

Mekonomen

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14 May, 2009

Interim report January – March 2009

STRONG FIRST QUARTER – EBIT INCREASED BY 20 PER CENT

- Revenues increased by 19 per cent to SEK 744 M (626).
- EBIT increased by 20 per cent to SEK 57 M (48) and the EBIT margin amounted to 8 per cent (8).
- Profit after financial items amounted to SEK 54 M (53).
- Profit after tax amounted to SEK 39 M (39).
- Earnings per share before and after dilution amounted to SEK 1.20 (1.20).
- Mekonomen Direkt +46 (0)771-72 00 00 was launched at the beginning of January.
- Mekonomen and Svenska Bil signed a letter of intent on 7 May to convert no less than six Svenska Bil facilities into Mekonomen Service Centres with accompanying Mekonomen stores. The idea is that these facilities will be included in the new Mekonomen Mega and Mekonomen Medium concepts.

SUMMARY OF THE GROUP'S EARNINGS TREND	January - March			12 months	Full-year
	2009	2008	Change, %	April - March	2008
Revenues, SEK M	744	626	19	2 810	2 691
EBIT, SEK M	57	48	20	260	251
Profit after financial items, SEK M	54	53	2	263	261
Profit after tax, SEK M	39	39	0	190	189
Earnings per share, SEK	1.20	1.20	0	5.83	5.84
EBIT MARGIN, %	8	8	0	9	9

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CEO's comments

Mekonomen's EBIT for the first quarter of 2009 increased 20 per cent to SEK 57 M (48) and revenues increased 19 per cent to SEK 744 M (626). The strategy that was approved in 2007 is now having a distinct impact on earnings, with significantly stronger market share in primarily Sweden and Norway. Growth in revenues and EBIT is directly related to the activities implemented to date:

- The number of affiliated workshops is currently 1,156. So far this year, we experienced a strong inflow of new workshops and from the beginning of the year 105 workshops have joined our two workshop chains.
- New and increased marketing activities and investments in Mekonomen Direkt generated a 14 per cent sales increase in Sweden during the first quarter compared with the year-earlier period.
- The launch of the Mekonomen Mega and Medium units, with adjoining stores and workshops, is progressing according to plan and we now have 19 Medium units and one Mega unit. We will continue this effort and by the end of 2009 we will have 60 Mekonomen Medium and Mega units.
- Mekonomen Fleet, our corporate offering, is developing further with more customers and we currently have 26 client agreements with a potential of a total of 50,000 vehicles. During 2009, Mekonomen Fleet will also be expanded in Denmark and Norway.

In Norway, a strong marketing effort, equivalent to the one implemented in Sweden, generated a 15-per cent increase in sales (adjusted for currency and number of working days) during the first quarter compared with the year-earlier period.

Sales in Denmark during the first quarter, on a comparable basis, were in line with the year-earlier period. During the quarter, significant activities were implemented pertaining to the distribution project and repositioning of stores. We will continue our aggressive approach in Denmark. During the year, marketing activities similar to those in Sweden and Norway will be implemented.

In the first quarter, the underlying markets in Sweden and Norway stabilised, but the market in Denmark remained weak. It is now clear to us that customers are once again repairing and servicing their own cars, following a temporary decline in 2008. Our assessment is that this trend will continue for the remainder of the year.

While the market situation will improve, we anticipate that competition will increase. Consequently, Mekonomen will invest additionally to make CarLife simpler for our customers. We will require additional affiliated workshops to meet increasing demands for our services and products.

In 2009, we see customers purposefully seeking more inexpensive alternatives and prefer clear, highly reliable concepts. We counteract this for example with Mekonomen Direkt, whereby the customer is able to contact Mekonomen, with only one call to +46 (0)771-72 00 00, around the clock.

