

# Mekonomen

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8 November 2012

## Interim report January – September 2012

1 July - 30 September

- Revenues increased 33 per cent adjusted for currency effects and calculated on comparable number of workdays. Prior to adjustment, revenues increased 28 per cent to SEK 1,433 M (1,117).
- Excluding Meca, revenues declined 3 per cent adjusted for currency effects and calculated on comparable numbers of workdays.
- EBIT declined 7 per cent to SEK 151 M (163) and the EBIT margin was 11 per cent (15).
- Excluding Meca, operating profit declined to SEK 100 M (163).
- Profit after financial items declined 21 per cent to SEK 127 M (161).
- Profit after tax totalled SEK 91 M (118).
- Earnings per share before and after dilution amounted to SEK 2.46 (3.48).

1 January – 30 September

- Revenues increased 24 per cent adjusted for currency effects and calculated on comparable numbers of workdays. Prior to adjustment, revenues increased 23 per cent to SEK 3,870 M (3,149).
- EBIT declined 7 per cent to SEK 403 M (432) and the EBIT margin was 10 per cent (14).
- Profit after financial items declined 14 per cent to SEK 365 M (423).
- Profit after tax totalled SEK 261 M (309).
- Earnings per share before and after dilution amounted to SEK 7.42 (9.24).
- Net debt at the end of the period totalled SEK 2,038 M (543). Net debt at December 31, 2011 totalled SEK 580 M.

### Significant events

- During the third quarter, the acquisition of Meca on 23 May 2012 had a positive impact of SEK 381 M on net sales and SEK 554 M for the nine-month period. EBIT was positively impacted by SEK 52 M during the third quarter and SEK 84 M for the nine-month period. In addition, the Group's earnings were negatively impacted by transaction expenses pertaining to the Meca acquisition totalling SEK 12 M for the nine-month period, and SEK 0 M for the third quarter.

SUMMARY OF THE GROUP'S EARNINGS TREND	July - September			January – September			12 months	Full-year
	2012	2011	Change %	2012	2011	Change %		
Revenues, SEK M	1,433	1,117	28	3,870	3,149	23	4,958	4,237
EBIT, SEK M	151	163	-7	403	432	-7	507	536
Profit after financial items, SEK M	127	161	-21	365	423	-14	465	523
Profit after tax, SEK M	91	118	-23	261	309	-16	332	380
Earnings per share, SEK	2.46	3.48	-29	7.42	9.24	-20	9.57	11.39
EBIT margin, %	11	15		10	14		10	13

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## CEO's comments

### Decline in earnings. Strong cash flow.

- Revenues for the third quarter of 2012 rose 28 per cent, including Meca, which has been included from 23 May
- Strong earnings in Meca. Lower total earnings impacted by weak market
- Cash flow increased to SEK 165 M (137)

Mekonomen's EBIT for the third quarter of 2012 declined 7 per cent to SEK 151 M (163). EBIT, adjusted for Meca, amounted to SEK 100 M (163). Revenues increased 28 per cent to SEK 1,433 M (1,117) and the EBIT margin was 11 per cent (15). Adjusted for Meca, currency effects and calculated on comparable number of workdays growth declined 3 per cent, in a total market that declined approximately 6 per cent during the quarter. Cash flow from operating activities amounted to SEK 165 M (137) for the third quarter. The focus during the quarter was on further consolidating our operation.

The integration of Meca has been successful. Meca recorded strong results in the third quarter. Net sales amounted to SEK 381 M and EBIT, which was positively impacted by synergy effects, to SEK 52 M and the EBIT margin was 14 per cent.

Sørensen og Balchen was also impacted by a weak consumer market during the third quarter. Net sales during the third quarter declined to SEK 180 M (190) and the EBIT margin was 10 per cent (13).

Mekonomen Norway reported an EBIT margin of 14 per cent (17) during the quarter and net sales declined to SEK 195 M (208). Mekonomen Fleet continues to develop well in the Norwegian market.

EBIT in Denmark declined to a loss of SEK 15 M (profit: 18), with a negative EBIT margin of 9 per cent (pos: 10), due to a rapid decline in the market situation and an increase in competitive pressure. Net sales for the third quarter declined to SEK 157 M (187), while the underlying net sales declined 8 per cent. Measures are being implemented continuously to adapt the structure and fixed costs in Denmark to the prevailing market situation, but with a focus on retaining our strong position in this market.

The third-quarter EBIT margin in Sweden was 17 per cent (20). Provisions pertaining to receivables for Panaxia totalling SEK 6 M had a negative impact on earnings. Net sales fell 6 per cent and the underlying net sales decreased 5 per cent. Sales to affiliated workshops developed well.

