

# Mekonomen

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1 November 2010

## Interim report January-September 2010

1 July – 30 September

- Revenues increased 8 per cent adjusted for currency effects and calculated on comparable workdays.  
Prior to adjustment, revenues increased 4 per cent to SEK 839 M (808).
- EBIT increased 41 per cent to SEK 141 M (100) and the EBIT margin rose to 17 per cent (12).
- Profit after financial items increased 44 per cent to SEK 140 M (97).
- Profit after tax amounted to SEK 100 M (70).
- Earnings per share before and after dilution amounted to SEK 3.07 (2.16).

1 July – 30 September

- Revenues increased 9 per cent adjusted for currency effects and calculated on comparable workdays.  
Prior to adjustment, revenues increased 7 per cent to SEK 2,555 M (2,391).
- EBIT increased 54 per cent to SEK 375 M (244) and the EBIT margin rose to 15 per cent (10).
- Profit after financial items increased 56 per cent to SEK 374 M (240).
- Profit after tax amounted to SEK 273 M (175).
- Earnings per share before and after dilution amounted to SEK 8.43 (5.33).
- Net indebtedness totalled SEK 87 M (29) at the end of the period.

SUMMARY OF THE GROUP'S EARNINGS TREND	July – September			January – September			12 months	Full-year
	2010	2009	Change %	2010	2009	Change %	Oct - Sep	2009
Revenues, SEK M	839	808	4	2,555	2,391	7	3,370	3,206
EBIT, SEK M	141	100	41	375	244	54	456	325
Profit after financial items, SEK M	140	97	44	374	240	56	456	323
Profit after tax, SEK M	100	70	43	273	175	56	336	237
Earnings per share, SEK	3.07	2.16	42	8.43	5.33	58	10.49	7.38
EBIT Margin, %	17	12		15	10		14	10

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## CEO's comments

### Strong third quarter for Mekonomen

- EBIT for the third quarter rose 41 per cent
- EBIT margins in Norway and Sweden remained high
- Denmark displayed stable EBIT margin at 6 per cent

Mekonomen's EBIT for the third quarter of 2010 increased 41 per cent to SEK 141 M (100) and the EBIT margin amounted to 17 per cent (12). Without adjustments, revenues increased 4 per cent to SEK 839 M (808). As in the second quarter of 2010, the strong EBIT margin was partly due to improved gross margin through more efficient purchasing and partly due to cost control throughout the operations.

EBIT for the third quarter in Denmark rose to 12 per cent (3) and the EBIT margin amounted to 6 per cent (2). The turnaround in Denmark is evident and the operation is now on a stable profitability level.

In Norway, sales increased 8 per cent. The EBIT margin amounted to 20 per cent (18). Both growth and profitability were attributable to continued efforts in the Mekonomen concept. During the quarter, a number of new partnerships were initiated, including the workshop chain Fyksen Servicecenter, with five facilities in Norway.

In Sweden, the EBIT margin amounted to 21 per cent (18). Growth was 6 per cent.

The sale of Mekonomen's own branded products remain successful and during the third quarter additional spare parts under the brand name Mekonomen Original was launched.

The number of workshops affiliated to Mekonomen increased and totalled 1,275 (1,197) at the end of the period. The number of stores during the same period amounted to 224 (215). Sales to Mekonomen Service Centres increased 15 per cent during the third quarter signifying that the Mekonomen Service Centre chain has the strongest growth among workshop chains in Scandinavia. It is also very gratifying that the MekoPartner chain increased 19 per cent during the third quarter. The demand for our workshop services is high and the challenge lies in increasing growth in existing workshops, with more mechanics, as well as more workshops. It is also clear that Mekonomen Workshop Centres are an important factor to the increased growth in the workshop segment.

Based on the current market situation, with clear plans for further development, Mekonomen is well equipped for the future. According to a recent survey conducted by NORM, knowledge of Mekonomen among car owners in Sweden is a full 99 per cent. In Norway, knowledge increased from 87 to 91 per cent and in Denmark from 54 to 66 per cent. Particularly satisfying is that Mekonomen's workshops received high ratings from customers.

The market trend in Sweden and Norway displayed strong growth of approximately 5 per cent, year-on-year (currency adjusted), while the Danish market is about 0 per cent.

The strong earnings during the third quarter confirmed that our repositioning has generated higher revenues and improved EBIT margins. The launch of the Mekonomen concept continues with full power, to make CarLife easier for customers.