The collaboration presented on 7 May with Svenska Bil, which is the world's largest SAAB distributor, is very positive for Mekonomen and a confirmation of our strong offering. The collaboration entails that six of Svenska Bil's facilities will be converted into Mekonomen Mega and Mekonomen Medium.

Earnings in the first quarter are due to our strategy and strong marketing activities, which means that more customers are choosing Mekonomen, combined with excellent cost control in the company. It is vital in these days to dare to speed through the economic downturn!

Håkan Lundstedt
President and CEO

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Consolidated sales and earnings

REVENUES

Revenues increased by 19 per cent to SEK 744 M (626,) for the period. Revenues improved as a result of extensive marketing activities and a stable underlying market in Sweden and Norway. There has also been a healthy influx of new workshop customers, including the branded sector. Adjusted for currency effects, revenues increased by 13 per cent. Calculated on comparable workdays and adjusted for currency effects, the increase was 12 per cent. The number of workdays was an average of one day more compared with the year-earlier period.

EBIT

EBIT amounted to SEK 57 M (48) and the EBIT margin to 8 per cent (8). The project with Mekonomen's new store concept is progressing according to plan in all countries and at the end of the period the number of Mekonomen Medium and Mekonomen Mega units totalled 20. Major marketing activities and excellent cost control had a positive impact on revenues.

PROFIT AFTER FINANCIAL ITEMS

Profit after financial items amounted to SEK 54 M (53). Net financial items was a negative SEK 2 M (pos: 5). Net interest income amounted to SEK 1 M (3) and other financial items were negative SEK 3 M (pos: 2). Profit after financial items was negatively impacted by currency effects totalling SEK 3 M (0). Net financial items for the preceding year included capital gains of SEK 2 M pertaining to property divestment and higher net interest income attributable to a large net cash balance.

Financial position

Cash flow from operating activities amounted to SEK 37 M (18). Cash and cash equivalents and short-term investments were SEK 100 M on 31 March 2009 compared with SEK 85 M on 31 December 2008. The equity/assets ratio amounted to 59 per cent (66), the decline primarily due to dividend paid in 2008. Interest-bearing liabilities amounted to SEK 4 M (3) and at the end of the period net indebtedness amounted to SEK 39 M compared with SEK 32 M at the end of the year.

Investments

During the first quarter, investments in fixed assets amounted to SEK 27 M (15). No companies or operations were acquired during the quarter. Acquisitions in the preceding year amounted to SEK 7 M.

Acquisitions and start-ups

One new store was opened in Lilleström, Norway. The total number of stores in the chain at the end of the period was 207 (192), of which 172 (157) were wholly owned stores. The number of affiliated workshops increased to 1,104 (882), of which Mekonomen Service Centres increased to 874 (804) and MekoPartner to 230 (78).

Employees

The number of employees at the end of the period was 1,400 (1,307) and the average number of employees during the period was 1,421 (1,305). During the quarter, the company continued to develop employees' competencies through Mekonomen Academy, among other activities.

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Performance by geographic market

SWEDEN

EARNINGS TREND	January - March			12 months	Full-year
	2009	2008	Change, %	April - March	2008
Net sales (external), SEK M	336	294	14	1 339	1 297
EBIT, SEK M	48	38	26	221	211
EBIT margin, %	14	13	-	16	16
Number of stores/of which wholly owned	123/103	112/93	-	-	123/103
Number of Mekonomen Service Centres	381	341	-	-	363
Number of MekoPartner	91	30	-	-	75

Sales were positively impacted by extensive and successful marketing, the launch of Mekonomen Direkt and a stabilised underlying economic downturn for Mekonomen. The new stores that were acquired from Micro in December 2008 had a positive impact of 5 per cent on sales compared with the preceding year.

