH FLOW

Cash flow from operating activities amounted to SEK 192 M (262) for the second quarter and to SEK 122 M (276) for the half year. Tax paid amounted to SEK 77 M (20) for the second quarter and to SEK 126 M (96) for the half year. Cash and cash equivalents amounted to SEK 272 M (157) compared with SEK 279 M at the end of the year. The equity/assets ratio was 39 per cent (39). Long-term interest-bearing liabilities amounted to SEK 1,636 M (1,712) and to SEK 1,660 M at the end of the year. Current interest-bearing liabilities amounted to SEK 496 M (351) compared with SEK 276 M at the end of the year.

The net debt amounted to SEK 1,848 M (1,883), compared with SEK 1,642 M at the end of the year, which means an increase of SEK 205 M since the end of the year and an increase of SEK 109 M from the first quarter. The increase in the net debt is largely attributable to dividends of SEK 261 M paid during the quarter. Loans were amortised by SEK 30 M during the second quarter and by SEK 34 M during the half year. In conjunction with refinancing of SEK 1,100 M during the second quarter, the loan was increased by SEK 12 M. From the first quarter of 2014, the net debt is calculated according to a new definition as interest-bearing liabilities for borrowing less cash and cash equivalents. The net debt is therefore not including pensions, leasing, derivatives and similar obligations. The new definition has only a minor effect on the net debt calculation. Comparative figures have been recalculated for previous periods.

INVESTMENTS

During the second quarter, investments in fixed assets amounted to SEK 21 M (27) and to SEK 34 M (42) during the half year. Depreciation and impairment of tangible fixed assets amounted to SEK 21 M (20) in the second quarter and to SEK 43 M (40) for the half year. During the quarter, company and business acquisitions amounted to SEK 21 M (4) and to SEK 32 M (12) during the half year. Acquired assets totalled SEK 8 M (3) and acquired liabilities to SEK 2 M (0) for the half year. In addition to goodwill, which amounted to SEK 16 M (4), intangible surplus values of SEK 4 M (0) were identified pertaining to brands and SEK 1 M (0) pertaining to capitalised expenditure for IT systems and SEK 5 M (2) for customer relations. Deferred tax liabilities attributable to acquired intangible fixed assets amounted to SEK 0 M (0). Acquired minority shares amounted to SEK 1 M (1) for the second quarter and to SEK 2 M (3) for the half year, and were recognised in financing activities.

ACQUISITIONS AND START-UPS

Second quarter

Mekonomen Nordic acquired minority shares in two stores at a minor amount, and in Sweden, one store was acquired in Torsby and one store was established in Töcksfors. In Sweden, MECA acquired stores in Mora and Leksand, as well as in Vällingby, Stockholm. Meko Service Nordic acquired two workshops in Sweden.

Earlier in the year

Mekonomen Nordic acquired minority shares in two stores at a minor amount. In Sweden, acquisitions also occurred of a partner store in Löddeköpinge. Sørensen og Balchen acquired one company in Østerås, Norway. Meko Service Nordic acquired one workshop in Sweden.

The impact of these acquisitions on consolidated sales and earnings was marginal.

Number of stores and workshops

The total number of stores in the chains at the end of the period was 386 (408), of which 287 (293) were proprietary stores. The number of affiliated workshops totalled 2,353 (2,324). See the distribution in the table on page 13.

EMPLOYEES

The number of employees at the end of the period was 2,528 (2,543) and the average number of employees during the period was 2,512 (2,550). See the distribution in the table on page 13.

PERFORMANCE BY SEGMENT

SEGMENT MECA

MECA SEK M	April - June			January - June			12 months	Full-year
	2014	2013	Change %	2014	2013	Change %	July-June	2013
Net sales, external	564	593	-5	1 126	1 146	-2	2 191	2 211
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	51	51	0	75	89	-16	142	156
EBIT	32	33	-3	38	53	-28	69	84
EBITA margin, %	9	9		7	8		6	7
EBIT margin, %	6	6		3	5		3	4
Number of stores/of which own				123 / 104	134 / 108			131 / 108
Number of Mekonomen Service Center				210	211			212
Number of MekoPartner				187	202			190
Number of MECA Car Service				601	562			570

The operating profit for MECA amounted to SEK 32 M (33) and the underlying net sales declined 4 per cent in the second quarter. Earnings were charged with non-recurring effects of SEK 9 M (2) during the second quarter and SEK 18 M (10) during the half year.