Håkan Lundstedt  
President and CEO

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## Consolidated sales and earnings

### REVENUES

1 July – 30 September

Revenues increased 4 per cent to SEK 839 M (808), due to extensive market efforts and a positive impact from the new Mekonomen Mega and Mekonomen Medium store concepts. Adjusted for currency effects, revenues increased 8 per cent. Calculated on comparable workdays and adjusted for currency effects, the increase was 8 per cent. The number of workdays was, on average, equal to the year-earlier period.

1 January – 30 September

Revenues increased 7 per cent to SEK 2,555 M (2,391) for the period. Adjusted for currency effects, revenues increased 10 per cent. Calculated on comparable workdays and adjusted for currency effects, the increase was 9 per cent. The number of workdays was an average of one day more compared with the year-earlier period.

### EBIT

1 July – 30 September

EBIT amounted to SEK 141 M (100) and the EBIT margin to 17 per cent (12). The revenue increase was primarily due to increased sales, with improved gross margin and continued strong cost control throughout the operations.

1 January – 30 September

EBIT amounted to SEK 375 M (244) and the EBIT margin to 15 per cent (10).

### PROFIT AFTER FINANCIAL ITEMS

Profit after financial items amounted to SEK 140 M (97) for the third quarter and to SEK 374 M (240) for the nine-month period. Net interest income for the third quarter amounted to SEK 0 M (0) and other financial items was a negative SEK 1 M (neg: 3). Net interest income amounted to SEK 1 M (0) for the nine-month period and other financial items was a negative SEK 2 M (neg: 3).

## Financial position

Cash flow from operating activities amounted to SEK 66 M (59) for the third quarter and to SEK 225 M (200) for the nine-month period. Cash and cash equivalents and short-term investments on 30 September 2010 amounted to SEK 38 M, compared with SEK 60 M on 31 December 2009. The equity/assets ratio was 55 per cent (55). Interest-bearing liabilities amounted to SEK 124 M (56) and at the end of the period net indebtedness amounted to SEK 87 M, compared with net cash in hand of SEK 30 M on 31 December 2009. The decrease in net cash in hand from 31 December 2009 was primarily due to dividends of SEK 227 M paid during the second quarter.

## Investments

During the third quarter, investments in fixed assets amounted to SEK 24 M (15). For the nine-month period, these investments amounted to SEK 62 M (65). Company and operations acquisitions during the quarter totalled SEK 15 M (0), and SEK 54 M (10) for the nine-month period. Acquired assets totalled SEK 37 M (6) and acquired liabilities SEK 16 M (1). Besides brands, which amounted to SEK 3 M (0), no significant intangible surplus values have been identified in connection with the acquisitions. Goodwill amounted to SEK 21 M (5).

## Acquisitions and start-ups

During the third quarter, stores in Ljusdal and Hudiksvall in Sweden were acquired. In conjunction with the acquisition of the store in Hudiksvall, it was merged with the existing store in Hudiksvall. In addition, minority shares were acquired in Swedish stores. In Norway, the partner store in Tynset left the chain.

During the first six months of the year, one new Mega unit was opened in Lund, Sweden. The existing store in Finspång transferred to a partner store and a new partner store became affiliated in Finspång. The store in Sollentuna closed. In addition, partner stores were acquired in Karlstad, Täby, Södertälje, Sisjön, Akalla and

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Globen. In Norway, the previous partner store in Alta was acquired and the store in Ålesund transferred to a partner store. In Norway, a partner store was acquired in Steinkjer, while one partner store was closed in Levanger. In addition, a new partner store was affiliated in Ålesund and Brønnøysund. In Denmark, the store in Holbæk transferred to a partner store and a new partner store was affiliated in Brønderslev. In addition, minority shares were acquired in Swedish stores.

Mekonomen Fleet acquired FG Skandinavia AB, which sells alcohol safety interlocking devices in the Scandinavian market. This acquisition will give Mekonomen Fleet a position in this expanding product area in the automotive market.

The total number of stores in the chain at the end of the period was 224 (215), of which 177 (175) were own stores. The number of affiliated workshops increased to 1,275 (1,182), of which Mekonomen Service Centres increased to 940 (889) and MekoPartner to 335 (283).

## Employees

The number of employees at the end of the period was 1,482 (1,448) and the average number of employees during the period was 1,458 (1,432).