NORWAY

EARNINGS TREND	January - March			12 months	Full-year
	2009	2008	Change, %	April - March	2008
Net sales (external), SEK M	170	142	20	658	630
EBIT, SEK M	25	16	56	85	76
EBIT margin, %	14	11	-	13	12
Number of stores/of which wholly owned	45/30	42/26	-	-	44/29
Number of Mekonomen Service Centres	324	321	-	-	320
Number of MekoPartner	41	10	-	-	38

Similar marketing activities, primarily on TV, which were previously conducted in Sweden, have been implemented in Norway with positive impact on sales and earnings. Mekonomen Fleet will be introduced in Norway during the year. The number of working days was two more compared with the preceding year and currency effects were positive. The underlying net sales increased by 15 per cent.

DENMARK

EARNINGS TREND	January - March			12 months	Full-year
	2009	2008	Change, %	April - March	2008
Net sales (external), SEK M	211	178	19	737	704
EBIT, SEK M	1	0	-	-1	-2
EBIT margin, %	0	0	-	0	0
Number of stores/of which wholly owned	39/39	38/38	-	-	39/39
Number of Mekonomen Service Centres	169	142	-	-	169
Number of MekoPartner	98	38	-	-	86

In Denmark, the market remained weak during the first quarter. The number of working days was two more compared with the preceding year and currency effects were positive. The underlying net sales remained unchanged. Mekonomen Fleet will also be introduced in Denmark during 2009.

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Number of working days per quarter and country

Mekonomen has no actual seasonal effects in its operations. However, the number of working days impacts both sales and earnings, for example, Easter 2009 fell in the second quarter, while it fell in the first quarter in the preceding year. The table below shows the distribution of the number of working days per quarter and country.

	Q 1		Q 2		Q 3		Q 4		Full-year	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Sweden	62	62	60	62	66	66	63	62	251	252
Norway	63	61	59	63	66	66	63	62	251	252
Denmark	63	61	58	61	66	66	63	62	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 2008 Annual Report and found that no significant risks have changed since then. Refer to the 2008 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 7 M (loss: 3), excluding dividends from subsidiaries. The average number of employees for the full-year was 41 (61). From 1 January 2009, the financial service division has been moved from Mekonomen AB to Mekonomen Detaljist AB. Financial service is responsible for accounting for the Swedish stores and at the end of the year totalled 21 employees. During the year, Mekonomen AB sold products and services to Group companies totalling SEK 19 M (18).

Events after the end of the period

On 7 May, Mekonomen and Svenska Bil signed a statement of intent to convert six of Svenska Bil's facilities into Mekonomen Mega and Mekonomen Medium, with adjacent stores and workshops and very high availability and degree of service. The cooperation was structured as a joint company, in which Svenska Bil will be the majority shareholder and the goal is to commence cooperation in the spring to then be fully implemented before the end of the year.

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 and IAS 34 Interim Financial Reporting. The same accounting principles and calculation methods were applied as in the previous Annual Report, with the exception of the statements below.

From 2009, the new provisions in IAS 1 Presentation of Financial Statements will apply. This means that such changes in shareholders' equity that do not derive from transactions with owners from the first quarter of 2009 will be presented in a separate report under "Total earnings for the period". The "Change in shareholders' equity, Group" table on page 9 contains the changes that are included in "Total earnings for the period" and transactions with owners. From the 2009 financial year, IFRS 8 Operating Segments will also be applied. IFRS 8 is a pure disclosure standard, which is why it has no effect on the Group's report on total earnings, financial position, cash flow and changes in shareholders' equity. According to IFRS 8, segment information shall be presented based on the same principles used for internal reporting to central and control functions. Mekonomen's operating segment is unchanged from the most recent annual report.

Other new or revised IFRS standards or IFRIC interpretations that became effective on 1 January 2009 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 2.2 and applies the same accounting principles and valuation methods as in the most recent Annual Report.

