

Interim report January – June 2008

1 April – 30 June

- Revenues increased by 7 per cent to SEK 715 M (666). Taking into account currency effects and more workdays during the quarter, revenues increased by 2 per cent.
- EBIT amounted to SEK 79 M (76) and the EBIT margin to 11 per cent (11).
- Profit after financial items amounted to SEK 78 M (73).
- Profit after tax amounted to SEK 56 M (52) and earnings per share before and after dilution amounted to SEK 1.72 (1.62).

1 January – 30 June

- Revenues increased by 5 per cent to SEK 1,341 M (1,272). Taking into account currency effects, revenues increased by 4 per cent.
- EBIT amounted to SEK 126 M (129) and the EBIT margin to 9 per cent (10).
- Profit after financial items amounted to SEK 131 M (135).
- Profit after tax amounted to SEK 95 M (96).
- Earnings per share before and after dilution amounted to SEK 2.92 (2.96).
- Three brand-based workshops joined Mekonomen. Through the Mekonomen Service Centres and MekoPartner concepts, Mekonomen offers the opportunity of total business improvement for former brand-based entrepreneurs.
- During the first six months of the year, 173 new workshops were affiliated, of which 132 belonged to the new MekoPartner workshop chain. The total number of workshops in the chain was 951, compared with 778 at the end of 2007.
- At the end of the period, contracts were signed in the corporate market with Bravida, Avis and Relacom in Sweden and with SAC Leasing and IKEA in Denmark.

SUMMARY OF THE GROUP'S EARNINGS TREND	April – June			January – June			12 months	Full-year
	2008	2007	Change %	2008	2007	Change %	July – June	2007
Revenues, SEK M	715	666	7	1 341	1 272	5	2 619	2 550
EBIT, SEK M	79	76	4	126	129	-2	247	250
Profit after financial items, SEK M	78	73	7	131	135	-3	415	418
Profit after tax, SEK M	56	52	8	95	96	-1	347	348
Earnings per share, SEK	1.72	1.62	6	2.92	2.96	-1	10.99	11.03
EBIT margin, %	11	11	-	9	10	-	9	10

CEO's comments

During the second quarter of 2008, revenues increased by 7 per cent to SEK 715 M (666) compared with the year-earlier period.

For the first six months of the year the revenues increased by 5 per cent to SEK 1,341 M (1,272). The increase signifies a strong market position through higher market shares in all markets. The total market trend was negative during the first quarter and weakened additionally during the second quarter.

Mekonomen's growth was attributable to the strategic efforts that we implemented, which also entailed increased opening hours, a new workshop chain MekoPartner, the new Mekonomen Fleet business area within the corporate segment and aggressive brand building through a series of market activities.

EBIT increased to SEK 79 M (76) for the second quarter and EBIT for the first six month of the year was 126 M (129). The strategic efforts had a short-term negative impact on EBIT.

Our action program in Denmark is progressing according to plan. During the second quarter, revenues in Denmark increased by 8 per cent and EBIT was positive.

Within our new Mekonomen Fleet business area, we now have partnerships encompassing service, repairs and accessories for Bravida, AVIS and Relacom's vehicle fleets in Sweden and SAC Leasing and IKEA's vehicle fleets in Denmark.

To date, our efforts in the workshop area have resulted in 192 new workshops becoming affiliated with Mekonomen, of which 46 to Mekonomen Service Centres and 146 to the new MekoPartner concept. The number of workshops in Sweden increased by 69, in Norway by 48 and in Denmark by 75. A milestone within the workshop area is that we are now also attractive to brand-based areas. During the year, cooperation was initiated with Uvefalk Bil, Ambjörnssons Bil and Bilexop. These workshops were formerly brand-based but recognised, through Mekonomen, the opportunity to supplement their businesses and offer workshop services to all car owners, regardless of brand.

Our estimate is that the totalmarket will continue to be weak for the remaining part of the year. Mekonomen is well equipped and will end up the market winner.

Håkan Lundstedt
President and CEO

Consolidated sales and earnings

REVENUES

1 April – 30 June

Revenues increased by 7 per cent to SEK 715 M (666). Adjusted for currency effects, revenues increased by 6 per cent. Calculated on comparable workdays, revenues increased by 3 per cent, and adjusted for currency effects the increase was 2 per cent. The number of workdays was an average of three days more compared with the year-earlier period. The underlying revenues (defined as comparable workdays and taking into account currency effects) increased in all countries.

