

# Mekonomen Group

## Interim report January - March 2016

11 May 2016

### 1 January - 31 March 2016 <sup>1)</sup>

- Revenue increased 3 per cent to SEK 1,424 M (1,382) and has been negatively affected by Easter. Excluding the acquisition of Opus Equipment, revenue increased 1 per cent. Adjusted for currency effects and calculated on the comparable number of workdays, revenue increased 9 per cent. Sales in comparable units rose 4 per cent.
- EBITA amounted to SEK 149 M (169) and the EBITA margin was 10 per cent (12).
- EBIT amounted to SEK 121 M (142) and the EBIT margin was 9 per cent (10). MECA's export business to Denmark had a negative impact of SEK 5 M on EBIT.
- The gross margin was 54.2 per cent (55.5).
- Earnings per share, before and after dilution, amounted to SEK 2.28 (2.88).
- Cash flow from operating activities rose to SEK 30 M (neg: 47), of which discontinued operations comprised a negative amount of SEK 3 M (neg: 84).
- Net debt at the end of the period amounted to SEK 1,624 M (1,693), compared with SEK 1,626 M at year-end.

SUMMARY OF THE GROUP'S EARNINGS TREND SEK M	Jan-Mar 2016	Jan-Mar 2015	Change, %	12 months April-March	Full-year 2015
Revenue	1 424	1 382	3	5 803	5 761
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	149	169	-12	706	726
EBIT	121	142	-15	595	616
Profit after financial items	110	144	-23	560	594
Profit after tax, continuing operations	83	105	-21	408	430
Profit after tax, discontinued operations	0	0	0	0	0
Profit after tax	83	105	-21	408	430
Earnings per share, continuing operations, SEK	2,28	2,88	-21	11,17	11,77
Earnings/loss per share, discontinued operations, SEK	0,00	-0,01	0	0,01	0,00
Earnings per share, SEK	2,28	2,87	-21	11,18	11,77
EBITA margin, %	10	12		12	13
EBIT margin, %	9	10		10	11

The amounts in the table above pertain to continuing operations, except for Profit after tax and Earnings per share. For further information about discontinued operations, see page 16.

<sup>1)</sup> During the first quarter of 2015, the last two stores in Denmark were discontinued and the Danish store operation is presented in the 2015-2016 interim reports in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations. The Danish store operations were previously included in the MECA segment. With the exception of cash flow and net debt, all amounts pertain to continuing operations.

## CEO's comments

### **Favourable underlying growth but weaker result**

**Underlying growth for Mekonomen Group remained favourable in the first quarter, despite negative Easter effect. EBIT was lower compared with the first quarter of 2015, a main cause being a weak EBIT in Mekonomen Sweden.**

The Group's revenue rose 3 per cent in the first quarter, representing favourable underlying growth of 9 per cent. As in the fourth quarter, growth was driven in the Group primarily of sales to affiliated and other workshops. Sales of our proprietary brand, ProMeister, was good and in the first quarter, sales of ProMeister accounted for some 12 per cent (10) of the Group's combined spare parts sales.

EBIT declined to SEK 121 M (142). In addition to the negative effect of Easter, operating profit was affected by weak profitability of Mekonomen Sweden, the loss in Denmark and a lower gross margin of the Group, mainly driven by an unfavourable product mix.

In the first quarter Mekonomen Sweden stands for the largest negative impact on EBIT, where negative effect of lower gross margin is not sufficiently offset by increased sales. After the reorganisation that was implemented in late 2015, we still do not see that new working methods and the introduction of retail store system have the desired effect on sales.

The negative product mix effect is mainly a seasonal effect in the first quarter.

The loss in Denmark during the first quarter was halved, compared with the end of 2015, and we have a continued focus on cost efficient increase of sales in Denmark.

MECA's EBIT in the first quarter, excluding Denmark and the acquired business Opus Equipment, was largely in line with the preceding year, despite fewer workdays. EBIT for Sørensen og Balchen, in local currency, was in line with the preceding year. Mekonomen Norway had a lower gross margin due to consumer campaigns, which adversely affected EBIT.

We expect conditions for a slightly stronger overall market in 2016, primary as a consequence of favourable new car sales in the recent years. For Mekonomen Group, the main potential for a stronger market is linked to a growing fleet of cars aged three years and older.

#### **Focus 2016**

In 2016, the sales growth is our main focus. Our cost reduction programs have been implemented according to plan and in 2016 we put our energy to increase the total sales. We continue to see the most potential for growth in our core business to B2B customers. A particular focus is the growth in Mekonomen Sweden, where new working methods with increased presence at customer is expected to give positive effects. Parallel to this, we will intensify our marketing efforts in Mekonomen Sweden. Continued priority in 2016 is to cost effective increase sales in Denmark.

Our projects for the group-wide e-commerce platform for B2B and B2C, and for enhancing quality in our workshops continue as planned.

With our combination of strong offerings, new initiatives and a customer focus, Mekonomen Group is positioned for profitable growth in 2016.

Magnus Johansson  
President and CEO

## MEKONOMEN GROUP IN BRIEF

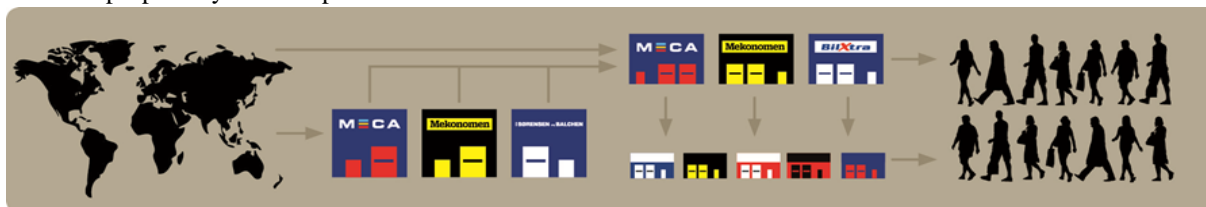
Mekonomen Group makes CarLife easier and more affordable for our customers. We offer a broad and easily accessible range of affordable and innovative solutions and products for consumers and companies. We are the leading car service chain in the Nordic region with a proprietary wholesale operation, about 340 stores and more than 2,100 affiliated workshops operating under the Group's 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 75 per cent of the supply of goods. Mekonomen Group's three brands MECA, Mekonomen and BilXtra are responsible for their own wholesale operations. The approximately 340 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	Jan-Mar 2016	Jan-Mar 2015	Change, %	12 months April-March	Full-year 2015
<b>Net sales, external, per segment</b>					
MECA	500	444	13	1 928	1 871
Mekonomen Sweden	462	449	3	1 938	1 925
Mekonomen Norway	194	204	-5	804	814
Sørensen og Balchen	172	191	-10	710	729
Other segments	63	60	5	288	285
<b>Total net sales, Group</b>	<b>1 391</b>	<b>1 346</b>	<b>3</b>	<b>5 669</b>	<b>5 624</b>
Other operating revenue	32	36	-10	133	137
<b>GROUP REVENUE</b>	<b>1 424</b>	<b>1 382</b>	<b>3</b>	<b>5 803</b>	<b>5 761</b>