In Finland, the trends for the new units were positive and the Mekonomen concept is well suited to the Finnish market.

During the year, we reviewed the structures of our costs, stores and logistics and measures were successively implemented. In the prevailing market situation, there is potential to make additional structural changes. As has been announced earlier, we anticipate a continued weak market for the remainder of 2012. The automotive industry is among the first industries to enter the recession and we note that other industries are also now being affected. Our section of the automotive industry is also the first to recover from the recession and we recognise the same pattern now as in 2008, when a weak market was then followed by a recovery. During the latter portion of the third quarter, we noticed that the downward trend has begun to level out. Overall, we still see good potential for organic growth in the coming years, while we are equipping ourselves for a continued weak market period.

Håkan Lundstedt, President and CEO

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# Consolidated sales and earnings

## REVENUES

### 1 July - 30 September

Adjusted for currency effects, revenues increased 31 per cent in the quarter. Prior to adjustment, revenues increased 28 per cent to SEK 1,433 M (1,117). On average, the number of workdays was one day less than in the year-earlier period. Calculated on comparable workdays and adjusted for currency effects, the increase was 33 per cent.

### 1 January – 30 September

Adjusted for currency effects, revenues for the period increased 23 per cent. Prior to adjustment, revenues increased 23 per cent to SEK 3,870 M (3,149). The number of workdays in Sweden and Denmark was one fewer than in the preceding year but the same in Norway. Calculated on comparable workdays and adjusted for currency effects, the increase was 24 per cent.

## EBIT

### 1 July - 30 September

EBIT amounted to SEK 151 M (163) and the EBIT margin to 11 per cent (15).

### 1 January – 30 September

EBIT amounted to SEK 403 M (432) and the EBIT margin to 10 per cent (14).

## PROFIT AFTER FINANCIAL ITEMS

Profit after financial items amounted to SEK 127 M (161) for the third quarter and to SEK 365 M (423) for the nine-month period. Net interest expense was SEK 17 M (expense: 4) in the third quarter and other financial items amounted to an expense of SEK 8 M (income: 2). Net interest expense was SEK 28 M (expense: 10) for the nine-month period and other financial items amounted to an expense of SEK 10 M (income: 1).

# Financial position and cash flow

Cash flow from operating activities amounted to SEK 165 M (137) for the third quarter and to SEK 295 M (235) for the nine-month period. Cash and cash equivalents were SEK 126 M on 30 September 2012, compared with SEK 67 M on 31 December 2011. The equity/assets ratio was 38 per cent (50). Interest-bearing liabilities amounted to SEK 2,164 M (577), of which the current portion was SEK 204 M (62), and net indebtedness at the end of the period amounted to SEK 2,038 M, compared with SEK 580 M at the end of the year. The increase in interest-bearing liabilities was primarily due to the acquisition of Meca, as well as the loan taken in connection with the dividend of SEK 274 M that was paid during the third quarter. During the nine-month period, the loans were amortised by SEK 113 M. Loan charges have impacted other financial items with SEK 3 M during the quarter. Also during the fourth quarter, financial items will be impacted with SEK 3 M.

# Investments

During the third quarter, investments in fixed assets amounted to SEK 20 M (17). For the nine-month period, these investments totalled SEK 77 M (81). Company and business acquisitions amounted to SEK 2 M (43) during the third quarter and to SEK 2,043 M (910) for the nine-month period. During the nine-month period, acquired assets totalled SEK 617 M (386) and acquired liabilities SEK 326 M (132). In addition to goodwill, which amounted to SEK 1,111 M (486), intangible surplus values were identified of SEK 270 M (56) pertaining to brands, SEK 0 M (47) to franchise contracts and SEK 600 M (136) to customer relations. The brand has an indefinite useful life; franchise contracts and customer relations are estimated to have a useful life of ten years. Refer to page 14, for the preliminary effects of acquisitions implemented.

## Acquisitions and start-ups

### Third quarter

During the third quarter, Mekonomen Sweden affiliated a new partner store in Linköping and a store in Akalla transferred from a wholly owned to partner store. Minority shares were acquired in a Swedish store.

### Earlier during the year

Mekonomen's acquisition of the spare-parts chain Meca was finalised on 23 May, following acquisition approval from the Norwegian Competition Authority. Annual synergies directly resulting from the acquisition are estimated at SEK 80 M as of 2013. Meca will continue to operate as a separate company under the existing brand. Payment comprised 3,086,882 new shares through a non-cash issue, and SEK 1,351 M in cash. Meca is included in Mekonomen's financial reporting from the acquisition date of 23 May 2012. The total purchase consideration was SEK 2,010 M.

