

Mekonomen Group

Interim report January - March 2015

13 May 2015

1 January - 31 March 2015 ¹⁾

- Revenue rose 7 per cent to SEK 1,382 M (1,290). Adjusted for currency effects and calculated on the comparable number of workdays, revenue rose 7 per cent.
- EBITA increased 8 per cent to SEK 169 M (156) and the EBITA margin was 12 per cent (12).
- EBIT increased 12 per cent to SEK 142 M (126) and the EBIT margin was 10 per cent (10).
- The gross margin amounted to 55.5 per cent (55.6).
- Earnings per share, before and after dilution, rose to SEK 2.88 (2.50).
- Cash flow from operating activities amounted to a negative SEK 47 M (neg: 71).
- Net debt at the end of the period amounted to SEK 1,693 M (1,738), compared with SEK 1,629 M at the end of the year.

SUMMARY OF THE GROUP'S EARNINGS TREND SEK M	Jan - Mar 2015	Jan - Mar 2014	Change, %	12 months April - March	Full-year 2014
Revenue	1 382	1 290	7	5 483	5 390
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	169	156	8	776	763
EBIT	142	126	12	655	639
Profit after financial items	144	123	18	641	620
Profit after tax, continuing operations	105	92	14	480	466
Profit/loss after tax, discontinued operations	0	-24	-99	-316	-340
Profit after tax	105	68	54	164	127
Earnings per share, continuing operations, SEK	2,88	2,50	15	13,18	12,80
Earnings/loss per share, discontinued operations, SEK	-0,01	-0,67	-99	-8,79	-9,46
Earnings per share, SEK	2,87	1,83	57	4,38	3,34
EBITA margin, %	12	12		14	14
EBIT margin, %	10	10		12	12

The amount in the table above pertains 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 14.

¹⁾ During the quarter, the last two stores in Denmark were discontinued and in this report, the Danish store operation is presented according to the rules for discontinued operations in IFRS 5. All comparable periods have been recalculated. The Danish store operation was previously included in the MECA segment. All amounts pertains to continuing operations.

CEO's comments

The best first quarter ever

Mekonomen Group reported strong growth, improved operating profit and higher market shares in the first quarter of 2015. Our strong concepts and customer focus have generated good impact on earnings for the quarter.

The Group's revenue rose 7 per cent in the first quarter. Profit after financial items rose 18 per cent to SEK 144 M (123) and EBIT increased 12 per cent to SEK 142 M (126). The market was stable in the first quarter and our expectations for 2015 are for a somewhat stronger market.

It is gratifying that growth is strong in all Group companies, a growth of 8 per cent in MECA, 5 per cent in Mekonomen Nordic and 11 per cent in Sørensen og Balchen for the quarter. This confirms that our strategy of retaining several strong concepts that compete in the market is right for Mekonomen Group. During the quarter, we had strong growth in our affiliated workshops, with an increase of 11 per cent and the work conducted on quality is a key factor behind this growth. Sales of ProMeister constitute another driving force and accounted for 10 per cent of the spare-parts sales in the Group for the first quarter.

Growth generated improved EBIT in MECA and in Sørensen og Balchen. EBIT for MECA increased more than 50 per cent, where the first quarter of 2014 was negatively impacted by SEK 9 M due to personnel-related, non-recurring costs pertaining to the cost-savings programme. The cost-savings programme implemented in 2014 has also had full impact on earnings throughout the Group.

In Mekonomen Nordic, additional market investments and obsolescence in Marinshopen had a negative impact of SEK 7 M on earnings for the first quarter and EBIT amounted to SEK 82 M (88). Measures were implemented to strengthen earnings in Mekonomen Nordic.

Mekonomen Group is expanding to South Korea with sales of the proprietary spare parts range, ProMeister. Sales will occur through collaboration with the South Korean distributor, EK (Eiko) Global. This is a milestone for Mekonomen Group, since our products and brands are now on the map of the large Asian market. South Korea is part of our international expansion and will be the sixth country in our vision of 20 countries by 2020.

Our new model, with sales directly to the Danish franchise workshops, whereby we have efficient logistics without intermediaries in the distribution chain, was implemented starting in the first quarter and follows the established plan. Due to the restructuring, earnings in the earlier Danish operation were reported separately from earnings for Mekonomen Group.