GROWTH PER CENT	January - March 2016				
	MECA	Mekonomen Sweden	Mekonomen Norway	Sørensen og Balchen	Group
Underlying increase	20,3	4,6	7,5	2,2	9,4
Currency effects	-4,9	0,0	-9,3	-8,8	-4,2
Effect, workdays	-2,5	-1,7	-3,1	-3,0	-2,2
<b>Nominal increase</b>	<b>12,8</b>	<b>2,9</b>	<b>-4,9</b>	<b>-9,5</b>	<b>3,0</b>

### 1 January - 31 March 2016

Revenue for continuing operations rose 3 per cent to SEK 1,424 M (1,382). Excluding the acquisition of Opus Equipment, revenue increased 1 per cent. Adjusted for negative currency effects of SEK 57 M, revenue rose 7 per cent. During the quarter, the number of workdays was one day less in Sweden and Finland, and two days less in Norway and Denmark, compared with the year-earlier period. Calculated on comparable workdays and adjusted for currency effects, revenue increased 9 per cent. Sales in comparable units rose 4 per cent.

## GROUP PERFORMANCE

### 1 January - 31 March 2016

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

EBITA for continuing operations amounted to SEK 149 M (169), and the EBITA margin was 10 per cent (12). MECA's export business to Denmark had a negative impact of SEK 5 M on EBITA. Currency effects in the balance sheet had a negative impact of SEK 2 M (pos: 5) on EBITA.

### *Operating profit, EBIT*

EBIT for continuing operations totalled SEK 121 M (142), and the EBIT margin was 9 per cent (10). MECA's export business to Denmark had a negative impact of SEK 5 M on EBIT. Currency effects in the balance sheet had a negative impact of SEK 2 M (pos: 5) on EBIT.

### *Other earnings*

Profit after financial items for continuing operations amounted to SEK 110 M (144). Net interest expense amounted to SEK 6 M (expense: 8) and other financial items to an expense of SEK 4 M (income: 10). Other financial items were negatively impacted by non-recurring effects of SEK 1 M (pos: 7). Profit after tax for continuing operations amounted to SEK 83 M (105), for discontinued operations to SEK 0 M (0), and in total to SEK 83 M (105). In Norway, corporate tax was reduced from 27 to 25 per cent as of 2016, which had a positive impact of SEK 2 M on tax expense for the quarter. Earnings per share, before and after dilution, amounted to SEK 2.28 (2.88) for continuing operations, SEK 0.00 (loss: 0.01) for discontinued operations, and in total to SEK 2.28 (2.87).

## **FINANCIAL POSITION AND CASH FLOW**

Cash flow from operating activities amounted to SEK 30 M (neg: 47) for the quarter, of which discontinued operations comprised a negative SEK 3 M (neg: 84). Tax paid amounted to SEK 80 M (72) for the quarter. Cash and cash equivalents amounted to SEK 238 M (380), compared with SEK 295 M at year-end. The equity/assets ratio was 42 per cent (39). Long-term interest-bearing liabilities amounted to SEK 1,440 M (1,576), compared with SEK 1,469 M at year-end. Current interest-bearing liabilities amounted to SEK 436 M (517), compared with SEK 461 M at year-end.

Net debt amounted to SEK 1,624 M (1,693), compared with SEK 1,626 M at year-end. During the quarter, net debt declined SEK 2 M. Net debt remained largely unchanged, due to amortisation, investments and acquisitions, as well as positive operating cash flow. During the quarter, loans were amortised by SEK 34 M.

## **INVESTMENTS**

During the quarter, investments in fixed assets amounted to SEK 20 M (28), of which discontinued operations comprised SEK 0 M (0). Depreciation and impairment of tangible fixed assets in continuing operations amounted to SEK 14 M (14) for the quarter.

In order to achieve a more efficient logistics structure, Mekonomen Group intends to centralise the structure of its central warehouses in Sweden. Mekonomen Group has signed a Letter Of Intent (LOI) regarding investment in an automated central warehouse solution in Strängnäs. The idea is to expand the existing property in Strängnäs into a joint, automated central warehouse. The estimated cost of investment between 2016-2018 is SEK 250 M, with full EBIT effect from savings of SEK 50 M annually from 2020. Capital tied-up is expected to decline SEK 80 M with full effect as of 2020. Before a final contract is signed, the involved companies in Mekonomen Group will undertake the necessary negotiations with relevant unions. The work is progressing as planned with the aim of signing the contract in the second quarter of 2016.

During the quarter, company and business acquisitions amounted to SEK 6 M (5). Acquired assets totalled SEK 2 M (8) and assumed liabilities SEK 0 M (4) for the quarter. In addition to goodwill, which amounted to SEK 4 M (1), intangible surplus values of SEK 0 M (0) were identified pertaining to customer relations. Deferred tax liabilities attributable to acquired intangible fixed assets amounted to SEK 0 M (0). Acquired minority shares amounted to SEK 3 M (2), and divested minority shares to SEK 0 M (0) for the quarter.

## **ACQUISITIONS AND START-UPS**

### **First quarter**

Mekonomen Sweden acquired minority shares in five stores for a minor amount. Mekonomen Sweden also acquired a partners store in Halmstad and started up a store in Älmhult. MECA acquired a store in Höör, Sweden and started-up Opus Equipment in Norway. Sørensen og Balchen started-up a store in Stord.

Opus Equipment AB, which was acquired on 1 July 2015, had an impact of SEK 28 M on consolidated net sales, a negative impact of SEK 1 M on EBITA, and a negative impact of SEK 2 M on EBIT for the quarter. Other acquisitions had a marginal effect only on consolidated sales and earnings.

### Number of stores and workshops

At the end of the period, the total number of stores in the chains for continuing operations was 344 (351), of which 261 (260) were proprietary stores. The number of affiliated workshops totalled 2,129 (2,248). See the distribution in the table on page 15.

### EMPLOYEES

At the end of the period, the number of employees in continuing operations was 2,403 (2,125) and the average number of employees during the period was 2,380 (2,193). See the distribution in the table on page 16.

### PERFORMANCE BY SEGMENT

To adapt segment reporting to the changed internal organisation and governance, a new segment structure has been implemented. As of the first quarter of 2016, the Group will be managed and reported in four segments: MECA, Mekonomen Sweden, Mekonomen Norway and Sørensen og Balchen. Reporting according to the new segment structure will take place for the first time in Q1, 2016. The comparative figures have been restated. For further information, refer to "Accounting policies" on page 8 and for the comparative figures from 2014-2015, which have been restated, refer to the table "Quarterly data, continuing operations, segment" on page 14.