1 January – 30 June

Revenues increased by 5 per cent to SEK 1,341 M (1,272). Adjusted for currency effects, revenues increased by 4 per cent. The number of workdays was the same as in the year-earlier period. The underlying revenues increased in all countries.

EBIT

1 April – 30 June

EBIT amounted to SEK 79 M (76) and the EBIT margin to 11 per cent (11). As a result of property divestment during the third quarter of 2007, lease expenses increased by SEK 7 M during the second quarter of 2008 compared with the year-earlier period. Costs for planned growth measures were charged against EBIT for all countries.

1 January – 30 June

EBIT amounted to SEK 126 M (129) and the EBIT margin to 9 per cent (10). As a result of property divestment during the third quarter of 2007, lease expenses increased by SEK 14 M during the first six months of 2008 compared with the year-earlier period. Costs for planned growth measures were charged against EBIT for all countries.

PROFIT AFTER FINANCIAL ITEMS

Profit after financial items amounted to SEK 78 M (73) for the second quarter and to SEK 131 M (135) for the first six months of the year. Net interest income/expense for the second quarter amounted to an expense of SEK 1 M (expense: 3) and other financial items amounted to SEK 0 M (0). Net interest income for the first six months of the year amounted to SEK 2 M (expense: 4) and other financial items to SEK 3 M (10). Financial items for the six months included capital gains of SEK 2 M (0) pertaining to the divestment of one of the Group's remaining properties and currency effects of SEK 1 M (10).

Financial position

Cash flow from operating activities amounted to SEK 20 M (90) for the second quarter and to SEK 38 M (176) for the first six months of the year. The difference between the years is due to tax paid and accounts payable during the first six months of 2007. Cash and cash equivalents and short-term investments on 30 June, 2008 amounted to SEK 61 M compared with SEK 290 M on 31 December 2007. The equity/assets ratio was 56 per cent (45). Interest-bearing liabilities amounted to SEK 116 M (418) and at the end of the period, with net indebtedness amounting to SEK 55 M compared with net cash in hand of SEK 284 M on 31 December 2007.

Investments

During the second quarter, investments in fixed assets amounted to SEK 11 M (11), and investments for the first six months amounted to SEK 26 M (17). Company and business acquisitions amounted to SEK 12 M (5) during the second quarter and for the six months to SEK 19 M (10). Acquired assets totalled SEK 9 M and acquired liabilities SEK 0 M. Besides goodwill, which amounted to SEK 11 M, no intangible surplus values have been identified in connection with the acquisitions.

Acquisitions and start-ups

During the second quarter, one store was acquired in Gothenburg and one store in Kolding, Denmark. In conjunction with the acquisition in Denmark, the existing store in Kolding was discontinued. In addition, minority shares were acquired in Swedish stores.

During the first quarter, a cooperation store was acquired in Kongsvinger, Norway and a new store was opened in Uppsala. In addition, minority shares were acquired in Sweden. Two stores, Sättra and Östberga, were closed in conjunction with the opening of the new workshop centre in Stockholm.

The total number of stores in the chain at the end of the period was 195 (192), of which 160 (150) were wholly owned stores. The number of affiliated workshops increased to 951 (759), of which Mekonomen Service Centres increased to 819 (759) and MekoPartner to 132 (0).

Mekonomen Fleet

In addition to the existing agreement with Bravida, Mekonomen in Sweden signed agreements in May comprising service, repairs and accessories with AVIS and Relacom. In Denmark, agreements were signed with SAC Leasing and IKEA in June.

Human resources

The number of employees at the end of the period was 1,384 (1,265) and the average number of employees during the period was 1,336 (1,254). The rise was primarily due to an increase in the sales organization in all countries.

Performance by geographic market

SWEDEN

EARNINGS TREND	April – June			January – June			12 months July - June	Full-year 2007
	2008	2007	Change, %	2008	2007	Change, %		
Net sales (external), SEK M	347	330	5	641	628	2	1 283	1 270
EBIT, SEK M	60	55	9	98	108	-9	206	216
EBIT margin, %	17	16	-	15	17	-	16	17
Number of stores/of which wholly owned				113/94	112/88	-	-	114/93
Number of Mekonomen Service Centres				350	336	-	-	337
Number of MekoPartner				50	-	-	-	-

In Sweden, the number of workdays was three more in the second quarter compared with the year-earlier period, corresponding to estimated sales of approximately SEK 15 M. The underlying net sales increased by 1 per cent. For the first six months of the year, the number of workdays was one more than in the year-earlier period and the underlying net sales increased by 1 per cent.