Of the four marine stores that Mekonomen took over from Huges earlier, the stores in Roslagen and Orust were closed during the third quarter.

Earlier in the year, Mekonomen Sweden acquired five partner stores located in Åmål, Sala, Mölndal, Högsbo and Kungsbacka. A new store was also opened in Partille and a new partner store was affiliated in Strömstad earlier in the year.

In Finland, a new store was opened in Kuopio, and three partner stores located in Jakobstad, Ekenäs and Mariehamn were affiliated.

Mekonomen Denmark acquired two partner stores located in Holbæk and Brønderslev and started a new store in Skaerbæk.

In Sørensen og Balchen, a new store opened in Os, outside Bergen during the first quarter.

The number of stores in the chain at the end of the period totalled 424 (328), of which 305 (224) proprietary stores. The number of affiliated workshops rose to 2,259 (1,621), of which Mekonomen Service Centres increased to 1,065 (1,009), MekoPartner to 419 (389), BilXtra to 225 (212), Speedy to 11 (11) and Meca Car Service to 539 (0).

## Employees

The number of employees at the end of the period was 2,612 (2,112) and the average number of employees during the period was 2,256 (1,838).

## Performance by segment

### MECA

EARNINGS TREND	July - September			January – September			12 months	Full-year
	2012	2011	Change %	2012	2011	Change %		
Net sales (external), SEK M	381	-	-	554	-	-	-	-
EBIT, SEK M	52	-	-	84	-	-	-	-
EBIT margin, %	14	-	-	15	-	-	-	-
Number of stores/of which owned	-	-	-	90/68	-	-	-	-
Number of Meca Car Service workshops				539	-	-	-	-

Sales and earnings in the nine-month period, as well as the third quarter of 2012 pertained to the period 23 May – 30 September. Earnings during the period were impacted by positive synergy effects. The integration project developed well and is progressing ahead of schedule. Furthermore, earnings in the third quarter were charged with planned amortisation of intangible assets totalling SEK 15 M identified in connection with the acquisition and SEK 20 M for the nine-month period.

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## MEKONOMEN SWEDEN

EARNINGS TREND	July - September			January – September			12 months	Full-year
	2012	2011	Change %	2012	2011	Change %	Oct - Sep	2011
Net sales (external), SEK M	412	440	-6	1,282	1,312	-2	1,717	1,747
EBIT, SEK M	72	89	-19	214	245	-13	292	323
EBIT margin, %	17	20		16	18		17	18
Number of stores/of which owned				144/116	143/112	-	-	144/114
Number of Mekonomen Service Centres				464	432	-	-	438
Number of MekoPartner				137	127	-	-	128

The underlying net sales decreased 5 per cent in the third quarter and 2 per cent in the nine-month period. The number of workdays was one less than in the year-earlier period and also one less in the nine-month period. Earnings in the third quarter were charged with non-recurring costs of SEK 6 M pertaining to the possible loss of daily takings due to the bankruptcy of Panaxia. Sales to Mekonomen Service Centres rose but declined to other workshops, resulting in a decline in the gross margin. The nine-month period was characterised by a weak market, primarily pertaining to sales to consumers and of accessories.

MEKONOMEN NORWAY EARNINGS TREND	July - September			January – September			12 months	Full-year
	2012	2011	Change %	2012	2011	Change %	Oct - Sep	2011
Net sales (external), SEK M	195	208	-6	616	602	2	822	808
EBIT, SEK M	28	36	-22	95	101	-6	126	132
EBIT margin, %	14	17		15	17		15	16
Number of stores/of which owned				51/35	51/35	-	-	53/36
Number of Mekonomen Service Centres				385	368	-	-	380
Number of MekoPartner				71	74	-	-	78

The underlying net sales decreased 2 per cent in the third quarter and increased 2 per cent for the nine-month period. The number of workdays was one fewer in the quarter but the same during the nine-month period compared with the year-earlier period. The currency effect was negative in the third quarter while it was positive for the nine-month period. The launch of the Mekonomen card in Norway was successful and sales to consumers rose slightly during the year. This, combined with higher sales to Mekonomen Service Centres but lower sales to other workshops, resulted in a decline in the gross margin.