### SEGMENT MECA

MECA SEK M	Jan-Mar 2016	Jan-Mar 2015	Change, %	12 months April-March	Full-year 2015
Net sales, external	500	444	13	1 928	1 871
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	62	71	-12	249	258
EBIT	60	68	-12	236	245
EBITA margin, %	12	16		13	14
EBIT margin, %	12	15		12	13
Number of stores / of which proprietary	85 / 73	87 / 72			85 / 72
Number of Mekonomen Service Centres	98	185			102
Number of MekoPartner	37	127			39
Number of MECA Car Service	676	626			676

The MECA segment mainly includes wholesale and store operations in Sweden and Norway, the export business to Denmark and the delivery and service of workshop equipment in Opus Equipment. As of 1 January 2015, the store operation in Denmark has been presented as discontinued operations and is not therefore included in the MECA segment. For further information about discontinued operations, see page 16.

Measures to improve earnings in Denmark yielded effect in the first quarter, the losses were halved compared with the fourth quarter 2015. However, first-quarter sales did not achieve critical mass and MECA's EBIT has been negatively affected by SEK 5 M (0) in the quarter of the Danish export business, which had not been started first quarter 2015. During the quarter, net sales for the export business to Denmark amounted to SEK 19 M. A strong sales increase to the MECA Car Service workshops was a key factor behind MECA's sales growth during the quarter. The acquisition of Opus Equipment on 1 July 2015 had an impact of SEK 28 M on sales, a negative impact of SEK 1 M on EBITA, and a negative impact of SEK 2 M on EBIT during the quarter. Measures were taken to offset the negative transaction effect of the weaker NOK. In addition, MECA had a negative impact on the gross margin during the quarter, due to a higher proportion of sales to major customers.

During the quarter, the currency effect on net sales against the NOK was a negative SEK 22 M. The number of workdays was one day less in Sweden and two days less in Norway, compared with the year-on-year quarter. Underlying net sales rose 20 per cent during the quarter. MECA's EBIT totalled SEK 60 M (68) for the quarter and the EBIT margin was 12 per cent (15).

## SEGMENT MEKONOMEN SWEDEN

MEKONOMEN SWEDEN SEK M	Jan-Mar 2016	Jan-Mar 2015	Change, %	12 months April-March	Full-year 2015
Net sales, external	462	449	3	1 938	1 925
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	53	65	-19	276	289
EBIT	52	65	-20	274	287
EBITA margin, %	11	14		14	14
EBIT margin, %	11	14		14	14
Number of stores / of which proprietary	135 / 115	137 / 115			134 / 113
Number of Mekonomen Service Centres	439	439			439
Number of MekoPartner	125	135			125

The Mekonomen Sweden segment mainly includes wholesale, store and fleet operations in Sweden.

In the first quarter, Mekonomen Sweden was negatively impacted by a lower gross margin, largely attributable to the product mix, which was not adequately offset by higher sales, and new working methods that have not yet had a full effect on sales. The introduction of a new retail store system has taken much effort from those stores where the system was introduced.

Underlying net sales rose 5 per cent during the quarter. The number of workdays in Sweden was one day less, compared with the year-earlier period. EBIT totalled SEK 52 M (65) for the quarter and the EBIT margin was 11 per cent (14).

## SEGMENT MEKONOMEN NORWAY

MEKONOMEN NORWAY SEK M	Jan-Mar 2016	Jan-Mar 2015	Change, %	12 months April-March	Full-year 2015
Net sales, external	194	204	-5	804	814
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	27	36	-24	142	151
EBIT	27	35	-24	142	151
EBITA margin, %	14	17		17	18
EBIT margin, %	14	17		17	18
Number of stores / of which, proprietary	45 / 32	47 / 33			45 / 32
Number of Mekonomen Service Centres	350	378			345
Number of MekoPartners	96	76			97

The Mekonomen Norway segment mainly includes store and fleet operations in Norway.

The key driver of Mekonomen Norway's growth was sales to Mekonomen Service Centres. Underlying net sales rose 8 per cent during the quarter. The currency effect on net sales against the NOK was a negative SEK 19 M during the quarter. Measures were taken to offset the negative transaction effect of the weaker NOK. Mekonomen Norway had a negative impact on EBIT, due to a lower gross margin resulting from such factors as consumer campaigns. The number of workdays in Norway was two days less, compared with the year-earlier period. EBIT totalled SEK 27 M (35) for the quarter and the EBIT margin was 14 per cent (17).

## SEGMENT SØRENSEN OG BALCHEN

SØRENSEN OG BALCHEN SEK M	Jan-Mar 2016	Jan-Mar 2015	Change, %	12 months April-March	Full-year 2015
Net sales, external	172	191	-10	710	729
Operating profit before amortisation and impairment of intangible fixed assets (EBITA)	24	25	-5	115	117
EBIT	24	25	-5	115	116
EBITA margin, %	14	13		16	16
EBIT margin, %	13	13		16	16
Number of stores / of which, proprietary	71 / 36	71 / 34			70 / 35
Number of BilXtra	248	233			246

The Sørensen og Balchen segment mainly includes wholesale and store operations in Norway.

During the quarter, Sørensen og Balchen showed a positive trend in sales to consumers as well as sales of accessories. Underlying net sales rose 2 per cent during the quarter. During the quarter, the currency effect on net sales against the NOK was a negative SEK 17 M. Measures were taken to offset the negative transaction effect of the weaker NOK. The number of workdays in Norway was two days less, compared with the year-earlier period. EBIT totalled SEK 24 M (25) for the quarter and the EBIT margin was 13 per cent (13).

### SALES GROWTH PER CUSTOMER GROUP

GROWTH PER CUSTOMER GROUP, CONTINUING OPERATIONS, PER CENT	January - March 2016		
	Affiliated workshops	Consumers	Other workshops
Nominal growth	4,9	0,6	5,2
Currency adjusted growth	9,2	4,3	10,1

### 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		
	2016	2015	2014	2016	2015	2014	2016	2015	2014	2016	2015	2014	2016	2015	2014
Sweden	61	62	62	62	60	59	66	66	66	64	63	62	253	251	249
Norway	61	63	63	62	59	59	66	66	66	64	63	62	253	251	250
Denmark	61	63	63	62	58	59	66	66	66	64	63	62	253	250	250
Finland	61	62	62	63	60	60	66	66	66	63	63	62	253	251	250

### SIGNIFICANT RISKS AND UNCERTAINTIES

The company conducted a review and assessment of operating and financial risks and uncertainties in accordance with the 2015 Annual Report and found that no significant risks have occurred since then. For the effect of exchange-rate fluctuations on profit before tax, refer to page 31 of the 2015 Annual Report. For a full presentation of the risks affecting the Group, refer to the 2015 Annual Report.