As a result of property divestment during the third quarter of 2007, leasing expenses increased by SEK 4 M for the second quarter of 2008 compared with the year-earlier period. For the first six months, the increase was SEK 8 M.

NORWAY

EARNINGS TREND	April – June			January – June			12 months July - June	Full-year 2007
	2008	2007	Change, %	2008	2007	Change, %		
Net sales (external), SEK M	178	154	16	319	288	11	615	584
EBIT, SEK M	26	20	30	42	39	8	84	81
EBIT margin, %	14	13	-	13	14	-	14	14
Number of stores/of which wholly owned				42/26	41/23	-	-	42/25
Number of Mekonomen Service Centres				323	302	-	-	305
Number of MekoPartner				28	-	-	-	-

In Norway, the number of workdays was four more in the second quarter compared with the year-earlier period, corresponding to estimated sales of approximately SEK 10 M. Currency effects were positive. The underlying net sales increased by 6 per cent. For the six months, the number of workdays was one more compared with the year-earlier period. Currency effects were positive and the underlying net sales increased by 6 per cent.

DENMARK

EARNINGS TREND	April – June			January – June			12 months	Full-year
	2008	2007	Change, %	2008	2007	Change, %	July - June	2007
Net sales (external), SEK M	184	170	8	361	333	8	689	661
EBIT, SEK M	2	1	100	2	0	-	-20	-22
EBIT margin, %	1	1	-	1	0	-	-3	-3
Number of stores/of which wholly owned				39/39	39/39	-	-	38/38
Number of Mekonomen Service Centres				146	121	-	-	136
Number of MekoPartner				54	-	-	-	-

In Denmark, the number of workdays was two more in the second quarter compared with the year-earlier period, corresponding to net sales of approximately SEK 6 M. Currency effects were positive. The underlying net sales increased by 4 per cent. For the six months, the number of workdays was two fewer than the year-earlier period. Currency effects were positive and the underlying net sales increased by 8 per cent.

As a result of property divestment during the third quarter of 2007, leasing expenses increased by SEK 3 M for the second quarter of 2008 compared with the year-earlier period. For the first six months, the increase was SEK 6 M.

Number of workdays per quarter and country

	Q 1		Q 2		Q 3		Q 4		Full-year	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Sweden	62	64	62	59	66	65	62	62	252	250
Norway	61	64	63	59	66	65	62	62	252	250
Denmark	61	65	61	59	66	65	62	61	250	250

Significant risks and uncertainties

The company conducted a review and assessment of operating and financial risks and uncertainties in accordance with the description in the 2007 Annual Report and found that no significant risks have changed since then.

Risk factors and exposures for the Parent Company and the Group in the immediate future primarily involve logistics and delivery rate and changing the business systems in the Group, a process that was initiated in Sweden during 2007 and will be implemented in the rest of the Group during 2008. Refer to the 2007 Annual Report for a complete report on the risks that affect the Group.

Parent Company

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 a loss of SEK 15 M (0) for the quarter and of SEK 19 M (profit: 4) for the six-month period, excluding dividends from subsidiaries. The average number of employees for the period was 61 (48). During the first six months of the year, Mekonomen AB sold products and services to Group companies for a total of SEK 35 M (31).

Events after the end of the period

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

Accounting principles

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, IAS 34 Interim Financial Reporting and RR 31 Interim Reporting for Groups. The new or revised IFRS standards or IFRIC interpretations that became effective on 1 January 2008 have not had any material effect on the Group's income statement or balance sheets. The accounting principles in accordance with IFRS are unchanged from the preceding year and are described in the 2007 Annual Report. The Parent Company prepares its accounts in accordance with the Annual Accounts Act and applies the same accounting principles and valuation methods as in the most recent Annual Report.

Forthcoming financial reporting dates

INFORMATION	PERIOD	DATE
Interim report	January – September 2008	4 November, 2008
Year-end report	January – December 2008	18 February, 2009
Interim report	January – March 2009	14 May, 2009
Interim report	January – June 2009	26 August, 2009
Interim report	January – September 2009	10 November, 2009
Year-end report	January – December 2009	February 2010

Board of Directors' assurance

The Board of Directors and CEO provide their assurance that the six-month report presents an accurate view of the company's and the Group's operations, financial position and profits and describes the significant risks and uncertainties facing the company and companies included in the Group.