## MEKONOMEN DENMARK

EARNINGS TREND	July - September			January – September			12 months	Full-year
	2012	2011	Change %	2012	2011	Change %	Oct - Sep	2011
Net sales (external), SEK M	157	187	-16	535	569	-6	725	759
EBIT, SEK M	-15	18	-183	-11	61	-118	-9	63
EBIT margin, %	-9	10		-2	11		-1	8
Number of stores/of which owned				50/42	53/39	-	-	54/40
Number of Mekonomen Service Centres				214	207	-	-	215
Number of MekoPartner				211	188	-	-	214

The underlying net sales decreased 8 per cent in the third quarter and 3 per cent for the nine-month period. The number of workdays was one less than the year-earlier period for both the third quarter and the nine-month

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period, the currency effect was negative for both the third quarter and the nine-month period. A weak market and increased competitive pressure, resulting in a low gross margin, had a negative impact on the EBIT margin.

#### SØRENSEN OG BALCHEN

EARNINGS TREND		July - September			January – September			12 months	Full-year
		2012	2011	Change %	2012	2011	Change %	Oct - Sep	2011
Net sales (external), SEK M	180	190	-5		560	427	31	736	603
EBIT, SEK M	19	25	-24		57	64	-11	81	88
EBIT margin, %	10	13			10	15		11	15
Number of stores/of which owned	-	-	-		77/36	76/34	-	-	77/35
Number of BilXtra workshops	-	-	-		225	212	-	-	219

The underlying net sales for the third quarter decreased 1 per cent. Mekonomen acquired the company on 11 March 2011, which is why sales and earnings are included from that date. During the full nine-month period of 2011, net sales amounted to SEK 552 M and operating profit to SEK 67 M. Since the acquisition of Sørensen og Balchen, the integration effort has continued successfully and contributed to positive earnings. During the 12-month period, from the fourth quarter of 2011 to the third quarter of 2012, Sørensen og Balchen reported sales of SEK 736 M and an EBIT of SEK 81 M. Prior to the planned amortisation of the intangible assets related to the acquisition, profit for the corresponding period was SEK 100 M.

#### 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. The table below shows the distribution of the number of workdays per quarter and country.

	Q1		Q2		Q3		Q4		Full-year	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Sweden	64	63	59	60	65	66	62	64	250	253
Norway	65	64	59	59	65	66	62	64	251	253
Denmark	65	64	58	59	65	66	62	64	250	253

#### 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 2011 Annual Report and found that the change in significant risks that has occurred since then was that the acquisition of Meca will increase currency exposure in NOK and Euro. Interest exposure also increased. The Group's loans occur primarily within credit frameworks, with long-term lines of credit but short-term fixed-interest periods. The current lines of credit are in SEK, NOK and DKK. Other loans in their entirety are in SEK. Refer to the 2011 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. Loss after financial items for the Parent Company amounted to SEK 20 M (profit: 14) for the quarter and a loss of SEK 33 M (loss: 5) for the nine-month period, excluding dividends of SEK 146 M from subsidiaries for the preceding year's quarter and SEK 93 M (146) for the nine-month period. The average number of employees for the nine-month period was 75 (76). During the nine-month period, Mekonomen AB sold products and services to Group companies for a total of SEK 77 M (75).

In addition to the Parent Company, Others also comprise Mekonomen Fleet, Speedy, Marinshopen, Mekonomen Finland and Mekonomen CarLife. Operating loss in the Other segment for the nine-month period amounted to SEK 35 M (loss: 40).

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## Events after the end of the period

It was decided to implement changes in the Group's management team. From 8 November 2012, the management team comprises the following individuals:

- Håkan Lundstedt, President and CEO
- Marcus Larsson, Vice President
- Per Hedblom, CFO
- Gunilla Spong, Head of International Business
- Nils-Erik Brattlund, Establishment Manager

## 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 2012 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 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 2012	14 February 2013
Interim report	January – March 2013	8 May 2013
Interim report	January – June 2013	27 August 2013
Interim report	January – September 2013	7 November 2013
Year-end report	January – December 2013	13 February 2014

## Annual General Meeting

The 2012 Annual General Meeting will be held on 16 April 2013 in Stockholm. The Annual Report will be published and available on Mekonomen's website not later than 26 March 2013.

## Nomination Committee

In accordance with a resolution at the Annual General Meeting on 23 May 2012, Mekonomen has established a Nomination Committee. The Nomination Committee will prepare and submit proposals to the Annual General Meeting on 16 April 2013 for the election of the Chairman of the Annual General Meeting, the number of Board members and deputy members, the election of the Chairman of the Board and other Board members, Board fees, as well as any remuneration for committee work and nomination of and fees for auditors.

The Nomination Committee, prior to the 2013 Annual General Meeting, consists of Göran Ennerfelt, representing the Axel Johnson AB Group, Eva Fraim Pahlman, representing own shareholdings, Annika Andersson, representing Swedbank Robur Funds and Leif Törnvall representing Alecta. The Nomination Committee elected Göran Ennerfelt as its Chairman. Mekonomen's Chairman, Fredrik Persson, has been co-opted to the Nomination Committee.