### PARENT COMPANY, “OTHER SEGMENTS” AND “OTHER ITEMS”

The Parent Company’s operations mainly comprise Group Management and finance management. The Parent Company’s earnings after net financial items amounted to a negative SEK 12 M (neg: 3) for the quarter, excluding dividends of SEK 47 M (421) from subsidiaries in the quarter. The average number of employees was 11 (15). During the quarter, Mekonomen AB sold goods and services to Group companies for a total amount of SEK 8 M (9).

As of 1 January 2016, items previously reported under “Others” are now distributed between “Other segments” and “Other items” and more units have been added to “Other segments” from the now discontinued Mekonomen Nordic segment. Comparative figures have been restated. For further information, refer to “Accounting policies” on page 8 and for the comparative figures from 2014-2015, which have been restated, refer to the table “Quarterly data, continuing operations, segment” on page 14.

“Other segments” includes business operations and operating segments that are not reported separately. These include Mekonomen’s wholesale and store operations in Finland, Mekonomen’s store operations in Iceland, Marinhopen, Meko Service Nordic with the BilLivet and Speedy workshop operations, the Car Share operations, the InterMeko Europa joint venture in Poland, the associated company Automotive Web Solutions AB, Lasingoo Norway and group-wide functions that also include Mekonomen AB (publ). During the quarter, EBIT for “Other segments” amounted to a loss of SEK 23 M (loss: 32).

“Other items” includes acquisition-related items attributable to Mekonomen AB’s direct acquisitions. Current acquisition-related items pertain to amortisation of acquired intangible assets totalling an expense of SEK 19 M (exp: 19) for the quarter related to the acquisitions of MECA and Sørensen og Balchen.

## **CHANGES IN GROUP MANAGEMENT**

Katarina Zetterqvist, HR Director at Mekonomen Group, will join Group Management on 11 May 2016.

## **EVENTS AFTER THE END OF THE PERIOD**

At the Annual General Meeting on the 12th of April 2016 Mia Brunell Livfors was elected as member of the company's Board of Directors. Mia Brunell Livfors has been elected executive vice chairman.

A decision was made to implement changes in Group Management. As of 11 May 2016, Group Management will consist of the following individuals:

Magnus Johansson, President and CEO, Mekonomen AB  
Marcus Larsson, Executive Vice President, Mekonomen AB  
Morten Birkeland, Managing Director, Sørensen og Balchen  
Örjan Grandin, Supply Chain Director, Mekonomen AB  
Per Hedblom, CFO, Mekonomen AB  
David Larsson, COO, Mekonomen AB  
Pehr Oscarson, Managing Director, MECA  
Katarina Zetterqvist, HR Director, Mekonomen AB

After the end of the period, Mekonomen signed an agreement regarding deliveries of spare parts to LKAB's operations in Kiruna, Svappavaara, Malmberget and Luleå.

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. This interim report consists of pages 1-18 and should be read in its entirety.

New standards or interpretations that became effective on 1 January 2016 have not had any material effect on Mekonomen Group's financial statements 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, except that exchange-rate differences pertaining to net investment in foreign operations as of 1 January 2016 have been recognised in profit or loss instead of in comprehensive income, in accordance with the changes in RFR 2. Comparative figures have been restated.

## **SEGMENT REPORTING**

In an effort to streamline Mekonomen Group's reporting structure, Mekonomen Sweden and Mekonomen Norway report directly to the President and CEO as of 2016. This has led to the removal of one organisational unit, Mekonomen Nordic. As of the first quarter of 2016, the Group is now managed and reported in four segments; MECA, Mekonomen Sweden, Mekonomen Norway and Sørensen og Balchen. Reporting according to the new segment structure will take place for the first time in Q1, 2016. The comparative figures have been restated.

The MECA segment remains unchanged and mainly includes wholesale and store operations in Sweden and Norway and the export business to Denmark, and the delivery and service of workshop equipment in Opus Equipment. As of 1 January 2015, the store operation in Denmark has been presented as discontinued operations and is not therefore included in the MECA segment. The Mekonomen Sweden segment mainly includes wholesale, store and fleet operations in Sweden. The Mekonomen Norway segment mainly includes store and fleet operations in Norway. The Sørensen og Balchen segment remains unchanged and mainly includes wholesale and store operations in Norway.

"Other segments" includes business operations and operating segments that are not reported separately. These include Mekonomen's wholesale and store operations in Finland, Mekonomen's store operations in Iceland,



Marinshopen, Meko Service Nordic with the BilLivet and Speedy workshop operations, the Car Share operations, the InterMeko Europa joint venture in Poland, the associated company Automotive Web Solutions AB, Lasingoo Norway and group-wide functions that also include Mekonomen AB (publ). The units reported in “Other segments” cannot produce the quantitative thresholds to be considered reportable, and the benefits of reporting these segments separately are considered limited for users of the financial statements. Mekonomen AB (publ) mainly comprises Group Management and finance management functions.

“Other items” includes acquisition-related items attributable to Mekonomen AB’s direct acquisitions.

As of 1 January 2016, items previously reported under “Others” are now distributed between “Other segments” and “Other items,” and Mekonomen Finland, Mekonomen Iceland, Marinshopen and central administrative functions from the former Mekonomen Nordic segments have been added to “Other segments.” Comparative figures have been restated.

#### **FORTHCOMING FINANCIAL REPORTING DATES**

<b>Information</b>	<b>Period</b>	<b>Date</b>
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
Interim report	January-March 2017	10 May 2017
Interim report	January-June 2017	23 August 2017
Interim report	January-September 2017	7 November 2017
Year-end report	January-December 2017	9 February 2018

Stockholm, 11 May 2016

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

Magnus Johansson  
President and CEO

This interim report has not been reviewed by the company’s auditors.