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Forthcoming financial reporting dates

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

Stockholm, 14 May, 2009
Mekonomen AB (publ), Corp. Org. No: 556392-1971

Håkan Lundstedt
President and CEO

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

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Consolidated financial reports

QUARTERLY DATA PER SEGMENT ^{*)}	2009	2008					2007				
	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	336	1 297	340	316	347	294	1 270	328	314	330	299
Norway	170	630	155	156	178	142	584	150	146	154	134
Denmark	211	704	181	162	184	178	661	166	162	170	163
Other	12	14	4	3	3	3	15	5	4	3	3
GROUP	729	2 646	680	637	712	617	2 530	649	626	657	599
EBIT, SEK M											
Sweden	48	211	54	60	60	38	216	51	57	55	53
Norway	25	76	12	22	26	16	81	17	25	20	20
Denmark	1	-2	-7	3	2	0	-22	-21	0	1	-1
Other	-16	-34	-14	-6	-9	-6	-24	-4	-3	1	-18
GROUP	57	251	45	79	79	48	250	43	78	76	53
INVESTMENTS, SEK M											
Sweden	7	18	4	3	6	5	11	4	3	3	2
Norway	4	4	2	0	1	1	4	0	1	1	1
Denmark	12	19	11	3	1	4	14	4	2	5	3
Other	4	17	6	3	3	5	14	7	5	1	1
GROUP	27	58	23	9	11	15	43	15	11	11	6
EBIT MARGIN, %											
Sweden	14	16	15	18	17	13	17	15	18	16	18
Norway	14	12	8	14	14	11	14	11	17	13	15
Denmark	0	0	-4	2	1	0	-3	-13	0	1	-1
GROUP	8	9	7	12	11	8	10	7	13	11	9

*) Pertaining to assets per segment, there has been no significant change compared with information in the most recent annual report.

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

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CONDENSED INCOME STATEMENT (SEK M)	January - March			12 months	Full-year
	2009	2008	Change, %	April - March	2008
Net sales	729	617	18	2 758	2 646
Other operating revenue	15	9	67	52	45
TOTAL REVENUES	744	626	19	2 810	2 691
OPERATING EXPENSES					
Goods for resale	-360	-315	14	-1 362	-1 317
Other external costs	-139	-104	34	-490	-456
Personnel expenses	-178	-150	19	-661	-633
Depreciation of fixed assets	-10	-9	11	-36	-34
EBIT	57	48	19	260	251
Interest income	2	3	-33	11	12
Interest expense	-1	0	-	-9	-8
Other financial items	-3	2	-250	1	7
PROFIT AFTER FINANCIAL ITEMS	54	53	2	263	261
Tax	-15	-14	7	-73	-72
NET PROFIT FOR THE PERIOD	39	39	0	190	189
NET PROFIT FOR THE PERIOD SPECIFIED AS					
Parent Company's shareholders	37	37	0	180	180
Minority owners	2	2	0	10	9
Earnings per share before dilution, SEK *	1.20	1.20	0	5.83	5.84

*) No dilution is applicable

From 2009, the new provisions in IAS 1 Presentation of Financial Statements will apply. This means that such changes in shareholders' equity that do not derive from transactions with owners from the first quarter of 2009 will be presented in a separate report under "Total earnings for the period".

GROUP TOTAL PROFIT (SEK M)	January - March		12 months	Full-year
	2009	2008	April - March	2008
Net profit for the period, SEK M	39	39	190	189
Exchange-rate difference from translation of foreign subsidiaries	11	-4	29	14
TOTAL PROFIT FOR THE PERIOD	50	35	219	203
Total profit for the period attributable to				
Parent Company's shareholders	48	33	209	194
Minority owners	2	2	10	9

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CONDENSED BALANCE SHEET (SEK M)	31 March 2009	31 March 2008	31 December 2008
ASSETS			
Intangible assets	262	214	254
Tangible fixed assets	134	98	119
Financial fixed assets	27	10	26
Deferred tax assets	4	6	3
Inventories	626	572	602
Current receivables	380	354	326
Cash and cash equivalents and short-term investments	100	293	85
Properties held for sale	7	15	7
TOTAL ASSETS	1 541	1 562	1 423
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	901	1 031	851
Long-term liabilities	41	48	42
Current liabilities	598	483	530
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1 541	1 562	1 423