Stockholm, 8 November 2012

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

Håkan Lundstedt

President and CEO

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# Review report

## INTRODUCTION

We have conducted a review of the interim report for Mekonomen AB (publ) for the period 1 January 2012 – 30 September 2012. The Board of Directors and the President are responsible for preparing and presenting 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 ISA 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 interim report has not been prepared in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, 8 November 2012

Deloitte AB

Thomas Strömberg

Authorised Public Accountant

For further information, please contact:

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

The information was submitted for publication on 8 November 2012.

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# Consolidated financial reports

QUARTERLY DATA PER SEGMENT OPERATING SEGMENT <sup>1)</sup>	2012			2011				2010					
	Q3	Q2	Q1	Full-year	Q4	Q3	Q2	Q1	Full-year	Q4	Q3	Q2	Q1
NET SALES, SEK M <sup>*)</sup>													
Mekonomen Sweden	412	446	423	1,747	434	440	467	405	1,708	455	422	451	381
Mekonomen Norway	195	216	205	808	206	208	217	177	817	202	199	221	194
Mekonomen Denmark	157	187	191	759	190	187	195	187	777	184	185	204	204
Sørensen og Balchen	180	194	186	603	176	190	199	39	-	-	-	-	-
Meca****)	381	173	-	-	-	-	-	-	-	-	-	-	-
Other**)	74	82	65	223	68	61	64	30	72	31	16	16	10
GROUP	1,400	1,298	1,070	4,140	1,074	1,086	1,142	838	3,374	872	821	892	789
EBIT, SEK M													
Mekonomen Sweden	72	70	72	323	78	89	89	67	310	78	91	87	55
Mekonomen Norway	28	37	30	132	31	36	40	25	144	32	40	44	28
Mekonomen Denmark	-15	-6	10	63	1	18	26	17	45	7	12	20	6
Sørensen og Balchen	19	27	11	88	25	25	37	2	-	-	-	-	-
Meca****)	52	32	-	-	-	-	-	-	-	-	-	-	-
Other**)	-5	-18	-12	-70	-30	-5	-19	-16	-14	-7	-2	-7	1
GROUP	151	141	111	536	104	163	173	95	485	110	141	144	90
INVESTMENTS***), SEK M													
Mekonomen Sweden	4	12	3	48	15	2	12	19	47	20	12	6	6
Mekonomen Norway	0	0	1	11	6	3	-	2	6	2	1	1	2
Mekonomen Denmark	3	5	3	27	16	5	5	1	8	1	3	2	2
Sørensen og Balchen	0	1	1	4	-	2	1	1	-	-	-	-	-
Meca****)	5	2	-	-	-	-	-	-	-	-	-	-	-
Other**)	8	14	14	44	16	4	19	4	36	12	8	13	6
GROUP	20	34	23	134	53	16	37	27	97	35	24	22	16
EBIT MARGIN, %													
Mekonomen Sweden	17	16	16	18	18	20	18	16	18	17	21	19	14
Mekonomen Norway	14	17	15	16	15	17	18	14	18	16	20	20	14
Mekonomen Denmark	-9	-3	5	8	1	10	13	9	6	4	6	10	3
Sørensen og Balchen	10	14	6	15	14	13	18	4	-	-	-	-	-
Meca****)	13	18	-	-	-	-	-	-	-	-	-	-	-
GROUP	11	11	10	13	10	15	15	11	14	12	17	16	11

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

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

\*\*\*) Excluding company and business acquisitions

\*\*\*\*) Meca represents a new segment for the Group and the information presented pertains to the period 23 May - 30 September 2012.

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ASSETS AND LIABILITIES PER SEGMENT	Mekonomen Sweden		Mekonomen Norway		Mekonomen Denmark		Sørensen og Balchen		Meca		Other		Group	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
ASSETS	1,094	1,080	329	325	431	410	1,112	1,076	3,034	-	-317	118	5,683	3,009
LIABILITIES	890	851	209	194	190	147	99	127	724	-	1,396	184	3,508	1,503