For further information, please contact:

Magnus Johansson, President and CEO, Mekonomen AB, tel: +46 (0)8-464 00 00

Per Hedblom, CFO Mekonomen AB, tel: +46 (0)8-464 00 00

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

The information was submitted for publication on 11 May 2016 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 2016	Jan-Mar 2015	12 months April-March	Full-year 2015
<b>Continuing operations:</b>				
Net sales	1 391	1 346	5 669	5 624
Other operating revenue	32	36	133	137
<b>Total revenue</b>	<b>1 424</b>	<b>1 382</b>	<b>5 803</b>	<b>5 761</b>
Goods for resale	-637	-599	-2 567	-2 529
Other external costs	-296	-286	-1 177	-1 167
Personnel expenses	-327	-313	-1 296	-1 282
Depreciation and impairment of tangible fixed assets	-14	-14	-57	-57
<b>Operating profit before amortisation and impairment of intangible fixed assets (EBITA)</b>	<b>149</b>	<b>169</b>	<b>706</b>	<b>726</b>
Amortisation and impairment of intangible fixed assets	-28	-27	-111	-110
<b>EBIT</b>	<b>121</b>	<b>142</b>	<b>595</b>	<b>616</b>
Interest income	1	1	5	6
Interest expenses	-8	-9	-32	-33
Other financial items	-4	10	-9	5
<b>Profit after financial items</b>	<b>110</b>	<b>144</b>	<b>560</b>	<b>594</b>
Tax	-27	-39	-152	-164
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>83</b>	<b>105</b>	<b>408</b>	<b>430</b>
<b>Discontinued operations:</b>				
Profit for the period from discontinued operations <sup>1)</sup>	0	0	0	0
<b>PROFIT FOR THE PERIOD</b>	<b>83</b>	<b>105</b>	<b>408</b>	<b>430</b>
<b>Profit for the period attributable to:</b>				
Parent Company's shareholders	82	103	401	423
Minority owners	1	2	7	8
<b>PROFIT FOR THE PERIOD</b>	<b>83</b>	<b>105</b>	<b>408</b>	<b>430</b>
<b>Earnings/loss per share, before and after dilution, SEK</b>				
- Earnings from continuing operations	2,28	2,88	11,17	11,77
- Earnings/loss from discontinued operations	0,00	-0,01	0,01	0,00
Profit for the period	2,28	2,87	11,18	11,77

<sup>1)</sup> For further information about discontinued operations, refer to page 16.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, SEK M	Jan-Mar 2016	Jan-Mar 2015	12 months April-March	Full-year 2015
<b>Profit for the period</b>	<b>83</b>	<b>105</b>	<b>408</b>	<b>430</b>
<b>Other comprehensive income:</b>				
<i>Components that will not be reclassified to earnings for the year:</i>				
- Actuarial gains and losses	-	-	2	2
<i>Components that may later be reclassified to earnings for the year:</i>				
- Exchange-rate differences from translation of foreign subsidiaries <sup>1)</sup>	26	25	-87	-88
- Cash-flow hedges <sup>2)</sup>	-4	-1	-4	-1
<b>Other comprehensive income/loss, net after tax</b>	<b>22</b>	<b>23</b>	<b>-89</b>	<b>-87</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>105</b>	<b>128</b>	<b>320</b>	<b>343</b>
<b>Comprehensive income for the period attributable to:</b>				
Parent Company's shareholders	104	126	313	336
Minority owners	1	2	7	7
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>105</b>	<b>128</b>	<b>320</b>	<b>343</b>
<b>Total comprehensive income attributable to Parent Company's shareholders derived from:</b>				
Continuing operations	103	127	313	337
Discontinued operations	1	0	0	-1

<sup>1)</sup> At 31 March 2016, 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 profit or loss at the current amount on the date when the Danish company is liquidated. For further information about discontinued operations, see page 16.

<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	31 March 2016	31 March 2015	31 December 2015
<b>ASSETS <sup>1)</sup></b>			
Intangible fixed assets	2 732	2 810	2 734
Tangible fixed assets	181	201	182
Financial fixed assets	54	61	51
Deferred tax assets	55	55	55
Goods for resale	1 202	1 241	1 226
Current receivables	927	880	818
Cash and cash equivalents	238	380	295
<b>TOTAL ASSETS</b>	<b>5 387</b>	<b>5 627</b>	<b>5 361</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES <sup>1)</sup></b>			
Shareholders' equity	2 257	2 204	2 155
Long-term liabilities, interest-bearing	1 440	1 576	1 469
Deferred tax liabilities	158	160	169
Long-term liabilities, non-interest-bearing	9	3	8
Current liabilities, interest-bearing	436	517	461
Current liabilities, non-interest-bearing	1 087	1 167	1 099
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>5 387</b>	<b>5 627</b>	<b>5 361</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.

CONDENSED CONSOLIDATED CHANGES IN SHAREHOLDERS' EQUITY, SEK M	31 March 2016	31 March 2015	31 December 2015
Shareholders' equity at the beginning of the year	2 155	2 080	2 080
Comprehensive income for the period	105	128	343
Acquisition/divestment of non-controlling interests	-3	-2	-7
Dividend to shareholders	0	-2	-261
<b>SHAREHOLDERS' EQUITY AT THE END OF THE PERIOD</b>	<b>2 257</b>	<b>2 204</b>	<b>2 155</b>
Of which non-controlling interests	13	14	12

CONDENSED CONSOLIDATED CASH-FLOW STATEMENT, SEK M	Jan-Mar 2016	Jan-Mar 2015	12 months April-March	Full-year 2015
<b>Operating activities</b>				
Cash flow from operating activities before changes in working capital, excluding tax paid	153	196	738	782
Tax paid	-80	-72	-196	-189
<b>Cash flow from operating activities before changes in working capital</b>	<b>73</b>	<b>124</b>	<b>542</b>	<b>594</b>
Cash flow from changes in working capital:				
Changes in inventory	40	-19	40	-19
Changes in receivables	-82	-97	4	-11
Changes in liabilities	-1	-56	-69	-124
Increase (-)/Decrease (+) restricted working capital	-43	-172	-26	-154
<b>Cash-flow from operating activities</b>	<b>30</b>	<b>-47</b>	<b>516</b>	<b>439</b>
<b>Cash flow from investing activities</b>	<b>-26</b>	<b>-19</b>	<b>-153</b>	<b>-146</b>
<b>Cash flow from financing activities</b>	<b>-62</b>	<b>182</b>	<b>-490</b>	<b>-245</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-58</b>	<b>116</b>	<b>-126</b>	<b>48</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>295</b>	<b>258</b>	<b>380</b>	<b>258</b>
Exchange-rate difference in cash and cash equivalents	2	7	-16	-11
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>238</b>	<b>380</b>	<b>238</b>	<b>295</b>

Compared with the interim report for January-March 2015, SEK 45 M was reclassified between cash flow from operating activities before changes in working capital and changes in liabilities in the working capital. The reclassification did not have any impact on total cash flow from operating activities. The reclassification pertains to the discontinued operations in Denmark.

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

The financial instruments measured at fair value in the balance sheet are shown below. This was done by dividing the values into three levels, which is described in the 2015 Annual Report, Note 11. All of Mekonomen's financial instruments are included in Level 2.

The main methods and assumptions used to determine the fair value of the financial instruments shown in the table below are described in the 2015 Annual Report, Note 11. The financial instruments contained in the interim report are the same as those in the 2015 annual accounts.