MECA Denmark reported an operating loss of SEK 26 M (loss: 12) for the second quarter and a loss of SEK 49 M (loss: 25) for the half year, net sales amounted to SEK 145 M (169) for the second quarter and to SEK 296 M (330) for the half year, the operating margin for the second quarter was a negative 17 per cent (neg: 7) and a negative 16 per cent (neg: 8) for the half year. Currency effects in net sales against the DKK were positive and totalled SEK 8 M in the second quarter and SEK 14 M in the half year. The underlying net sales for MECA Denmark declined 17 per cent in the second quarter and 15 per cent for the half year. During the quarter, the action plan in MECA Denmark entailed the merger and discontinuation of seven units, as well as a reduction in the staff by about 70 employees. MECA Denmark's earnings were charged with non-recurring effects of SEK 9 M (2) in the second quarter, and SEK 9 M (10) for the half year.

MECA, excluding Denmark SEK M	April - June			January - June			12 months	Full-year
	2014	2013	Change %	2014	2013	Change %	July-June	2013
Net sales, external	419	424	-1	830	816	2	1 613	1 599
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	76	63	21	123	114	8	222	213
EBIT	58	45	29	87	78	12	151	142
EBITA margin, %	18	15		15	14		14	13
EBIT margin, %	14	11		10	10		9	9

EBIT for MECA, excluding Denmark, was negatively impacted by personnel-related non-recurring costs of SEK 9 M (0) in the half year, none in the second quarter. EBIT was also charged with amortisation of intangible fixed assets totalling SEK 15 M (15) in the second quarter identified in connection with the acquisition and SEK 30 M (30) for the half year. The currency effect in net sales against the NOK was negative SEK 4 M in the second quarter, and negative SEK 20 M for the half year. Underlying net sales increased 2 per cent during the second quarter.

SEGMENT MEKONOMEN NORDIC

MEKONOMEN NORDIC SEK M	April - June			January - June			12 months	Full-year
	2014	2013	Change %	2014	2013	Change %	July-June	2013
Net sales, external	700	728	-4	1 334	1 338	0	2 652	2 656
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	108	119	-9	203	203	0	390	390
EBIT	104	112	-7	192	191	1	324	323
EBITA margin, %	15	16		15	15		14	14
EBIT margin, %	14	15		14	14		12	12
Number of stores/of which own				191 / 147	197 / 150			193 / 146
Number of Mekonomen Service Center				876	876			872
Number of MekoPartner				203	213			188

Mekonomen Billivet and Speedy, which were previously included in Mekonomen Nordic, are included in Meko Service Nordic from 1 January 2014, in "Other," comparison figures have been recalculated.

EBIT was negatively impacted by non-recurring costs of SEK 1 M (0) in the half year and none in the second quarter. The underlying net sales fell 2 per cent in the second quarter and rose 1 per cent for the half year. The number of workdays was one less in the second quarter than in the year-earlier period but one day fewer in Sweden and Finland for the half year and one day more in Norway compared with the year-earlier period. Currency effects in net sales against the NOK were negative SEK 4 M in the second quarter and negative SEK 19 M for the half year. EBIT margin for Mekonomen Sweden was 15 per cent (17) for the second quarter. EBIT amounted to SEK 70 M (84) for the second quarter and SEK 132 M (145) for the half year and net sales amounted to SEK 449 M (474) for the second quarter and to SEK 864 M (872) for the half year. EBIT margin for Mekonomen Norway was 16 per cent (19) for the second quarter. EBIT amounted to SEK 34 M (41) for the second quarter and to SEK 67 M (66) for the half year and net sales amounted to SEK 205 M (215) for the second quarter and to SEK 394 M (399) for the half year. The positive sales trend for ProMeister contributed to higher volumes to other workshops.