## Performance by geographic market

### SWEDEN

EARNINGS TREND	July – September			January – September			12 months	Full-year
	2010	2009	Change %	2010	2009	Change %	Oct - Sep	2009
Net sales (external), SEK M	422	398	6	1,253	1,141	10	1,662	1,550
EBIT, SEK M	91	74	31	232	187	24	306	261
EBIT Margin, %	21	18		18	16		18	16
Number of stores/of which owned stores				137/108	129/104	-	-	134/103
Number of Mekonomen Service Centres				414	391	-	-	401
Number of MekoPartner				125	112	-	-	117

Sales were positively impacted by the extensive and successful marketing, as well as from the new Mekonomen Medium and Mega store concepts. The number of workdays in the third quarter was the same as the year-earlier period and one more for the nine-month period. The underlying net sales increased 6 per cent in the third quarter and 9 per cent for the period.

### NORWAY

EARNINGS TREND	July – September			January – September			12 months	Full-year
	2010	2009	Change %	2010	2009	Change %	Oct - Sep	2009
Net sales (external), SEK M	199	184	8	614	549	12	796	731
EBIT, SEK M	40	33	21	112	88	27	138	114
EBIT Margin, %	20	18		18	16		17	16
Number of stores/ of which owned stores				47/32	46/31	-	-	47/31
Number of Mekonomen Service Centres				343	333	-	-	331
Number of MekoPartner				62	50	-	-	53

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The new store concepts, combined with the marketing investments implemented, had a positive impact on sales. The improved results were attributable to higher sales and continued good cost control. The number of workdays for the third quarter was the same compared with the year-earlier period; the currency effects were negative and the underlying net sales increased 9 per cent. The number of workdays for the period was the same, the currency effects were positive and the underlying net sales increased 11 per cent.

## DENMARK

EARNINGS TREND	July – September			January – September			12 months	Full-year
	2010	2009	Change %	2010	2009	Change %	Oct - Sep	2009
Net sales (external), SEK M	185	196	-6	593	623	-5	786	816
EBIT, SEK M	12	3	300	38	5	660	38	5
EBIT Margin, %	6	2		6	1		5	1
Number of stores/ of which owned stores				40/37	40/40	-	-	39/38
Number of Mekonomen Service Centres				183	175	-	-	178
Number of MekoPartner				148	121	-	-	126

The number of workdays in the quarter was the same compared with the year-earlier period and currency effects were negative. The underlying net sales increased 2 per cent. The number of workdays for the period was one more, the currency effects were negative and the underlying net sales increased 2 per cent. The earnings increase was due to successful marketing efforts combined with the cost savings implemented.

## FINLAND

Establishment in Finland is progressing according to plan and a total of 15 Mega units are planned for Finland by 2012. The Finnish operation is estimated to have a negative impact of SEK 20 M on EBIT by 2011. The operation is estimated to have a positive impact from 2012. Investments are estimated to total SEK 22 M by 2012. The first two Mega units in Finland will be opened in Helsinki on 27 November and 4 December, 2010.

## 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. One workday for the Group, corresponds to approximately SEK 13 M in net sales.

	Q 1		Q 2		Q 3		Q 4		Full-year	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Sweden	62	62	61	60	66	66	64	63	253	251
Norway	63	63	59	59	66	66	64	63	252	251
Denmark	63	63	59	58	66	66	64	63	252	250

## Significant risks and uncertainties

The company conducted a review and assessment of operating and financial risks and uncertainties in accordance with the description in the 2009 Annual Report and found that no significant risks have changed since then. Refer to the 2009 Annual Report for a complete report on the risks that affect the Group.

## Parent Company and other

The Parent Company's operations comprise Group management and Group-wide functions, as well as finance management. After net financial items, the Parent Company reported earnings of SEK 2 M (loss: 3) for the quarter and of SEK 3 M (loss: 16) for the nine-month period, excluding dividends from subsidiaries. The average number of employees for the period was 60 (40). During the year, Mekonomen AB sold products and services to Group companies totalling SEK 65 M (57).

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## Events after the end of the period

At the beginning of October, Mekonomen acquired Speedy Autoservice AB, which is a workshop chain specialising in quick service. Speedy has a total of 11 workshops situated in Stockholm, Malmö, Helsingborg, Lund, Örebro and Västerås. Of these workshops, six are owned and five are franchise. The acquisition is estimated to have a positive impact on the Group's earnings.

## Accounting policies

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

The new or revised IFRS standards or IFRIC interpretations that became effective on 1 January 2010 have not had any material effect on the Group's income statement or balance sheets. The Parent Company prepares its accounts in accordance with the Annual Accounts Act and RFR 2.3 and applies the same accounting policies and measurement methods as in the most recent Annual Report.