CONDENSED INCOME STATEMENT (SEK M)	July - September			January – September			12 months	Full-year
	2012	2011	%	2012	2011	%	Oct - Sep	2011
Net sales	1,400	1,086	29	3,768	3,066	23	4,843	4,140
Other operating revenue	34	31	10	102	83	23	115	97
TOTAL REVENUES	1,433	1,117	28	3,870	3,149	23	4,958	4,237
OPERATING EXPENSES								
Goods for resale	-636	-485	31	-1,738	-1,396	25	-2,209	-1,866
Other external costs	-283	-196	44	-748	-565	32	-969	-786
Personnel expenses	-318	-249	28	-880	-697	26	-1,149	-966
Depreciation of tangible fixed assets	-20	-16	27	-54	-42	28	-70	-58
Amortisation of intangible fixed assets	-25	-7	257	-47	-17	176	-54	-25
EBIT	151	163	-7	403	432	-7	507	536
Interest income	2	2	0	7	5	40	9	7
Interest expense	-18	-6	200	-35	-15	133	-41	-21
Other financial items	-8	2	-500	-10	1	-1100	-10	1
PROFIT AFTER FINANCIAL ITEMS	127	161	-21	365	423	-14	465	523
Tax	-36	-44	-18	-105	-114	-8	-134	-143
NET PROFIT FOR THE PERIOD	91	118	-23	261	309	-16	332	380
NET PROFIT FOR THE PERIOD SPECIFIED AS								
Parent Company's shareholders	89	114	-23	254	298	-15	325	370
Minority owners	2	4	-50	7	10	-30	7	10
Earnings per share before and after dilution, SEK	2.46	3.48	-30	7.42	9.24	-20	9.57	11.39

GROUP COMPREHENSIVE INCOME (SEK M)	July - September			January – September			12 months	Full-year
	2012	2011		2012	2011		Oct - Sep	2011
Net profit/loss for the period	91	118	261	309	332	380		
Exchange-rate difference from translation of foreign subsidiaries	-25	4	-24	44	-52	16		
Actuarial gains					1	1		
COMPREHENSIVE INCOME FOR THE PERIOD	66	122	237	353	281	397		
Comprehensive income for the period attributable to								
Parent Company's shareholders	64	118	231	343	275	387		
Minority owners	2	4	6	10	6	10		

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CONDENSED BALANCE SHEET (SEK M)		30 September 2012		30 September 2011		31 Dec 2011	
ASSETS							
Intangible assets		3,082		1,114		1,116	
Tangible fixed assets		277		221		235	
Financial fixed assets		77		64		67	
Deferred tax assets		3		6		0	
Goods for resale		1,194		862		934	
Current receivables		924		707		636	
Cash and cash equivalents		126		34		67	
TOTAL ASSETS		5,683		3,009		3,054	
SHAREHOLDERS' EQUITY AND LIABILITIES							
Shareholders' equity		2,175		1,506		1,556	
Long-term liabilities		2,138		545		511	
Current liabilities		1,370		958		988	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		5,683		3,009		3,054	

CONDENSED CASH-FLOW STATEMENT (SEK M)	July - September		January – September		12 months	Full-year
	2012	2011	2012	2011	Oct - Sep	2011
Cash flow from operating activities before changes in working capital	138	167	281	361	360	440
Cash flow from changes in working capital*)	27	-30	14	-126	-41	-181
CASH FLOW FROM OPERATING ACTIVITIES	165	137	295	235	319	259
Cash flow from investing activities	-18	-16	-1,462	-448	-1,526	-512
Cash flow from financing activities*)	-69	-139	1,228	171	1,303	246
CASH FLOW FOR THE PERIOD	78	-18	61	-42	96	-7

\*) Compared with the interim report for January – September 2011, SEK 45 M was reclassified between cash flow from operating activities and cash flow from financing activities for the nine-month period. The reclassification had no impact on the total cash flow for 2011.

CONDENSED CHANGE IN SHAREHOLDERS' EQUITY (SEK M)	January – September	
	2012	2011
SHAREHOLDERS' EQUITY AT THE BEGINNING OF THE PERIOD	1,556	974
Comprehensive income for the period	237	353
Acquired/divested minority shares, net	-2	-12
Dividend to shareholders	-275	-276
Non-cash issue	659	467
SHAREHOLDERS' EQUITY AT THE END OF THE PERIOD	2,175	1,506
OF WHICH, NON-CONTROLLING INTERESTS	11	16

QUARTERLY DATA	2012				2011				2010		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total revenues, SEK M	1,433	1,341	1,096	1,088	1,117	1,169	863	892	839	913	803
EBIT, SEK M	151	141	111	104	163	173	95	110	141	144	90
Profit after financial items, SEK M	127	132	106	100	161	167	95	111	140	143	91
Net profit for the period, SEK M	91	93	77	71	118	122	70	78	100	107	67
EBIT margin, %	11	11	10	10	15	15	11	12	17	16	11
Earnings per share, SEK	2.46	2.65	2.29	2.16	3.48	3.59	2.12	2.52	3.07	3.29	2.08
Shareholders' equity per share, SEK	60.3	58.6	49.4	46.9	46.1	42.9	45.1	30.9	28.4	26.1	30.1