SEGMENT SØRENSEN OG BALCHEN

SØRENSEN OG BALCHEN SEK M	April - June			January - June			12 months	Full-year
	2014	2013	Change %	2014	2013	Change %	July-June	2013
Net sales, external	188	195	-4	360	368	-2	693	701
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	34	30	13	58	49	18	108	99
EBIT	29	25	16	49	40	23	90	81
EBITA margin, %	18	15		16	13		15	14
EBIT margin, %	15	13		13	11		13	11
Number of stores/of which own				71 / 33	76 / 34			74 / 34
Number of BilXtra				246	235			243

Profit before amortisation of intangible fixed assets increased to SEK 34 M (30) for the second quarter. Increased efficiency in the stores has contributed to the improved operating profit. EBIT was charged with amortisation of intangible fixed assets totalling SEK 4 M (5) in the second quarter identified in connection with the acquisition and SEK 9 M (9) for the half year. The underlying net sales were unchanged in the second quarter and rose 2 per cent for the half year. Sørensen og Balchen has performed well within the consumer affair. The currency effect in net sales against the NOK was negative SEK 4 M in the second quarter and negative SEK 17 M for the half year.

GROWTH PER CUSTOMER GROUP

GROWTH PER CUSTOMER GROUP PER CENT	April - June 2014			January - June 2014		
	Affiliated workshops	Consumers	Other workshops	Affiliated workshops	Consumers	Other workshops
Nominal growth	-1.3	-5.4	-5.5	1.8	-2.6	-2.8
Currency adjusted growth	-1.1	-4.7	-5.6	2.9	-1.0	-1.7

Excluding Denmark, the trend in local currency in the second quarter for affiliated workshops was a positive 0.5 per cent a negative 4.1 per cent for consumers and a negative 1.4 per cent for other workshops and for affiliated workshops for the half year was a positive 3.4 per cent, a negative 0.2 per cent for consumers and a positive 2.5 per cent for other workshops.

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		
	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012	2014	2013	2012
Sweden	62	62	64	59	60	59	66	66	65	62	62	62	249	250	250
Norway	63	61	65	59	60	59	66	66	65	62	62	62	250	249	251
Denmark	63	61	65	59	60	58	66	66	65	62	62	62	250	249	250
Finland	62	62	64	60	61	60	66	66	65	62	61	61	250	250	250

SIGNIFICANT RISKS AND UNCERTAINTIES

The company conducted a review and assessment of operating and financial risks and uncertainties in accordance with the description in the 2013 Annual Report and found that no significant risks have occurred since then. Refer to the 2013 Annual Report for a complete report on the risks that affect the Group.

PARENT COMPANY AND “OTHER”

The Parent Company’s operations comprise mainly group management and finance management. Parent Company’s profit after net financial items amounted to an expense of SEK 8 M (expense: 23) for the second quarter and an expense of SEK 17 M (expense: 20) for the half year, excluding share dividends of SEK 888 M (0) from subsidiaries. The average number of employees was 15 (13). During the quarter, Mekonomen AB sold goods and services to Group companies for a total of SEK 20 M (23).

“Other” comprises Mekonomen AB, M by Mekonomen, the purchasing company in Hong Kong, Meko Service Nordic, as well as Group-wide functions and eliminations. Meko Service Nordic is a new unit within the Mekonomen Group, which operates proprietary workshops under the Mekonomen Service Centre and Speedy concepts. Mekonomen BilLivet and Speedy have therefore moved from the Mekonomen Nordic segment to Meko Service Nordic from 1 January 2014. The comparative figures have been recalculated. EBIT for “Other” amounted to a loss of SEK 8 M (loss: 4) for the quarter.