CONDENSED CASH-FLOW STATEMENT (SEK M)	January - March		12 months	Full-year
	2009	2008	April - March	2008
Cash flow from operating activities before changes in working capital	28	20	208	200
Cash flow from changes in working capital	9	-2	20	9
CASH FLOW FROM OPERATING ACTIVITIES	37	18	228	209
Cash flow from investing activities	-27	-13	-104	-90
Cash flow from financing activities	5	-1	-315	-321
CASH FLOW FOR THE PERIOD	15	4	-191	-202

CHANGE IN SHAREHOLDERS' EQUITY (SEK M)	January - March	
	2009	2008
SHAREHOLDERS' EQUITY AT THE BEGINNING OF THE PERIOD	851	996
Total profit for the period	50	35
Acquired/divested minority shares, net	0	0
SHAREHOLDERS' EQUITY AT THE END OF THE PERIOD	901	1 031
OF WHICH, MINORITY SHARE	20	19

QUARTERLY DATA	2009	2008				2007			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total revenues, SEK M	744	693	658	715	626	653	626	666	606
EBIT, SEK M	57	45	79	79	48	43	78	76	53
Profit after financial items, SEK M	54	49	81	78	53	68	216	73	61
Net profit for the period, SEK M	39	36	58	56	39	65	187	52	44
EBIT margin, %	8	7	12	11	8	7	13	11	9
Earnings per share, SEK	1.20	1.13	1.79	1.72	1.20	2.13	8.90	1.62	1.34

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KEY FIGURES	January – March *)		12 months	Full-year
	2009	2008	April - March	2008
Return on equity, %	19.0	33.8	19.0	19.9
Return on total capital, %	17.5	26.3	17.5	18.6
Return on capital employed, %	27.2	38.2	27.2	28.3
Equity/assets ratio, %	58.5	66.0	58.5	59.8
Gross margin,%	50.7	49.0	50.6	50.2
EBIT margin, %	7.7	7.6	9.3	9.3
Earnings per share, SEK	1.20	1.20	5.83	5.84
Net asset value per share, SEK	28.5	32.8	28.5	27.0
Number of shares at the end of the period	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
Number of stores in Sweden/of which wholly owned	123/103	112/93	-	123/103
Number of stores in Norway/of which wholly owned	45/30	43/26	-	44/29
Number of stores in Denmark/of which wholly owned	39/39	38/38	-	39/39

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

AVERAGE NUMBER OF EMPLOYEES	January - March	
	2009	2008
Sweden	731	644
Norway	236	220
Denmark	411	380
Parent Company	41	61
GROUP	1 421	1 305

Financial reports, Parent Company

CONDENSED INCOME STATEMENT (SEK M)	January - March		12 months	Full-year
	2009	2008	April - March	2008
Total revenues	27	21	115	109
Operating expenses	-37	-30	-148	-141
EBIT	-10	-9	-33	-32
Net financial items	2	6	311	315
Profit after financial items	-8	-3	278	283
PROFIT AFTER TAX	-8	-3	245	250

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CONDENSED BALANCE SHEET (SEK M)	31 March 2009	31 March 2008	31 December 2008
ASSETS			
Fixed assets	284	272	282
Current receivables in Group companies	515	417	527
Other current receivables	41	65	54
Cash and cash equivalents and short-term investments	0	0	0
TOTAL ASSETS	840	754	863
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	687	639	695
Provisions	3	3	3
Untaxed reserves	138	86	138
Current liabilities in Group companies	2	0	4
Other current liabilities	10	26	23
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	840	754	863

Definition of key figures

Return on equity – Profit for the period, excluding minority share, as a percentage of average 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 – 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 – 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 working days and currency effects.

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