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KEY FIGURES *)	July - September		January – September		12 months	Full-year
	2012	2011	2012	2011	Oct - Sep	2011
Return on shareholders' equity, %	-	-	18.2	24.2	18.2	27.0
Return on total capital, %	-	-	12.3	18.1	12.3	20.1
Return on capital employed, %	-	-	16.5	26.5	16.5	28.8
Equity/assets ratio, %	-	-	38.3	50.1	38.3	50.9
Gross margin, %	54.6	55.3	53.9	54.5	54.4	54.9
EBIT margin, %	10.6	14.6	10.4	13.7	10.2	12.6
Earnings per share, SEK	2.46	3.48	7.42	9.24	9.57	11.39
Shareholders' equity per share, SEK	-	-	60.3	46.1	-	46.9
Earnings per share, SEK	-	-	8.6	7.3	9.4	8.0
Number of shares at the end of the period	35,901,487	32,814,605	35,901,487	32,814,605	-	32,814,605
Average number of shares during the period	35,901,487	32,814,605	34,289,449	32,310,143	-	32,436,258
Number of stores in Mekonomen Sweden/of which wholly owned	-	-	144/116	143/112	-	144/114
Number of stores in Mekonomen Norway/of which wholly owned	-	-	51/35	51/35	-	53/36
Number of stores in Mekonomen Denmark/of which wholly owned	-	-	50/42	53/39	-	54/40
Number of stores in Sørensen og Balchen/of which wholly owned	-	-	77/36	76/34	-	77/35
Number of stores in Meca/of which wholly owned	-	-	90/68	-	-	-
Number of stores in Mekonomen Finland/of which wholly owned	-	-	7/4	2/2	-	3/3
Number of stores in Mekonomen Iceland/of which wholly owned	-	-	1/0	1/0	-	1/0
Number of stores in Marinshopen/of which wholly owned	-	-	3/3	1/1	-	1/1
Number of stores in M by Mekonomen/of which wholly owned	-	-	1/1	1/1	-	1/1

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

AVERAGE NUMBER OF EMPLOYEES	January – September	
	2012	2011
Mekonomen Sweden	812	810
Mekonomen Norway	263	266
Mekonomen Denmark	416	375
Sørensen og Balchen*	269	165
Meca**	233	-
Other***	263	222
GROUP	2,256	1,838

\*) Average number of employees in 2011 is calculated for the 11 March - 30 September 2011 period.

\*\*) The average number of employees in 2012 is calculated for the 23 May – 30 September 2012 period.

\*\*\*) Others comprise Mekonomen AB, Mekonomen Fleet, Speedy, Marinshopen, Mekonomen BilLivet AB, as well as Mekonomen Finland.

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## Effects of acquisitions completed in 2012

No major acquisitions were implemented during the third quarter. One major acquisition, Meca, was implemented during the past nine-month period. Mekonomen's acquisition of all shares in Meca Scandinavia was finalised on 23 May 2012. Payment comprised 3,086,882 new shares through a non-cash issue, and SEK 1,351 M in cash. The newly issued shares are valued at a closing price of SEK 213.50 on 22 May 2012. Meca is included in Mekonomen's financial reporting from the acquisition date of 23 May 2012. The total purchase consideration was SEK 2,010 M.

In addition to Meca, which is recognised separately below, information on corporate acquisitions is provided in aggregate form since each individual acquisition is not deemed to be of such a size as to warrant separate recognition. All other acquisitions were paid for in cash. For further information about other acquisitions, refer also to the section Acquisitions and start-ups, page 4.

During the first nine-month period of 2012, Meca affected Group net sales by SEK 596 M and EBIT by SEK 78 M, excluding acquisition costs of SEK 12 M. Had Meca had been acquired on 1 January 2012, the impact on the Group's net sales during the first nine-month period would have amounted to SEK 1,192 M and the impact on EBIT would have been SEK 98 M, whereby EBIT for the period according to this calculation would have been charged with planned amortisation of intangible assets identified in connection with the acquisition totalling SEK 45 M. The total of other acquisitions would have had an insignificant impact on sales and profit had they been implemented at the beginning of the year.

Acquisition-related costs amounted to SEK 12 M for the nine-month period January – September 2012. Total acquisition costs pertaining to Meca, including costs incurred during 2011, amounted to SEK 23 M. These costs are not included in the total purchase consideration in the table below, but were recognised as other costs in the consolidated income statement.