CONSOLIDATED DERIVATIVE INSTRUMENTS MEASURED AT FAIR VALUE IN THE BALANCE SHEET, SEK M	31 March 2016	31 March 2015
<b>FINANCIAL ASSETS</b>		
Derivatives: Currency swaps	-	-
Interest-rate swaps	-	-
<b>TOTAL</b>	-	-
<b>FINANCIAL LIABILITIES</b>		
Derivatives: Currency swaps	-	5
Interest-rate swaps	8	3
<b>TOTAL</b>	<b>8</b>	<b>8</b>

GROUP'S FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORY, 31 March 2016							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	-	52	-	52	52	2	54
Accounts receivable	-	575	-	575	575	-	575
Other current receivables	-	-	-	-	-	351	351
Cash and cash equivalents	-	238	-	238	238	-	238
<b>TOTAL</b>	-	<b>865</b>	-	<b>865</b>	<b>865</b>	<b>353</b>	<b>1 218</b>
<b>FINANCIAL LIABILITIES</b>							
Long-term liabilities, interest-bearing	8	-	1 432	1 440	1 440	-	1 440
Current liabilities, interest-bearing	-	-	436	436	436	-	436
Accounts payable	-	-	509	509	509	-	509
Other current liabilities	-	-	-	-	-	578	578
<b>TOTAL</b>	<b>8</b>	-	<b>2 377</b>	<b>2 385</b>	<b>2 385</b>	<b>578</b>	<b>2 963</b>

QUARTERLY DATA, CONTINUING OPERATIONS, SEGMENT	2016 Q1	2015					2014					
		FY	Q4	Q3	Q2	Q1	FY	Q4	Q3	Q2	Q1	
<b>NET SALES, SEK M <sup>1)</sup></b>												
MECA <sup>2)</sup>	500	1 871	489	466	473	444	1 679	435	414	419	411	
Mekonomen Sweden <sup>3)</sup>	462	1 925	493	468	515	449	1 805	469	443	463	430	
Mekonomen Norway <sup>4)</sup>	194	814	191	195	224	204	800	200	202	207	191	
Sørensen og Balchen	172	729	159	179	201	191	712	176	176	188	171	
Other segments <sup>5)</sup>	63	285	83	66	77	60	268	68	69	77	53	
<b>GROUP</b>	<b>1 391</b>	<b>5 624</b>	<b>1 415</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>EBITA, SEK M</b>												
MECA <sup>2)</sup>	62	258	52	54	80	71	268	72	73	76	47	
Mekonomen Sweden <sup>3)</sup>	53	289	53	78	92	65	306	75	84	78	69	
Mekonomen Norway <sup>4)</sup>	27	151	25	39	51	36	136	28	37	36	35	
Sørensen og Balchen	24	117	26	30	35	25	109	22	29	34	24	
Other segments <sup>5)</sup>	-17	-87	-20	-5	-35	-28	-57	-14	-9	-15	-19	
<b>GROUP</b>	<b>149</b>	<b>726</b>	<b>138</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>EBIT, SEK M</b>												
MECA <sup>2)</sup>	60	245	49	51	77	68	243	57	69	73	44	
Mekonomen Sweden <sup>3)</sup>	52	287	53	77	92	65	306	75	84	78	69	
Mekonomen Norway <sup>4)</sup>	27	151	25	39	51	35	136	28	37	36	35	
Sørensen og Balchen	24	116	26	30	35	25	109	22	29	34	24	
Other segments <sup>5)</sup>	-23	-106	-26	-9	-39	-32	-77	-18	-13	-19	-26	
Other items <sup>6)</sup>	-19	-77	-19	-19	-19	-19	-78	-19	-20	-19	-19	
<b>GROUP</b>	<b>121</b>	<b>616</b>	<b>109</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>INVESTMENTS, SEK M <sup>7)</sup></b>												
MECA <sup>2)</sup>	3	17	5	2	2	8	20	5	6	5	4	
Mekonomen Sweden <sup>3)</sup>	6	29	12	2	6	9	18	6	4	3	5	
Mekonomen Norway <sup>4)</sup>	1	4	1	1	1	1	7	4	0	2	1	
Sørensen og Balchen	1	3	1	0	1	1	4	1	0	1	1	
Other segments <sup>5)</sup>	8	50	14	14	14	8	21	10	3	6	2	
<b>GROUP</b>	<b>20</b>	<b>103</b>	<b>33</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>EBITA MARGIN, %</b>												
MECA <sup>2)</sup>	12	14	11	12	17	16	16	16	18	18	11	
Mekonomen Sweden <sup>3)</sup>	11	14	10	16	17	14	16	15	18	16	15	
Mekonomen Norway <sup>4)</sup>	14	18	13	19	22	17	17	14	18	17	18	
Sørensen og Balchen	14	16	16	16	17	13	15	12	16	18	14	
<b>GROUP</b>	<b>10</b>	<b>13</b>	<b>10</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>EBIT MARGIN, %</b>												
MECA <sup>2)</sup>	12	13	10	11	16	15	14	13	17	17	11	
Mekonomen Sweden <sup>3)</sup>	11	14	10	16	17	14	16	15	18	16	15	
Mekonomen Norway <sup>4)</sup>	14	18	13	19	22	17	17	14	18	17	18	
Sørensen og Balchen	13	16	16	16	17	13	15	12	16	18	14	
<b>GROUP</b>	<b>9</b>	<b>11</b>	<b>8</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>	

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

<sup>2)</sup> As of 1 January 2015, the store operation in Denmark has been presented as discontinued operations and is not therefore included in the MECA segment. For further information about discontinued operations, see page 16.

<sup>3)</sup> The Mekonomen Sweden segment mainly includes wholesale, store and fleet operations in Sweden. Mekonomen Sweden was previously included in the Mekonomen Nordic segment. For further information about the new segment structure, refer to "Accounting policies" on page 8. Items were reallocated in Mekonomen Sweden, representing higher net sales of SEK 16 M for Q1 2015 and SEK 51 M for full-year 2015, and a positive EBIT effect of SEK 9 M for Q1 2015 and SEK 28 M for full-year 2015, compared with the figures previously presented for Mekonomen Sweden under the Mekonomen Nordic segment.

<sup>4)</sup> The Mekonomen Norway segment mainly includes store and fleet operations in Norway. Mekonomen Norway was previously included in the Mekonomen Nordic segment. For further information about the new segment structure, refer to "Accounting policies" on page 8. Items were reallocated to Mekonomen Norway, representing higher net sales of SEK 2 M for Q1 2015 and SEK 11 M for full-year 2015, and a positive EBIT effect of SEK 2 M for Q1 2015 and negative effect of SEK 1 M for full-year 2015, compared with the figures previously presented for Mekonomen Norway under the Mekonomen Nordic segment.

