ANNUAL REPORT 2015

Mekonomen Group

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Mekonomen Group's formal Annual Report comprises pages 28–78. Only the original version of the formal Annual Report has been reviewed by the company's auditors.

The Annual Report is published in Swedish and English. The Swedish version represents the original version, and has been translated into English.

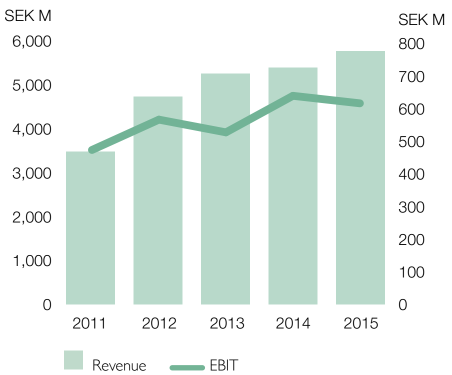
Welcome to visit our website at www.mekonomen.com.

The year in brief

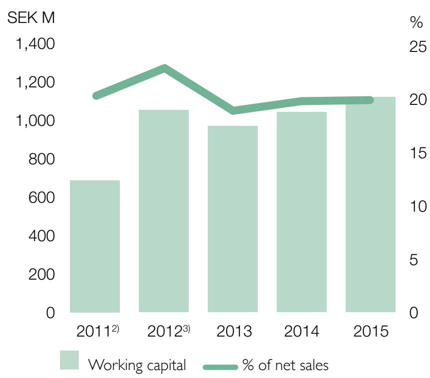
- Revenue rose 7 per cent to SEK 5,761 M (5,390). Excluding the acquisition of Opus Equipment, revenue rose 6 per cent. Adjusted for currency effects and calculated on the comparable number of workdays, revenue rose 8 per cent.
- EBITA amounted to SEK 726 M (763) and the EBITA margin amounted to 13 per cent (14).
- EBIT amounted to SEK 616 M (639) and the EBIT margin amounted to 11 per cent (12).
- Earnings per share, before and after dilution, amounted to SEK 11.77 (12.80).
- Cash flow from operating activities increased to SEK 439 M (413), of which discontinued operations accounted for SEK -134 M (-115).
- Net debt amounted to SEK 1,626 M (1,629).
- The Board of Directors proposes a dividend of SEK 7.00 (7.00).

During the first quarter 2015, the two last stores in Denmark were discontinued and, in the 2015 annual report, the Danish store operation is presented according to the rules for discontinued operations in IFRS 5. All comparative periods have been recalculated. The Danish store operation was previously included in the MECA segment. With the exception of cash flow and net debt, all amounts above pertain to continuing operations.

REVENUE AND EBIT[1)]



WORKING CAPITAL[1)]



[1)] For all years presented, discontinued store operations in Denmark have been excluded.
[2)] Net sales for Sørensen og Balchen 2011 have been recalculated for 12 months.
[3)] Net sales for MECA 2012 have been recalculated for 12 months.

Key figures	2015	2014	2013
Revenue, SEK M[1)]	5,761	5,390	5,251
EBITA, SEK M[1)]	726	763	683
EBIT, SEK M[1)]	616	639	527
Profit for the year from continuing operations, SEK M[1)]	430	466	360
Profit for the year from discontinued operations, SEK M	0	-340	-44
Profit for the year, SEK M	430	127	315
Earnings per share, continuing operations, SEK[1)]	11.77	12.80	9.81
Earnings per share, discontinued operations, SEK	0.00	-9.46	-1.25
Earnings per share, SEK	11.77	3.34	8.56
EBITA margin, %[1)]	13	14	13
EBIT margin, %[1)]	11	12	10
Cash flow per share, SEK[2)]	12.2	11.5	15.5
Dividend per share, SEK[3)]	7.00	7.00	7.00
Return on shareholders' equity, %[1)]	20	21	16
Equity/assets ratio, %	40	39	41

[1)] The amounts and key figures pertain to continuing operations. Comparative figures have been recalculated.
[2)] From operating activities.
[3)] The Board's proposal for 2015.

Significant events in 2015

Quarter 1
- Sales of ProMeister accounted for 10 per cent of spare parts sales in the Group.
- MECA and HockeyAllsvenskan launched MECA Hockey Race.

Quarter 2
- Kenneth Bengtsson was appointed the new Chairman of the Board of Mekonomen Group.
- Magnus Johansson was appointed the new President and CEO of Mekonomen Group.
- Mekonomen Group expanded to South Korea with sales of the proprietary spare part range ProMeister through cooperation with a South Korean distributor.
- Sales growth for Mekonomen Group's affiliated workshops reached 15 per cent in the quarter.

Quarter 3
- The Group acquired Opus Equipment, a comprehensive supplier of workshop equipment for car workshops and car inspection stations.
- The new "Mekonomen share car" service is implemented.
- Centralisation of the group-wide functions Purchasing, Category and IT.

Quarter 4
- Sales of ProMeister accounted for 13 per cent of spare parts sales in the Group.
- Mekonomen defended its title as Sweden's strongest brand among car workshops at the Swedish Brand Awards 2015 event.
- All workshops in Mekonomen and MECA have acceded to an agreement regarding repair terms developed by the Swedish Association of Auto Repair Shops (SFVF) and the Swedish Consumer Agency.
- Lasingoo, the search engine for workshop services, was launched in Norway.

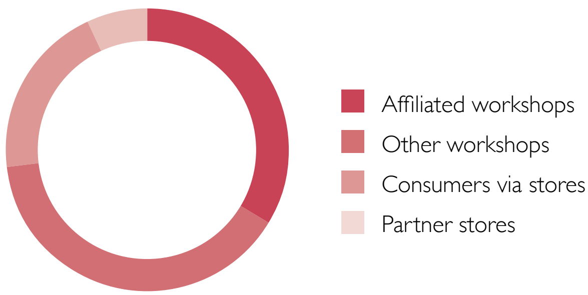
Mekonomen Group in brief

Mekonomen Group is the leading car service chain in the Nordic region and in 2015 comprised the three Group companies MECA Scandinavia, Mekonomen Nordic and Sørensen og Balchen.

We offer a wide range of quality products that comprises spare parts and accessories for cars as well as workshop services for consumers and businesses. Mekonomen Group has 342 stores and 2,126 affiliated workshops under the Group brands.

Mekonomen Group's share has been listed on Nasdaq Stockholm since 29 May 2000 and is traded under the MEKO ticker.

CUSTOMERS, SHARE OF TOTAL SALES



Vision

We are the car owner's first choice and strive for a simpler and more affordable CarLife.

Business concept

Mekonomen Group shall offer consumers and companies solutions for a simpler and more affordable CarLife by using clear and innovative concepts, high quality and an efficient logistics chain.

Strengths

- Strong brands and well-known concepts
- Broad customer offering
- Purchasing strength
- ProMeister and the ProMeister Academy
- Competent employees

Employees

Mekonomen Group has around 2,300 employees. The operation is based on shared core values, which are summarised as follows:

- Customer orientation
- Business orientation
- Responsibility
- Competency
- Flexibility

Brands on the Nordic market

	Sweden	Norway	Finland	Denmark	Iceland
Mekonomen	✔	✔	✔	✔	✔
MECA	✔	✔			
BilXtra		✔			
Bilverkstad MekoPartner	✔	✔		✔	
speedy bilservice	✔				
ProMeister	✔	✔	✔	✔	
OPUS Equipment AB	✔	✔			
carwise	✔	✔			
lasingoo.se	✔	✔			

Our workshops – the heart of the business

In a market characterised by tough competition, every part of Mekonomen Group presented growth in 2015 and we took market shares in every market. We are continuing efforts for improving operational efficiency, leveraging our size and driving innovation.

The beginning of my time as President and CEO of Mekonomen Group has been eventful. We made or decided on major changes in how we work with logistics, digital sales and product sourcing. This means that in the future we can work smarter in the Group, devote more resources to developing our workshops and continue to gain market shares.

Our size gives us strength – which we will leverage

A great deal has been done, but there is considerable potential to further improve the efficiency of the entire chain of logistics, product sourcing and IT support. The structure of the Group is characterised by acquisitions carried out in earlier years. We are now placing considerable focus on optimising the entire chain of logistics, product sourcing and IT. The efficiency improvements will free up resources to develop our communication, sales strength and the Group's workshop concepts, and increase service to the customers.

As the leader in the Nordic aftermarket, we have a hard-to-beat purchasing power and ability to develop spare parts and equipment under our own ProMeister brand. The work on the ProMeister product range will result in us having the most affordable offering in the market. By having the best product catalogue in terms of quality and price and the best product supply out to our workshops combined with the best customer care, we will win the battle for market shares.

Digitalisation enables smart services

The automotive industry is undergoing major change. As cars are increasingly online connected, both new opportunities and needs arise among the drivers. For our part, this means opportunities to create new offers. Identifying new services that meet the needs of both workshops and car owners is our most important mission. This is why it is very important to keep and develop the innovative corporate culture we have in the company.

In recent years, we have launched initiatives, such as a search engine for workshop services called lasingoo.se and "Mekonomen share car" that enables several car drivers to easily co-own a car. We have also launched our group-wide Product Information Management (PIM) platform, meaning that we work with one information flow in the Group instead of three. These are different ways that show how we use the possibilities of digitalisation to create customer value. I am convinced that as the industry leader we will continue to be on the forefront to develop new services that are adapted to this and the next generation of car drivers.

The way we use and own cars in society will develop, thanks in large part to the possibilities of digitalisation. The differences between metropolitan regions and rural areas in how ownership and use look like will also vary more than they do today. For Mekonomen Group, the number of kilometres driven is an important key figure, where we have seen the earlier negative trend beginning to turn. Many of the innovations in this area of service now being launched by us and others are making it easier for people to have access to a car when they need one.

New car sales were strong in our main markets in 2015. This is something that is primarily positive for us over a perspective of a few years. So altogether we see many signs that the car, as a means of transport, will keep the strong position it has historically held. We also see a potential in a somewhat stronger market for 2016.

ProMeister takes market shares and Opus strengthens our workshops

For Mekonomen Group, 2015 was a good year. Our brands have different positions and have all successfully grown. This is evidence of the strength that we possess.

Our group-wide proprietary brand ProMeister continues to grow and sales of ProMeister spare parts amounted to more than SEK 500 M in 2015.

In July 2015, Opus Equipment AB was acquired, a comprehensive supplier of equipment for workshops and car inspection stations. Opus is now a part of MECA, which is the Group's B2B-oriented company. The acquisition is a concrete example of what we do to continuously strengthen our total offering to our workshop customers and thereby be able to support them and their competitiveness.

Record in Norway, tough in Denmark

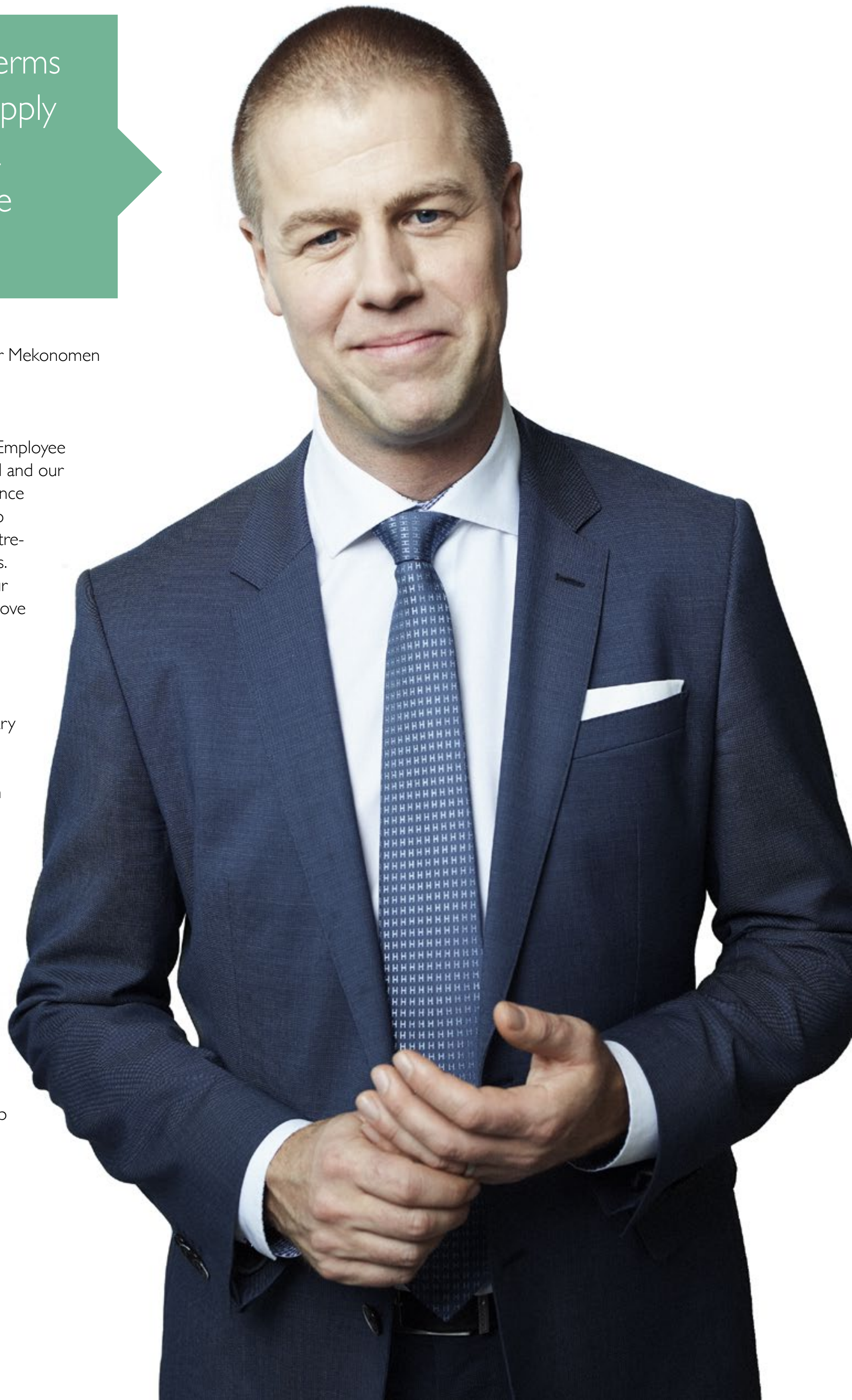
All of the Group's companies experienced very strong market development during the year. Particularly notable was the development in our Norwegian companies. Sørensen og Balchen had its best year ever for example.

The year also entailed challenges. Our Danish operations continued to cost us money. After the final store was closed in Denmark in the first quarter of 2015, our business model is based on a more cost-effective distribution with direct deliveries to the workshops. Now, the challenge is to achieve a higher volume in our export business to Denmark and thereby create profitability. We are carefully monitoring the development and will take the steps necessary regarding Denmark.

Structural change

As of 1 January 2016, Mekonomen Nordic was discontinued as a control and management function. Onwards the sales companies Mekonomen

> If we are the best in terms of quality, price and supply chain combined with the best customer care, we will win the battle for market shares.



Sweden, Norway and Finland will be operated directly under Mekonomen Group, providing a more effective structure.

Leaders and co-workers

In 2015, an employee survey was conducted in which both Employee Satisfaction Index (ESI) and Leadership Index (LSI) improved and our results are relatively on par with other companies. Competence development is becoming an increasingly important factor to attract and retain co-workers. We have a well-developed entrepreneurial spirit with committed and responsible co-workers. This commitment is crucial to the company's success and our ambition is to further strengthen our results to be clearly above comparable companies.

Need for more competent mechanics – jobs for new arrivals can be found here

The supply of mechanics is a tight sector in our entire industry in the Nordic region. As the industry leader, Mekonomen Group has a particularly large interest in, and responsibility for this issue. We are therefore now investing in an own high school education. The existing automotive programmes at high schools are unable to provide the industry with a sufficient number of employable, recently graduated mechanics. The major shortage of mechanics – involving at least 5,000 jobs in the industry until 2020 – is also a major opportunity for providing work for new arrivals.

I look forward to a year where we see the effects of the initiatives that we have implemented or decided on in 2015. For me, creating resources to be able to develop together with our workshops is what is absolutely most important. The workshops are the heart of our Group. With competitive advantages from our size, good customer care and an understanding of the customers' needs, I am convinced that every part of Mekonomen Group can continue to gain market shares and grow profitably.

Magnus Johansson
President and CEO

Stable growth in the market 2015

The Nordic market for spare parts, car accessories and workshop services is growing at a stable rate of 1-2 per cent per year. At the same time, the market is changing in pace with more technically advanced cars, new trends in car ownership and a gradually growing number of cars that run on alternative fuels. This creates demand for a high level of expertise among the players in the industry and creates good possibilities for those who are innovative and are on the forefront of this development.

The development in the European aftermarket for car parts and workshop services is less sensitive to economic fluctuations than many other markets. The market is expected to grow somewhat in the next few years, even if fluctuations up and down can occur in the short term. The market is mainly driven by factors such as the number of cars in the car fleet, the age of the cars, the number of kilometres driven, and the longevity of spare parts.

Stable growth

The Nordic car fleet is growing at a stable rate of 1-2 per cent per year. Sweden and Norway are characterised by a relatively old car fleet, now the average age of the car fleet is growing in Europe as well. For many years, there has been a trend of reduced car driving, but in the past two years, we have seen indications of a break in the trend in Sweden. The quality of many car parts is increasing, which contributes to extended intervals between car service and repair times. This is weighed up by the vehicles lasting longer and demanding repairs over a longer life cycle.

Altogether, these factors entail an increased need for spare parts and the Nordic aftermarket for cars is stable with an expected average nominal growth of 1-2 per cent per year.

The development in the market for car accessories is more sensitive to economic fluctuations and is affected to a greater extent by the household's consumption patterns. In our largest markets Sweden and Norway, private consumption rose in 2015. The growth rate in Norway gradually slowed down during the year, as a result of a declining oil price and weaker NOK. Private consumption in Sweden is expected to continue to rise going forward. The development in Norway is also expected to be positive, but there is uncertainty how the low oil price will affect the consumers in a longer run.

Historical differences between brand-dependent and brand-independent players are increasingly being erased and we operate in the same market, but with different pricing and marketing of our products and services. Customers choose the workshop they trust, with a price level they consider affordable.

Continued consolidation

The European spare part market is being consolidated. There is a trend that large players are acquired to gain synergy effects in form of large purchasing volumes in combination with more efficient logistics solutions. In the future, we will see continued consolidation of the European market where there will be fewer, but stronger players.

In the mean time, there is a conversion of the workshop market, where it has become increasingly important for small and medium-sized brand-independent workshops to belong to a chain. The technically advanced development sets growing demands on further training for mechanics and increased investment in new equipment. Larger players and chains have greater opportunities to invest in the competence and advanced equipment needed. This development also contributes to more affordable services and products, which in turn benefits the car owner.

The VW scandal in 2015 negatively impacted the trust in the industry on the short term and it remains to be seen which effect it has on the medium and long term. Hopefully, the discussions begun can lead to greater transparency in the car industry, which would be positive for the customers.

1-2% Long term growth in the Nordic region

Important trends 2015

- The difference between brand-dependent and brand-independent players has increasingly been erased.
- There is a continuing trend in Europe towards greater consolidation to achieve profitability through synergies.
- The average age of the European car fleet is increasing.
- The number of electric cars and hybrid vehicles is continuing to grow.
- Demand for a higher degree of technical expertise and advanced equipment is growing, which benefits the players that invest and have the ambition of being on the forefront of development.
- Car sharing is expected to grow.
- The market for digital services is growing rapidly, with new business models and offerings.