EVENTS AFTER THE END OF THE PERIOD

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

ACCOUNTING POLICIES

Mekonomen 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 2014 have not had any effect on Mekonomen’s financial report for the interim 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
Interim report	January – September 2014	12 November 2014
Year-end report	January – December 2014	12 February 2015
Interim report	January – March 2015	13 May 2015
Interim report	January – June 2015	26 August 2015
Interim report	January – September 2015	11 November 2015
Year-end report	January – December 2015	17 February 2016

Stockholm, 21 August 2014

Mekonomen AB (publ), Corp. Reg. No: 556392-1971

Håkan Lundstedt
President and CEO

Board of Directors' assurance

The Board of Directors and CEO affirm that the interim report presents a true and fair view of the Parent Company's and the Group's operations, financial position and profits and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, 21 August, 2014

Mekonomen AB (publ), Corp. Reg. No: 556392-1971

Fredrik Persson
Chairman of the Board

Marcus Storch
Executive Vice Chairman of the Board

Kenneth Bengtsson
Board member

Caroline Berg
Board member

Kenny Bräck
Board member

Helena Skåntorp
Board member

Christer Åberg
Board member

Håkan Lundstedt
President and CEO

This interim report has not been audited.

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

The information was submitted for publication on 21 August 2014 at 7:30 a.m.

CONSOLIDATED FINANCIAL REPORTS

CONDENSED CONSOLIDATED INCOME STATEMENT, SEK M	April - June		January - June		12 months	Full-year
	2014	2013	2014	2013	July-June	2013
Net sales	1 499	1 564	2 906	2 939	5 707	5 740
Other operating revenue	35	28	70	58	135	123
Total revenue	1 534	1 591	2 975	2 997	5 842	5 863
Goods for resale	-682	-736	-1 327	-1 369	-2 590	-2 632
Other external costs	-300	-306	-597	-588	-1 196	-1 187
Personnel expenses	-347	-334	-690	-675	-1 351	-1 336
Depreciation and impairment of tangible fixed assets	-21	-20	-43	-40	-85	-83
Amortisation and impairment of intangible fixed assets	-28	-29	-58	-56	-159	-157
EBIT	157	166	260	268	460	469
Interest income	1	2	2	4	7	9
Interest expenses	-11	-14	-23	-27	-48	-52
Other financial items	8	6	13	2	15	4
PROFIT AFTER FINANCIAL ITEMS	154	160	253	247	435	429
Tax	-44	-40	-75	-62	-127	-114
NET PROFIT FOR THE PERIOD	110	120	178	185	308	315
Net profit for the period attributable to:						
Parent Company's shareholders	107	115	173	180	300	307
Minority owners	3	5	5	5	8	8
NET PROFIT FOR THE PERIOD	110	120	178	185	308	315
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	184	195	318	324	619	626
Earnings per share before and after dilution, SEK	2.99	3.24	4.82	5.01	8.37	8.56

GROUP STATEMENT OF COMPREHENSIVE INCOME, SEK M	April - June		January - June		12 months	Full-year
	2014	2013	2014	2013	July-June	2013
NET PROFIT FOR THE PERIOD	110	120	178	185	308	315
Other comprehensive income:						
<i>Components that will not be reclassified as earnings for the year:</i>						
- Actuarial profits and losses	-	-	-	-	5	5
<i>Components that may later be reclassified as earnings for the year:</i>						
- Exchange-rate differences from translation of foreign subsidiaries	13	5	42	-65	-21	-128
- Cash-flow hedging ¹⁾	0	3	-1	3	-5	-1
Other comprehensive income, net after tax	13	8	41	-62	-21	-124
COMPREHENSIVE INCOME FOR THE PERIOD	123	128	219	123	287	191
Comprehensive income for the period attributable to:						
Parent Company's shareholders	120	124	214	118	279	183
Minority owners	3	4	5	5	8	8
COMPREHENSIVE INCOME FOR THE PERIOD	123	128	219	123	287	191

¹⁾ Holding of financial interest rate derivative for hedging purposes, valued according to level 2 defined in IFRS 13.