<sup>5)</sup> "Other segments" includes business operations and operating segments that are not reported separately. "Other segments" also includes units that were previously included in Mekonomen Nordic but are not included in Mekonomen Sweden or Mekonomen Norway. The comparative figures have been restated. For further information about the new segment structure, refer to "Accounting policies" on page 8.

<sup>6)</sup> "Other items" include acquisition-related items attributable to Mekonomen AB's direct acquisitions. Current acquisition-related items pertain to amortisation of acquired intangible assets related to the acquisitions of MECA and Sørensen og Balchen. For further information about the new segment structure refer to "Accounting policies" on page 8.

<sup>7)</sup> Investments do not include company and business combinations.

QUARTERLY DATA, CONTINUING OPERATIONS, SEK M	2016		2015					2014				
	Q1	FY	Q4	Q3	Q2	Q1	FY	Q4	Q3	Q2	Q1	
Revenue	1 424	5 761	1 447	1 405	1 527	1 382	5 390	1 373	1 340	1 387	1 290	
EBITA	149	726	138	196	224	169	763	184	214	210	156	
EBIT	121	616	109	168	197	142	639	145	186	182	126	
Net financial items	-11	-22	0	-15	-9	2	-19	-3	-12	-1	-4	
Profit after net financial items	110	594	109	154	188	144	620	142	174	181	123	
Tax	-27	-164	-32	-42	-50	-39	-153	-40	-38	-44	-31	
Profit for the period	83	430	76	111	138	105	466	102	135	137	92	
EBITA margin, %	10	13	10	14	15	12	14	13	16	15	12	
EBIT margin, %	9	11	8	12	13	10	12	11	14	13	10	
Earnings per share, continuing operations, SEK	2,28	11,77	2,14	3,01	3,74	2,88	12,80	2,87	3,69	3,74	2,50	
Earnings/loss per share, discontinued operations, SEK	0,00	0,00	0,03	0,00	-0,02	-0,01	-9,46	-7,55	-0,49	-0,75	-0,67	
Earnings/loss per share, SEK	2,28	11,77	2,17	3,01	3,72	2,87	3,34	-4,68	3,20	2,99	1,83	
Shareholders' equity per share, SEK	62,5	59,7	59,7	58,4	56,9	61,0	57,5	57,5	65,0	60,9	64,6	
Cash flow per share, SEK <sup>1)</sup>	0,8	12,2	5,4	4,3	3,8	-1,3	11,5	5,0	3,2	5,4	-2,0	
Return on shareholders' equity, % <sup>2)</sup>	18,7	20,0	20,0	20,9	21,9	21,3	20,6	20,6	18,3	17,2	16,6	

<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. For further information about discontinued operations, refer to page 16.

KEY FIGURES	Jan-Mar 2016	Jan-Mar 2015	12 months April-March	Full-year 2015
Return on shareholders' equity, % <sup>1)</sup>	18,7	21,3	18,7	20,0
Return on total capital, % <sup>1)</sup>	10,9	12,2	10,9	11,5
Return on capital employed, % <sup>1)</sup>	14,2	16,0	14,2	15,2
Equity/assets ratio, %	41,9	39,2	41,9	40,2
Gross margin, continuing operations, %	54,2	55,5	54,7	55,0
EBITA margin, continuing operations, %	10,5	12,2	12,2	12,6
EBIT margin, continuing operations, %	8,5	10,3	10,3	10,7
EBITDA, continuing operations, SEK M	163	184	763	784
EBITDA margin, continuing operations, %	11,5	13,3	13,2	13,6
Earnings per share, continuing operations, SEK	2,28	2,88	11,17	11,77
Earnings/loss per share, discontinued operations, SEK	0,00	-0,01	0,01	0,00
Earnings per share, SEK	2,28	2,87	11,18	11,77
Shareholders' equity per share, SEK	62,5	61,0	62,5	59,7
Cash flow per share, SEK	0,8	-1,3	14,4	12,2
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

<sup>1)</sup> The key figures for return on shareholders' equity/total capital/capital employed are calculated on a rolling 12-month basis for the January-March period and pertain to continuing operations. The balance sheet was not restated for discontinued operations. For further information about discontinued operations, see page 16.

NUMBER OF STORES AND WORKSHOPS	MECA <sup>1)</sup>		Mekonomen Sweden		Mekonomen Norway		Sørensen og Balchen		Other		Group total	
	31 March		31 March		31 March		31 March		31 March		31 March	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>Number of stores</b>												
Proprietary stores	73	72	115	115	32	33	36	34	5	6	261	260
Partner stores	12	15	20	22	13	14	35	37	3	3	83	91
<b>Total</b>	<b>85</b>	<b>87</b>	<b>135</b>	<b>137</b>	<b>45</b>	<b>47</b>	<b>71</b>	<b>71</b>	<b>8</b>	<b>9</b>	<b>344</b>	<b>351</b>
<b>Number of workshops<sup>1)</sup></b>												
Mekonomen Service Centres	98	185	439	439	350	378	-	-	40	35	927	1 037
MekoPartner	37	127	125	135	96	76	-	-	-	-	258	338
Speedy	-	-	-	-	-	-	-	-	20	14	20	14
BilXtra	-	-	-	-	-	-	248	233	-	-	248	233
MECA Car Service	676	626	-	-	-	-	-	-	-	-	676	626
<b>Total</b>	<b>811</b>	<b>938</b>	<b>564</b>	<b>574</b>	<b>446</b>	<b>454</b>	<b>248</b>	<b>233</b>	<b>60</b>	<b>49</b>	<b>2 129</b>	<b>2 248</b>

<sup>1)</sup> As of 1 January 2015, the store operations in Denmark have been presented as discontinued operations and the stores are not therefore included in the MECA segment. With respect to workshops, presentation of the workshops affiliated with Mekonomen Group concept will also continue. MECA sells directly to these workshops in Denmark. For further information about discontinued operations, see page 16.

AVERAGE NUMBER OF EMPLOYEES, CONTINUING OPERATIONS	Jan-Mar 2016	Jan-Mar 2015
MECA <sup>1)</sup>	724	611
Mekonomen Sweden	852	829
Mekonomen Norway	252	249
Sørensen og Balchen	260	259
Other segments <sup>2)</sup>	293	245
<b>Total</b>	<b>2 380</b>	<b>2 193</b>

<sup>1)</sup> As of 1 January 2015, the store operations in Denmark has been presented as discontinued operation and is not therefore included in the MECA segment. For further information about discontinued operations, see below.