The first quarter was a very good quarter for Mekonomen Group and we noted that our strong concepts and our skilled and committed employees are the key to our success. As announced earlier, I will be stepping down as CEO. As we have seen in the first quarter, Mekonomen Group is strong and has excellent potential for good growth for the remainder of 2015.

Håkan Lundstedt
President and CEO

GROUP REVENUE

TOTAL REVENUE DISTRIBUTION, CONTINUING OPERATIONS, SEK M	Jan - Mar	Jan - Mar	Change, %	12 months	Full-year
	2015	2014		April - March	2014
MECA	444	411	8	1 711	1 679
Mekonomen Nordic	664	634	5	2 722	2 692
Sørensen og Balchen	191	171	11	731	712
Other	48	39	23	189	180
Total net sales	1 346	1 255	7	5 353	5 262
Other operating revenue	36	35	3	129	128
GROUP REVENUE	1 382	1 290	7	5 483	5 390

GROWTH PER CENT	January - March 2015			
	MECA	Mekonomen Nordic	Sørensen og Balchen	Group
Underlying increase	7,3	4,3	9,9	6,6
Currency effects	0,7	0,4	1,4	0,6
Effect, workdays	0,0	0,0	0,0	0,0
Nominal increase	8,0	4,7	11,3	7,2

1 January - 31 March 2015

Revenue for continuing operations rose 7 per cent to SEK 1,382 M (1,290). Adjusted for positive currency effects of SEK 8 M, revenue increased 7 per cent. The number of workdays was unchanged during the quarter in Sweden, Norway, Denmark and Finland, compared with the year-earlier period. Sales in comparable units rose 5 per cent.

GROUP PERFORMANCE

1 January - 31 March 2015

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

EBITA for continuing operations increased to SEK 169 M (156) and the EBITA margin amounted to 12 per cent (12). Earnings were negatively impacted by non-recurring effects of SEK 0 M (10). Currency effects had a positive impact of SEK 5 M (2) on earnings.

EBIT

EBIT for continuing operations increased to SEK 142 M (126) and the EBIT margin amounted to 10 per cent (10). Earnings were negatively impacted by non-recurring effects of SEK 0 M (10). Currency effects had a positive impact of SEK 5 M (2) on earnings.

Other earnings

Profit after net financial items for continuing operations increased to SEK 144 M (123). Net interest expense amounted to SEK 8 M (expense: 9) and other financial items to SEK 10 M (5). Other financial items were positively impacted by non-recurring effects of SEK 7 M (5). Profit after tax for continuing operations increased to SEK 105 M (92), for discontinued operations to SEK 0 M (loss: 24) and totaled SEK 105 M (68). Earnings per share for continuing operations, before and after dilution, amounted to SEK 2.88 (2.50), for discontinued operations to a negative SEK 0.01 (neg: 0.67) and total SEK 2.87 (1.83).

FINANCIAL POSITION AND CASH FLOW

Cash flow from operating activities was a negative SEK 47 M (neg: 71) for the quarter. Tax paid amounted to SEK 72 M (49). Cash and cash equivalents amounted to SEK 380 M (287) compared with SEK 258 M at the end of the year. The equity/assets ratio was 39 per cent (41). Long-term interest-bearing liabilities totalled SEK 1,576 M (1,653) compared with SEK 1,404 M at year-end. Current interest-bearing liabilities amounted to SEK 517 M (385) compared with SEK 495 M at the end of the year. Long-term interest-bearing liabilities rose primarily due to higher utilisation of credit facilities totaling SEK 200 M.

The net debt amounted to SEK 1,693 M (1,738), compared with SEK 1,629 M at the end of the year, an increase of SEK 64 M since year-end. During the first quarter, the loans were amortised by SEK 34 M.

INVESTMENTS

During the first quarter, investments in fixed assets amounted to SEK 28 M (13). Depreciation and impairment of tangible fixed assets in continuing operations amounted to SEK 14 M (18) for the first quarter. Company and business acquisitions for the quarter amounted to SEK 5 M (11). Acquired assets amounted to SEK 8 M (1) and acquired liabilities to SEK 4 M (1) for the quarter. Apart from goodwill, which amounted to SEK 1 M (5), intangible surplus values of SEK 0 M (4) were identified pertaining to brands and SEK 0 M (1) pertaining to capitalised expenditure for IT systems and SEK 0 M (1) for customer relations. Deferred tax liabilities attributable to acquired intangible fixed assets amounted to SEK 0 M (0). Acquired minority shares amounted to SEK 2 M (1) and divested minority shares to SEK 0 M (0) for the first quarter.