Stockholm, 22 August 2008

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

Fredrik Persson	Marcus Storch
Chairman of the Board	Vice Chairman of the Board

Antonia Ax:son Johnson	Wolff Huber
Board member	Board member

Kenny Bräck	Helena Skåntorp
Board member	Board member

Anders G Carlberg	Håkan Lundstedt
Board member	President and CEO

This report has not been subject to review by the Company's auditors.

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Mekonomen is a spare parts chain with its own wholesale operation and a nationwide retail network of wholly owned and cooperating stores in Sweden, Norway and Denmark. Group revenues mainly consist of sales to service centres and motorists via wholly owned stores, and wholesale operations aimed at cooperating stores.

www.mekonomen.se

Consolidated financial reports

QUARTERLY DATA BY SEGMENT	2008		2007				2006		
	Q 2	Q 1	Q 4	Q 3	Q 2	Q 1	Q 4	Q 3	Q 2
NET SALES, SEK M									
Sweden	347	294	328	314	330	299	322	311	329
Norway	178	142	150	146	154	134	133	133	151
Denmark	184	178	166	162	170	163	162	158	176
Group-wide and eliminations	3	3	5	4	3	3	6	3	3
GROUP	712	617	649	626	657	599	623	605	659
EBIT, SEK M									
Sweden	60	38	51	57	55	53	58	57	49
Norway	26	16	17	25	20	20	7	20	21
Denmark	2	0	-21	0	1	-1	9	1	-12
Group-wide and eliminations	-9	-6	-4	-3	1	-18	0	-7	-21
GROUP	79	48	43	78	76	53	74	71	37
INVESTMENTS, SEK M									
Sweden	6	5	4	3	3	2	7	2	3
Norway	1	1	0	1	1	1	1	1	1
Denmark	1	4	4	2	5	3	7	1	2
Group-wide and eliminations	3	5	7	5	1	1	0	1	2
GROUP	11	15	15	11	11	6	15	5	8
EBIT MARGIN, %									
Sweden	17	13	15	18	16	18	18	18	15
Norway	14	11	11	17	13	15	5	15	14
Denmark	1	0	-13	0	1	-1	6	1	-7
GROUP	11	8	7	13	11	9	12	12	6

CONDENSED INCOME STATEMENT (SEK M)	April - June			January - June			12 months	Full-year
	2008	2007	%	2008	2007	%	July - June	2007
Net sales	712	656	9	1 329	1 256	6	2 603	2 530
Other operating revenue	3	9	-67	12	16	-25	16	20
TOTAL REVENUES	715	666	7	1 341	1 272	5	2 619	2 550
OPERATING EXPENSES								
Goods for resale	-359	-342	5	-673	-658	2	-1 309	-1 294
Other external costs	-103	-98	5	-208	-190	9	-427	-410
Personnel costs	-165	-142	16	-315	-277	14	-599	-560
Depreciation of tangible assets	-9	-9	0	-17	-17	0	-37	-37
Impairment of intangible assets	0	0	-	0	0	-	0	0
EBIT	79	76	4	126	129	-2	247	250
Interest income	2	1	100	5	2	150	13	10
Interest expense	-3	-4	-25	-3	-7	-57	-5	-9
Other financial items	0	0	0	3	10	-70	159	166
PROFIT AFTER FINANCIAL ITEMS	78	73	7	131	135	-3	415	418
Tax	-22	-21	5	-36	-39	-8	-68	-70
NET PROFIT FOR THE PERIOD	56	52	8	95	96	-1	347	348
NET PROFIT FOR THE PERIOD SPECIFIED AS								
Parent Company's shareholders	53	50	6	90	91	-1	339	340
Minority owners	3	2	50	4	5	-20	7	7
Earnings per share before dilution, SEK *	1.72	1.62	6	2.92	2.96	-1	10.99	11.03

*) No dilution is applicable

CONDENSED BALANCE SHEET (SEK M)	30 June 2008	30 June 2007	31 December 2007
ASSETS			
Intangible assets	224	182	206
Tangible fixed assets	102	100	97
Financial fixed assets	10	9	10
Deferred tax assets	6	4	2
Inventories	549	544	554
Current receivables	378	311	300
Cash and cash equivalents and short-term investments	61	87	290
Properties held for sale	10	387	22
TOTAL ASSETS	1 340	1 624	1 481
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	744	738	996
Long-term liabilities	50	59	44
Current liabilities	546	827	441
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1 340	1 624	1 481