CONDENSED CONSOLIDATED BALANCE SHEET	30 June	30 June	31 December
SEK M	2014	2013	2013
ASSETS ¹⁾			
Intangible fixed assets	2 893	3 015	2 881
Tangible fixed assets	240	272	249
Financial fixed assets	72	83	75
Deferred tax assets	25	19	23
Goods for resale	1 241	1 119	1 213
Current receivables	838	870	724
Cash and cash equivalents	272	157	279
TOTAL ASSETS	5 580	5 535	5 444
SHAREHOLDERS' EQUITY AND LIABILITIES ¹⁾			
Shareholders' equity	2 192	2 178	2 240
Long-term liabilities, interest-bearing	1 636	1 712	1 660
Deferred tax liabilities	201	226	211
Long-term liabilities, non-interest-bearing	1	3	1
Current liabilities, interest-bearing	496	351	276
Current liabilities, non-interest-bearing	1 055	1 065	1 056
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	5 580	5 535	5 444

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

CONDENSED CONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY STATEMENT, SEK M	30 June	30 June	31 December
	2014	2013	2013
Shareholders' equity at the beginning of the year	2 240	2 316	2 316
Comprehensive income for the period	219	123	191
Acquisition/divestment of non-controlling interest	-5	-2	-8
Dividend to shareholders	-262	-259	-259
New share issue	-	-	-
SHAREHOLDERS' EQUITY AT THE END OF THE PERIOD	2 192	2 178	2 240
of which, non-controlling interests	7	9	12

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT, SEK M	April - June		January - June		12 months	Full-year
	2014	2013	2014	2013	July-June	2013
Cash flow from operating activities before changes in working capital	126	190	228	247	506	525
Cash flow from changes in working capital	67	72	-106	29	-104	32
Cash flow from operating activities	192	262	122	276	402	557
Cash flow from investing activities ¹⁾	-36	-24	-60	-36	-77	-54
Cash flow from financing activities ¹⁾	-175	-274	-78	-314	-207	-442
CASH FLOW FOR THE PERIOD	-19	-36	-16	-74	118	61

¹⁾ Similar to the description in the 2013 Annual Report, an amount of SEK 0 M was reclassified in the cash flow for the second quarter of 2013 and an amount of SEK -2 M in the half year from investing activities to financing activities. The reclassification had no impact on the total cash flow for the comparable period.

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 showed below. This was done by dividing the values in three levels, which are described in the 2013 Annual Report, Note 10. 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 2013 Annual Report, Note 10.

CONSOLIDATED FINANCIAL INSTRUMENTS		
MEASURED AT FAIR VALUE IN THE BALANCE SHEET, SEK M	30 June 2014	30 June 2013
FINANCIAL ASSETS		
Derivatives: Currency swaps	-	1
Interest rate swaps	-	4
TOTAL	-	5
FINANCIAL LIABILITIES		
Derivatives: Currency swaps	-	-
Interest rate swaps	3	-
TOTAL	3	-

CONSOLIDATED FINANCIAL ASSETS AND LIABILITIES PER MEASUREMENT CATEGORY, 30 June 2014							Total
SEK M	Derivative instruments	Loan & accounts receivables	Other financial liabilities	Total carrying amount	Fair value	Non-financial assets & liabilities	Balance sheet summary
FINANCIAL ASSETS							
Financial fixed assets	-	72	-	72	72	-	72
Accounts receivable	-	589	-	589	589	-	589
Other current receivables	-	-	-	-	-	249	249
Cash and cash equivalents	-	272	-	272	272	-	272
TOTAL	-	933	-	933	933	249	1 182
FINANCIAL LIABILITIES							
Long-term liabilities, interest-bearing	-	-	1 636	1 636	1 636	-	1 636
Current liabilities, interest-bearing	3	-	493	496	496	-	496
Accounts payable	-	-	529	529	529	-	529
Other current liabilities	-	-	-	-	-	526	526
TOTAL	3	-	2 658	2 661	2 661	526	3 187