Technical development creates future opportunities

Greater environmental awareness and more stringent emissions requirements have led to growing demand for electric cars and other alternative fuels. In Sweden, the number of electric cars is growing, but from a very low level. In 2015, nearly 3,000 new electric cars were registered, which is more than twice the number since 2014. At the same time, they account for less than 1 per cent of all new registrations made in 2015. Political decisions in the form of environmental subsidies play a major role in the selection of an environmental vehicle. For example, Norway has decided to become a global leader in super fuel-efficient cars. The government provides generous subsidies to those who choose a super environmental car, which speeds up the development and more than every six car sold in Norway in 2015 was an electric car. The electric car, together with the hybrid cars that exist, are not alone on the market for cars run on alternative fuels. The hydrogen car being tested on a small scale is an environmentally friendly alternative that may become a guiding factor in the future.

A trend we see is that some drivers have a different attitude towards the car and are more interested in the function than the status provided by car ownership. They want to have access to a car, but do not need to own it. Carpools and combination ownership with other people, in "car sharing" is already a reality, although on a small scale. This trend opens up for new business opportunities as the demand for more services around car ownership will increase.

The car – a smartphone on four wheels

Car owners are beginning to increasingly demand wireless telematics in the car to make their daily lives easier. Today, there are already functions in new cars such as turning on heating and unlocking the car over the phone before use. At the same time, the technology makes it possible for the workshop to take wireless readings of the car's condition. They can then inform the car owner ahead of time when something is about to break and propose a visit to the workshop instead of the car owner getting stranded with a broken-down car. Other wireless functions that are already a reality exist, for example, in maintenance and navigation. Older cars can be connected up by installing a hardware that enables communication with the car.

The market for connected cars is expected to grow strongly and expand to many areas. By 2021, it is expected to triple and to reach an estimate of more than EUR 120 billion according to a study from PwC.

The market for traffic safety is a key area and is expected to be the largest market in connected technology in six years.

The self-driving car has become all the rage in the car industry. Here, traditional car manufacturers have met tough competition from software companies, among others, to develop the self-driving cars of the future.

Today, there are self-steering cars in the form of assisted driving such as self-parking, auto stopping for pedestrians and so on, but the development is leaning towards us being able to choose to travel around with cars that are entirely self-driving in the future.

Other new digital functions will grow in, among other areas, measurement of health status of the driver, information on traffic conditions and communication with units in the home.

In telematics, there is major potential for those who are innovative and can develop new concepts. Here, the EU plays an important role in ensuring healthy competition in the area so that the major car makers do not lock in new technology in their own brands and make it unavailable to other players. A "lock-in" not only inhibits competition, but also technical development.

Technically driven service and e-commerce

An ever higher technical content in the cars mean that the profession of a mechanic is changing. It is becoming more advanced at the same time that the industry needs more mechanics. The supply of future mechanics is an important factor for growth in our industry. It is important to get more people to choose the profession as a mechanic by strengthening the practitioners' expertise and the profession's attractiveness.

Today, consumer e-commerce accounts for a small part of the total market and mainly comprises sales of spare parts to "do-it-yourselfers". In the future, e-commerce will become more important for the industry and more advanced platforms will be necessary for successful e-commerce.

Mekonomen Group's position in the market

By extensively focusing on ensuring a high level of quality among the affiliated workshops and the overall experience for both private and business customers, we continued to strengthen its position in the market in 2015. Sales growth in our own ProMeister brand was strong during the year and accounted for 13 per cent of total Group sales of spare parts at the end of the year.

In 2015, we took market shares and strengthened its leading position in the Nordic region. The Group's focus on raising the quality of the concept workshops and working to be the car owner's first choice was successful. The affiliation of our concept workshops in Sweden, within MECA and Mekonomen, to the Swedish Association of Auto Repair Shops is an example of how we are raising the bar. Quality combined with affordability is important in the battle for customers, while the significance of flexibility and capacity for innovation is growing. Key success factors were also the economies of scale in the form of large purchasing volumes, smart logistics solutions combined with a local presence and a high level of expertise.

Differentiated concepts meet the needs of various target groups

Through the Group's clear concepts, it is possible to meet the various customer needs of car owners. An example of this is our new state-of-the-art workshop concepts Yehlove and MECA+, where the establishment of MECA+ facilities began in 2015. An initial effort has been made in the metropolitan regions, where service on heavy trucks was introduced at the MECA+ facility in Rosersberg.

Private customers as well as business customers appreciate being able to easily have their vehicles serviced with a focus on price, quality and good service. For business customers, it is also important that we have the possibility of servicing a large vehicle fleet with a national workshop network. Our business concept Fleet, which targets business customers, developed well in 2015 and is an important investment for us.

Acquisition of Opus Equipment

We have the ambition of growing in spare parts, car accessories and workshop services, combined with new business opportunities in related activities that fit our business model. The acquisition of Opus Equipment in the Summer of 2015 is a good example. Through this acquisition, we can supplement our offering with workshop equipment – including installation and service – to new and existing customers in the automotive aftermarket.

ProMeister continues to grow

Demand for high-quality and affordable spare parts led us to launch our own brand, ProMeister, in 2013. The sales of ProMeister products developed well during the year and led to us regaining market shares among non-affiliated workshops. ProMeister's share of total spare parts sales in the Group increased during the year to account for 13 per cent in the fourth quarter.

Innovation in Mekonomen Group

The use of alternative fuels is growing, as well as the number of electric cars and hybrid electric vehicles. This trend is being driven by greater environmental awareness and more stringent emissions requirements. We are carefully monitoring developments to be able to offer adequate service and affordable, quality products regardless of what fuel the vehicle runs on.

The booking site Lasingoo that Mekonomen Group launched in 2014 together with five competing chains is an example of the innovativeness in the Group and is fully in line with the strategy that it should be easy to find, book and compare workshops. The greater transparency created by Lasingoo benefits workshops with high availability that offer affordable service and products.

The European market is undergoing change where consolidation and new technology are creating new business opportunities. With our size, strong position and local roots, we are well positioned to adapt to the customers' needs for products and services on the automotive aftermarket. Our ambition is to constantly be on forefront in new areas and we see the new technologies as an opportunity to create innovative products, services and business models and thereby continue to take market shares.

Innovation projects in 2015

Mekonomen share car
With the carpool project "Mekonomen share car" launched in November 2015, Mekonomen Group meets a new need and behaviour in the market. Growing numbers of people do not view the car as a status symbol, but rather a function that solves a transport problem. They do not have the same interest in owning a car of their own, but become members of carpools instead.

ProMeister Academy
The development of the Group's training centre ProMeister Academy continued in 2015. At the ProMeister Academy, we secure the quality and skills of our mechanics in all of the Group's workshop chains. The training centre was founded in 2013 and in 2015 carried out more than 2,300 training days for mechanics.

Lasingoo
Customers require simplicity, transparency and constant availability. Mekonomen Group's launch of the Lasingoo booking site, which was founded in 2014 together with five other competing chains, proved to be successful in 2015 and is one example of how we are always trying to make life easier for our customers.

Win-win-win
Demand is growing for mechanics with adequate training. Our pilot project Win-win-win, which we started in 2014 in cooperation with the Public Employment Services, is an effort we are pursuing to take advantage of the expertise available among recent arrivals to Sweden.

E-commerce
Mekonomen Group has been a leading B2B e-commerce player for a long time and a significant part of our sales come from orders through today's digital interfaces. With the vision of addressing the entire Group's sales, we are now building the next generation e-commerce platform, an advanced, group-wide solution that adds new possibilities for greater customer loyalty and value in both B2B and B2C. This solution will thereby also replace today's e-commerce solutions towards consumers, both for product sales and workshop services.

SIGNIFICANT EVENTS IN 2015

MEKONOMEN GROUP'S MARKET SHARE

Share of the spare parts submarket to workshops in Sweden

Share of the spare parts submarket to workshops in Norway

Goals and outcomes

Mekonomen Group's overall goal is to develop with good profitability and thereby create value growth for the shareholders. New financial targets for 2016 were adopted by the Board of Directors.

Area	Goals as of 2016
Growth goal	• To achieve annual sales growth of at least 5 per cent, as a combination of organic and acquired growth.
Financial goals	• To annually achieve an operating margin in excess of 10 per cent. • The equity/assets ratio shall not in the long term be less than 40 per cent. • Net debt / EBITDA shall not in the long term exceed 2,0.

Area	Goals through 2015	Outcome 2015
Growth goal	• Annual sales growth of 10 per cent. Expansion shall occur with retained financial stability.	• Annual sales growth in 2015: 7% (3%)
Financial goals	• The EBIT margin shall exceed 8 per cent. • The long-term equity/assets ratio shall be not less than 40 per cent.	• The EBIT margin in 2015: 11% (12%) • Equity/assets ratio in 2015: 40% (39%)

Strategic development

In 2015, Mekonomen Group took a number of steps in our strategic focus areas, which comprise innovation, efficiency enhancements and quality assurance of workshops and concepts.

Strategic area	Efforts in 2015
Growth and innovation	• The workshop portal Lasingoo, which was launched in Sweden in 2014, met expectations and was launched in 2015 in Norway as well. • The carpool project "Mekonomen share car" was launched in November 2015. • As a part of widening Mekonomen Group's offering to workshops, the Group acquired Opus Equipment in 2015, which supplies equipment to workshops in the form of lifts, tyre machines, etc. and software for operating the machines.
Increased proportion of ProMeister sales	• Sales of ProMeister spare parts increased to 13 per cent of spare part sales in the Group in the second half of 2015.
Continued development of ProMeister Solutions	• ProMeister Academy has had a strong inflow of mechanics and became a part of the broader ProMeister Solutions concept during the year, which also comprises standardised support services for proprietary and affiliated workshops in IT, business and booking systems and quality assurance of workshops.
Continued development and quality assurance of workshops and concepts	• New agreements have been established with the workshops, which were inventoried and graded. Requirements were also set on them being members of the trade association, Swedish Association of Auto Repair Shops (SFVF).
Increased coordination and efficiency	• In 2015, the consolidation of group-wide functions continued in purchasing, supply chain, IT and finance and accounting. We also centralised our marketing department. • A group-wide PIM solution has been developed and will be implemented in all Group companies in 2016. • Mekonomen Group has begun the development and implementation of a common e-commerce platform where all of the Group's digital transactions will be handled. • The Group also began the upgrade of its ERP system. Mekonomen Sweden is the first up and in 2015, began to implement the Group's new platform.

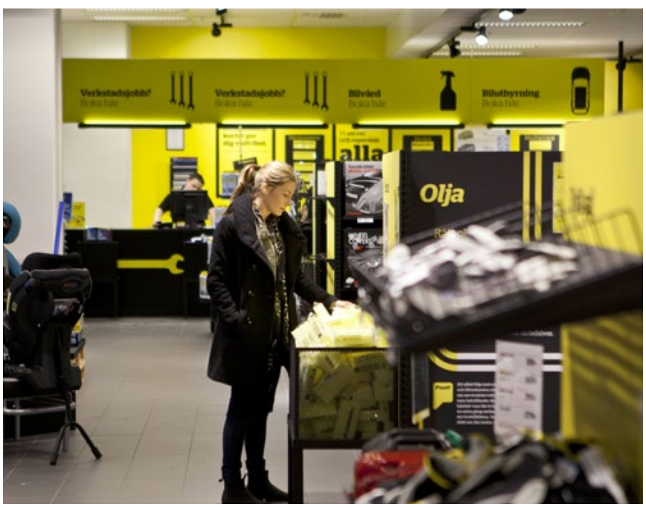
The first choice for car owners

Mekonomen Group is the leading car service chain in the Nordic region with a proprietary wholesale operation, 342 stores and 2,126 affiliated workshops operating under the Group's strong, well-established brands.

Vision
We are the car owner's first choice and strive for a simpler and more affordable CarLife.

Business concept
Mekonomen Group shall offer consumers and companies solutions for a simpler and more affordable CarLife by using clear and innovative concepts, high quality and an efficient logistics chain.

Business model
Our business model is simple and logical. High purchasing volumes combined with an efficient wholesale operation, well-known brands and concepts, full-range stores and workshops with well-trained personnel give us a distinct advantage in being able to meet and exceed our customers' needs. The keywords are a well-adapted, affordable product range, combined with efficient distribution and a high level of service.



1. Purchasing

Since 2014, purchasing has been a group-wide function with centrally negotiated purchases. The large volume enables purchasing directly from subcontractors to established car manufacturers.

The basic principle for creating the right product range is to achieve the highest possible coverage of parts and accessories at the best terms. The Group purchases around 75 per cent of the supply of products from 160 suppliers. To enhance the efficiency of product sourcing, a consolidation of the supplier base is under way from in many cases unique suppliers for each concept to fewer group-wide alternatives per part.

A large part of the purchases are made from Europe, but the Group also has a purchasing company in Hong Kong with local staff who know Mandarin Chinese and Korean. As the subcontractors accompany European and US car manufacturers when they establish operations in Asia, these high-quality suppliers are now present in Asia as well. This is important as we want to offer our customers products of high quality and affordability. This is particularly true of our proprietary quality brands ProMeister for spare parts and Carwise for accessories.

2. Logistics

In our industry, product availability is very important. A structure of efficient logistics solutions ensures that the right product is quickly available when it is needed in the local store, workshop or online store.

It is in product sourcing that the largest degree of efficiency enhancements can be made. In 2015, Mekonomen Group conducted a project to establish a group-wide PIM system (Product Information Management system). Decisions were also made to invest in a group-wide platform for all digital commerce. In total, these investments aim to increase efficiency internally at the same time that they increase the offering and availability and make it easier for the customer to order.

A large proportion of the products bought are first distributed to one of the Group companies' central warehouses. MECA has a fully automated central warehouse in Eskilstuna, Sweden, that accounts for the product supply for MECA's workshops and stores in Sweden and Norway as well as to Denmark. Approximately 55,000 items are kept in stock.

Mekonomen Nordic has a central warehouse in Strängnäs, Sweden, that accounts for the product supply for Mekonomen's stores in Sweden, Norway and Finland. Approximately 67,000 items are kept in stock.

Sørensen og Balchen has a central warehouse in Oslo that accounts for the product supply to BilXtra's stores and workshops in Norway. Approximately 60,000 items are kept in stock. Mekonomen's and BilXtra's stores deliver to workshops and over the counter to consumers. MECA's departments deliver to workshops.

3. Sales

Mekonomen Group's revenue is generated by sales of spare parts, tyres, accessories and workshop services. Sales to our franchise workshops, proprietary workshops and independent workshops mainly take place through our online catalogue. Sales to end customers: consumers, companies and organisations, take place in stores, workshops or over the Internet. In the future, e-commerce, regardless of whether it is to a B2B customer or to a B2C customer, will become increasingly important and today, the majority of the Group's sales are already made by a digital transaction.

342 stores

At year-end, there were a total of 342 stores in the chains, of which 257 were proprietary. The stores are operated under 3 concepts:

- MECA: 85/72
- Mekonomen: 187/150
- BilXtra: 70/35

2,126 workshops

At the end of 2015, 2,126 car workshops were affiliated with one of the Group's 5 workshop concepts, including:

- Mekonomen Bilverkstad: 923
- MECA Car Service: 676
- BilXtra: 246
- MekoPartner: 261
- Speedy: 20

Differentiation of the brands creates growth

We are convinced that the combination of a strong central purchasing function and clearly differentiated concepts and brands towards selected target groups generates growth.

Mekonomen Group's three Group companies MECA, Mekonomen Nordic and Sørensen og Balchen generally operate in the same geographic markets, but with different concepts, offerings and solutions for meeting the needs of different target groups.

In 2015, great focus was placed on offering security in the service transaction, becoming clearer in what each brand offers and taking responsibility for the customer experience in the entire chain.

	MECA	Mekonomen Nordic[1)]	Sørensen og Balchen
	MECA has a clear B2B focus and caters mainly to the workshops as a business partner. The company also sells directly to companies and organisations and has been successful in terms of taking market shares in the public sector.	B2B accounts for 70 per cent of Mekonomen's sales and the largest B2B customers are Mekonomen Bilverkstad, MekoPartner and other workshops. Other workshops account for 33 per cent of the B2B segment. 30 per cent of sales are generated from the consumer segment (B2C) through Mekonomen's stores.	Sørensen og Balchen is a wholesale operation, with stores and workshops under the Bilxtra brand name. Car accessories account for 30 per cent of the sales.
Brands	MECA	Mekonomen; speedy bilservice medan du väntar; BILVERKSTAD MekoPartner	BilXtra
Geographic distribution	Sweden and Norway. In Denmark, the market is being processed with direct deliveries from regional and central warehouses under the brands Mekonomen Autoteknik and MekoPartner.	Sweden, Norway, Finland, Denmark and Iceland.	Norway
Offering	Workshop services, fleet agreements, spare parts, tyres, tools and workshop equipment.	Workshop services, fleet agreements, spare parts, tools, workshop equipment, tyres and automotive accessories.	Workshop services, spare parts, tyres and automotive accessories.
Target groups	Workshops, especially for the brands MECA Car Service and Bosch Car Service. The company has a wide base of other B2B customers. Sells to petrol stations and convenience stores among others. The target group mainly comprises men interest in cars and knowledge concerning cars.	Mekonomen is a strong brand among consumers as well as corporate customers, and the fleet business segment is growing strongly. In consumer sales, families with children and women are two main target groups.	The brand attracts younger drivers, mainly men ages 20-30.
End-customer behaviour	A person who views the car as something more than a means of transport, who likes to work on it themselves and/or is very interested in cars.	A person who wants reliability and complete solutions. Mekonomen shall be a "one-stop shop" for customers who say "Fix it!"	A person very interested in cars who preferably wants to personify the look of his/her car with different kinds of accessories.

[1)] The Group-level Mekonomen Nordic was removed as a control and management function as of 1 January 2016. The sales companies Mekonomen Sweden, Norway and Finland will be operated directly under Mekonomen Group going forward.

ProMeister

ProMeister – the Group's own brand for spare parts
ProMeister is Mekonomen Group's group-wide quality brand for spare parts for cars. It is developed jointly by the Group's companies and is sold today by Mekonomen Nordic, Meca and Sørensen og Balchen.

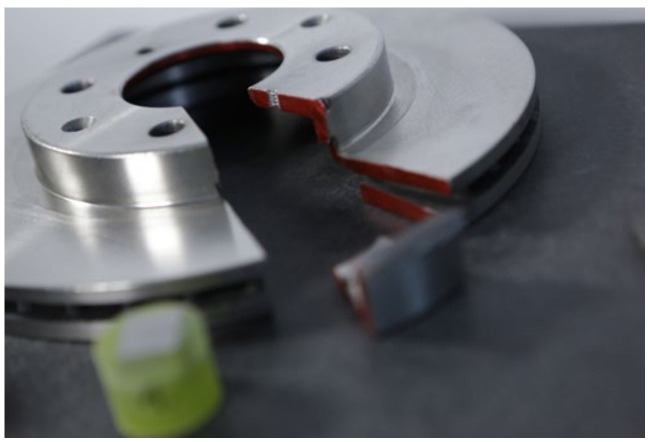
ProMeister was launched in the Summer of 2013 and quickly became a hit among workshops and consumers. The ProMeister concept is also offered to independent workshops.