ACQUISITIONS AND START-UPS

First quarter

Mekonomen Nordic acquired minority shares in three stores for a minor amount. In Sweden, two partner stores were also acquired in Kiruna and Linköping, as well as a workshop in Lidingö, in Stockholm. Mekonomen Nordic also acquired a partner store in Iceland.

Number of stores and workshops

The total number of stores in the chains for continuing operations at the end of the period was 351 (352), of which 260 (248) proprietary stores. The number of affiliated workshops totalled 2,248 (2,342). See the distribution in the table on page 13.

EMPLOYEES

The number of employees in continuing operations at the end of the period was 2,125 (2,084) and the average number of employees during the period was 2,193 (2,112). See distribution in the table on page 14.

PERFORMANCE BY SEGMENT

SEGMENT MECA

MECA ¹⁾	Jan - Mar	Jan - Mar		12 months	Full-year
SEK M	2015	2014	Change, %	April - March	2014
Net sales, external	444	411	8	1 711	1 679
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	71	47	51	293	268
EBIT ²⁾	68	44	55	267	243
EBITA margin, %	16	11		17	16
EBIT margin, % ²⁾	15	11		15	14
Number of stores / of which own	87 / 72	85 / 68			87 / 72
Number of Mekonomen Service Centres	185	212			195
Number of MekoPartner	127	188			153
Number of MECA Car Service	626	590			628

¹⁾ From 1 January 2015, the operation in Denmark is presented as a discontinued operation and therefore not included in the MECA segment. Comparable figures have been recalculated. For further information about discontinued operations, see page 14.

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

Strong sales increase to MECA Car Service workshops and an increase of the number of MECA Car Service workshops was key to MECA's increase in sales for the quarter. The cost-savings programme implemented in 2014 generated an added positive impact on earnings. The sales trend for ProMeister contributed to higher volumes in the first quarter. Currency effects in net sales against the NOK were positive and totalled SEK 3 M in the first quarter. The underlying net sales increased 7 per cent. MECA's EBIT increased to 68 SEK M (44). EBITA and EBIT for the comparable period were negatively impacted by personnel-related non-recurring costs of SEK 9 M.

SEGMENT MEKONOMEN NORDIC

MEKONOMEN NORDIC SEK M	Jan - Mar 2015	Jan - Mar 2014	Change %	12 months April - March	Full-year 2014
Net sales, external	664	634	5	2 722	2 692
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	86	95	-9	413	422
EBIT	82	88	-7	395	401
EBITA margin, %	13	14		15	15
EBIT margin, %	12	13		14	14
Number of stores / of which own	192 / 153	192 / 146			192 / 151
Number of Mekonomen Service Centres	835	875			863
Number of MekoPartner	211	201			202

The sales trend for ProMeister contributed to higher volumes to other workshops in the first quarter. Additional market investments and obsolescence in Marinshopen had a negative impact of SEK 7 M in the first quarter. Measures were implemented to strengthen earnings in Mekonomen Nordic with a calculated full-year impact of SEK 15 M. The underlying net sales increased 4 per cent in the first quarter. The currency effect in net sales against the NOK was a positive SEK 3 M. EBIT for the comparable period was negatively impacted by non-recurring effects of SEK 1 M. Mekonomen Sweden's EBIT margin was 13 per cent (14) in the first quarter. EBIT for the quarter amounted to SEK 56 M (62) and net sales rose to SEK 433 M (415). Mekonomen Norway's EBIT margin was 16 per cent (17) in the first quarter. EBIT for the quarter amounted to SEK 33 M (33) and net sales rose to SEK 201 M (189).