## Forthcoming financial reporting dates

INFORMATION	PERIOD	DATE
Year-end report	January – December 2010	17 February 2011
Interim report	January – March 2011	11 May 2011
Interim report	January – June 2011	24 August 2011
Interim report	January – September 2011	9 November 2011
Year-end report	January – December 2011	15 February 2012

## Annual General Meeting

The 2010 Annual General Meeting will be held on 14 April 2011 in Stockholm. The Annual Report will be available through publication on Mekonomen's website on 31 March 2011.

## Nomination Committee

In accordance with a resolution at the Annual General Meeting on 20 April 2010, Mekonomen has established a Nomination Committee. The Nomination Committee shall prepare and submit proposals to the Annual General Meeting on 14 April 2011 for the election of the Chairman of the General Meeting, election of the Chairman of the Board of Directors and other members of the Board, Board fees and possible remuneration for committee work, as well as the election of and fees for the auditors.

The Nomination Committee, prior to the 2011 Annual General Meeting, consists of Göran Ennerfelt, representing the Axel Johnson AB Group, Eva Fraim Pålman, representing own shareholdings, Johan Lannebo, representing Lannebo Funds and Åsa Nisell representing Swedbank Robur Funds. The Nomination Committee has elected Göran Ennerfelt as its Chairman.

Stockholm, 1 November 2010.

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Håkan Lundstedt  
President and CEO

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# Auditors' report pertaining to the review

We have conducted a review of the interim report for Mekonomen AB (publ) for the period 1 January 2010 to 30 September 2010. The Board of Directors and the President are responsible for preparing this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

## FOCUS AND SCOPE OF THE REVIEW

We have conducted our review in accordance with the Standard on Review Engagements SÖG 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different direction and is substantially more limited in scope than an audit conducted in accordance with Swedish GAAP and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the opinion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

## CONCLUSION

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

Stockholm, 1 November 2010.

Deloitte AB

Lars Svantemark  
Authorised Public Accountant

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# Consolidated financial reports

QUARTERLY DATA PER OPERATING SEGMENT*)	2010			2009					2008				
	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1	Full-year	Q 4	Q 3	Q 2	Q 1
NET SALES, SEK M*)													
Sweden	422	451	381	1 550	409	398	407	336	1 297	340	316	347	294
Norway	199	221	194	731	182	184	195	170	630	155	156	178	142
Denmark	185	204	204	816	193	196	215	211	704	181	162	184	178
Other**)	16	16	10	32	12	3	6	12	14	4	3	3	3
GROUP	821	892	789	3,129	796	780	823	729	2,646	680	637	712	617
EBIT, SEK M													
Sweden	91	87	55	261	74	74	65	48	211	54	60	60	38
Norway	40	44	28	114	26	33	31	25	76	12	22	26	16
Denmark	12	20	6	5	0	3	1	1	-2	-7	3	2	0
Other**)	-2	-7	1	-56	-19	-10	-11	-16	-34	-14	-6	-9	-6
GROUP	141	144	90	325	81	100	86	57	251	45	79	79	48
INVESTMENTS, SEK M													
Sweden	12	6	6	33	13	4	9	7	18	4	3	6	5
Norway	1	1	2	10	1	1	4	4	4	2	0	1	1
Denmark	3	2	2	25	3	3	7	12	19	11	3	1	4
Other**)	8	13	6	23	8	7	4	4	17	6	3	3	5
GROUP	24	22	16	91	25	15	24	27	58	23	9	11	15
EBIT MARGIN, %													
Sweden	21	19	14	16	18	18	16	14	16	15	18	17	13
Norway	20	20	14	16	14	18	16	14	12	8	14	14	11
Denmark	6	10	3	1	0	2	1	0	0	-4	2	1	0
GROUP	17	16	11	10	10	12	10	8	9	7	12	11	8

\*) Net sales for each segment are from external customers.

\*\*) Others comprise Mekonomen AB, Mekonomen Fleet AB as well as Group-wide and eliminations.