<sup>2)</sup> "Other segments" include Mekonomen's wholesale and store operations in Finland, Mekonomen's store operations in Iceland, Marinshopen, Meko Service Nordic with the BilLivet and Speedy workshop operations, the Car Share operations, Lasingoo Norway and group-wide functions including Mekonomen AB (publ). Mekonomen AB's operations mainly comprise Group Management and finance management functions. As of 1 January 2016, "Other segments" includes units that were previously included in Mekonomen Nordic, but not included in Mekonomen Sweden or Mekonomen Norway. The comparative figures have been restated. For further information about the new segment structure, refer to "Accounting policies" on page 8.

## DISCONTINUED OPERATIONS

In December 2014, a decision was made regarding extensive structural changes and repositioning of the Group's Danish operations. All of the stores, which are also local warehouses, as well as the Danish head office have been closed. The franchise workshops were retained and these now receive deliveries of spare parts directly from regional and central warehouses, which has made logistics more efficient without intermediaries in the distribution chain.

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

In the consolidated income statement, earnings generated by the discontinued store operation is recognised as an item under "Discontinued operations." This means that the discontinued operations have been excluded from all profit/loss items in the consolidated income statement and that only net earnings from the discontinued operations have been presented in the line item "Profit/loss from discontinued operations." Cash flow from discontinued operations is included in the consolidated cash-flow statement and recognised separately below. The consolidated balance sheet has not been restated.

At 31 March 2016, 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 profit or loss in the current amount on the date when the Danish company is liquidated.

Separate financial information pertaining to the discontinued operation in Denmark is presented below.

PROFIT/LOSS FOR THE PERIOD AND OTHER COMPREHENSIVE INCOME FROM DISCONTINUED OPERATIONS, SEK M	Jan-Mar 2016	Jan-Mar 2015	12 months April-March	Full-year 2015
Revenue	0	36	0	36
Expenses	0	-36	0	-36
<b>Profit from discontinued operations - before tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Tax	0	0	0	0
<b>Profit from discontinued operations - after tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other comprehensive income:</b>				
Exchange-rate differences on translation of foreign subsidiaries	1	0	0	-1
<b>Comprehensive income/loss from discontinued operations</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>-1</b>

SUMMARY OF CASH FLOW FROM DISCONTINUED OPERATIONS, SEK M	Jan-Mar 2016	Jan-Mar 2015	12 months April-March	Full-year 2015
Cash flow from operating activities	-3	-84	-53	-134
Cash flow from investing activities	1	18	12	29
Cash flow from financing activities	0	0	0	0
<b>Cash flow from discontinued operations</b>	<b>-2</b>	<b>-66</b>	<b>-41</b>	<b>-105</b>



## FINANCIAL REPORTS, PARENT COMPANY

CONDENSED INCOME STATEMENT FOR THE PARENT COMPANY, SEK M	Jan-Mar 2016	Jan-Mar 2015	12 months April-March	Full-year 2015
Operating revenue	20	9	89	78
Operating expenses	-28	-20	-138	-130
<b>EBIT</b>	<b>-8</b>	<b>-11</b>	<b>-49</b>	<b>-52</b>
Net financial items <sup>1)</sup>	43	429	67	453
<b>Profit after financial items</b>	<b>35</b>	<b>418</b>	<b>18</b>	<b>401</b>
Appropriations	-	-	226	226
Tax	2	1	-36	-37
<b>PROFIT FOR THE PERIOD</b>	<b>37</b>	<b>419</b>	<b>208</b>	<b>589</b>

<sup>1)</sup> Net financial items include dividends on participations in subsidiaries totalling SEK 47 M (421) for the quarter and SEK 489 M for the full-year 2015, and an impairment loss on participations in subsidiaries of SEK 0 M (0) for the quarter and SEK 35 M for the full-year 2015. Of the impairment loss on shares in subsidiaries, SEK 26 M pertains to the store operations in Denmark for the full-year 2015. As of 1 January 2016, net financial items also include a negative exchange-rate difference of SEK 1 M (neg: 1) pertaining to net investment in foreign operations during the quarter and of SEK 3 M for the full-year 2015. Comparative figures have been restated.

STATEMENT OF COMPREHENSIVE INCOME FOR THE PARENT COMPANY, SEK M	Jan-Mar 2016	Jan-Mar 2015	12 months April-March	Full-year 2015
<b>Profit for the period</b>	<b>37</b>	<b>419</b>	<b>208</b>	<b>589</b>
<i>Other comprehensive income, net after tax <sup>1)</sup></i>	-	-	-	-
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>37</b>	<b>419</b>	<b>208</b>	<b>589</b>

<sup>1)</sup> Due to deletion of the exception in RFR 2 for recognition of exchange-rate differences pertaining to net investment in foreign operations, as of 1 January 2016, exchange-rate differences are presented in profit or loss rather than other comprehensive income. The comparative figures have been restated.

CONDENSED BALANCE SHEET FOR THE PARENT COMPANY SEK M	31 March 2016	31 March 2015	31 December 2015
<b>ASSETS</b>			
Fixed assets	3 148	3 140	3 147
Current receivables in Group companies	1 524	1 597	1 583
Other current receivables	95	57	67
Cash and cash equivalents	124	302	210
<b>TOTAL ASSETS</b>	<b>4 892</b>	<b>5 096</b>	<b>5 007</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	2 812	2 855	2 775
Untaxed reserves	175	114	175
Provisions	2	0	2
Long-term liabilities	1 426	1 562	1 460
Current liabilities in Group companies	1	12	117
Other current liabilities	475	553	478
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>4 892</b>	<b>5 096</b>	<b>5 007</b>

CONDENSED CHANGES IN EQUITY FOR THE THE PARENT COMPANY, SEK M	31 March 2016	31 March 2015	31 December 2015
Shareholders' equity at the beginning of the year	2 775	2 437	2 437
Comprehensive income for the period	37	419	589
Dividend to shareholders	-	-	-251
<b>SHAREHOLDERS' EQUITY AT THE END OF THE PERIOD</b>	<b>2 812</b>	<b>2 855</b>	<b>2 775</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

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 Mekonomen Group's concepts, including sales in Fleet operations.
Sales to customer groups Consumer	Cash sales from proprietary stores to other customer groups than Affiliated workshops and Other workshops, and the Group's e-commerce sales to consumer.
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 on 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 CarParts AB to each country.
Currency translation effects	Impact of currency from translation of earnings from foreign subsidiaries to SEK.
Other operating revenue	Mainly comprises rental income, marketing subsidies and exchange-rate gains in Mekonomen Group.

Mekonomen AB (publ)  
 Postal address:  
 Box 19542  
 SE-104 32 Stockholm, Sweden  
 Visiting address:  
 Solnavägen 4, 10th floor, Stockholm, Sweden  
 Tel: +46 8 464 00 00  
 E-mail: ir@mekonomen.se  
 www.mekonomen.com