SEGMENT SØRENSEN OG BALCHEN

SØRENSEN OG BALCHEN SEK M	Jan - Mar 2015	Jan - Mar 2014	Change, %	12 months April - March	Full-year 2014
Net sales, external	191	171	11	731	712
Operating profit/loss before amortisation and impairment of intangible fixed assets (EBITA)	25	24	4	110	109
EBIT ¹⁾	25	24	4	110	109
EBITA margin, %	13	14		15	15
EBIT margin, % ¹⁾	13	14		15	15
Number of stores / of which own	71 / 34	74 / 33			71 / 34
Number of BilXtra	233	248			232

¹⁾ Acquisition-related items attributable to Mekonomen AB's direct acquisitions have been reallocated from Segment Sørensen og Balchen to "Other." Comparable figures have been recalculated. Amortisation of acquired intangible assets for the quarter totalling SEK 4 M (4) and SEK 18 M for the full-year 2014 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 good trend for sales of accessories. The proprietary stores have had stable earnings during the quarter. The underlying net sales increased 10 per cent in the first quarter. The currency effect in net sales against the NOK was a positive SEK 2 M. EBIT and EBITA increased to SEK 25 M (24) in the first quarter.

SALES GROWTH PER CUSTOMER GROUP

GROWTH PER CUSTOMER GROUP, CONTINUING OPERATIONS, PER CENT	January - March 2015		
	Affiliated workshops	Consumers	Other workshops
Nominal growth	11,5	5,1	7,5
Currency adjusted growth	10,9	4,6	6,8

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 occurred since then. For the complete report, refer to the 2014 Annual Report for 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 2 M (expense: 9) for the first quarter, excluding dividends of SEK 421 M (888) from subsidiaries. The average number of employees was 15 (15). During the quarter, Mekonomen AB sold goods and services to Group companies totalling SEK 9 M (10).

“Other” comprises Mekonomen AB, M by Mekonomen, the purchasing company in Hong Kong, Meko Service Nordic, the joint venture in Poland, as well as Group-wide functions and eliminations.

Operating loss for “Other” amounted to SEK 33 M (loss: 29). A reallocation of acquisition-related items attributable to Mekonomen AB’s direct acquisitions have occurred from 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 (exp: 19) for the quarter pertaining to the acquisitions of MECA and Sørensen og Balchen, which have been reversed to EBIT for these segments and reported instead in EBIT for “Other.” EBIT for the Group was not impacted by this reallocation.

CHANGES IN GROUP MANAGEMENT

In March 2015, president and CEO Håkan Lundstedt announced that he intends to leave Mekonomen after eight years with the company. The process to find a new president and CEO for Mekonomen is in progress.

EVENTS AFTER THE END OF THE PERIOD

Mekonomen Group is expanding to South Korea with sales of the proprietary spare parts range, ProMeister. Sales will occur through collaboration with the South Korean distributor, EK (Eiko) Global.

The chairman of Mekonomen’s board, Fredrik Persson, is resigning as chairman of the board of Mekonomen AB. Kenneth Bengtsson replaces Fredrik Persson as chairman until the annual general meeting 2016. Caroline Berg has been elected executive vice chairman.

No other 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 significant 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
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
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

MEKONOMEN GROUP IN BRIEF

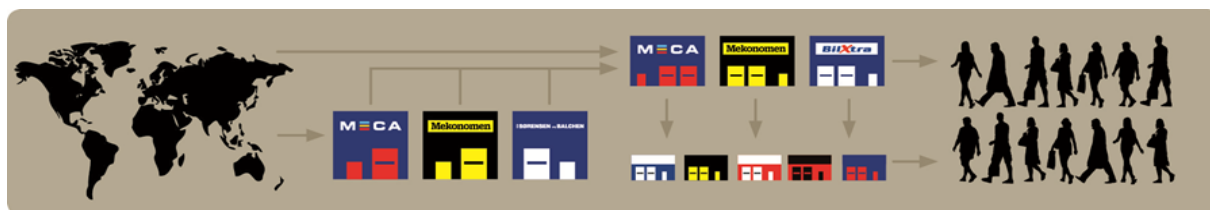
Mekonomen makes CarLife easier, through a broad and easily accessible range of affordable and innovative solutions and products for consumers and companies. We are the leading car service chain in the Nordic region, with proprietary wholesale operations with approximately 350 stores and more than 2,200 affiliated workshops under the Mekonomen Group brands.