QUARTERLY DATA	2014			2013			2012					
SEGMENT	Q2	Q1	FY	Q4	Q3	Q2	Q1	FY	Q4	Q3	Q2	Q1
NET SALES, SEK M ¹⁾												
MECA ²⁾	564	562	2 211	535	529	593	554	1 702	612	539	360	191
Mekonomen Nordic ³⁾	700	634	2 656	673	645	728	609	2 685	681	642	704	658
Sørensen og Balchen	188	171	701	159	174	195	174	748	188	180	194	186
Other ⁴⁾	47	39	172	45	42	48	38	157	43	39	40	35
GROUP	1 499	1 406	5 740	1 412	1 390	1 564	1 375	5 292	1 524	1 400	1 298	1 070
EBITA, SEK M												
MECA ²⁾	51	24	156	20	47	51	38	150	42	62	35	12
Mekonomen Nordic ³⁾	108	95	390	80	107	119	83	409	94	102	111	102
Sørensen og Balchen	34	24	99	24	27	30	19	97	25	24	31	16
Other ⁴⁾	-9	-10	-19	0	-3	-5	-11	-54	-9	-12	-22	-11
GROUP	184	133	626	124	178	195	129	602	152	176	155	119
EBIT, SEK M												
MECA ²⁾	32	5	84	1	29	33	21	109	24	45	29	12
Mekonomen Nordic ³⁾	104	88	323	31	101	112	79	395	89	99	108	99
Sørensen og Balchen	29	20	81	19	22	25	15	78	20	19	27	11
Other ⁴⁾	-8	-10	-19	0	-3	-4	-12	-54	-8	-12	-23	-11
GROUP	157	103	469	52	149	166	103	528	125	151	141	111
INVESTMENTS, SEK M ⁵⁾												
MECA ²⁾	9	4	30	9	4	12	5	31	12	8	7	3
Mekonomen Nordic ³⁾	11	7	28	3	4	12	9	83	30	11	24	18
Sørensen og Balchen	1	1	2	0	-	1	1	4	2	-	1	1
Other ⁴⁾	0	1	3	1	-	2	0	4	1	1	2	-
GROUP	21	13	63	13	8	27	15	122	45	20	34	23
EBITA MARGIN, %												
MECA ²⁾	9	4	7	4	9	9	7	9	7	11	9	6
Mekonomen Nordic ³⁾	15	14	14	12	17	16	14	15	14	16	15	15
Sørensen og Balchen	18	14	14	15	15	15	11	13	13	13	16	9
GROUP	12	9	11	9	13	12	9	11	10	12	12	11
EBIT MARGIN, %												
MECA ²⁾	6	1	4	0	6	6	4	6	4	8	8	6
Mekonomen Nordic ³⁾	14	13	12	5	15	15	13	14	13	15	15	15
Sørensen og Balchen	15	11	11	12	13	13	8	10	11	10	14	6
GROUP	10	7	8	4	10	10	7	10	8	11	11	10

¹⁾ Net sales for each segment are from external customers.

²⁾ A significant portion of the MECA segment was acquired on 23 May 2012 and has been included in the Group since 2012, however only for the period 23 May 2012 - 31 December 2012. The comparative figures for MECA Denmark, the operations in Denmark, include the full-year 2012-2014.

³⁾ The Mekonomen Nordic segment includes Mekonomen Sweden, Mekonomen Norway, Mekonomen Fleet, Marinshopen, Mekonomen Finland, Mekonomen Services, as well as Mekonomen Norden AB. From 2014, Mekonomen BilLivet and Speedy are included in Meko Service Nordic in "Other," comparison figures have been recalculated.

⁴⁾ "Other" comprises the Parent Company Mekonomen AB (publ), M by Mekonomen, the purchasing company in Hong Kong, Meko Service Nordic, as well as Group-wide functions and eliminations. Mekonomen AB's operations mainly comprise Group Management and finance management. On 1 January, 2014, Meko Service Nordic was formed within "Other" and took over management of the BilLivet and Speedy operations from Mekonomen Nordic. The comparison figures have been recalculated between "Other" and the Mekonomen Nordic segment.