The product range in ProMeister consists of affordable, high-quality spare parts for the modern European car fleet. This includes generators, brake pads, brake fluid, brake discs, chemicals for cars, gas springs, shock absorbers, spark plugs, and more.

ProMeister is the only spare parts brand in the market to offer a five-year warranty. At the same time, average prices are 15 per cent lower than equivalent brand products, and significantly lower than in brand-dependent workshops.

All development and manufacturing takes place under the supervision of the Group and all products in the product range have undergone stringent testing to meet the market's high standards. All spare parts are also produced in large volumes, which provides lower production costs - and thereby lower prices for the consumer.

Carwise
Carwise is the Group's own brand for car accessories with high quality and affordability as the strongest focus.
The product range includes roof racks, bike holders, snow chains, rims, jacks, wrenches, polishing tools, degreasing agents, electrical equipment like chargers, and more. The accessories are sold through Mekonomen's, MECA's and BilXtra's stores.



Intermeko test lab
To ensure the high level of quality of the ProMeister and Carwise products, Mekonomen Group, together with the company Inter Cars, is a co-owner of a testing lab in Poland called Intermeko.
The lab tests and evaluates the products before they are approved and become available for purchase in the Group. The tests take place, in part, through comparisons with product specifications to ensure that the parts do not deviate in quality and function.

Group companies

Mekonomen Group consists of three Group companies. MECA Scandinavia, Mekonomen Nordic and Sørensen og Balchen. Collaboration between the Group companies takes place within purchasing and logistics, among other areas. There is full competition in the market, however. The Group companies all have strong brands, distinct concepts and continued individual development focus.

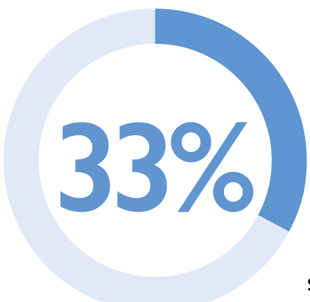
MECA Scandinavia

MECA Scandinavia is a market leader in auto spare parts, tools and workshop equipment. The operation is based on an efficient distribution network via 85 departments in Sweden and Norway to professional workshops. Logistics are controlled from a central warehouse in Eskilstuna. MECA is also the fastest growing workshop concept in Sweden and Norway, with 676 affiliated workshops under the MECA Car Service brand. In Denmark, sales in the workshop market are conducted under the Mekonomen Autoteknik and MekoPartner brands.

Significant events during the year

In 2015, MECA Scandinavia acquired Opus Equipment to become a complete supplier to the auto workshops. With Opus Equipment, all workshop concepts in Mekonomen Group can offer sales and installation of equipment for workshops and inspection stations. The business idea is to sell a complete service with associated services. The concept has also been launched in Norway.

During the year, MECA also began the leading workshop concept MECA+. This is a concept for customers who want one-stop shopping there. These workshops use the latest equipment and the mechanics continuously develop their skills in the Group's own training operation ProMeister Academy. Three MECA+ workshops were established in 2015.



SHARE OF THE GROUP'S NET SALES

NUMBER OF WORKSHOPS

817

NUMBER OF STORES

85

	2015[1)]	2014[1)]
Net sales (external), SEK M	1,871	1,679
EBITA, SEK M	258	268
EBIT, SEK M	245	243
EBITA margin, %	14	16
EBIT margin, %	13	14
Number of stores/of which proprietary	85/72	87/72
Number of MECA Car Service workshops	676	628
Number of Mekonomen Service Centres	102	195
Number of MekoPartner Workshops	39	153
Average number of employees	699	614

1) Excluding discontinued store operations in Denmark.

Mekonomen Nordic

Mekonomen Nordic is one of the leading industry players in the Nordic region, with operations in Sweden, Norway, Finland and Iceland. Through a nationwide store network, Mekonomen offers the best availability in the industry with a total of 187 stores. Mekonomen Nordic has 1,025 affiliated workshops under the brands Mekonomen Bilverkstad, MekoPartner and Speedy. A central warehouse in Strängnäs is responsible for logistics and stocks some 67,000 items.

Significant events during the year

In December, a leading workshop concept was initiated for Mekonomen called Mekonomen Yehlove. This is an aggressive investment in "state-of-the-art" workshops for customers who seek complete trouble-free service with a "fix-it focus". Mekonomen Yehlove's target group is mainly in the urban regions.

For the second consecutive year, Mekonomen has been named the strongest brand in the industry for "Car parts and auto workshops". The award was handed out at the Swedish Brand Award 2015. The award was based on an extensive survey among Swedish consumers regarding customer satisfaction and brand awareness.

NUMBER OF WORKSHOPS

1,025

NUMBER OF STORES

187

SHARE OF THE GROUP'S NET SALES

	2015	2014
Net sales (external), SEK M	2,817	2,692
EBITA, SEK M	412	422
EBIT, SEK M	393	401
EBITA margin, %	14	15
EBIT margin, %	13	14
Number of stores/of which proprietary	187/150	192/151
Number of Mekonomen Service Centres	803	863
Number of MekoPartner Workshops	222	202
Average number of employees	1,099	1,089

Sørensen og Balchen

Sørensen og Balchen conducts wholesale, store and workshop operations in Norway. The company is a leading distributor of spare parts and accessories and now represents many of the most renowned manufacturers in the world. Sørensen og Balchen has 70 stores and 246 affiliated workshops under the BilXtra brand in Norway. Logistics are controlled from a central warehouse in Oslo, which stocks more than 60,000 items.

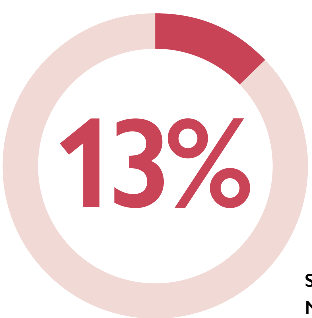
Significant events during the year
Sørensen og Balchen experienced strong sales growth to affiliated BilXtra workshops and also had strong sales growth in accessories, such as through higher sales of the proprietary brand Carwise. The operating profit was the strongest to-date for Sørensen og Balchen.

NUMBER OF WORKSHOPS

246

NUMBER OF STORES

70



SHARE OF THE GROUP'S NET SALES

	2015	2014
Net sales (external), SEK M	729	712
EBITA, SEK M	117	109
EBIT, SEK M	116	109
EBITA margin, %	16	15
EBIT margin, %	16	15
Number of stores/of which proprietary	70/35	71/34
Number of BilXtra workshops	246	232
Average number of employees	273	252

Strategy for sustainable development

In 2015, a new sustainability strategy was developed that will guide our work until 2020. The focus areas have been prioritised based on the Group's values and our continuous dialogue with stakeholders.

Mekonomen's sustainability strategy builds on our materiality analysis, which we continuously work on and update. The materiality analysis is an important tool for identifying internal and external stakeholders' views of the sustainability factors that are most important for Mekonomen Group. In 2014, Mekonomen Group conducted an initial materiality analysis in which Group Management, managers and employees in Mekonomen Group participated. It was then supplemented with a gap analysis, which shows the Group's work in relation to the United Nations Global Compact, of which the Mekonomen Group has been a participant with since 2013. Participation means that the Group commits to the UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption. The materiality analysis was also translated into a wider perspective, in which consideration was given to national and international trends, standards, expectations, guidelines and laws that are relevant to a responsible and sustainable business.

This work resulted in seven focus areas that describe the Group's most important issues and priorities in the sustainability area. They are Customer Satisfaction, Product and Workshop Quality, Training, Managers and Employees, Diversity, Responsible Purchasing, and Transports and Energy Consumption. A number of targets have been set for these areas, which are to be achieved by 2020. The areas that primarily concern external stakeholders are Customer Satisfaction, Transports and Energy Consumption, Responsible Purchasing, Product and Workshop Quality and Training in connection with affiliated workshops. All focus areas also concern internal stakeholders and are addressed and have an impact within the Group. In 2016, we will further develop our materiality analysis through more stakeholder dialogues with external stakeholders.

Read more in our separate sustainability report at www.mekonomen.com

Sustainability efforts should contribute to business value

As an industry leader, our decisions and priorities have a direct impact on our employees and customers, but also on our industry and our surrounding world. Consequently, we have to take responsibility and be on the forefront with regard to sustainability in our industry.

Sustainability should be an integrated part of the business operations where set targets contribute to creating value for the company.

Our sustainability efforts should contribute to:
- Higher sales and growth
- Reduced business risks
- Greater expertise and quality in our workshops
- Securing the future supply of mechanics
- Strong, well-developed leadership and committed employees who are our ambassadors

Focus areas

The Group's sustainability work is divided into seven focus areas with regard to quality, environment and social conditions in every stage – from production to sales.

Customer satisfaction
- We conduct a continuous dialogue with our customers to ensure that they experience a high level of customer service, quality and affordability.

Product and workshop quality
- We ensure a high level of quality through extensive product testing and continuous internal and external quality audits in our workshops.

Training
- We offer courses and further training for mechanics through the Group's training centre ProMeister Academy.

Managers and employees
- We offer a developing workplace that creates committed and involved managers and employees.

Diversity
- Our workplaces should reflect our customer groups and society at large.

Responsible purchasing
- We continuously improve our follow-up processes to ensure consideration and compliance to human rights, working conditions, and environmental and anti-corruption regulations in our supply chain.

Transports and energy consumption
- We continuously improve the efficiency of our operations to reduce CO_2 emissions and energy consumption.

Diversity and education

We strive for employees at our workplaces to reflect our customer target groups and society in general. Our diversity work is also a direct solution to the problem of a shortage of mechanics in our industry.

Large need for mechanics

The trend in recent years indicates a growing need for mechanics in the workshops, while interest in being a mechanic as a career has fallen and fewer mechanics are graduating from Swedish high schools. The employability of the mechanics who graduate from high school is low in some cases due to insufficient expertise. An apprenticeship period is necessary, which is costly for the workshops. In our assessment, we will need 500 mechanics within a few years. The corresponding figure in our industry is 5,000 mechanics. To cover the future need for expertise, we have initiated the training project "Win win win" together with the Public Employment Services. We will also establish our own high school education programme for mechanics.

Own high school for mechanics

The vocational training for mechanics needs to be modernised to meet the skills requirements in today's workshops. Mekonomen Group is therefore establishing its own high school within the Group's existing training centre ProMeister Academy. This endeavour is taking place together with *Lärande i Sverige AB* which currently operates the Realgymnasiet network of vocational high schools in Sweden with permits to offer an automotive programme. Mekonomen Group is taking the primary responsibility for ensuring that the quality and content of the programme meets the needs of the workshops, which will also improve the employment possibilities for the recently graduated mechanics. Traditionally, the relationship is the opposite, where the school operator is responsible for the programme's quality and content and courts business for small-scale collaboration and isolated efforts. This initiative is in line with the government's ambition regarding a future characterised by "vocational high schools in collaboration" that aim for greater cooperation between schools and business.

The ProMeister programme is based on the results of needs analyses that are carried out in modern workshops. The goal of the programme is to better prepare the students for the profession as a mechanic based on the student's individual circumstances. This means that the programme will comprise a larger amount of on-the-job training than traditional high school programmes offer. Students who are advanced and need to be challenged will be able to be offered a transition to an upper-secondary apprenticeship within the scope of the ProMeister programme. The apprenticeship track makes it possible for workshops to follow and shape students over an extended period of time, which offers good employment possibilities after graduation. In contrast to other educational operators, the ProMeister programme will guarantee that all students offered a transition to apprenticeship training have achieved a certain level of knowledge. The students who remain in the ProMeister programme's teacher-led school activities have the opportunity of a faster development by having more time with their teachers and greater room to grow through practice in the training workshops set up for the endeavour.

A competence profile in relation to the competence analysis in the industry will also accompany the student after programme completion in order to be supplemented by future employers as the mechanic develops in working life. The programme is scheduled for launch in autumn 2017 in Stockholm and Lund.

Education project "Win win win"

Together with the Public Employment Services, Mekonomen Group initiated a practical placement and training programme in 2014 for new arrivals to Sweden who want to work as automotive mechanics. The first pilot project was completed in autumn 2015 with the result that nearly 50 per cent of the participants were offered employment in the Group after a bit more than one year of studies and practical placement.

The objective of the training programme is to integrate new arrivals to the Swedish labour market and at the same time secure the future growth of mechanics in our workshops. The project entails considerable business value for our core business and benefits the individual and society.

Improvements in the education model take place continuously to improve the employment possibilities after the first year of studies and practical placement. The second round of the programme began in winter 2015 with eight participants. Already before the next training programme, we are confident of the possibilities of scaling up the number of participants significantly.

Attractive workplace with the possibility of development
Mekonomen Group has an entrepreneurial spirit characterised by commitment, in which all employees have opportunities for personal development and new challenges in their working life. We are highly adaptable and pragmatic and have great confidence in the ability of each individual. Our managers' and employees' commitment is a prerequisite for the Group's success. In addition to the daily dialogue at the workplaces, in-depth talks take place on the employee's goals, work situation and development opportunities. The employee gets feedback on his or her work and has the opportunity to provide feedback on his or her manager's leadership. Internal recruitment is an important model to retain skilled expertise and a possibility for managers and employees to develop and accept new challenges in the Group. Within MECA, there is also a Talent Management Programme that resulted in several examples of employees who had the opportunity of leadership development and being pulled up into management roles.

In 2015, the Group began a review of the HR work with a focus on developing leadership and introducing clearer structures for recruitment and follow-up, among other aspects. This work has mainly been initiated in Mekonomen Sweden and takes place as a part of increasing satisfaction at the workplace and improving earnings for the Group. Despite the lack of complete data, there is an indication that Mekonomen Group in total has a low personnel turnover and that sickness absence is at a very low level. More than 97 per cent of the total number of employees in Sweden are covered by collective agreements. In Norway, collective bargaining agreements are not as common in every industry and the proportion of affiliated employees is therefore lower than in Sweden. The Group's total number of employees who are affiliated with collective agreements in the Nordic region will be reported in future sustainability reports.

> ” By having employees and managers with varying experience and expertise, we improve the possibility of meeting the customers' needs. Diversity is also important in order to create renewal and change in a traditional industry.

Diversity contributes to greater business value
We strive for our workplaces to reflect the diversity of our customer groups and society in general. By having employees and managers with varying experience and expertise, we improve the possibility of meeting the customers' needs. Diversity is also important in order to create renewal and change in a traditional industry. For us, diversity is about the value of differences among our employees when it comes to gender, foreign backgrounds, age, education and experience.

Mekonomen has an age distribution in which around 50 per cent of the employees are under the age of 35, about 30 per cent of the employees are between 35 and 50, and around 20 per cent of the employees are over 50. A major challenge for us is to create an even gender distribution in a traditionally male industry. The proportion of women in Mekonomen Group is currently about 20 per cent. In order to get a more even distribution, work is under way to introduce clearer processes in recruitment. Among other things, we strive to identify both male and female final candidates when filling positions. It is important to set an example at every level in the company, not least in the management groups. Our vision for 2020 is to have 35 per cent women in management positions.

Competence development – the ProMeister Academy
ProMeister Academy is the Group's training centre that secures the quality and skills of our mechanics in all of the Group's workshop chains. Courses are offered both through classroom instruction and through e-learning and cover new technologies, customer service, professionalism and in-depth knowledge on specific car models. The training centre was founded in 2013 and 2,300 training days for mechanics are provided annually. The vision for 2020 is for 95 per cent of the Group's mechanics to undergo training at ProMeister Academy every year.

Establishing support for the Group's values
Internally, business ethics are handled today in employment contracts and in the Group's Code of Conduct. The Code of Conduct was approved by the Board and has been translated to every Nordic language as well as English. A review of the Code of Conduct is done every year. Upon updates, it is sent out to all employees by e-mail and posted on digital intranet platforms and externally on the website mekonomen.com. The Code of Conduct also provides information on the Group's whistle-blower function that was implemented in 2011. To further establish business ethics among all of the employees, in 2016, we will develop e-learning courses on the Group's Code of Conduct, the whistle-blower function and anti-corruption policy. All employees are to have taken the courses before the end of 2017.

Employee survey

The Group's employee surveys include questions about job satisfaction and working conditions, management, commitment and whether individual employees are able to influence their work situation. The survey is an important tool to identify improvement areas in the Group, all the way from an overall perspective down to one's own group or unit. Employee surveys are conducted every two years. The latest survey was conducted in 2015 and the results show a general positive development, including greater employee satisfaction (ESI).

2013 ESI VALUE	GLOBAL BENCHMARK	2015 ESI VALUE
84	86	86

Our values

Responsibility
We assume responsibility for our operating environment, shared resources and the environment, and we have confidence in the knowledge and ability of our employees. Our customers associate us with high quality.

Competency
We have high professional qualification within the areas in which we operate and that results in our customers perceiving us as reliable and knowledgeable.

Customer orientation
We place the customer first and satisfy our customers' expectations, which means that our customers understand that we have a comprehensive view.

Flexibility
We seek new ideas and continuously evolve to meet the needs of existing and prospective customers. This results in our customers perceiving us as innovative.

Business orientation
We achieve strong financial results, with a balance between short-term and long-term earnings. We are perceived as offering value for money by the customer.

Quality and environment

Mekonomen Group mainly purchases spare parts and accessories from the large European suppliers in the automotive industry. By being a customer of major and recognised suppliers, we benefit from the strict environmental, health and safety and quality requirements already exercised by these players.

Product quality

Quality forms the basis of Mekonomen Group's offering. We mainly purchase spare parts from the same suppliers that serve the car makers. We set high standards on documentation that ensures the level of quality and that the product is an original part or of equivalent quality. For all spare parts, the concept of quality encompasses the parameters: material, design, function, durability and health and safety. Spare parts made of metal are also covered by parameters such as rust proofing and density. Furthermore the quality assurance for these products takes place through the follow-up of complaints, warranty claims and measurement of frequently returned items. Suppliers that deviate from the rules have to present corrective actions and demonstrate an improved trend. We also conduct our own and independent tests to guarantee continued quality compliance. Our own tests are done in the Group's testing laboratory in Poland, which Mekonomen Group owns together with the Polish car part company Inter Cars.

In the development of our own brands, we ourselves assume a greater responsibility for the quality assurance of the products. Our own spare part brand ProMeister stands for premium quality, which means that we choose suppliers with high levels of quality.

In all factories that manufacture ProMeister spare parts, internal audits take place to ensure that they comply with legal requirements, quality requirements and the UN Global Compact. The product range also comprises the industry's longest warranty period – five years.

Risks and risk assessment in the supply chain

Purchases of the product range under our own brands ProMeister (spare parts) and Carwise (accessories) largely take place from Europe. The percentage of purchases made through direct imports from Asia is below 10 per cent of the total purchasing volume. The Group has a well-developed range of spare parts and accessories for more than 9,000 car models. We stock more than 60,000 items in our wholesale inventory and through contract suppliers have access to another 500,000 items. In order to provide the broad range of parts that our customers demand, Mekonomen Group does business with a large number of suppliers.

To monitor compliance of the large number of suppliers to the UN Global Compact, the Group has introduced a risk assessment process where particular focus is placed on the supplier's that are deemed to constitute the largest sustainability risks. In the supply chain, direct purchases from small and medium-sized enterprises in Asia make up the largest risk.

Mekonomen Group has a purchasing office in Hong Kong to be present closer to the production in Asia and develops the product range under our own brands. Through the purchasing office, internal audits are also conducted in the suppliers' factories.