Business concept

With clear and innovative concepts, high quality and an efficient logistics chain, the 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 2,200 affiliated workshops and to other workshops and consumers. The Group also has about 30 proprietary workshops.



Stockholm, 13 May 2015

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

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 is obligated to publish in accordance with the Securities Market Act.

The information was submitted for publication on 13 May 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.

CONSOLIDATED FINANCIAL REPORTS

CONDENSED CONSOLIDATED INCOME STATEMENT, SEK M	Jan - Mar 2015	Jan - Mar 2014	12 months April - March	Full-year 2014
Continuing operations:				
Net sales	1 346	1 255	5 353	5 262
Other operating revenue	36	35	129	128
Total revenue	1 382	1 290	5 483	5 390
Goods for resale	-599	-557	-2 379	-2 337
Other external costs	-286	-262	-1 068	-1 044
Personnel expenses	-313	-296	-1 202	-1 185
Depreciation and impairment of tangible fixed assets	-14	-18	-57	-61
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	169	156	776	763
Amortisation and impairment of intangible fixed assets	-27	-30	-122	-124
EBIT	142	126	655	639
Interest income	1	1	6	6
Interest expenses	-9	-11	-39	-41
Other financial items	10	5	20	16
PROFIT AFTER FINANCIAL ITEMS	144	123	641	620
Tax	-39	-31	-162	-153
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	105	92	480	466
Discontinued operations:				
Loss for the period from discontinued operations ¹⁾	0	-24	-316	-340
PROFIT FOR THE PERIOD	105	68	164	127
Net profit for the period attributable to:				
Parent Company's shareholders	103	66	157	120
Minority owners	2	2	6	7
PROFIT FOR THE PERIOD	105	68	164	127
Earnings per share before and after dilution, SEK				
- Earnings from continuing operations	2,88	2,50	13,18	12,80
- Loss from discontinued operations	-0,01	-0,67	-8,79	-9,46
Profit for the period	2,87	1,83	4,38	3,34

¹⁾ The 2014 full-year 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 14.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, SEK M	Jan - Mar 2015	Jan - Mar 2014	12 months April - March	Full-year 2014
Profit for the period	105	68	164	127
Other comprehensive income:				
<i>Components that will not be reclassified to earnings for the year:</i>				
- Actuarial profits 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 ¹⁾	25	29	-25	-20
- Cash-flow hedges ²⁾	-1	-1	0	0
Other comprehensive income/loss, net after tax	23	28	-32	-27
COMPREHENSIVE INCOME FOR THE PERIOD	128	96	132	100
Comprehensive income for the period attributable to:				
Parent Company's shareholders	126	94	126	93
Minority owners	2	2	7	7
COMPREHENSIVE INCOME FOR THE PERIOD	128	96	132	100
Total comprehensive income attributable to Parent Company shareholders derived from:				
Continuing operations	127	118	446	437
Discontinued operations	0	-24	-320	-344

¹⁾ As at 31 March 2015, accumulated translation reserve pertaining to Denmark amounted to a negative SEK 16 M. 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 14.

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

CONDENSED CONSOLIDATED BALANCE SHEET SEK M	31 March 2015	31 March 2014	31 december 2014
ASSETS ¹⁾			
Intangible fixed assets	2 810	2 894	2 813
Tangible fixed assets	201	239	201
Financial fixed assets	61	74	65
Deferred tax assets	55	23	55
Goods for resale	1 241	1 230	1 223
Current receivables	880	886	769
Cash and cash equivalents	380	287	258
TOTAL ASSETS	5 627	5 634	5 384
SHAREHOLDERS' EQUITY AND LIABILITIES ¹⁾			
Shareholders' equity	2 204	2 331	2 080
Long-term liabilities, interest-bearing	1 576	1 653	1 404
Deferred tax liabilities	160	208	168
Long-term liabilities, non-interest-bearing	3	1	3
Current liabilities, interest-bearing	517	385	495
Current liabilities, non-interest-bearing	1 167	1 056	1 234
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	5 627	5 634	5 384

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

CONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY, SEK M	31 March 2015	31 March 2014	31 december 2014
Shareholders' equity at the beginning of the year	2 080	2 240	2 240
Comprehensive income for the period	128	96	100
Acquisition/divestment of non-controlling interest	-2	-4	2
Dividend to shareholders	-2	-1	-262
SHAREHOLDERS' EQUITY AT THE END OF THE PERIOD	2 204	2 331	2 080
of which, non-controlling interests	14	14	14