⁵⁾ Investments do not include company and business acquisitions.

QUARTERLY DATA SEK M	2014			2013			2012					
	Q2	Q1	FY	Q4	Q3	Q2	Q1	FY	Q4	Q3	Q2	Q1
Total revenue	1 534	1 441	5 863	1 450	1 417	1 591	1 405	5 426	1 556	1 433	1 341	1 096
EBITA	184	133	626	124	178	195	129	602	152	176	155	119
EBIT	157	103	469	52	149	166	103	528	125	151	141	111
Net financial items	-3	-4	-39	-2	-16	-5	-16	-54	-16	-24	-8	-4
Profit after financial items	154	99	429	49	133	160	87	474	109	127	132	106
Tax	-44	-31	-114	-19	-34	-40	-22	-92	12	-36	-39	-29
Net profit for the period	110	68	315	31	99	120	65	382	121	91	93	77
EBITA margin, %	12	9	11	9	13	12	9	11	10	12	12	11
EBIT margin, %	10	7	8	4	10	10	7	10	8	11	11	10
Earnings per share, SEK	2.99	1.83	8.56	0.88	2.67	3.24	1.77	10.80	3.36	2.46	2.65	2.29
Shareholders' equity per share, SEK	60.9	64.6	62.1	62.1	61.4	60.4	64.0	64.2	64.2	60.3	58.6	49.4

KEY FIGURES	April - June		January - June		12 months	Full-year
	2014	2013	2014	2013	July-June	2013
Return on equity, % ¹⁾	-	-	13.5	17.6	13.5	13.7
Return on total capital, % ¹⁾	-	-	8.7	9.6	8.7	8.7
Return on capital employed, % ¹⁾	-	-	11.3	12.5	11.3	11.3
Equity/assets ratio, %	-	-	39.3	39.4	39.3	41.2
Gross margin, %	54.5	52.9	54.3	53.4	54.6	54.1
EBITA margin, %	12.0	12.3	10.7	10.8	10.6	10.7
EBIT margin, %	10.2	10.4	8.7	9.0	7.9	8.0
EBITDA, SEK M	205	215	360	364	705	709
EBITA margin, %	13.4	13.5	12.1	12.2	12.1	12.1
Earnings per share, SEK	2.99	3.24	4.82	5.01	8.37	8.56
Shareholders' equity per share, SEK	-	-	60.9	60.4	-	62.1
Cash flow per share, SEK	-	-	3.4	7.7	11.2	15.5
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

¹⁾ The key figures for return on equity/capital employed/total capital are calculated on a rolling 12-month basis for the January-June period.

NUMBER OF STORES AND WORKSHOPS	MECA		Mekonomen Nordic ¹⁾		Sørensen og Balchen		Other ¹⁾		Group total	
	30 June		30 June		30 June		30 June		30 June	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Number of stores										
Proprietary stores	104	108	147	150	33	34	1	1	285	293
Partner stores	19	26	44	47	38	42	-	-	101	115
Total	123	134	191	197	71	76	1	1	386	408
Number of workshops¹⁾										
Mekonomen Service Centres	210	211	876	876	-	-	16	14	1 102	1 101
MekoPartner	187	202	203	213	-	-	-	-	390	415
Speedy	-	-	-	-	-	-	14	11	14	11
BilXtra	-	-	-	-	246	235	-	-	246	235
MECA Car Service	601	562	-	-	-	-	-	-	601	562
Total	998	975	1 079	1 089	246	235	30	25	2 353	2 324

¹⁾ A new unit, Meko Service Nordic, was formed within "Other" on 1 January 2014 and has taken over the BilLivet and Speedy operations from Mekonomen Nordic, comparison figures have been recalculated.