ASSETS AND LIABILITIES PER SEGMENT	Sweden		Norway		Denmark		Other		Group	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Assets	842	757	273	226	367	404	-89	-80	1,393	1,109
Undistributed assets							234	190	234	390
TOTAL ASSETS	842	757	273	226	367	404	145	110	1,627	1,499
Liabilities	653	633	115	155	196	251	-449	-438	515	601
Undistributed liabilities							214	70	214	70
TOTAL LIABILITIES	653	633	115	155	196	251	-236	-368	729	671

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CONDENSED INCOME STATEMENT (SEK M)	July – September			January – September			12 months	Full-year
	2010	2009	%	2010	2009	%	Oct - Sep	2009
Net sales	821	780	5	2,502	2,333	7	3,298	3,129
Other operating revenue	18	28	-36	53	58	-9	72	77
TOTAL REVENUES	839	808	4	2,555	2,391	7	3,370	3,206
OPERATING EXPENSES								
Goods for resale	-380	-374	2	-1,198	-1,145	5	-1,583	-1,530
Other external costs	-133	-139	-4	-408	-419	-3	-559	-570
Personnel expenses	-173	-184	-6	-539	-553	-3	-723	-738
Depreciation of tangible assets	-12	-11	9	-36	-31	16	-49	-44
EBIT	141	100	41	375	244	54	456	325
Interest income	1	1	0	4	4	0	6	6
Interest expense	-1	-1	0	-3	-4	-25	-4	-5
Other financial items	-1	-3	-67	-2	-3	-33	-2	-3
PROFIT AFTER FINANCIAL ITEMS	140	97	44	374	240	56	456	323
Tax	-40	-26	54	-101	-66	53	-120	-85
NET PROFIT FOR THE PERIOD	100	70	43	273	175	56	336	237
NET PROFIT FOR THE PERIOD SPECIFIED AS								
Parent Company's shareholders	95	66	44	260	165	58	324	227
Minority owners	5	4	25	13	10	30	12	10
Earnings per share before dilution, SEK *	3.07	2.16	42	8.43	5.33	58	10.49	7.38

\*) No dilution is applicable

GROUP COMPREHENSIVE INCOME (SEK M)	July – September		January – September		12 months	Full-year
	2010	2009	2010	2009	Oct - Sep	2009
Net profit for the period	100	70	273	175	335	237
Exchange-rate difference from translation of foreign subsidiaries	-13	-9	-34	-2	30	2
COMPREHENSIVE INCOME FOR THE PERIOD	87	61	239	173	305	239
Comprehensive income for the period attributable to						
Parent Company's shareholders	82	57	226	163	293	229
Minority owners	5	4	13	10	12	10

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CONDENSED BALANCE SHEET (SEK M)	30 September 2010	30 September 2009	31 December 2009
ASSETS			
Intangible assets	316	271	278
Tangible fixed assets	150	142	146
Financial fixed assets	31	24	28
Deferred tax assets	3	3	6
Inventories	647	631	620
Current receivables	440	398	388
Cash and cash equivalents and short-term investments	38	27	60
Properties held for sale	3	3	3
<b>TOTAL ASSETS</b>	<b>1,627</b>	<b>1,499</b>	<b>1,529</b>
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	898	828	895
Long-term liabilities	29	40	29
Current liabilities	700	631	605
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,627</b>	<b>1,499</b>	<b>1,529</b>

CONDENSED CASH-FLOW STATEMENT (SEK M)	July – September		January – September		12 months	Full-year
	2010	2009	2010	2009	Oct - Sep	2009
Cash flow from operating activities before changes in working capital	132	89	310	198	395	283
Cash flow from changes in working capital	-68	-30	-87	2	-83	6
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>64</b>	<b>59</b>	<b>223</b>	<b>200</b>	<b>312</b>	<b>289</b>
Cash flow from investing activities	-38	-15	-115	-70	-137	-92
Cash flow from financing activities	-16	-104	-130	-188	-165	-223
<b>CASH FLOW FOR THE PERIOD</b>	<b>10</b>	<b>-60</b>	<b>-22</b>	<b>-58</b>	<b>10</b>	<b>-26</b>

CHANGE IN SHAREHOLDERS' EQUITY (SEK M)	January— September	
	2010	2009
SHAREHOLDERS' EQUITY AT THE BEGINNING OF THE PERIOD	895	851
Comprehensive income for the period	239	-195
Acquired/divested minority shares, net	-9	0
Dividend to shareholders	-227	173
<b>SHAREHOLDERS' EQUITY AT THE END OF THE PERIOD</b>	<b>898</b>	<b>828</b>
OF WHICH, MINORITY SHARE	21	18