CONSOLIDATED CASH-FLOW STATEMENT, SEK M	Jan - Mar 2015	Jan - Mar 2014	12 months April - March	Full-year 2014
Operating activities				
<i>Cash flow from operating activities before changes in working capital, excluding tax paid</i>	152	151	712	711
Tax paid	-72	-49	-183	-160
Cash flow from operating activities before changes in working capital	80	103	529	552
Cash flow from changes in working capital:				
Changes in inventory	-19	-12	-66	-59
Changes in receivables	-97	-153	-6	-62
Changes in liabilities	-11	-8	-20	-17
<i>Increase (-)/decrease (+) restricted working capital</i>	-126	-173	-91	-138
Cash-flow from operating activities	-47	-71	437	413
Cash flow from investing activities	-19	-24	-116	-121
Cash flow from financing activities	182	97	-224	-309
CASH FLOW FOR THE PERIOD	116	2	97	-17
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	258	279	287	279
Exchange-rate difference in cash and cash equivalents	7	6	-3	-4
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	380	287	380	258

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 in 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 same types of financial instruments in the interim report are in the 2014 Annual Report.

CONSOLIDATED DERIVATIVE INSTRUMENTS MEASURED AT FAIR VALUE IN THE BALANCE SHEET, SEK M	31 March 2015	31 March 2014
FINANCIAL ASSETS		
Derivatives: Currency swaps	-	-
Interest-rate swaps	-	-
TOTAL	-	-
FINANCIAL LIABILITIES		
Derivatives: Currency swaps	5	-
Interest-rate swaps	3	3
TOTAL	8	3

GROUP'S FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY, 31 March 2015							Total
SEK M	Derivative instruments	Loan and accounts receivables	Other financial liabilities	Total carrying amount	Fair value	Non-financial assets & liabilities	Balance sheet summary
FINANCIAL ASSETS							
Financial fixed assets	-	59	-	59	59	2	61
Accounts receivables	-	620	-	620	620	-	620
Other current receivables	-	-	-	-	-	261	261
Cash and cash equivalents	-	380	-	380	380	-	380
TOTAL	-	1 059	-	1 059	1 059	262	1 321
FINANCIAL LIABILITIES							
Long-term liabilities, interest-bearing	3	-	1 573	1 576	1 576	-	1 576
Current liabilities, interest-bearing	5	-	511	517	517	-	517
Accounts payable	-	-	500	500	500	-	500
Other current liabilities	-	-	-	-	-	667	667
TOTAL	8	-	2 584	2 593	2 593	667	3 260

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

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

²⁾ From 1 January 2015, the operation in Denmark is presented as a discontinued operation and therefore not included in the MECA segment. Comparable figures have been recalculated. For further information about discontinued operations, see page 14.

³⁾ "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.

⁴⁾ Acquisition-related items attributable to Mekonomen AB's direct acquisitions have been reallocated from Segment Sørensen og Balchen to "Other." Comparable 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.

⁵⁾ Investments exclude company and business combinations.

QUARTERLY DATA, CONTINUING OPERATIONS SEK M	2015		2014					2013				
	Q1	FY	Q4	Q3	Q2	Q1	FY	Q4	Q3	Q2	Q1	
Revenue	1 382	5 390	1 373	1 340	1 387	1 290	5 251	1 318	1 269	1 422	1 245	
EBITA	169	763	184	214	210	156	683	146	188	207	142	
EBIT	142	639	145	186	182	126	527	75	159	178	115	
Net financial items	2	-19	-3	-12	-1	-4	-39	-2	-15	-6	-15	
Profit after financial items	144	620	142	174	181	123	489	73	144	172	99	
Tax	-39	-153	-40	-38	-44	-31	-129	-18	-38	-46	-27	
Profit for the period	105	466	102	135	137	92	360	55	106	127	72	
EBITA margin, %	12	14	13	16	15	12	13	11	15	15	11	
EBIT margin, %	10	12	11	14	13	10	10	6	13	13	9	
Earnings per share, continuing operations, SEK	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	-0,01	-9,46	-7,55	-0,49	-0,75	-0,67	-1,25	-0,69	-0,18	-0,19	-0,20	
Earnings/loss per share, SEK	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	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 ¹⁾	-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, % ²⁾	21,3	20,6	20,6	18,3	17,2	16,6	15,7	15,7	-	-	-	

¹⁾ The key figures are calculated including discontinued operations for each quarter.