For the past two years, all new supplier agreements contain a clause on compliance to the UN Global Compact. The work of updating already existing agreements is continuously under way. Today, suppliers that account for 90 per cent of spare part sales have agreed to compliance to the UN Global Compact, or have presented an equivalent code of conduct of their own that matches these principles.

Anti-corruption

Although the risk is considered higher in certain markets and certain industries, corruption is not geographically limited. Mekonomen Group applies zero tolerance. Today, we make purchases from markets where corruption is a well-known problem, which requires that we actively distance ourselves from these practices. Through a central purchasing organisation that secures all major purchasing agreements for our three Group companies, we have better control over suppliers and the flow of products. Our supplier agreements contain clauses that include anti-corruption by referring to the United Nations Global Compact. In 2015, Mekonomen had no reported cases of corruption.

Deficiencies in the production chain

In connection with Mekonomen Group's acquisition of Opus Equipment in July 2015, the Group became the owner of a factory premises with some ten employees. Mekonomen Group's internal audit before the acquisition showed deficiencies in the working environment and labour law conditions. After the acquisition, Mekonomen Group took a number of steps to ensure that the operation complies with the Group's sustainability requirements and the principles for human rights.

- Ensured that labour law rules are followed
- Ensured that employment contracts and insurance policies are established in accordance with local regulations and the Group's requirements
- Ensured that contracts and accounts are prepared in accordance with the Group's requirements
- Continuous internal audits at the factory
- More suitable premises are sought for the operations

Greater control and follow-up in the operations
The Group's environmental impact in the Nordic region mainly takes place in the areas of energy, transportation and the handling of chemicals. Our proprietary operations in MECA Sweden, MECA Norway and Mekonomen Sweden have made the most progress in environmental work, and all of these facilities hold ISO 14001 certification. Mekonomen's proprietary operations in Sweden have also been certified for occupational health and safety (OHSAS 18001) and quality management (ISO 9001). Certifications of the operations have entailed better control with clear processes to discover and manage deviations. We intend to report energy consumption and CO_2 in greater detail in the 2016 sustainability report.

Environmental work
Environmental work comprises surveys of the most significant environmental impact of the operations, and includes environmental policies, certified environmental management systems and environmental manuals describing procedures, monitoring and responsibilities. Environmental management systems undergo external audits every year, and environmental goals and monitoring procedures are determined for each financial year. Within the Group, several courses are offered in the environmental area, such as the handling and transportation of hazardous goods (ADR) and national legislation related to chemicals and CE marking. Products are checked at several stages regarding, for example, their compliance with national requirements and registration. Specifications on content, labelling and safety data are also produced. The agreements signed with suppliers include a number of documents concerning environmental standards, such as the EU REACH regulation, which also require compliance.

Energy audit
Mekonomen Group has registered as subject to the Act on Energy Audits in Large Companies. We have begun an energy audit of the operations according to a process from the Swedish Energy Agency with the aim of identifying steps to reduce energy consumption in the Group. The work mainly concerns Sweden, but will in the future be implemented in part or in whole in the Norwegian operations. The regulation is based on an EU directive for the Member States and means that an audit is to be conducted at least once every four years.

Bulb quality

In 2015, quality deficiencies were discovered in bulbs under the ProMeister brand. Parts of the range did not have the correct geometry, resulting in the filament's position being incorrect. The deficiencies led to a sales stop and after additional independent testing, the decision was made to recall ProMeister H1, H4 and H7 bulbs.

We view the quality deficiencies at the supplier in question seriously and have further expanded our own controls in the entire ProMeister range. In autumn 2015, it was ensured that the quality problem was isolated to this category of automotive bulbs.

Customer care and quality

Our customer promises are based on our values. We put the customer first and focus on always meeting our customers' expectations. The customer associates us with high quality, affordability and innovation.

Dialogue with our customers

The most important dialogue with our customers takes place in our stores and workshops. In order to understand the customer's perceptions and to measure the quality of our operations, we use Mystery Shopping. We conduct customer surveys by SMS, e-mail or phone after the customer visits a workshop. On our websites, we encourage our customers to submit opinions, questions and suggestions on improvement areas.

The customer as our ambassador

We want our customers to be our ambassadors and recommend us to others. In 2016, we intend to introduce the customer rating tool Net Promoter Score (NPS) where the result shows what percentage of the customers are ambassadors for Mekonomen Group. Today, 95 per cent of MECA's and Mekonomen's customers answer yes to the question of whether they would recommend the workshop to others. An equal number would consider making an appointment for their car at the same workshop again.

Quality and value for money

We sell quality spare parts that come from the same suppliers that deliver parts to the car makers. The parts match the quality of an original part, but most often at a lower price than at brand-dependent vendors. We also offer an extensive network of stores with knowledgeable employees who can give our customers advice and help regarding the car and associated products. To offer the same high quality at an even lower price, we have developed a proprietary spare parts brand, ProMeister. We set high standards on ProMeister suppliers and conduct careful quality controls, in part through Mekonomen Group's testing laboratory in Poland. In order for the customers to be secure in choosing ProMeister, we have introduced the industry's longest warranty period of five years.

Quality in the workshops is guaranteed through continuous follow-up of quality assurance processes, controls and skills development among the Group's mechanics. Through our own training centre ProMeister Academy, more than 2,300 training days for mechanics were carried out in 2015. Mekonomen Group's workshops most often offer a lower price on service and repairs than brand-dependent players offer. Mekonomen's concept workshops in Sweden also offer a price guarantee both on service and repairs that mean that the customer gets back twice the difference if a less expensive service or repair alternative is available at ordinary price at an authorised car service centre.

95% of MECA's and Mekonomen's customers answer yes to the question of whether they would recommend the workshop to others.

The Mekonomen share

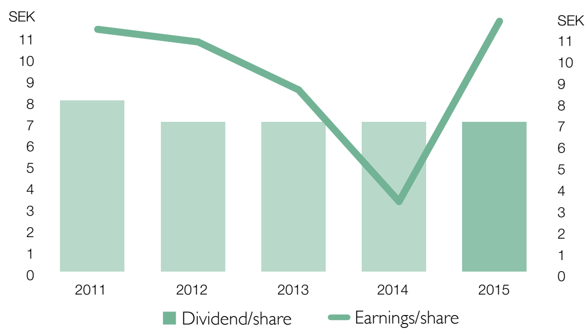
Mekonomen's share is listed on Nasdaq OMX Nordic Exchange in Stockholm, in the Mid Cap segment and is traded under the MEKO ticker.

At 31 December 2015, the total market value of the company was SEK 6.2 billion. In 2015, the share's highest closing price was SEK 232.0 on 18 May and the lowest closing price was SEK 173.0 on 30 December. The average share price was SEK 206.3. At 31 December 2015, there were 9,373 shareholders.

As per 31 December 2015, Mekonomen's share capital amounted to SEK 90 M (90) and comprised 35,901,487 shares (35,901,487) at a quotient value of SEK 2.50 per share (2.50).

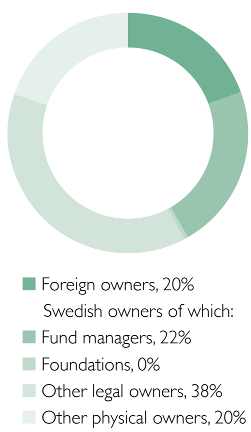
Each share carries one vote at the Annual General Meeting and all shares carry equal entitlement to a share in the company's profits and assets. Each shareholder is entitled to vote for all their shares with no restrictions and the shares are not included in any transfer restrictions.

DIVIDEND AND EARNINGS PER SHARE



Year	Transaction	Nominal value, SEK	Shares, total	Share capital, total, SEK
1990	Formation of company	100.00	1,000	100,000.00
1998	Bonus issue	100.00	400,000	40,000,000.00
1998	Split 1:10	10.00	4,000,000	40,000,000.00
1999	New share issue	10.00	5,434,444	54,344,440.00
2000	New share issue	10.00	7,252,626	72,526,260.00
2001	Redemption of convertible bonds	10.00	7,286,626	72,866,260.00
2002	Redemption of convertible bonds	10.00	7,385,226	73,852,260.00
2003	Redemption of convertible bonds	10.00	7,397,326	73,973,260.00
2003	Split 2:1	5.00	14,794,652	73,973,260.00
2003	Redemption of convertible bonds	5.00	14,869,150	74,345,750.00
2004	Redemption of convertible bonds	5.00	15,304,618	76,523,090.00
2004	New share issue	5.00	15,434,411	77,172,055.00
2005	Split 2:1	2.50	30,868,822	77,172,055.00
2011	New share issue	2.50	32,814,605	82,036,512.50
2012	New share issue	2.50	35,901,487	89,753,717.50

HOLDING PER OWNERSHIP CATEGORY[1)]



[1)] Source: Modular Finance

15 LARGEST SHAREHOLDERS, 30 DEC 2015[1)]

Name	Number of shares	Votes and capital, %
Axel Johnson AB	9,516,235	26.5
Handelsbanken Fonder	3,131,633	8.7
Lannebo Fonder	2,607,312	7.3
Eva Fraim Påhlman	2,009,176	5.6
Fjärde AP-Fonden	1,665,721	4.6
Kempen Capital Management	1,315,125	3.7
Columbia Wanger Asset Management	1,140,016	3.2
Ing-Marie Fraim Sefastsson	1,000,000	2.8
Swedbank Robur Fonder	652,897	1.8
Catella Fonder	550,000	1.5
Henderson Fonder	420,669	1.2
Wasatch Advisors	415,200	1.2
Fidelity Fonder	335,400	0.9
Leif Möller	319,700	0.9
SEB Fonder	318,930	0.9
Total 15 largest shareholders	**25,398,014**	**70.8**
Others	**10,503,473**	

HOLDING PER SIZE CLASS, 30 DEC 2015[1)]

Size class	Number of shareholders	Number of shares	Holding, %
1 – 100	3,758	170,242	0.5%
101 – 200	1,411	242,701	0.7%
201 – 300	648	175,383	0.5%
301 – 400	998	388,459	1.1%
401 – 500	464	225,283	0.6%
501 – 1,000	1,026	833,247	2.3%
1,001 – 2,000	552	857,701	2.4%
2,001 – 5,000	284	943,926	2.6%
5,001 – 10,000	98	727,127	2.0%
10,001 – 20,000	44	655,404	1.8%
20,001 – 50,000	37	1,186,735	3.3%
50,001 – 100,000	18	1,237,734	3.4%
100,001 – 500,000	26	5,774,172	16.1%
500,001 – 1,000,000	3	2,202,897	6.1%
1,000,001 – 5,000,000	5	10,764,241	30.0%
5,000,001 – 10,000,000	1	9,516,235	26.5%
Total	**9,373**	**35,901,487**	**100.0%**

DATA PER SHARE

Amounts in SEK per share unless otherwise stated	2015	2014	2013	2012	2011
Earnings, continuing operations	11.77	12.80	9.81	11.57	9.79
Earnings, discontinued operations	0.00	-9.46	-1.25	-0.76	1.60
Earnings	11.77	3.34	8.56	10.80	11.39
Cash flow	12.23	11.51	15.51	14.93	7.98
Shareholders' equity	59.7	57.5	62.1	64.2	46.9
Dividends[2)]	7	7	7	7	8
Share of profit paid, %	59	210	82	65	69
Share price at year-end	173.0	204.0	198.0	206.5	225.0
Share price, highest for the year	234.5	207.0	233.0	246.0	257.5
Share price, lowest for the year	170.0	139.0	189.0	180.0	157.0
Direct yield, %	4.0	3.4	3.5	3.4	3.6
P/E ratio at year-end, multiple	14.7	61.1	23.1	19.1	19.8
Average number of shares after dilution effects	35,901,487	35,901,487	35,901,487	34,692,458	32,436,258
Number of shares at end of period	35,901,487	35,901,487	35,901,487	35,901,487	32,814,605
Number of shareholders at year-end	9,373	9,664	8,355	8,138	7,735

[1)] Source: Modular Finance

[2)] The Board's proposal for 2015.

Administration Report

The Board of Directors and President of Mekonomen AB (publ.) corporate identity number 556392-1971, hereby submit the Annual Report and consolidated financial statements for the 2015 financial year.

General

Mekonomen Group is the leading car service chain in the Nordic region with proprietary wholesale operations and comprises the three Group companies MECA Scandinavia, Mekonomen Nordic and Sørensen og Balchen. We offer a broad and easily accessible range of affordable and innovative solutions and products for consumers and companies. Mekonomen Group has approximately 350 stores and more than 2,100 affiliated workshops under the Group brands.

The Parent Company has its registered office in Stockholm. The address of the head office is Box 19542, SE-104 32 Stockholm, Sweden. Visiting address: Solnavägen 4, 10th floor. The Parent Company's share is listed on Nasdaq Stockholm Mid Cap segment. The three largest owners in the Parent Company as per 31 December 2015 are the Axel Johnson AB Group, with 26.5 per cent, Handelsbanken Fonder, with 8.7 per cent and Lannebo Fonder, with 7.3 per cent.

Financial year

The 2015 financial year was characterised by a stable market growth where all Group companies took market shares during the year.

In 2015, Mekonomen Group's revenue for continuing operations increased 7 per cent and operating profit (EBIT) amounted to SEK 616 M (639).

After the final store was closed in Denmark in the first quarter of 2015, the Group's business model is based on a more cost-effective distribution with direct deliveries to the workshops.

In July 2015, Opus Equipment AB was acquired, a comprehensive supplier of workshop equipment for workshops and car inspection stations. Opus is now a part of MECA, which is the Group's B2B-focused company.

Sørensen og Balchen, Mekonomen Norway and MECA, excluding the Danish export business, strengthened their earnings in 2015.

In 2015, Mekonomen Group was negatively impacted by a weakening of the NOK, the export business to Denmark and non-recurring costs. At the same time, Mekonomen Group strengthened its position in the market and initiated important efforts for the future.

The group-wide proprietary brand ProMeister continues to develop and sales of ProMeister spare parts amounted to more than SEK 500 M in 2015.

The total number of stores in the chains at the end of the period was 342 (351), of which 257 (258) were proprietary stores. The number of affiliated workshops totalled 2,126 (2,304), of which 34 (28) were proprietary workshops.

Revenue

Revenue for continuing operations rose 7 per cent to SEK 5,761 M (5,390). Excluding the acquisition of Opus Equipment, revenue increased 6 per cent. Adjusted for negative currency effects of SEK 95 M, revenue increased 9 per cent. There were two more workdays in Sweden during the full-year, one more workday in Norway and Finland and an unchanged number of workdays in Denmark compared with the preceding year. Calculated on comparable workdays and adjusted for currency effects, revenue increased 8 per cent. Sales in comparable units rose 5 per cent.

Other operating revenue mainly comprises of rental income, marketing subsidies and exchange-rate gains.

Operating profit before amortisation and impairment of intangible assets, EBITA

EBITA for continuing operations amounted to SEK 726 M (763) and the EBITA margin amounted to 13 per cent (14). Profit was negatively impacted by non-recurring effects of SEK 22 M (10). MECA's export business to Denmark negatively impacted EBITA by SEK 31 M. Currency effects on the balance sheet positively impacted EBITA by SEK 0 M (negative: 14).

Operating profit, EBIT

EBIT for continuing operations amounted to SEK 616 M (639) and the EBIT margin amounted to 11 per cent (12). Profit was negatively impacted by non-recurring effects of SEK 22 M (10). MECA's export business to Denmark negatively impacted EBIT by SEK 31 M. Currency effects on the balance sheet positively impacted EBIT by SEK 0 M (negative: 14).

Profit after financial items

Profit after financial items for continuing operations amounted to SEK 594 M (620). Net interest expense amounted to SEK 27 M (35) and other financial items to SEK 5 M (16). Other financial items were positively impacted by non-recurring effects of SEK 7 M (10).

Profit for the year

Profit after tax amounted to SEK 430 M (466) for continuing operations, SEK 0 M (loss: 340) for discontinued operations and SEK 430 M (127) in total. Earnings per share, before and after dilution, amounted to SEK 11.77 (12.80) for continuing operations, SEK 0.00 (loss: 9.46) for discontinued operations and SEK 11.77 (3.34) in total. Of profit for the year, SEK 423 M (120) is attributable to the Parent Company's shareholders and SEK 8 M (7) to non-controlling interests.

Seasonal effects

Mekonomen Group has no actual seasonal effects in its operations. However, the number of workdays affects both sales and profit.

MECA

Net sales (external) amounted to SEK 1,871 M (1,679). The currency effect in net sales against the NOK was a negative SEK 34 M. The underlying net sales increased 13 per cent.

EBITA amounted to SEK 258 M (268) and the EBITA margin amounted to 14 per cent (16). MECA's operating profit amounted to SEK 245 M (243) and the EBIT margin was 13 per cent (14).
The number of stores amounted to 85 (87), of which 72 (72) were proprietary.

After the final store was closed in Denmark in the first quarter of 2015, the Group's business model is based on a more cost-effective distribution with direct deliveries to the workshops. Net sales for the export business to Denmark amounted to SEK 54 M during the year. As of 1 January 2015, the former store operations in Denmark are presented as discontinued operations and therefore are not included in the MECA segment; comparative figures have been recalculated. Significant sales efforts combined with discounts in the export business to Denmark negatively impacted MECA's EBIT by SEK 31 M during the year.

A strong sales increase to MECA Car Service workshops was an important factor behind MECA's sales growth during the year. The sales growth for ProMeister also contributed to higher volumes during the year.

Consolidation of Opus Equipment took place as of 1 July 2015 and impacted net sales by SEK 66 M, EBITA by SEK 4 M and EBIT by SEK 3 M during the year, excluding acquisition-related costs. Acquisition-related costs for Opus Equipment impacted MECA's EBIT negatively by SEK 1 M.

Non-recurring effects concerning provisions for returns in Sweden and Norway negatively impacted profit by SEK 2 M (0). In addition to this, MECA had a negative effect on the gross margin from a higher proportion of sales to large customers. Profit was negatively impacted by personnel-related non-recurring costs in the 2014 comparison period in an amount of SEK 9 M.

Mekonomen Nordic

Net sales (external) amounted to SEK 2,817 M (2,692). The underlying net sales increased 5 per cent. The currency effect in net sales against the NOK was a negative SEK 32 M.

Operating profit before amortisation and impairment of intangible assets (EBITA) amounted to SEK 412 M (422) and the EBITA margin amounted to 14 per cent (15). Operating profit (EBIT) amounted to SEK 393 M (401) and the EBIT margin amounted to 13 per cent (14).

EBIT was negatively impacted by non-recurring costs of SEK 18 M (1). Non-recurring effects concerning transition costs in Mekonomen Sweden comprising changes in working methods and sales organisation, the establishment of a new field sales organisation and the closure of two stores impacted profit negatively by SEK 10 M (0). Non-recurring effects concerning provisions for returns in Sweden, Norway and Finland negatively impacted profit by SEK 2 M (0). Non-recurring effects concerning impairment to inventory in Sweden and Finland also negatively impacted profit by SEK 6 M (0).

Mekonomen Sweden's net sales (external) amounted to SEK 1,874 M (1,746) and operating profit was SEK 259 M (274).

Mekonomen Norway's net sales (external) amounted to SEK 803 M (791) and operating profit was SEK 152 M (133).