AVERAGE NUMBER OF EMPLOYEES	January - June	
	2014	2013
MECA	1 003	1 024
Mekonomen Nordic	1 084	1 114
Sørensen og Balchen	253	264
Other ¹⁾	171	148
Total	2 512	2 550

¹⁾ "Other" comprises Mekonomen AB, with personnel employed mainly in Group Management and finance management, as well as personnel employed in M by Mekonomen, Mekonomen Nya Affärer AB and Meko Service Nordic. Personnel within Mekonomen BilLivet and Speedy, who were previously included in Mekonomen Nordic, are included in Meko Service Nordic from 1 January 2014, comparison figures have been recalculated.

FINANCIAL REPORTS, PARENT COMPANY

CONDENSED INCOME STATEMENT FOR THE PARENT COMPANY, SEK M	April - June		January - June		12 months	Full-year
	2014	2013	2014	2013	July-June	2013
Operating profit	10	24	21	45	74	98
Operating expenses	-19	-41	-36	-50	-97	-111
EBIT	-9	-17	-15	-5	-23	-13
Net financial items ¹⁾	1	-6	886	-15	987	86
PROFIT AFTER FINANCIAL ITEMS	-8	-23	871	-20	964	73
Appropriations	-	-	-	-	270	270
Tax	1	5	3	4	-52	-51
NET PROFIT/LOSS AFTER TAX	-7	-18	874	-16	1 182	292

¹⁾ The net financial items include dividends on shares in subsidiaries totalling SEK 888 M (0) for the half year and SEK 114 M for the full-year 2013.

STATEMENT OF COMPREHENSIVE INCOME FOR THE PARENT COMPANY, SEK M	April - June		January - June		12 months	Full-year
	2014	2013	2014	2013	July-June	2013
Net profit for the period	-7	-18	874	-16	1 182	292
Other comprehensive income:						
<i>Components that may later be reclassified as earnings for the year:</i>						
- Exchange-rate difference, net investment in foreign operations	1	1	1	-	2	1
Other comprehensive income, net after tax	1	1	1	-	2	1
COMPREHENSIVE INCOME FOR THE PERIOD	-6	-17	875	-16	1 184	293

CONDENSED BALANCE SHEET FOR THE PARENT COMPANY SEK M	30 June	30 June	31 December
	2014	2013	2013
ASSETS			
Fixed assets	3 199	3 181	3 196
Current receivables in Group companies	1 288	485	706
Other current receivables	27	67	53
Cash and cash equivalents	-	0	-
TOTAL ASSETS	4 514	3 733	3 955
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	2 575	1 643	1 951
Untaxed reserves	160	178	160
Provisions	1	1	1
Long-term liabilities	1 634	1 694	1 656
Current liabilities in Group companies	19	2	31
Other current liabilities	125	215	156
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	4 514	3 733	3 955

CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PARENT COMPANY, SEK M	30 June	30 June
	2014	2013
Shareholders' equity at the beginning of the year	1 951	1 910
Comprehensive income for the period	875	-16
Dividend to shareholders	-251	-251
New share issue	-	-
SHAREHOLDERS' EQUITY AT THE END OF THE PERIOD	2 575	1 643

DEFINITIONS OF KEY DATA

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 as a percentage of total revenues.
EBITA	EBITA after depreciation/amortisation but before amortisation and impairment of intangible assets.
EBITA margin	EBITA as a percentage of total revenue.
EBITDA	Operating profit before depreciation/amortisation and impairment of tangible and intangible fixed assets.
EBITDA margin	EBITDA as a percentage of total revenue.
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.
Earnings per share	Net profit for the period excluding minority shares, in relation to the average number of shares.
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 previous 12 month period and throughout the previous comparable period.
Sales in comparable units	Sales in comparable units comprise external sales in majority-owned stores, wholesale sales to affiliated stores, external sales in majority-owned workshops and Internet sales.
Organic growth	Net sales increase adjusted for acquisitions, currency effects and the number of workdays.
Net indebtedness	Current and long-term interest-bearing liabilities for borrowing less cash and cash equivalents, meaning excluding pensions, leasing, derivatives and similar obligations.

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