²⁾ 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 14.

KEY FIGURES	Jan - Mar 2015		Jan - Mar 2014		12 months April - March		Full-year 2014	
	Return on equity, % ¹⁾	21,3		16,6		21,3		20,6
Return on total capital, % ¹⁾	12,2		10,1		12,2		11,9	
Return on capital employed, % ¹⁾	16,0		13,2		16,0		15,6	
Equity/assets ratio, %	39,2		41,4		39,2		38,6	
Gross margin, continuing operations, %	55,5		55,6		55,6		55,6	
EBITA margin, continuing operations, %	12,2		12,1		14,2		14,2	
EBIT margin, continuing operations, %	10,3		9,8		11,9		11,9	
EBITDA, continuing operations, SEK M	184		174		833		824	
EBITDA margin, continuing operations, %	13,3		13,5		15,2		15,3	
Earnings per share, continuing operations, SEK	2,88		2,50		13,18		12,80	
Earnings/loss per share, discontinued operations, SEK	-0,01		-0,67		-8,79		-9,46	
Earnings per share, SEK	2,87		1,83		4,38		3,34	
Shareholders' equity per share, SEK	61,0		64,6		61,0		57,5	
Cash flow per share, SEK	-1,3		-2,0		12,2		11,5	
Number of shares at the end of the period	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	

¹⁾ The key figures for return on equity/capital employed/total capital are calculated on a rolling 12-month basis for the January-March period and pertain to continuing operations. The balance sheet was not recalculated for discontinued operations. For further information about discontinued operations, see page 14.

NUMBER OF STORES AND WORKSHOPS	MECA ¹⁾ 31 March		Mekonomen Nordic 31 March		Sørensen og Balchen 31 March		Other ¹⁾ 31 March		Group total 31 March	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	No. of stores									
Proprietary stores	72	68	153	146	34	33	1	1	260	248
Partner stores	15	17	39	46	37	41	-	-	91	104
Total	87	85	192	192	71	74	1	1	351	352
Number of workshops ¹⁾										
Mekonomen Service Centres	185	212	835	875	-	-	17	14	1 037	1 101
MekoPartner	127	188	211	201	-	-	-	-	338	389
Speedy	-	-	-	-	-	-	14	14	14	14
BilXtra	-	-	-	-	233	248	-	-	233	248
MECA Car Service	626	590	-	-	-	-	-	-	626	590
Total	938	990	1 046	1 076	233	248	31	28	2 248	2 342

¹⁾ 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. Comparable figures have been recalculated. With respect to workshops, they will remain affiliated to Mekonomen Group concept. MECA sells directly to these workshops in Denmark. For further information about discontinued operations, see page 14.

AVERAGE NUMBER OF EMPLOYEES, CONTINUING OPERATIONS	Jan - Mar 2015	Jan - Mar 2014
MECA ¹⁾	611	611
Mekonomen Nordic	1 143	1 083
Sørensen og Balchen	259	253
Other ²⁾	180	165
Total	2 193	2 112

¹⁾ From 1 January 2015, the operation in Denmark is presented as a discontinued operation and therefore not included in the MECA segment. Comparable figures have been recalculated. For further information about discontinued operations, see below.

²⁾ "Other" comprises Mekonomen AB, M by Mekonomen, the purchasing company in Hong Kong, Meko Service Nordic, 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 made in December 2014. All of the stores, which are also local warehouses and the Danish head office are being closed. The franchise workshops are 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 two last 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 comparable periods have been recalculated. The Danish store operation was previously included in the MECA segment.

In the consolidated income statement, the discontinued store operation is 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 31 March 2015, the accumulated translation reserve pertaining to Denmark amounted to a negative SEK 16 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.