The sales trend for ProMeister and a new sales organisation contributed to higher volumes to other workshops, mainly in Mekonomen Sweden. In Mekonomen Norway, the most important driver of growth was sales to Mekonomen Bilverkstad. In Sweden, the quality assurance work conducted led to a somewhat lower number of affiliated workshops, which had a negative impact on sales to the customer group of affiliated workshops.

The number of stores amounted to 187 (192), of which 150 (151) were proprietary.

Within Mekonomen Nordic, a decision has been made to merge the wholly owned store companies in Sweden and Norway. In total, approximately 60 store companies in Sweden and 29 store companies in Norway are planned to be merged. The mergers are estimated to be completed in 2016. For more information, refer to Note 26.

Sørensen og Balchen

Net sales (external) amounted to SEK 729 M (712). The underlying net sales increased 6 per cent. The currency effect in net sales against the NOK was a negative SEK 29 M.

Operating profit before amortisation and impairment of intangible fixed assets (EBITA) amounted to SEK 117 M (109) and the EBITA margin increased to 16 per cent (15). Operating profit (EBIT) amounted to SEK 116 M (109) and the EBIT margin increased to 16 per cent (15).

During the year, Sørensen og Balchen had strong growth in sales to affiliated BilXtra workshops and strong sales growth in accessories, which had a negative effect on the gross margin, however.

The number of stores amounted to 70 (71), of which 35 (34) were proprietary.

Acquisitions and start-ups

MECA acquired Opus Equipment AB, a comprehensive supplier of workshop equipment for workshops and car inspection stations. Delivery of workshop equipment is a new business in Mekonomen Group that offers equipment with installation and maintenance service to new and existing customers on the automotive aftermarket. The purchase price for the shares amounted to SEK 41 M and the assumed net debt was SEK 10 M. Consolidation of the company took place as of 1 July 2015 in Mekonomen Group. MECA also acquired a partner store and workshop in Köping, Sweden.

Mekonomen Nordic acquired non-controlling interests in 21 stores, 18 in Sweden and 3 in Norway, for a minor value. In Sweden, three partner stores in Kiruna, Linköping and Karlskrona were acquired, and three workshops in Härnösand, Ljusdal and Lidingö in Stockholm. Mekonomen Nordic also acquired a partner store in Iceland.

Sørensen og Balchen acquired all non-controlling interests in DinDel Norway and established a store in Mysen, Norway.

Meko Service Nordic acquired a workshop in Karlskrona and non-controlling interests in a workshop in Sweden.

Investments

Investments in fixed assets amounted to SEK 103 M (75) during the year, of which discontinued operations accounted for SEK 0 M (5). Depreciation and impairment of tangible fixed assets amounted to SEK 57 M (61) in continuing operations. Company and business combinations amounted to SEK 68 M (65). Acquired assets totalled SEK 79 M (21) and assumed liabilities SEK 38 M (8). In addition to goodwill, which amounted to SEK 16 M (35), surplus values on intangible fixed assets of SEK 0 M (4) were identified pertaining to brands and SEK 0 M (1) pertaining to capitalised expenditure for IT systems and SEK 12 M (13) for customer relations. Deferred tax liabilities attributable to acquired intangible fixed assets amounted to SEK 1 M (1). Acquired non-controlling interests amounted to SEK 17 M (6) and divested non-controlling interests to SEK 9 M (3).

Financial position and cash flow

The cash flow from operating activities amounted to SEK 439 M (413), of which discontinued operations accounted for SEK -134 M (-115). Tax paid amounted to SEK 189 M (160). Cash and cash equivalents at year-end was SEK 295 M (258). The equity/assets ratio was 40 per cent (39). Long-term interest-bearing liabilities amounted to SEK 1,469 M (1,404). Current interest-bearing liabilities amounted to SEK 461 M (495). Long-term interest-bearing liabilities increased during the year, mainly as a result of higher utilisation of credit facilities in an amount of SEK 200 M.

Net debt amounted to SEK 1,626 M (1,629) at year-end. The largely unchanged net debt is an effect of the dividend of SEK 261 M, of which SEK 251 M is a dividend to the Parent Company shareholders, repayments, investments and acquisitions, and a positive operating cash flow. During the year, loans have been repaid in an amount of SEK 148 M, of which SEK 11 M pertains to repayment of loans in the acquired company Opus Equipment AB.

Employees

The number of employees in continuing operations at the end of the year was 2,348 (2,140) and the average number of employees during the year was 2,290 (2,131).

Mekonomen Group has well-developed HRM (Human Resource Management) work that includes equal opportunities plans, action programmes against discrimination in the workplace, clear goals and goal follow-ups, reporting and explicit segregation of responsibilities.

Multi-faceted organisation

Mekonomen Group has participated in several external projects relating to issues in such areas as diversity and the labour market for a number of years. The aim is for Mekonomen Group's work sites to reflect our customer target groups and the society in which we live, and thus create business value in a credible manner.

Employee surveys

The Group's employee surveys include questions about job satisfaction and working conditions, and whether individual employees are able to influence their work situation. Since the employee survey captures the views of all employees, the results can be used at several levels to introduce operational improvements, from an overall level down to individual group/unit level.

Training – ProMeister Academy

Mekonomen Group's skills and development initiatives are intended not only to meet today's needs but also to anticipate the future challenges of tomorrow's society: a fossil-free car fleet, a service society, urbanisation and a shared economy. In this way, Mekonomen Group can ensure future competitiveness for the Group and the skills of individual employees in proprietary and affiliated workshops. A fundamental approach at Mekonomen Group is to capitalise on the skills available in the Group and develop them through further training and opportunities for new challenges within the Group. Internal recruitment within and between Group companies is highly successful.

The ProMeister Academy training platform secures the quality and skills of our mechanics in all of the Group's workshop chains. ProMeister Academy was founded in 2013 and 2,300 training days for mechanics are provided annually.

Remuneration of senior executives

Remuneration of senior executives is presented in Note 5. The Board of Directors will propose the following guidelines for remuneration of senior executives to the 2016 Annual General Meeting.

The Board considers it very important to ensure that there is a clear link between remuneration and the Group's values and financial goals in both the short and the long term. The Board's proposals for guidelines for remuneration entail that the company is to offer market-based remuneration that allows the Group to recruit and retain the right executives, and entail that the criteria for determining remuneration is to be based on the significance of work duties and employees' competencies, experience and performance. Remuneration is to comprise:

- fixed basic salary,
- variable remuneration,
- pension benefits,
- other benefits and severance pay.

The guidelines encompass Group Management, which currently comprises seven individuals including the President.

Remuneration is determined by the Board's Remuneration Committee. However, remuneration of the President is determined by the Board in its entirety.

The company is to offer an attractive basic salary in the market, in the form of a fixed cash monthly salary. This comprises remuneration for dedicated work performance at a high professional level that creates added value for Mekonomen's customers, owners and employees.

In addition to basic salary, short-term and long-term variable cash remuneration is to be offered, both of which are based on fulfilment of Mekonomen's goals for:

- the Group's earnings, and
- individual qualitative parameters.

The distribution between basic salary and variable remuneration is to be proportionate to the senior executive's responsibilities and authorities.

The short-term variable remuneration is maximised to a certain percentage of fixed annual salary. The percentage is linked to the position of each individual and varies between 33 and 60 percentage points for members of Group Management.

The Board is proposing to the 2016 Annual General Meeting a new, profit-based bonus programme. The long-term variable remuneration is to be calculated on the Group's profit for the 2016-2018 financial years. A number of selected, business-critical senior executives will be offered the opportunity to participate in this long-term programme, in addition to the seven members of Group Management. The criteria for determining the variable remuneration portion for each individual is decided by the Board's Remuneration Committee, and for the President by the Board in its entirety. The company's total cost for the long-term programme may amount to a maximum of SEK 32 M for the entire period. Furthermore, an additional requirement to the above is that the average price paid for the Mekonomen share on Nasdaq Stockholm on the last trading day in December 2018 is to exceed the Nasdaq Stockholm PI index for the programme period. The remuneration may fall out completely, partially or not at all depending on the results of Mekonomen Group during the term of the long-term remuneration programme.

When the remuneration programme is resolved upon by the Annual General Meeting, the previous long-term remuneration programme for the period 2014–2016 shall expire. No payments based on this programme has been made.

The right to variable remuneration is conditional upon the executive still being employed at the Annual General Meeting 2019.

Other benefits refer primarily to company cars. Pension premiums are paid in an amount that is based on the ITP plan or a corresponding system for employees outside Sweden. For the President, pension provisions according to the employment agreement are paid in an amount corresponding to 30 per cent of basic salary. Pensionable salary comprises basic salary. The period of notice for the President is six months if employment is terminated by the company, and six months if terminated by the President. The period of notice for other members of Group Management is 12 months if employment is terminated by the company, and six months if terminated by the employee. In addition, severance pay of a maximum of 12 months salary may be paid in the event of termination of employment by the company.

Sensitivity analysis

Mekonomen Group's earnings are affected by a number of factors, such as sales volume, currency fluctuations on imported goods and sales to foreign subsidiaries, margins on purchased products, salary changes, etc. Imports mainly take place from Europe where the currencies are generally EUR, SEK and NOK. Purchases in EUR comprised approximately 37 per cent of the purchased volumes. The table below shows the currency effects on the net flow for each currency. NOK and DKK impact internal sales from Mekonomen Grossist AB and from MECA Car Parts AB to each country and profit for the year in Norway and Denmark. Risk exposure to DKK decreased during 2015 due to restructuring in Denmark. Refer to Note 37 for more detailed information on how the Group manages currency risk.

Factors pertaining to profit before tax		Impact, SEK M[1]
Sales volumes	+1%	31
Exchange-rate fluctuations		
- NOK	+10%	85
- EUR	+10%	-90
- DKK	+10%	-2
Gross margin	plus a percentage point	57
Personnel costs	+1%	-14
Interest rate[2]	+1%	-12

[1] All things being equal, profit before tax for the 2015 financial year.

[2] The effect is based on the Group's net debt of SEK 1,626 M as per 31 December 2015 adjusted for the interest-rate swap of SEK 450 M.

The Group's currency exposure in the translation of assets and liabilities in foreign currencies was mainly against NOK and EUR as of the closing date. The effects on earnings in the translation of financial assets and liabilities that existed at 31 December 2015 are presented below:

- If EUR had strengthened by 10 per cent in relation to SEK, keeping all other variables constant, profit before tax would have been negatively impacted by SEK 14 M, largely as a result of losses in the translation of accounts payable.
- If NOK had strengthened by 10 per cent in relation to SEK, keeping all other variables constant, profit before tax would have been positively impacted by SEK 3 M, largely as a result of gains in the translation of accounts receivable.

The above estimated effects as per 31 December 2015, vary from month to month depending on the size of the balance sheet items at the closing date.

Risks and uncertainties

Competition

Mekonomen Group's primary competitors are players in the so-called brand-dependent segment, which traditionally had a high market share in the aftermarket for passenger cars.

Competition in spare parts sales to workshops is considerable from both brand-dependent and brand-independent players. In the brand-independent trade in Sweden, there are more than 400 stores, where the five largest players, including Mekonomen Nordic and MECA, and all have a range that covers most vehicle brands. The situation is similar in both Norway and Denmark with a few large players offering a comprehensive range but with competition from a number of smaller players. Brand-dependent players also compete with Mekonomen Group in the market for car part sales. In this market, availability is very important, which means that the rate of delivery is a key competitive factor.

In terms of accessories, Mekonomen Group competes with a large number of players from various industries, such as petrol stations, the convenience-goods trade, stores for products for children, stores for accessories for pets, electronic chains, etc.

Operational risks

The company is highly aware that the increasingly centralised IT structure could provide the Group with major advantages and improved opportunities. This also entails major risks in the form of operational stops in central functions pertaining to the Group's systems for order and inventory management.

Major emphasis is placed on the Group's fire prevention work since a fire at any of the Group's central warehouses would have a major impact on the service to the Group's customers.

Cash management risk

Since the Group's operations include cash management, this entails a risk of theft, with respect to stores and transportation of cash to the bank. Mekonomen Group strives to provide the same level of solutions for security services, security systems and cash management for all companies within the Group.

Shrinkage

The Group's operations include sales and storage of a large number of products. Since a large portion of these products are theft-prone, there is always a risk of shrinkage. At Mekonomen Group, work is continuously in progress to define scrapping, internal consumption and actual theft. The work to combat shrinkage is based on the idea that it is important to focus on all types of shrinkage, for example, by reviewing order procedures, delivery checks and unpacking of goods. This will improve knowledge of procedures to manage shrinkage, while providing a basis for higher vigilance on goods that are particularly theft-prone.

Financial risks

Through its operations, Mekonomen Group is exposed to currency, credit, interest-rate and liquidity risks. Refer to Note 37 for a description of the financial risks identified and managed by Mekonomen Group.

Parent Company and "Other"

The Parent Company's operations comprise mainly Group Management and finance management. The Parent Company's loss after net financial items amounted SEK 50 M (loss: 37), excluding impairment of participations in subsidiaries of SEK 35 M (486) and excluding dividends of SEK 489 M (888) from subsidiaries. The average number of employees was 15 (15). During the year, Mekonomen AB (publ) sold products and services to Group companies totalling SEK 37 M (42).

"Other" consists of Mekonomen AB, the purchasing company in Hong Kong, Meko Service Nordic, joint venture in Poland (InterMeko Europa), the associated company Automotive Web Solutions AB, Mekonomen Group Inköp AB, and group-wide functions and eliminations. M by Mekonomen was divested in 2015. Operating loss for "Other" amounted to SEK 138 M (loss: 114). Acquisition-related items attributable to Mekonomen AB's direct acquisitions were re-allocated from the MECA and Sørensen og Balchen segments to "Other"; the comparative figures have been recalculated. Current acquisition-related items are amortisation of acquired intangible assets of SEK -77 M (-78) regarding the acquisitions of MECA and Sørensen og Balchen, which were reversed in EBIT for these segments and instead recognised in EBIT for Other. The Group's EBIT is not affected by this re-allocation.

Environment

The Group does not conduct any operations that require permits according to the Swedish Environmental Code. The Group's environmental impact in the Nordic region mainly takes place in the areas of energy, transportation and the handling of chemicals. Our wholesale facilities, proprietary stores and workshops in MECA Sweden and Norway and Mekonomen Sweden have achieved the most with their environmental work, for example, all of these facilities hold ISO 14001 certification. Mekonomen's proprietary operations in Sweden have come one step further by also holding occupational health and safety (OHSAS 18001) and quality management (ISO 9001) certifications.

Environmental work includes surveys of the most significant environmental impact of the operations, and includes environmental policies, certified environmental management systems and environmental manuals describing procedures, monitoring and responsibilities. Environmental management systems undergo external audits every year, and environmental goals and monitoring procedures are determined for each financial year.

Accounting policies – discontinued operations

The financial information for 2014 has been revised compared with the official annual report according to the rules for discontinued operations in IFRS 5. Discontinued operations comprise the former Danish store business, which was previously included in the MECA segment. Total operations refer to discontinued and continuing operations. Also refer to information in the Discontinued operations section in the accounting policies and in Note 34.

Events after the end of the year

On 16 February 2016 the Board of directors has adopted the following financial goals for Mekonomen Group:

- to develop with good profitability and thereby create value growth for the shareholders
- to achieve annual sales growth of at least 5 per cent, as a combination of organic and acquired growth
- to annually achieve an operating margin in excess of 10 per cent
- the equity/assets ratio shall not in the long term be less than 40 per cent
- net debt / EBITDA shall not in the long term exceed 2.0

Decisions were made regarding changes in Group Management. As of 1 March 2016, Group Management comprises the following individuals:

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

The Mekonomen Nordic segment has ceased as of 1 January 2016. As of the first quarter of 2016, the operations that were a part of Mekonomen Nordic will instead be reported in the new segments Mekonomen Sweden and Mekonomen Norway as well as in Other.

Mekonomen Group has signed a Letter Of Intent (LOI) with the intention of investing in an automated central warehouse solution in Strängnäs. As a part of streamlining the logistics structure Mekonomen Group intends to centralise the structure of the central warehouses in Sweden. The plan is that the existing building in Strängnäs will be expanded to include a common automated central warehouse. The estimated size of the investment is SEK 250 M during the period 2016-2018 with full EBIT effect from savings of SEK 50 M annually from 2020. The tied up capital is expected to decrease with SEK 80 M with full effect from 2020. Before a final contract is signed the involved companies in Mekonomen Group will undertake the necessary negotiations with relevant unions.

No other significant events occurred after the end of the financial year.

Future development

The market trend was stable compared with the preceding year and for 2016, the conditions are that we have a somewhat larger car fleet after new car sales in Sweden achieved an all-time high. We see a potential in a somewhat stronger market for 2016.

The work of improving the quality of the Group's affiliated workshops remains in focus as well as the investment in the Group's digital business, with a group-wide e-commerce platform for B2B and B2C. In the future, greater focus will also be placed on reviewing possible synergies in the Group's logistics function, although with retention of the delivery reliability that is one of the cornerstones of our offering to workshops.

The share

Share capital and ownership structure

As per 31 December 2015, the share capital of Mekonomen AB (publ) amounted to SEK 90 M (90) and comprised 35,901,487 shares (35,901,487) at a quotient value of SEK 2.50 per share (2.50). Each share carries one vote at the Annual General Meeting and all shares carry equal entitlement to a share in the company's profits and assets. Each shareholder is entitled to vote for all their shares with no restrictions and the shares are not included in any transfer restrictions.

Axel Johnson AB represents 26.5 per cent of the voting rights. For information about the 15 largest shareholders as per 31 December 2015, refer to the table on page 27.

Authorisation

The Annual General Meeting resolved in April 2015 to authorise the Board, for the period until the next Annual General Meeting, on one or more occasions, with or without preferential rights for shareholders, to make decisions on new share issues of not more than 3,590,149 shares.

At the end of the financial year, no new shares were issued under this authorisation.

Dividend policy

It is the Board's intention that Mekonomen Group will pay dividends corresponding to not less than 50 per cent of profit after tax. When determining future dividends, consideration is primarily given to investment needs, but other factors deemed significant by the Board are also considered.

Shareholder agreements

As far as the Board of Mekonomen AB (publ) is aware, no shareholder agreements exist or other agreements between Mekonomen's shareholders for joint influence over the company. As far as the Board of Mekonomen AB (publ) is aware, there are no agreements or similar that may result in a change in the control of the company.

Share dividends

The Board of Directors proposes a dividend of SEK 7.00 (7.00) per share. The Board proposes 14 April 2016 as the record day for the dividend. If the Annual General Meeting resolves to approve the proposal, the dividend will be paid on 19 April 2016. The final day for trading the company's shares including the right to dividends is 12 April 2016.

Board of Directors' work 2015

The Annual General Meeting on 14 April 2015 resolved that the Board was to comprise seven ordinary members with no deputy members. In accordance with the Nomination Committee's proposal, the Annual General Meeting resolved to re-elect Fredrik Persson (Chairman), Kenneth Bengtsson (Executive Vice Chairman), Caroline Berg, Kenny Bräck, Helena Skåntorp and Christer Åberg to the Board and to elect Malin Persson as a new Board member. Prior to the 2015 Annual General Meeting, Marcus Storch had withdrawn his name for re-election.

At the ordinary Board meeting on 12 May 2015, Fredrik Persson withdrew from his assignment as Mekonomen's Chairman of the Board and the Board elected Kenneth Bengtsson as its Chairman and Caroline Berg as its Executive Vice Chairman until the 2016 Annual General Meeting.