QUARTERLY DATA	2010			2009				2008			
	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1
Total revenues, SEK M	839	913	803	815	808	839	744	693	658	715	626
EBIT, SEK M	141	144	90	81	100	86	57	45	79	79	48
Profit after financial items, SEK M	140	143	91	82	97	89	54	49	81	78	53
Net profit for the period, SEK M	100	107	67	63	70	65	39	36	58	56	39
EBIT margin, %	17	16	11	10	12	10	8	7	12	11	8
Earnings per share, SEK	3.07	3.29	2.08	2.05	2.16	1.98	1.20	1.13	1.79	1.72	1.20

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KEY RATIOS	July – September		January— September		12 months	Full-year
	2010	2009	2010	2009	Oct - Sep	2009
Return on equity, %	-	-	37.6	24.5	37.6	26.6
Return on total capital, %	-	-	29.5	20.6	29.5	22.2
Return on capital employed, %	-	-	48.4	33.3	48.4	35.8
Equity/assets ratio, %	-	-	55.2	55.3	55.2	58.6
Gross margin,%	53.7	52.1	52.1	50.9	52.0	51.1
EBIT margin, %	16.8	12.4	14.7	10.2	13.5	10.1
Earnings per share, SEK	3.07	2.16	8.43	5.33	10.49	7.38
Net asset value per share, SEK	-	-	28.4	26.3	28.4	28.4
Number of shares at the end of the period	30,868,822	30,868,822	30,868,822	30,868,822	30,868,822	30,868,822
Average number of shares during the period	30,868,822	30,868,822	30,868,822	30,868,822	30,868,822	30,868,822
Number of stores in Sweden/ of which own stores	-	-	137/108	129/104	-	134/103
Number of stores in Norway/ of which own stores	-	-	47/32	46/31	-	47/31
Number of stores in Denmark/ of which own stores	-	-	40/37	40/40	-	39/38

\*) Key ratios for returns on equity/capital employed/total capital are calculated on a rolling 12 months basis for the period January – September.

AVERAGE NUMBER OF EMPLOYEES	January— September	
	2010	2009
Sweden	788	741
Norway	250	246
Denmark	360	405
Parent Company	60	40
GROUP	1,458	1,432

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## Financial reports, Parent Company

CONDENSED INCOME STATEMENT (SEK M)	July – September		January— September		12 months	Full-year
	2010	2009	2010	2009	Oct - Sep	2009
Total revenues	37	33	109	90	147	128
Operating expenses	-38	-37	-112	-111	-162	-161
EBIT	-1	-4	-3	-21	-15	-33
Net financial items	3	75	6	79	8	81
Profit after financial items	2	71	3	58	-7	48
PROFIT AFTER TAX	1	71	2	58	-6	50

PARENT COMPANY COMPREHENSIVE INCOME (SEK M)	April – June		January-June		12 months	Full-year
	2010	2009	2010	2009	Oct - Sep	2009
Net profit for the period	1	71	2	58	-6	50
COMPREHENSIVE INCOME FOR THE PERIOD	1	71	2	58	-6	50

CONDENSED BALANCE SHEET (SEK M)	30 September 2010	30 September 2009	31 December 2009
ASSETS			
Fixed assets	315	290	296
Current receivables in Group companies	255	374	531
Other current receivables	109	74	73
Cash and cash equivalents and short-term investments	0	0	10
TOTAL ASSETS	680	738	910
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	491	566	705
Provisions	2	2	2
Untaxed reserves	144	137	144
Current liabilities in Group companies	1	1	5
Other current liabilities	41	32	54
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	680	738	910

CHANGE IN SHAREHOLDERS' EQUITY (SEK M)	January— September	
	2010	2009
SHAREHOLDERS' EQUITY AT THE BEGINNING OF THE PERIOD	705	695
Comprehensive income for the period	2	58
Dividend to shareholders	-216	-185
SHAREHOLDERS' EQUITY AT THE END OF THE PERIOD	491	566

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## Definitions of key data

**Return on equity** – Profit for the period, excluding minority share, as a percentage of average shareholders' equity excluding minority interest.

**Return on total capital** - Profit after financial items plus financial expenses as a percentage of 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 minority 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/amortization as a percentage of operating profit.

**Shareholders' equity per share** – Shareholders' equity excluding minority share, in relation to the number of shares at the end of the period.

**Earnings per share** - Net profit for the period, excluding minority shares, in relation to the average number of shares.

**Underlying net sales** - Sales adjusted for the number of comparable workdays and currency effects.

**Organic growth** – Net sales increase adjusted for acquired stores, currency effect and the number of workdays.

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