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

PROFIT/LOSS FOR THE PERIOD AND OTHER COMPREHENSIVE INCOME FROM DISCONTINUED OPERATIONS, SEK M	Jan - Mar 2015	Jan - Mar 2014	12 months April - March	Full-year 2014
Revenue	36	152	418	534
Expenses	-36	-175	-765	-904
Loss from discontinued operations - before tax	0	-24	-347	-370
Tax	0	0	31	31
Loss from discontinued operations - after tax	0	-24	-316	-340
Other comprehensive income:				
Exchange-rate differences on translation of foreign subsidiaries	0	0	-4	-5
Comprehensive income from discontinued operations	0	-24	-320	-344

SUMMARY OF CASH FLOW FROM DISCONTINUED OPERATIONS, SEK M	Jan - Mar 2015	Jan - Mar 2014	12 months April - March	Full-year 2014
Cash flow from operating activities	-84	-36	-163	-115
Cash flow from investing activities	18	0	17	-1
Cash flow from financing activities	0	0	0	0
Cash flow from discontinued operations	-66	-36	-146	-116

FINANCIAL REPORTS, PARENT COMPANY

SUMMARY OF INCOME STATEMENT FOR THE PARENT COMPANY, SEK M	Jan - Mar 2015	Jan - Mar 2014	12 months April - March	Full-year 2014
Operating profit	9	11	93	95
Operating expenses	-20	-17	-127	-124
EBIT	-11	-6	-34	-29
Net financial items ¹⁾	430	885	-61	394
PROFIT/LOSS AFTER FINANCIAL ITEMS	419	879	-95	365
Appropriations	-	-	396	396
Tax	1	2	-28	-27
PROFIT FOR THE PERIOD	420	881	273	734

¹⁾ Net financial items include dividend on participations in subsidiaries totalling SEK 421 M (888) for the quarter and SEK 888 M for the 2014 full year, and impairment of participations in subsidiaries totalling SEK 0 M (0) for the quarter and negative SEK 486 M for the 2014 full year.

STATEMENT OF COMPREHENSIVE INCOME FOR THE PARENT COMPANY, SEK M	Jan - Mar 2015	Jan - Mar 2014	12 months April - March	Full-year 2014
PROFIT FOR THE PERIOD	420	881	273	734
Other comprehensive income:				
<i>Components that may later be reclassified to earnings for the year:</i>				
- Exchange-rate difference, net investments in foreign operations.	-1	0	2	3
Other comprehensive income/loss, net after tax	-1	0	2	3
COMPREHENSIVE INCOME FOR THE PERIOD	419	881	275	737

CONDENSED BALANCE SHEET FOR THE PARENT COMPANY SEK M	31 March 2015	31 March 2014	31 december 2014
ASSETS			
Fixed assets	3 140	3 197	3 140
Current receivables in Group companies ¹⁾	1 597	1 549	1 207
Other current receivables	57	62	28
Cash and cash equivalents ¹⁾	302	230	162
TOTAL ASSETS	5 096	5 038	4 537
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	2 855	2 831	2 437
Untaxed reserves	114	160	114
Provisions	0	1	0
Long-term liabilities	1 562	1 652	1 396
Current liabilities in Group companies	12	6	67
Other current liabilities ¹⁾	553	388	523
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	5 096	5 038	4 537

¹⁾ Group-wide bank accounts were reclassified in the balance sheet for the comparative year 31 March 2014.

SUMMARY OF CHANGES IN EQUITY FOR THE PARENT COMPANY, SEK M	31 March 2015	31 March 2014	31 december 2014
Shareholders' equity at the beginning of the year	2 437	1 951	1 951
Comprehensive income for the period	419	881	737
Dividend to shareholders	-	-	-251
SHAREHOLDERS' EQUITY AT THE END OF THE PERIOD	2 855	2 831	2 437

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 liabilities.
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	EBITA after depreciation/amortisation according to plan but before amortisation and impairment of intangible fixed 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.
Earnings per share	Net profit for the period excluding minority shares, in relation to the average number of shares.
Eget kapital per aktie	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 owned, 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 group Affiliated workshops	Sales to affiliated workshops and sales to proprietary workshops.
Sales to customer group Other workshops	Sales to business customers that are not affiliated to any of Mekonomen Group's concepts, including sales in the Fleet operations.
Sales to customer group 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 comparable 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 child seats, etc.

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