During 2015, the Board held 12 (12) meetings, of which one was a statutory meeting. The Board meetings during the year addressed the fixed items of each meeting agenda, such as business situation, financial reporting and investments. Other issues discussed in the Board during the year were strategies, market development, acquisitions, the Danish operations and recruitment of a new President. In addition, selected Board meetings discussed issues relating to annual accounts, interim reports and budget.

The Board has established a Remuneration Committee and an Audit Committee. The Committees' work mainly comprises preparing issues and providing consultation, although the Board can delegate authority to make decisions in specific cases. The members and Chairmen of the Committees are appointed at the statutory Board meeting held directly after the election of Board members. For more information, refer to page 36.

Auditors

The auditors of the company are elected annually at the Annual General Meeting. According to a resolution of the Annual General Meeting, auditors' fees are paid according to approved invoices. The Group's auditors report to the Board as required, but at least once a year. The Group's external auditors also participate at the meetings of the Audit Committee.

At the 2015 Annual General Meeting, PricewaterhouseCoopers AB (PwC), with Authorised Public Accountant Lennart Danielsson as Auditor in Charge, was re-elected as the auditing firm until the 2016 Annual General Meeting.

Proposed appropriation of profit

Parent Company

The following profit is available for distribution by the Annual General Meeting, SEK 000s:	
Profit brought forward	2,090,284
Profit for the year	592,014
TOTAL	**2,682,298**

The Board of Directors and President propose that profits be distributed as follows:	
Dividend to shareholders (SEK 7.00 per share)	251,310
To be carried forward	2,430,987
TOTAL	**2,682,298**

The Board's statement concerning the proposed dividend

Following the proposed dividend, the Parent Company's equity/assets ratio will amount to 56 per cent and the Group's equity/assets ratio to 37 per cent calculated on the balance-sheet date of 31 December 2015. The equity/assets ratio is satisfactory considering that the company's and the Group's operations are continuing to operate profitably, which means that the equity/assets ratio following dividend payment in April 2016 will exceed the above-stated levels. It is estimated that cash and cash equivalents in the company and the Group will remain at a satisfactory level.

The Board is of the opinion that the proposed dividends do not prohibit the Parent Company or other Group companies from fulfilling their obligations in the short or long term. Neither do the dividends influence the Group's ability to implement required investments. Taking into account the above and other circumstances known to the Board, the Board believes that a comprehensive assessment of the company's and Group's financial position entails that this dividend is justified taking into consideration the demands imposed by the nature, scope and risks of the operations on the amount of equity in the company and the Group, and the other consolidation requirements, liquidity and position of the company and the Group operations.

For further information regarding the company's and the Group's earnings and financial position, refer to the following income statement, balance sheet, cash-flow statements and accompanying notes.

Corporate Governance Report

Mekonomen Group comprises approximately 200 companies that conduct business operations primarily in Sweden, Norway, Denmark and Finland. The Parent Company of the Group is the Swedish public limited liability company Mekonomen AB, whose shares are listed on the Nasdaq Stockholm.

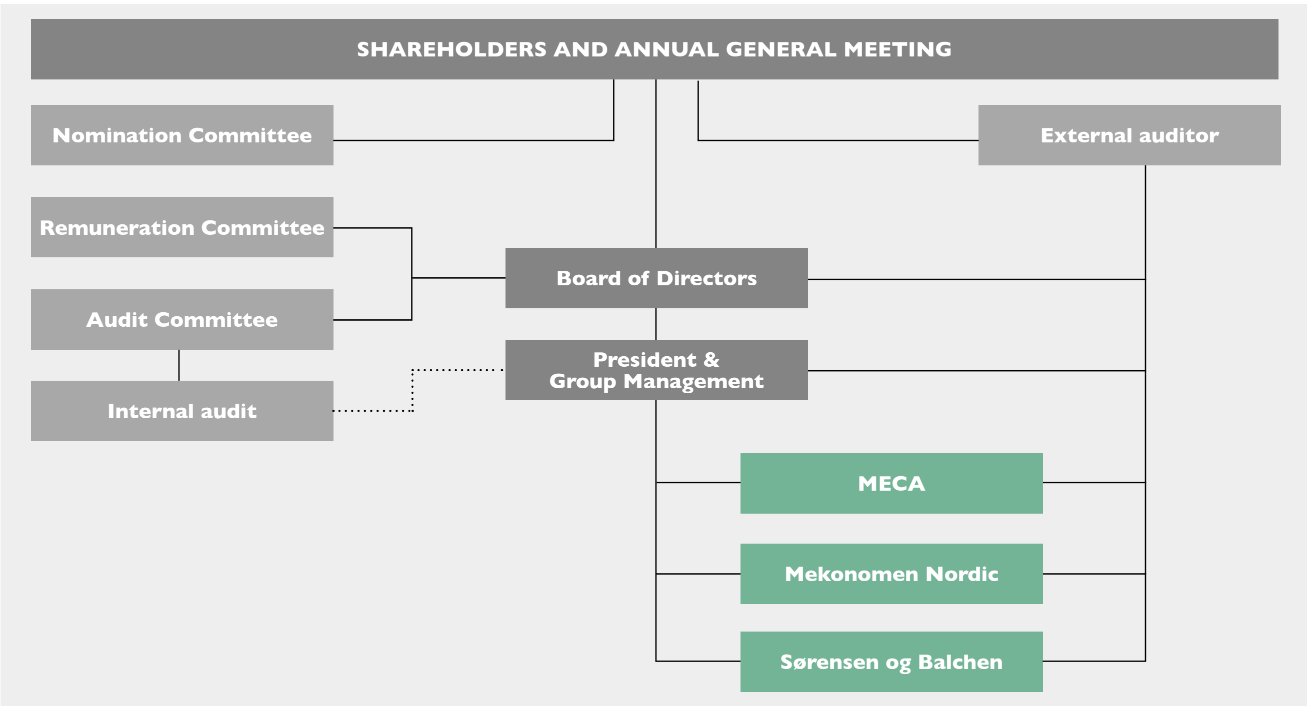
Principles for corporate governance

Mekonomen Group's corporate governance concerns how the operations are governed, managed and controlled in order to create value for the company's shareholders and other stakeholders. The aim of corporate governance is to create the conditions for active and responsible company bodies, to clarify roles and segregation of responsibilities and to ensure true and fair reporting and information.

Mekonomen Group applies the Swedish Corporate Governance Code and applied the Code except for item 2.4 in the Code in the 2015 financial year. The Board member Caroline Berg is also the Chairman of the Nomination Committee, which deviates from the Code provision that a Board member shall not be the Chairman of the Nomination Committee. The explanation of the deviation is as follows: The Nomination Committee appointed Caroline Berg as the Nomination Committee Chairman as it can be considered to be a natural choice considering the ownership structure of Mekonomen. This Corporate Governance Report is part of the company's Administration Report. In general terms, Corporate Governance can be illustrated as follows:

Both internal and external regulations are used as a foundation for the governance of Mekonomen Group.

External regulations	Internal regulations
Swedish Companies Act	Articles of Association
Annual Accounts Act	Board's rules of procedure
Other relevant laws	Board's instruction for the President
Nasdaq Stockholm AB's Rule book for issuers	Policies, guidelines and instructions
Swedish Corporate Governance Code (the Code)	Code of Conduct and Core Values



Shareholders

The Mekonomen share has been listed on the Nasdaq Stockholm, Mid Cap segment since 29 May 2000. Share capital amounted to SEK 89,753,718 on 31 December 2015, represented by 35,901,487 shares. The total market value for the company on 31 December 2015 amounted to SEK 6.2 billion, based on the closing price of SEK 173.00. All shares provide the same voting rights and equal rights to the company's profit and capital. The company's Articles of Association do not include any restrictions on how many votes each shareholder can cast at a General Meeting.

The number of shareholders on 31 December 2015 was 9,373 (9,664). On the same date, the ten largest shareholders controlled 65.7 per cent (57.4) of the capital and voting rights and the participation of foreign owners accounted for 19.7 (28.0) per cent of the capital and voting rights.

Shareholders which directly or indirectly represent at least one-tenth of the voting rights for all shares in Mekonomen are Axel Johnson AB and subsidiaries, whose shareholding on 31 December 2015 amounted to 26.5 per cent (26.5). For further information on Mekonomen's shares and shareholders, refer to pages 26-27.

General Meeting

The General Meeting is Mekonomen Group's highest governing body, at which every shareholder is entitled to participate. The Annual General Meeting is to be held within six months of the close of the financial year. The Annual General Meeting approves the income statement and balance sheet, the appropriation of the company's profit, decides on discharge from liability, elects the Board of Directors and auditors, and approves fees, addresses other statutory matters as well as making decisions pertaining to proposals from the Board and shareholders. The company announces the date and location of the Annual General Meeting as soon as the Board has made its decision, but not later than in connection with the third-quarter report. Information pertaining to the location and time is available on the company's website. Shareholders that are registered in Euroclear's shareholders register on the record date and have registered participation in adequate time are entitled to participate in the Annual General Meeting and vote according to their shareholdings. All information concerning the company's meetings, such as registration, entitlement for items to be entered in the agenda in the notification, minutes, etc., is available on the company's website.

With regard to participation in the Annual General Meeting, the Board has deemed it is currently not financially justifiable to allow shareholders to participate in the Annual General Meeting through any means other than physical presence. It is the company's aim that the General Meeting be a consummate body for shareholders, in accordance with the intentions of the Swedish Companies Act, which is why the objective is that the Board in its entirety, the representative of the Nomination Committee, the President, auditors and other members of Group Management must always be present at the Meeting.

Annual General Meeting 2015

The Annual General Meeting was held in Stockholm on 14 April 2015. The complete minutes of the Annual General Meeting are available on the Mekonomen website at mekonomen.com. In brief, the Annual General Meeting resolved:

- to adopt the income statement and balance sheet, the consolidated income statement and the consolidated balance sheet
- to pay a dividend of SEK 7.0 per share to shareholders
- to discharge the members of the Board and the President from liability
- that the number of members of the Board elected by the Annual General Meeting be seven with no deputy members
- to pay total Board fees of SEK 2,010,000, of which SEK 400,000 relates to fees to the Chairman of the Board and SEK 310,000 relates to the Executive Vice Chairman, and also SEK 260,000 relates to fees to each of the other Board members elected by the Annual General Meeting who are not employed by the Group. Furthermore, fees for Committee work are to be paid as follows: SEK 60,000 to the Chairman of the Audit Committee, SEK 35,000 to each of the other members of the Audit Committee, SEK 35,000 to the Chairman of the Remuneration Committee and SEK 25,000 to each of the other members of the Remuneration Committee
- to re-elect Fredrik Persson as Chairman of the Board
- to re-elect Board members Kenneth Bengtsson, Caroline Berg, Kenny Bräck, Helena Skåntorp and Christer Åberg and to elect Malin Persson as a new Board member
- to re-elect the auditing firm of PricewaterhouseCoopers AB as the company's auditor for the period until the close of the 2016 Annual General Meeting
- to adopt proposals for guidelines regarding the composition of the Nomination Committee
- to adopt the Board's proposals for guidelines regarding remuneration of senior executives
- to adopt the Board's proposals concerning employees' acquisition of shares in subsidiaries
- to adopt authorisation for the Board, for the period until the next Annual General Meeting, on one or more occasions, with or without preferential rights for shareholders, to make decisions on new share issues of not more than 3,590,149 shares

Nomination Committee

In accordance with the guidelines established at the Annual General Meeting on 14 April 2015, Mekonomen Group has established a Nomination Committee. The company is to have a Nomination Committee comprising four members. The four largest shareholders of the company were contacted by the company's Board based on the list of registered shareholders on 31 August 2015 as provided by Euroclear Sweden AB.

For the 2016 Annual General Meeting, the Nomination Committee will comprise Caroline Berg, Axel Johnson Aktiebolag, Jonathan Mårtensson, Handelsbanken Fonder, Mats Gustafsson, Lannebo Fonder, and Annika Andersson, Swedbank Robur Fonder. Caroline Berg was elected Chairman of the Nomination Committee. Mekonomen's Chairman, Kenneth Bengtsson, was co-opted to the Nomination Committee. Fees are not paid to members of the Nomination Committee.

In accordance with the Swedish Corporate Governance Code, the Nomination Committee is to have at least three members, one of whom is to be appointed Chairman. The majority of these members are to be independent in relation to the company and company management and at least one of the Nomination Committee members is to be independent in relation to the company's largest shareholders in terms of the number of votes. Mekonomen Group's Nomination Committee comprises four members, all of whom are deemed to be independent in relation to the company and company management. Mekonomen Group's Nomination Committee also meets other independence requirements.

The Nomination Committee's task is to present proposes to the Annual General Meeting concerning:

- the Chairman of the Annual General Meeting,
- the number of members of the Board and deputy members,
- fees to the Board and auditors, and any special remuneration for committee work,
- the Chairman of the Board and other Board members,
- auditors, and
- guidelines on the composition of the Nomination Committee, etc.

2016 Annual General Meeting

The Annual General Meeting will be held at 3:00 p.m. on 12 April 2016, at Skandiascenen at Cirkus in Stockholm (Djurgården).

In conjunction with its task, the Nominating Committee is to perform the duties incumbent on nomination committees in accordance with the Swedish Corporate Governance Code, and at the request of the Nomination Committee, the company is to provide human resources, such as a secretary function for the Committee, to facilitate its work. If necessary, the company is also to pay reasonable costs for external consultants deemed necessary by the Nomination Committee for it to perform its duties.

Mekonomen Group has not established any specific age limit for Board members or time limits pertaining to the length of time Board members may sit on the Board. Auditors are elected annually when the matter is submitted to the Annual General Meeting.

Specific information about the Board's work

Size and composition

According to the Articles of Association, the Board of Directors is to comprise three to seven members and not more than three deputy members. The company's Articles of Association have no specific provisions relating to the appointment and discharge of Board members or amendments to the Articles of Association. The Board of Directors is to be elected annually at the Annual General Meeting.

The Annual General Meeting on 14 April 2015 resolved that the Board was to comprise seven ordinary members with no deputy members. In accordance with the Nomination Committee's proposal, the Annual General Meeting resolved to re-elect Fredrik Persson (Chairman), Kenneth Bengtsson (Executive Vice Chairman), Caroline Berg, Kenny Bräck, Helena Skåntorp and Christer Åberg to the Board and to elect Malin Persson as a new Board member. Marcus Storch declined re-election at the 2015 Annual General Meeting.

At the ordinary Board meeting on 12 May 2015, Fredrik Persson withdrew from his assignment as Mekonomen's Chairman of the Board and the Board elected Kenneth Bengtsson as its Chairman and Caroline Berg as its Executive Vice Chairman until the 2016 Annual General Meeting.

All ordinary members are independent in relation to the company and its management in accordance with the definition in the Swedish Corporate Governance Code. Five of the Board members are independent also in relation to major shareholders. The President is not a member of the Board and neither is any other member of Group Management. A more detailed presentation of the Board members is provided on page 40.

Board members

In the opinion of the Nomination Committee, the Board has a suitable composition considering the company's operations, financial position, stage of development and circumstances otherwise. An important starting point for the proposal of Board members was that the Board's composition should reflect and provide space for the different knowledge and experience that the company's strategic development and governance may demand. The Nomination Committee has particularly observed the requirement of diversity and breadth in the Board and the requirement of striving for an even gender distribution. According to the Nomination Committee, the composition is suitable to be able to meet such needs in the company's operations.

Chairman

The Chairman of the Board, Kenneth Bengtsson, is not employed by the company and does not have any assignments with the company beyond his chairmanship. It is the opinion of the Board that Kenneth Bengtsson ensures that the Board conducts its assignments efficiently and also fulfils its duties in accordance with applicable laws and regulations.

The Board's working procedures

The Board is responsible for the company's organisation and management and is to also make decisions pertaining to strategic issues. The Board held 12 meetings in 2015, of which one was a statutory meeting. The minutes of the meetings were recorded by the Board's secretary, who is the Group's CFO.

Relevant meeting documentation was sent to all members prior to each meeting, which were then held in accordance with the approved agenda. On occasions, other senior executives participated in Board Meetings in a reporting capacity, as necessary. No dissenting opinions to be recorded in the minutes were expressed at any of the meetings during the year. The Board meetings during the year addressed the fixed items of each meeting agenda, such as business situation, financial reporting and investments. Other issues discussed in the Board during the year were strategies, market development, acquisitions, the Danish operations and recruitment of a new President. In addition, selected Board meetings discussed issues relating to annual accounts, interim reports and budget.

Assignments

In accordance with the requirements of the Code, the Board's aim was to devote particular attention to establishing overall goals for the operations and decide on strategies by which to achieve these goals and to continuously evaluate the operating management, with the aim of ensuring the company's governance, management and control. The Board is responsible for ensuring that suitable systems are in place for the monitoring and control of the company's operations and the risks to the company associated with its operations, that control is implemented of compliance with laws, internal guidelines and other regulations and that the provision of external information is open, objective and relevant. The tasks of the Board also include establishing necessary guidelines for the company's conduct in society with the aim of securing its long-term value-creating ability.

There are written instructions that regulate the internal rules of procedure in the Board and the distribution of assignments between the Board and the President, and for the reporting process. The instructions are reviewed annually and are primarily: the rules of procedure for the Board's work, instructions for the President and authorisation regulations.

The Board evaluates its work every year and it is the duty of the Chairman of the Board to ensure that evaluation is performed. In 2015, the Chairman organised a written questionnaire for all Board members. The collective opinion based on the 2015 evaluation is that the Board's work functioned well and that the Board fulfilled the Code's requirements regarding assignment of the Board.

The Annual General Meeting resolved, in accordance with the proposal from the Nomination Committee, to allocate Board fees amounting to SEK 2,010,000, of which SEK 400,000 to the Chairman of the Board and SEK 310,000 to the Executive Vice Chairman, and SEK 260,000 to each of the other Board members. Furthermore, fees for Committee work are to be paid as follows: SEK 60,000 to the Chairman of the Audit Committee, SEK 35,000 to each of the other members of the Audit Committee, SEK 35,000 to the Chairman of the Remuneration Committee and SEK 25,000 to each of the other members of the Remuneration Committee.

Board Committees

The Board has established a Remuneration Committee and an Audit Committee. The Committees' work mainly comprises preparing issues and providing consultation, although the Board can delegate authority to make decisions in specific cases. The members and Chairmen of the Committees are appointed at the statutory Board meeting held directly after the election of Board members.

Audit Committee

The Audit Committee's main duties comprise:

- Monitoring the company's financial reporting and the effectiveness of the company's internal control, internal audit and risk management regarding the financial reporting
- Performing annual risk analyses together with the President and Group CFO to govern the resources of the internal audit towards key risk areas
- Establishing an audit plan for internal audits and preparing an audit plan for the Board for external audits and ensuring coordination between them
- Evaluating the work of the external auditors
- Preparing guidelines for the other non-audit services that the company may procure from the company's auditors and, where necessary, grant pre-approval when the company's auditors are engaged for assignments other than audit assignments
- Evaluating the objectivity and independence of the external auditors
- Supporting the Nomination Committee by providing proposals on election of external auditors and fees to auditors

The Audit Committee comprises three Board members: Helena Skåntorp (Chairman), Kenneth Bengtsson and Christer Åberg.

In 2015, the Audit Committee held five meetings. The respective member's participation is presented in the table on page 40. The Group's external auditors and the Group's CFO and Head of internal audit also participated at the meetings.