CONDENSED CASH-FLOW STATEMENT (SEK M)	April – June		January – June		12 months	Full-year
	2008	2007	2008	2007	July - June	2007
Cash flow from operating activities before changes in working capital	37	60	57	107	205	255
Cash flow from changes in working capital	-17	30	-19	69	-23	65
CASH FLOW FROM OPERATING ACTIVITIES	20	90	38	176	182	320
Cash flow from investing activities	-19	-10	-32	-21	437	448
Cash flow from financing activities	-234	-53	-235	-165	-644	-574
CASH FLOW FOR THE PERIOD	-233	27	-229	-10	-25	194

CHANGE IN SHAREHOLDERS' EQUITY (SEK M)	January— December	
	2008	2007
SHAREHOLDERS' EQUITY AT THE BEGINNING OF THE PERIOD	996	953
Dividends	-347	-318
Currency effects	0	7
Acquired minority shares, net	0	0
Net profit for the period	95	96
SHAREHOLDERS' EQUITY AT THE END OF THE PERIOD	744	738
OF WHICH, MINORITY SHARE	15	16

QUARTERLY DATA	2008		2007				2006		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total sales, SEK M	715	626	653	626	666	606	630	608	663
EBIT, SEK M	79	48	43	78	76	53	74	71	37
Profit after financial items, SEK M	78	53	68	216	73	61	66	65	32
Net profit for the period, SEK M	56	39	65	187	52	44	46	46	23
EBIT margin, %	11	8	7	13	11	9	12	12	6
Earnings per share, SEK	1.72	1.20	2.13	8.90	1.62	1.34	1.53	1.34	0.64

KEY RATIOS ^{*)}	April – June		January-June		12 months	Full-year
	2008	2007	2008	2007	July – June	2007
Return on equity, %	-	-	39.0	22.9	39.0	35.6
Return on total capital, %	-	-	28.3	17.3	28.3	27.3
Return on capital employed, %	-	-	41.7	24.0	41.7	38.7
Equity/assets ratio, %	-	-	55.6	45.5	55.6	67.3
Gross margin,%	49.6	47.9	49.3	47.6	49.7	48.9
EBIT margin, %	11.0	11.4	9.4	10.2	9.4	9.8
Earnings per share, SEK	1.72	1.62	2.92	2.96	10.99	11.03
Net asset value per share, SEK	-	-	23.6	23.4	23.6	31.7
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 wholly owned	-	-	113/94	112/88	-	114/93
Number of stores in Norway/of which wholly owned	-	-	42/26	41/23	-	42/25
Number of stores in Denmark/of which wholly owned	-	-	39/39	39/39	-	38/38

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

AVERAGE NUMBER OF EMPLOYEES	January - June		Full-year
	2008	2007	2007
Sweden	652	630	637
Norway	229	197	202
Denmark	394	379	382
Parent Company	61	48	50
Group	1 336	1 254	1 271

Financial reports, Parent Company

CONDENSED INCOME STATEMENT (SEK M)	April - June		January - June		Full-year
	2008	2007	2008	2007	2007
Total revenues	30	29	51	63	80
Operating expenses	-41	-27	-72	-59	-104
EBIT	-11	2	-22	4	-23
Net financial items	221	138	227	140	317
Profit after financial items	209	140	205	144	294
PROFIT FOR THE PERIOD	209	140	205	143	265

CONDENSED BALANCE SHEET (SEK M)	30 June, 2008	30 June, 2007	31 December, 2007
Assets			
Long-term receivables in Group companies	0	244	0
Fixed assets	274	260	268
Current receivables in Group companies	17	281	188
Other current receivables	74	38	48
Cash and cash equivalents and short-term investments	252	96	312
Total assets	617	919	816
Shareholders' equity and liabilities			
Shareholders' equity	505	378	637
Provisions	3	-	3
Untaxed reserves	86	41	86
Current liabilities in Group companies	3	13	50
Other current liabilities	20	487	41
Total shareholders' equity and liabilities	617	919	816

Definitions of key ratios

Return on equity

Net profit for the period, excluding minority shares, as a percentage of average shareholders' equity, excluding minority interest.

Return on total capital

Profit after net 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 held for resale as a percentage of net sales.

EBIT margin

EBIT after depreciation and amortisation as a percentage of operating revenue.

Net asset value 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.