Below is the preliminary acquisition analysis pertaining to acquired operations:

ACQUIRED ASSETS AND LIABILITIES	Meca	Other acquisitions	Total acquisitions
Intangible fixed assets	15	-	15
Tangible fixed assets	46	2	48
Financial fixed assets	7	-	7
Deferred tax assets	23	-	23
Inventories	306	12	318
Current receivables	199	-	199
Cash and cash equivalents	7	-	7
Long-term liabilities	-27	-	-27
Current liabilities	-298	-1	-299
Acquired non-controlling interests, surplus recognised against shareholders' equity	-	2	2
<b>ACQUIRED NET ASSETS</b>	<b>278</b>	<b>15</b>	<b>293</b>
Brands	270	-	270
Customer relations	600	-	600
Goodwill	1,091	18	1,109
Deferred tax liabilities	-229	-	-229
<b>TOTAL IDENTIFIABLE NET ASSETS AND GOODWILL</b>	<b>2,010</b>	<b>33</b>	<b>2,043</b>
Total purchase price	2,010	33	2,043
- of which, non-cash issue	659	-	659
- of which, cash portion	1,351	33	1,384
Cash and cash equivalents in the acquired companies	7	0	7
<b>IMPACT ON THE GROUP'S CASH AND CASH EQUIVALENTS</b>	<b>1,344</b>	<b>33</b>	<b>1,377</b>

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The fair value of the acquired receivables was SEK 199 M.

The brand has an indefinite useful life and the estimated useful life of customer relations, which according to the above amounted to SEK 600 M, is ten years. With respect to other amortisation of intangible assets, refer to Note 13 of the 2011 Annual Report.

In addition to the control premium included in the acquisition price, the arising goodwill is primarily attributable to the benefits accruing from anticipated synergies, as well as Meca's position and experience in the B2B segment in Sweden and Norway. These benefits have not been recognised separately from goodwill since they do not meet the criteria for recognition of identifiable intangible assets. Annual synergies, as a direct result of the acquisition, are estimated at SEK 80 M as of 2013. Of the goodwill that arose in connection with the acquisitions, SEK 6 M is estimated to be tax deductible.

## Financial reports, Parent Company

CONDENSED INCOME STATEMENT (SEK M)	July - September		January - September		12 months	Full-year
	2012	2011	2012	2011	Oct - Sept	2011
Total revenues	42	42	153	133	195	175
Operating expenses	-46	-28	-165	-139	-222	-196
EBIT	-4	14	-12	-6	-27	-21
Net financial items*)	-16	146	72	147	302	377
Profit/loss after financial items	-20	160	60	141	275	356
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>-14</b>	<b>156</b>	<b>69</b>	<b>142</b>	<b>217</b>	<b>290</b>

\*) For the third quarter of 2011, as well as the nine-month period of 2012 and 2011, dividends are included from subsidiaries totalling SEK 0 M (146) and SEK 93 M (146), respectively, in net financial items.

PARENT COMPANY COMPREHENSIVE INCOME (SEK M)	July - September		January - September		12 months	Full-year
	2012	2011	2012	2011	Oct - Sept	2011
Net profit/loss for the period	-14	156	69	142	217	290
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>-14</b>	<b>156</b>	<b>69</b>	<b>142</b>	<b>217</b>	<b>290</b>

CONDENSED BALANCE SHEET (SEK M)	30 September 2012	30 September 2011	31 Dec 2011
<b>ASSETS</b>			
Fixed assets	3,289	1,188	1,232
Current receivables in Group companies	569	531	690
Other current receivables	102	100	123
Cash and cash equivalents	1	0	1
<b>TOTAL ASSETS</b>	<b>3,961</b>	<b>1,823</b>	<b>2,046</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity	1,752	1,140	1,287
Provisions	2	2	2
Untaxed reserves	159	146	159
Long-term liabilities	1,849	550	445
Current liabilities in Group companies	60	1	28
Other current liabilities	139	70	125
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,961</b>	<b>1,823</b>	<b>2,046</b>

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CONDENSED CHANGE IN SHAREHOLDERS' EQUITY (SEK M)	January – September	
	2012	2011
SHAREHOLDERS' EQUITY AT THE BEGINNING OF THE PERIOD	1,287	794
Comprehensive income for the period	69	142
Dividend to shareholders	-263	-263
New share issue	659	467
SHAREHOLDERS' EQUITY AT THE END OF THE PERIOD	1,752	1,140

## 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/amortisation as a percentage of total revenues.

**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** – Operating cash flow from operating activities, adjusted for convertible interest rates, in relation to the average number of shares.

**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 acquisitions, currency effect and the number of workdays.

**Net debt** – Interest-bearing liabilities less cash and cash equivalents and short-term investments.