Remuneration Committee

The task of the Remuneration Committee is to discuss, decide on and present recommendations on the salaries, other employment terms and incentive programmes for company management. However, the Board in its entirety determines the remuneration and other employment terms for the President. The work of the Remuneration Committee is based on resolutions by the Annual General Meeting pertaining to guidelines for remuneration of senior executives.

Until 14 April 2015, the Remuneration Committee comprised Fredrik Persson (Chairman), Marcus Storch and Caroline Berg. From 14 April 2015 to 12 May 2015, the Remuneration Committee comprised Fredrik Persson (Chairman), Malin Persson and Caroline Berg. From 12 May 2015, the Remuneration Committee comprised Kenneth Bengtsson (Chairman), Malin Persson and Caroline Berg. The Remuneration Committee held four meetings in 2015, of which two were before 14 April and two after 12 May. The respective member's participation is presented in the table on page 40. In addition, the company's President at the time, Håkan Lundstedt, was present at one of these meetings and President Magnus Johansson was present at two of these meeting. The Group's CFO was the Committee's secretary.

Group Management

President's assignment

The President is appointed and may be discharged by the Board and his work is continuously evaluated by the Board, which occurs without the presence of Group Management. Mekonomen Group's President and CEO, Magnus Johansson, is also a member of the Boards of Insamlingsstiftelsen En Frisk Generation and Intermeko Europe, and has no shareholdings or partial ownership in companies with significant business ties with Mekonomen Group.

Group Management

At 31 December 2015, Group Management consisted of the President and CEO, the Executive Vice President, the CFO, the President of Sørensen og Balchen, the President of MECA Scandinavia and the President of Mekonomen Nordic. A more detailed presentation of Group Management is found on page 41.

Remuneration of senior executives

It is considered very important to ensure that there is a clear link between remuneration and the Group's values and financial goals in both the short and the long term. The guidelines for remuneration of senior executives approved by the 2015 Annual General Meeting entail that the company is to offer market-based remuneration that allows the Group to recruit and retain the right executives, and entail that the criteria for determining remuneration is to be based on the significance of work duties and employees' competencies, experience and performance.

Remuneration is to comprise:

- fixed basic salary,
- variable remuneration,
- pension benefits,
- other benefits and severance pay

The guidelines encompass Group Management, including the President. Remuneration is determined by the Board's Remuneration Committee.

However, remuneration of the President is determined by the Board in its entirety.

Mekonomen Group's Board of Directors makes decisions pertaining to remuneration of the President Magnus Johansson. The President has a fixed cash basic salary per month and a short-term cash variable salary portion, which is based on the company's earnings and individual qualitative parameters and that can amount to a maximum of 60 per cent of the basic annual salary. Under the pension terms, payment of pension premiums is made in the amount corresponding to 29 per cent of basic salary. Other benefits consist of a company car. The period of notice for the President is six months if employment is terminated by the company, and six months if terminated by the President. If termination is initiated by the company, severance pay amounting to 12 months' salary is paid.

The distribution between basic salary and variable remuneration is to be proportionate to the senior executive's responsibilities and authorities. The short-term variable remuneration for other senior executives is based on the Group's earnings and on individual qualitative parameters and can amount to a maximum of a certain percentage of the fixed annual salary. The percentage is linked to the position of each individual and varies between 33 and 60 percentage points for members of Group Management. Other benefits refer primarily to company cars. Pension premiums are paid in an amount that is based on the ITP plan or a corresponding system for employees outside Sweden. Pensionable salary comprises basic salary. The period of notice is 12 months if employment is terminated by the company, and six months if terminated by the employee. Severance pay for termination on the part of the company may amount to a maximum of one annual salary.

Furthermore, a long-term variable remuneration programme was adopted by the 2014 Annual General Meeting. Group Management and a number of selected, business-critical senior executives may receive long-term variable remuneration from the company. The criteria for determining the variable remuneration portion for each individual is decided by the Board's Remuneration Committee, and for the President by the Board in its entirety. The long-term variable remuneration is to be profit-based and calculated on the Group's earnings for the 2014-2016 financial years. The entire bonus programme, as an expense for the company, is to amount to a maximum of SEK 24 M for the period. Furthermore, an additional requirement to the above is that the average price paid for the Mekonomen share on Nasdaq Stockholm on the last trading day in December 2016 is to exceed the Nasdaq Stockholm PI index for the programme period. The right to receive variable remuneration expires if the senior executive resigns (before payment). No bonus was reserved as per 31 December 2015 pertaining to this bonus programme.

Other than the above, the Board has not decided on any other share or share-price based incentive programs for Group Management.

According to the guidelines approved by the 2015 Annual General Meeting, the President shall receive a pension benefit amounting to a maximum of 29 percentage points of the basic salary. In conjunction with the terms in the new President's employment contract, the Board decided, in deviation from the guidelines, that the pension benefit shall be payable in an amount of 30 percentage points as of 15 June 2015.

Auditors

The auditors are appointed at the Annual General Meeting and are charged with reviewing the company's financial reporting and the Board's and President's management of the company. At the 2015 Annual General Meeting, PricewaterhouseCoopers AB (PwC), with Authorised Public Accountant Lennart Danielsson as Auditor in Charge, was appointed as the auditing firm until the 2016 Annual General Meeting. PwC has an organisation comprising broad and specialised competency that is well-suited to Mekonomen Group's operations and has been the company's auditing firm since 2014. In addition to Mekonomen Group, Lennart Danielsson is the Auditor in Charge of Studsvik AB.

PwC submits an auditor's report for Mekonomen AB (publ.) and for the company's subsidiaries. The auditors also perform a review of the third-quarter interim report. The audit is conducted in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. The audit of annual report documents for legal entities outside Sweden is conducted in accordance with statutory requirements and other applicable rules in each country.

Fees to auditors, SEK M	2015	2014
PwC		
Fees for audit assignments	7	6
Audit-related services other than the audit assignment	1	0
Tax advice	0	0
Other services	0	0
Total fees to PwC[1)]	**8**	**6**

[1)] Including discontinued operations SEK 1 M (1).

Reporting and audit

Reporting

The Board supervises the quality of the financial reporting through instructions to the President. It is the President's duty, jointly with the Group's CFO, to review and quality-assure all external financial reporting including financial statements, interim reports, annual reports and press releases with financial content, as well as presentation material in connection with meetings with the media, shareholders and financial institutions.

Audit

The rules of procedure decided annually by the Board include detailed instructions on, for example, the financial reports and the type of financial information to be submitted to the Board. In addition to financial statements, interim reports and annual reports, the Board examines and evaluates comprehensive financial information that pertains to the Group as a whole and to the various units included in the Group.

The Board also examines, primarily through the Board's Audit Committee, the most significant accounting policies applied to the financial reporting by the Group, and significant changes to policies in the reporting. The Audit Committee's duties also include examining internal and external audit reports regarding internal control and the processes for financial reporting.

The Group's external auditors report to the Board as required, but at least once a year. At at least one of these meetings, the President and CFO leave after presenting their formal reports to enable Board members to conduct discussions with auditors without the participation of senior executives. The Group's external auditors also participate at the meetings of the Audit Committee. The Audit Committee reports back to the Board after every meeting. All Audit Committee meetings are minuted and the minutes are available for all Board members and the auditors.

Internal control

Mekonomen Group's internal control process is designed to manage and minimise the risk of errors in the financial reporting. In accordance with the Swedish Companies Act and the Swedish Corporate Governance Code, the Board of Directors is responsible for internal control. This section was prepared in accordance with the Corporate Governance Code and Companies Act.

The report is limited to addressing internal control over financial reporting.

Control environment

The control environment represents the basis for the internal control over financial reporting. An important part of the control environment is that decision paths, authorities and responsibilities must be clearly defined and communicated between various levels in the organisation and that the control documents are available in the form of internal policies, handbooks, guidelines and manuals. Thus, a key part of the Board's work is to prepare and approve a number of fundamental policies, guidelines and frameworks. These include the Board's rules of procedure, Instructions for the President, Investment policies, Financial policies and the Insider policy. The aim of these policies is to create a basis for sound internal control.

Furthermore, the Board focuses on ensuring that the organisational structure provides distinct roles, responsibilities and processes that benefit the effective management of the operation's risks and facilitate goal fulfilment. Part of the responsibility structure includes an obligation for the Board to evaluate the operation's performance and results on a monthly basis, through appropriate report packages containing income statements, balance sheets, analyses of important key figures, comments pertaining to the business status of each operation and also quarterly forecasts for future periods. The Board has established an Audit Committee to assist the Board specifically in the financial reporting. To help strengthen the internal control, Mekonomen Group has prepared a financial handbook that provides an overall view of existing policies, rules and regulations and procedures within the financial area. This is a living document, which is updated continuously and adapted to internal and external changes. In addition to the financial handbook, there are instructions that provide guidance on daily work in stores and the rest of the organisation, for example, pertaining to stock taking and cash-register reconciliation, etc.

Risk assessment

Mekonomen Group conducts continuous surveys of the Group's risks. During these surveys, a number of items were identified in the income statement and balance sheet in which the risks of errors in the financial reporting are elevated. The company works continuously on these risks by strengthening controls. Furthermore, risks are addressed in a special forum, including questions related to start-ups and acquisitions. For a more detailed description of risks, refer to Risks and uncertainties in the Administration Report and in Note 37 Financial risks.

Control activities

Risks of errors in the financial reporting are reduced through a high level of internal control over the financial reporting, with specific focus on significant areas defined by the Board. Within Mekonomen Group, the control structures comprise an organisation with clear roles that enables effective and, from an internal control perspective, suitable division of responsibilities, specific control activities that aim to identify and prevent risks of misstatements in the reporting in time. The control activities include reconciliation of accounts, analytic follow-up, comparison between income statements and balance sheets and control stock-taking in warehouses and stores.

Internal audit

Mekonomen Group has an internal audit function, which is an independent and objective hedging and advice unit that generates value and improves the Group's operations. This is done by evaluating and proposing improvement in such areas as risk management, compliance with policies and efficiency in the internal control over the financial reporting. The function works throughout the Group. The Head of the internal audit reports to the Audit Committee, the President and the CFO and informs management in each business area and other units on the results of the audits performed.

Information and communications

Policies and guidelines are particularly important for accurate accounting, reporting and dissemination of information. Policies and guidelines on the financial process are continuously updated at Mekonomen Group. Such updates mainly take place in each Group function for the various operations through e-mails, but also at regular CFO meetings in which representatives from the Group finance function participate. For communication with internal and external parties, a communications policy is in place that states guidelines for conducting communication. The aim of the policy is to ensure that all information obligations are complied with in a correct and complete manner.

Follow-up

The Board continuously evaluates the information submitted by Group Management and auditors. In conjunction with this, the Audit Committee was responsible for the preparation of the Board's work to quality assure the Group's financial reporting. The CEO and CFO hold monthly reviews of financial position with each Head of Operations. Group finance function also cooperates closely with the Group company finance managers and controllers of Group companies on matters pertaining to accounting and reporting. The follow-up and feedback concerning possible deviations arising in the internal controls are a key part of the internal control work, since this is an efficient manner for the company to ensure that errors are corrected and that the control is further strengthened.

Additional information

The company website at mekonomen.com includes:

- Articles of Association
- Code of Conduct
- Information from previous Annual General Meetings, from 2006
- Information about the Nomination Committee
- Information about principles of remuneration of senior executives
- The Board's evaluation of guidelines for remuneration of programmes for variable remuneration
- Corporate Governance Reports from 2006
- Information about the 2016 Annual General Meeting

Board of Directors






Kenneth Bengtsson	Caroline Berg	Kenny Bräck	Malin Persson	Helena Skåntorp	Christer Åberg
Board position					
Chairman of the Board. Chairman of Mekonomen's Remuneration Committee. Member of Mekonomen's Audit Committee.	Executive Vice Chairman. Member of Mekonomen's Remuneration Committee.	Board member.	Board member. Member of Mekonomen's Remuneration Committee.	Board member. Chairman of Mekonomen's Audit Committee.	Board member. Member of Mekonomen's Audit Committee.
Education					
Upper secondary school education and training in the ICA system.	B.A. Media/Communication and psychology, Middlebury College, Vermont, US.	Upper secondary school education.	MSc in Engineering, Chalmers University of Technology.	Graduate in Business Administration, Stockholm University.	IHM Business School Stockholm and training courses at Unilever.
Elected in					
2013	2014	2007	2015	2004	2014
Born					
1961	1968	1966	1968	1960	1966
Position and Board assignments					
Chairman of the Board of Ahlsell AB (publ), Clas Ohlson AB (publ), Ersta diakoni, Eurocommerce, Systembolaget, Junior Achievement Sweden and World Childhood Foundation. Member of the Boards of Synsam and Herenco.	Chairman of the Board of Axel Johnson AB and the Erik and Göran Ennerfelt Foundation for International Studies for Young Swedes. Board member of AxFast AB, Axfood AB (publ), Axstores AB and Stockholm School of Economics Advisory Board.	Self-employed. Minority owner and Board member of Motorsport Auctions Ltd. Test and Development Driver for McLaren Automotive.	Chairman of the Board of RO-Gruppen Förvaltning AB. Member of the Boards of Getinge AB (publ), Becker Industrial Coatings Holding AB, Hexatronic Group AB, HEXPOL AB (publ), Magnora AB, Mobile Climate Control Group Holding AB, Ahlström Capital Oy, Konecranes Plc and Kongsberg Automotive ASA.	President of Lernia AB. Board member of 2E Group AB and Bemanningsföretagen. Chairman in a number of Lernia AB's subsidiaries and Chairman and CEO of Skåntorp & Co AB.	CEO of Hilding Anders Group. Board member of AB Svenska Spel.
Work experience					
Employed at ICA for more than 30 years, 11 of which as CEO.	Employed at Axel Johnson AB since 2005, most recently as Vice President Human Resources and Communications and member of Group Management 2006-2014. Prior to that, many years of experience in film, television, and media in Sweden and US.	Former professional racing driver.	President of Volvo Technology AB and the Chalmers University of Technology Foundation. Many years of experience from large Swedish industrial companies, including Aktiebolaget SKF, ASG and the Volvo Group.	Former President and CEO of SBC Sveriges BostadsrättsCentrum AB. President and CEO of Jarowskij, CFO of Arla, Authorised Public Accountant at Öhrlings/PwC.	President of Orkla Confectionary & Snacks, President of Arla Foods AB, President of Atria Scandinavia AB, senior positions at Unilever.
Total remuneration, SEK					
470,000	335,000	260,000	285,000	320,000	295,000
Attendance at Board meetings					
11/12	12/12	11/12	8/8 (newly elected).	11/12	12/12
Attendance at Audit Committee meetings					
5/5	–	–	–	5/5	5/5
Attendance at Remuneration Committee meetings					
2/2 (newly elected)	2/4	–	2/2 (newly elected)	–	–
Own shareholdings and shareholdings of related parties					
2,000	None	1,000	1,000	2,000	2,500
Independent of the company/company management					
Yes	Yes	Yes	Yes	Yes	Yes
Independent of major shareholders					
Yes	No, dependent in relation to major shareholders of the company.	Yes	Yes	Yes	Yes

Marcus Storch declined re-election prior to the 2015 Annual General Meeting. At the ordinary Board meeting on 12 May 2015, Fredrik Persson withdrew from his assignment as Mekonomen's Chairman of the Board and the Board elected Kenneth Bengtsson as its Chairman and Caroline Berg as its Executive Vice Chairman until the 2016 Annual General Meeting. Marcus participated in four of four Board meetings before the Annual General Meeting. Fredrik participated in six of six Board meetings up to 12 May 2015.

Group Management






Magnus Johansson	Per Hedblom	Marcus Larsson	Morten Birkeland	David Larsson	Pehr Oscarsson
Role					
President and CEO.	CFO.	Executive Vice President.	President Sørensen og Balchen.	COO.	President MECA Scandinavia.
Born					
1972	1967	1970	1964	1973	1963
Education					
Master of Science in Business and Economics, Lund University.	MSc in Industrial Engineering and Management, Chalmers University of Technology. MBA INSEAD.	Master of Economics, School of Economics and Management, Lund University, FEM programme, IFL Sigtuna.	Degree in Economics, Oslo Business School.	Graduate in Business Administration, Uppsala University. MBA Helsinki School of Economics.	Technical upper secondary school, supplemented with short economics and management courses.
Employed					
2014	2007	2003	2008	2013	2001
Work experience					
President of Mekonomen Nordic, President of Coop Inköp & Kategori, President of Lantmännen Cerealia, Marketing Director Lantmännen AXA.	Partner of Centigo, Associate Director of Arkwright, Consultant at Accenture, Invest in Sweden Agency.	Self-employed consultant, Head of Purchasing, Head of Business Development at Volkswagen Group.	Head of Marketing Nordic at Stabburet, Marketing Director and Operations Director at Intersport, Sales Director at Tine, Division Director at NetCom Commercial and Private markets, Group Director Sales and Marketing ISS.	Senior positions in Microsoft: COO Microsoft Norway, Vice CFO Microsoft Latin America, CFO Microsoft Sweden.	Senior positions at MECA since 2001, President of Swecar AB.
Board appointments					
Member of the Board of Insamlingsstiftelsen En frisk generation. Board member of Intermeko Europe.		Member of the Boards of Intermeko Europe, Lasingoo Sverige AB and Automotive Web Solutions AB.			Deputy Chairman of Association of Swedish Wholesalers of Automotive Parts and Accessories (SBF). Member of the Board of Fresks Holding AB and Oscarson Invest Aktiebolag.
Own shareholdings and shareholdings of related parties					
3,000	1,000	3,000	0	0	2,000

Changes in Group Management

The Board of Directors of Mekonomen appointed Magnus Johansson as the new President and CEO to begin on 15 June 2015. Magnus succeeded Håkan Lundstedt who moved on to a different external position. Gunilla Spongh, International Business Director, resigned from her position in Mekonomen Group during the year for a different external position. David Larsson is a member of Group Management as of 1 September 2015 and was the acting President for the Group company Mekonomen Nordic from 1 September until 31 December 2015. As of 1 March 2016, Örjan Grandin, Supply Chain Director for Mekonomen Group, is also a member of Group Management.

Financial statements

Consolidated income statement

SEK M	Note	2015	2014
Continuing operations:			
Net sales	3	5,624	5,262
Other operating revenue		137	128
Total revenue		**5,761**	**5,390**
Operating expenses			
Goods for resale	17	-2,529	-2,337
Other external costs	4	-1,167	-1,044
Personnel costs	5	-1,282	-1,185
Depreciation and impairment of tangible fixed assets	6	-57	-61
Amortisation and impairment of intangible fixed assets	6	-110	-124
EBIT	9	**616**	**639**
Financial income and expenses			
Interest income		6	6
Interest expenses		-33	-41
Other financial items	9	5	16
Profit after financial items		**594**	**620**
Tax on profit for the year	10	-164	-153
Profit for the year from continuing operations		**430**	**466**
Discontinued operations:			
Profit/loss for the year from discontinued operations[1]	34	0	-340
Profit for the year		**430**	**127**
Profit for the year attributable to:			
Parent Company's shareholders		423	120
Non-controlling interests		8	7
Total profit for the year		**430**	**127**
Earnings per share attributable to Parent Company's shareholders			
- From continuing operations, SEK		11.77	12.80
- From discontinued operations, SEK		0.00	-9.46
Earnings per share, SEK[2]		11.77	3.34
Average number of shares[2]		35,901,487	35,901,487

[1] For 2014, non-recurring costs as a result of the adopted structure change in Denmark are included in an amount of SEK 280 M in the loss from discontinued operations.
[2] No dilution is applicable. For further information on data per share, refer to pages 26-27.

Consolidated statement of comprehensive income

SEK M	Note	2015	2014
Profit of the year		**430**	**127**
Other comprehensive income:			
Components that will not be reclassified to profit for the year:			
- Actuarial gains and losses		2	-7
Components that may later be reclassified to profit for the year:			
- Exchange-rate differences from translation of foreign subsidiaries		-88	-20
- Cash-flow hedging[1]		-1	0
Total other comprehensive income, net after tax[2]		**-87**	**-27**
Comprehensive income for the year		**343**	**100**
Comprehensive income for the year attributable to			
Parent Company's shareholders		336	93
Non-controlling interests		7	7
Comprehensive income for the year		**343**	**100**
Total comprehensive income attributable to Parent Company shareholders arises from			
- Continuing operations		337	437
- Discontinued operations		-1	-344
		336	**93**

[1] Holding of financial interest rate derivatives for hedging purposes, valued according to level 2 defined in IFRS 13.
[2] For information about tax recognised directly against items in other comprehensive income, refer to Note 15.

Consolidated balance sheet

SEK M	Note	31 Dec. 2015	31 Dec. 2014
ASSETS			
Fixed assets			
Intangible fixed assets	12		
Goodwill		1,835	1,862
Brands		322	328
Franchise contracts		21	27
Customer relations		467	538
Capitalised expenditure for IT systems		88	57
Total intangible fixed assets		**2,734**	**2,813**
Tangible fixed assets			
Improvement costs, third-party property	13	33	38
Equipment and transport	14	148	163
Total tangible fixed assets		**182**	**201**
Financial fixed assets			
Deferred tax assets	15	55	55
Investments accounted for using the equity method	27	2	3
Other financial fixed assets	11, 16	49	62
Total financial fixed assets		**106**	**120**
Total fixed assets		**3,022**	**3,134**
Current assets			
Goods for resale	17	1,226	1,223
Current receivables	11, 18, 19	818	769
Cash and cash equivalents	11, 20	295	258
Total current assets		**2,339**	**2,250**
TOTAL ASSETS		**5,361**	**5,384**

Consolidated balance sheet

SEK M	Note	31 Dec. 2015	31 Dec. 2014
EQUITY AND LIABILITIES			
Shareholders' equity	28		
Share capital		90	90
Other capital contributions		1,456	1,456
Reserves		-234	-145
Profit brought forward including profit for the year		831	665
Total shareholders' equity attributable to Parent Company's shareholders		2,143	2,066
Non-controlling interests		12	14
Total equity		2,155	2,080
Long-term liabilities			
Liabilities to credit institutions, interest-bearing	11, 21	1,466	1,397
Deferred tax liabilities	15	169	168
Provisions	22	10	10
Total long-term liabilities		1,645	1,575
Current liabilities			
Liabilities to credit institutions, interest-bearing	11, 21	461	495
Tax liabilities		95	96
Other current liabilities, non-interest-bearing	11, 23, 24	990	1,016
Provisions	22	14	121
Total current liabilities		1,560	1,728
TOTAL EQUITY AND LIABILITIES		5,361	5,384
Memorandum items			
Pledged assets	25	–	3
Contingent liabilities	25	41	62

Consolidated statement of changes in equity

SEK M	Share capital	Other capital contributions	Reserves	Profit brought forward	Total attributable to Parent Company's shareholders	Non-controlling interest	Total shareholders' equity
OPENING BALANCE ON 1 JANUARY 2014	**90**	**1,456**	**-125**	**807**	**2,228**	**12**	**2,240**
Comprehensive income for the year:							
Profit for the year				120	**120**	7	**127**
Other comprehensive income:							
Components that will not be reclassified to profit for the year:							
- Actuarial gains and losses				-7	**-7**		**-7**
Components that may later be reclassified to profit for the year:							
- Exchange-rate differences from translation of foreign subsidiaries			-20		**-20**		**-20**
- Cash-flow hedging[1]			0		**0**		**0**
Total other comprehensive income, net after tax[2]			**-20**	**-7**	**-27**	**0**	**-27**
Comprehensive income for the year			**-20**	**113**	**93**	**7**	**100**
Dividends				-251	**-251**	-11	**-262**
Acquisition/divestment of non-controlling interests				-4	**-4**	6	**2**
CLOSING BALANCE ON 31 DECEMBER 2014	**90**	**1,456**	**-145**	**665**	**2,066**	**14**	**2,080**
OPENING BALANCE ON 1 JANUARY 2015	**90**	**1,456**	**-145**	**665**	**2,066**	**14**	**2,080**
Comprehensive income for the year:							
Profit for the year				423	**423**	8	**430**
Other comprehensive income:							
Components that will not be reclassified to profit for the year:							
- Actuarial gains and losses				2	**2**		**2**
Components that may later be reclassified to profit for the year:							
- Exchange-rate differences from translation of foreign subsidiaries			-88		**-88**	0	**-88**
- Cash-flow hedging[1]			-1		**-1**		**-1**
Total other comprehensive income, net after tax[2]			**-89**	**2**	**-87**	**0**	**-87**
Comprehensive income for the year			**-89**	**424**	**335**	**7**	**343**
Dividends				-251	**-251**	-9	**-261**
Acquisition/divestment of non-controlling interests				-7	**-7**	0	**-7**
CLOSING BALANCE ON 31 DECEMBER 2015	**90**	**1,456**	**-234**	**831**	**2,143**	**12**	**2,155**

[1] Holding of financial interest rate derivatives for hedging purposes, valued according to level 2 defined in IFRS 13.
[2] For information about tax recognised directly against items in other comprehensive income, refer to Note 15.

Consolidated cash-flow statement

SEK M	Note	2015	2014
Operating activities			
Profit after financial items including discontinued operations		594	250
Adjustments for items not affecting liquidity	30	188	461
		782	**711**
Tax paid		-189	-160
Cash flow from operating activities before changes in working capital		**594**	**552**
Cash flow from changes in working capital			
Decrease (+) / increase (-) in inventories		-19	-59
Decrease (+) / increase (-) in receivables		-11	-62
Decrease (-) / increase (+) in liabilities		-124	-17
Increase (-) / decrease (+) in working capital		**-154**	**-138**
Cash flow from operating activities		**439**	**413**
Investments			
Acquisition of subsidiaries	31	-67	-63
Divestment of subsidiaries	31	9	0
Acquisition of tangible fixed assets	13.14	-48	-56
Divestment of tangible fixed assets		8	6
Acquisition of intangible fixed assets	12	-55	-19
Acquisition/sale of participations in associated companies and joint ventures	27	2	-3
Divestment of financial fixed assets		0	6
Increase (-) / decrease (+) of long-term receivables		5	8
Cash flow from investing activities		**-146**	**-121**
Financing activities			
Acquisition of non-controlling interests	31	-17	-6
Divestment of non-controlling interests	31	9	3
Change in overdraft facilities		-32	227
Loans raised	21	202	12
Amortisation of loans		-148	-284
Dividends paid		-261	-262
Cash flow from financing activities		**-245**	**-309**
Cash flow for the year		**48**	**-17**
Cash and cash equivalents at the beginning of the year		**258**	**279**
Exchange-rate differences in cash and cash equivalents		-11	-4
Cash and cash equivalents at year-end	20	**295**	**258**

Cash flow pertains to total operations, i.e. both continuing and discontinued operations.
Interest received amounted to SEK 6 M (5) and interest paid amounted to SEK 33 M (45).

Income statement for the Parent Company

SEK M	Note	2015	2014
Net sales	3, 32	34	40
Other operating revenue		44	55
Total revenue		**78**	**95**
Operating expenses			
Goods for resale		-4	-2
Other external costs	4	-80	-78
Personnel costs	5	-46	-44
Depreciation/amortisation of tangible and intangible fixed assets	6	0	0
EBIT		**-52**	**-29**
Financial income and expenses			
Result from participations in Group companies	7	454	403
Interest income		28	42
Interest expenses		-35	-50
Other financial items	9	9	1
Profit after financial items		**404**	**365**
Appropriations	8	226	396
Profit before tax		**630**	**761**
Tax on profit for the year	10	-37	-27
Profit for the year		**592**	**734**

Statement of comprehensive income for the Parent Company

SEK M	Note	2015	2014
Profit for the year		**592**	**734**
Other comprehensive income:			
Components that may later be reclassified to profit for the year:			
- Exchange-rate differences, net investments in foreign operations		-3	3
Total other comprehensive income, net after tax		**-3**	**3**
Comprehensive income for the year		**589**	**737**

Balance sheet for the Parent Company

SEK M	Note	31 Dec. 2015	31 Dec. 2014
ASSETS			
Fixed assets			
Tangible fixed assets			
Improvement costs, third-party property	13	0	1
Equipment and transport		0	0
Total tangible fixed assets		**1**	**1**
Financial fixed assets			
Participations in Group companies	26	3,004	3,031
Receivables from Group companies		85	55
Deferred tax assets	15	57	53
Total financial fixed assets		**3,146**	**3,139**
Total fixed assets		**3,147**	**3,140**
Current assets			
Current receivables			
Accounts receivable		10	8
Receivables from Group companies		1,583	1,207
Tax assets		36	–
Other receivables		12	9
Prepaid expenses and accrued income	19	10	12
Total current receivables		**1,650**	**1,235**
Cash and cash equivalents	20	210	162
Total current assets		**1,860**	**1,397**
TOTAL ASSETS		**5,007**	**4,537**

Balance sheet for the Parent Company

SEK M	Note	31 Dec. 2015	31 Dec. 2014
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	28		
Restricted shareholders' equity			
Share capital		90	90
Statutory reserve		3	3
Total restricted shareholders' equity		93	93
Non-restricted shareholders' equity			
Fair value reserve		0	3
Profit brought forward		2,090	1,607
Profit for the year		592	734
Total non-restricted shareholders' equity		2,682	2,344
Total shareholders' equity		2,775	2,437
Untaxed reserves		175	114
Provisions	22	2	0
Long-term liabilities			
Liabilities to credit institutions	21	1,460	1,396
Total long-term liabilities		1,460	1,396
Current liabilities			
Overdraft facilities	21	323	355
Other liabilities to credit institutions	21	136	136
Accounts payable		4	7
Liabilities to Group companies		117	67
Current tax liabilities		–	4
Other liabilities		1	1
Accrued expenses and deferred income	24	15	19
Total current liabilities		596	590
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		5,007	4,537
Memorandum items			
Pledged assets	25	None	None
Contingent liabilities	25	95	79

Statement of changes in shareholders' equity for the Parent Company

	Restricted shareholders' equity		Non-restricted shareholders' equity		
SEK M	Share capital	Statutory reserve	Fair value reserve	Profit brought forward	Total shareholders' equity
OPENING BALANCE ON 1 JANUARY 2014	**90**	**3**	**0**	**1,858**	**1,951**
Profit for the year				734	734
Other comprehensive income:					
Components that may later be reclassified to profit for the year:					
- Exchange-rate differences, net investments in foreign operations			3		3
Total other comprehensive income			**3**		**3**
Comprehensive income for the year			**3**	**734**	**737**
Transactions with shareholders					
Dividends				-251	-251
Total transactions with shareholders				**-251**	**-251**
CLOSING BALANCE ON 31 DECEMBER 2014	**90**	**3**	**3**	**2,341**	**2,437**
OPENING BALANCE ON 1 JANUARY 2015	**90**	**3**	**3**	**2,341**	**2,437**
Profit for the year				592	592
Other comprehensive income:					
Components that may later be reclassified to profit for the year:					
- Exchange-rate differences, net investments in foreign operations			-3		-3
Total other comprehensive income			**-3**		**-3**
Comprehensive income for the year			**-3**	**592**	**589**
Transactions with shareholders					
Dividends				-251	-251
Total transactions with shareholders				**-251**	**-251**
CLOSING BALANCE ON 31 DECEMBER 2015	**90**	**3**	**0**	**2,682**	**2,775**

The number of shares as at 31 December 2015 amounted to 35,901,487 (35,901,487) with a quotient value of SEK 2.50 (2.50) per share.

Cash-flow statement for the Parent Company

SEK M	Note	2015	2014
Operating activities			
Profit after financial items		404	365
Adjustments for items not affecting liquidity	30	34	485
		438	**850**
Tax paid		-81	-45
Cash flow from operating activities before changes in working capital		**357**	**805**
Cash flow from changes in working capital			
Decrease (+) / increase (-) in receivables		-49	-192
Decrease (-) / increase (+) in liabilities		-2	26
Increase (-) / decrease (+) in working capital		**-51**	**-166**
Cash flow from operating activities		**306**	**639**
Investments			
Capital contributions paid	26	-9	-363
Acquisition of tangible fixed assets	13	0	-1
Increase (-) / decrease (+) in long-term receivables		-30	-10
Cash flow from investing activities		**-39**	**-374**
Financing activities			
Change in overdraft facilities		-32	227
Loans raised	21	200	12
Amortisation of loans		-136	-272
Dividends paid		-251	-251
Cash flow from financing activities		**-219**	**-284**
Cash flow for the year		**48**	**-19**
Cash and cash equivalents at the beginning of the year		**162**	**181**
Cash and cash equivalents at year-end	20	**210**	**162**

Profit after financial items includes dividends received from subsidiaries of SEK 489 M (888).
Interest received amounted to SEK 28 M (42) and interest paid amounted to SEK 35 M (50).

Notes

NOTE 1 Accounting policies

Accounting and measurement policies

The most important accounting policies that were applied to the preparation of these consolidated financial statements are stated below. These policies were consistently applied for all years presented, unless otherwise stated.

The consolidated financial statements were prepared in accordance with the Annual Accounts Act, International Financial Reporting Standards (IFRS) as approved by the EU and interpretations issued by the IFRS Interpretations Committee that apply for financial years beginning on 1 January 2015. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Regulations for Groups was applied.

The financial information for 2014 has been revised compared with the official annual report according to the rules for discontinued operations in IFRS 5. Discontinued operations comprise the former Danish store business, which was previously included in the MECA segment. Total operations refer to discontinued and continuing operations. Also refer to information in the Discontinued operations section in the accounting policies and in Note 34.

The functional currency of the Parent Company is Swedish kronor (SEK), which is also the Group's presentation currency. All amounts are stated in SEK M, unless otherwise stated.

The items in the Annual Report are measured at cost, with the exception of certain financial instruments, which are measured at fair value.

The Parent Company's financial statements were prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for legal entities.

Preparing financial statements in accordance with IFRS requires the use of certain key estimates for accounting purposes. Furthermore, management is required to make certain assessments in the application of the consolidated accounting policies. The areas that include a high degree of complicated assessments or areas where assumptions and estimates are of material significance to the consolidated financial statements are stated in Note 2.

Amended and new accounting policies for 2015

The Group applies a number of new standards and interpretations as of 1 January 2015, which are annual improvements to IFRSs, improvement cycle 2013 and IFRIC 21 Levies. None of the new standards and interpretations applied by Mekonomen Group as of 1 January 2015 has had any significant impact on the consolidated financial statements.

Amended accounting policies 2016 and later

A number of new standards and amendments of interpretations and existing standards come into effect for financial years beginning on 1 January 2015 and were not applied in the preparation of the consolidated financial statements. The most important amendments for Mekonomen Group are:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers regulates how revenue is to be recognised. The principles on which IFRS 15 is based are to provide users of financial statements with more informative, relevant disclosures of the company's revenue. The expanded disclosure requirements entail that information is to be provided about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. Under IFRS 15, revenue is to be recognised when the customer controls the sold good or service and can use and obtain the benefits from the good or service.

IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts, and associated SICs and IFRICs. IFRS 15 will come into effect on 1 January 2018. Early adoption is permitted. The Group is yet to assess the effect of the standard. The standard has not yet been approved by the EU.

IFRS 9 Financial Instruments

The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the parts of IAS 39 that addressed the classification and measurement of financial instruments and introduces a new impairment model. The standard is to be applied to financial years beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to assess the effect of the standard. The standard has not yet been approved by the EU.

IFRS 16 Leases

In January 2016, IASB published a new leasing standard that will replace IAS 17 Leases and associated interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires that assets and liabilities attributable to all leases, with a few exceptions, are recognised in the balance sheet. This recognition is based on the view that the lessee has a right to use an asset during a specific time period and at the same time an obligation to pay for this right. The recognition for the lessor will essentially remain unchanged. The standard is to be applied to financial years beginning on or after 1 January 2019. Early adoption is permitted. The EU has not yet adopted the standard. The Group has not yet evaluated the effects of IFRS 16, but assesses that it can be expected to have a material impact on total assets.

Other new standards, amendments or interpretations of existing standards that have not come into effect are not relevant to the Group at present or are deemed to not have any material effect on the Group's earnings or financial position.

Consolidated financial statements

Subsidiaries

The consolidated financial statements include the Parent Company and all companies (including structured companies) over which the Parent Company has a controlling influence. The Group controls a company when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over a company. Subsidiaries are included in the consolidated financial statements from the point in time at which controlling influence is achieved and excluded from the consolidated financial statements from the point in time at which the controlling influence ceases.

The purchase method was used for recognising the Group's business combinations. The purchase consideration for the acquisition of a subsidiary is measured at fair value on transferred assets, liabilities arising in the Group from previous owners of the acquired company and the shares issued by the Group. The purchase consideration also includes the fair value of all assets or liabilities resulting from an agreement on contingent consideration. Identifiable acquired assets and assumed liabilities in a business combination are initially measured at fair value on the date of acquisition. For each acquisition - meaning, acquisition by acquisition - the Group decides whether the non-controlling interests in the acquired company are measured at fair value or proportionate to the holding's share of the carrying amount of the acquired company's identifiable net assets.

Acquisition-related costs are recognised in profit or loss as they arise.

If the business combination is a step acquisition, the earlier equity shares in the acquired company are re-measured to its fair value on the date of acquisition. Any gains or losses arising are recognised in profit or loss.

Each contingent consideration to be transferred by the Group is measured at fair value on the date of acquisition. The subsequent changes in fair value of contingent consideration are recognised in profit or loss. Contingent consideration classified as shareholders' equity is not re-measured and the subsequent adjustment is recognised in shareholders' equity.

Goodwill is initially measured at the amount by which the total purchase consideration and fair value for the non-controlling interests exceeds the fair value of identifiable acquired assets and assumed liabilities. If the purchase consideration is lower than the fair value of the acquired company's net assets, the difference is recognised directly in profit or loss.

Where necessary, subsidiaries' accounting is adjusted to comply with the same policies applied by the other Group companies. All internal transactions between Group companies and Group intermediaries are eliminated when preparing the consolidated financial statements.

Transactions with non-controlling interests that will not result in a loss of control are recognised as shareholders' equity transactions – meaning, transactions with shareholders in their roles as owners. In acquisitions from non-controlling interests, the difference between the fair value of purchase consideration paid and the actual acquired portion of the carrying amount of the subsidiary's net assets is recognised in shareholders' equity. Profits or losses from divestments to non-controlling interests are also recognised in shareholders' equity.

When the Group no longer has controlling influence, each remaining holding is measured at fair value on the date controlling influence ceases. The change in the carrying amount is recognised in profit or loss. The fair value is used as the initial carrying amount and is the basis for continued recognition of the remaining holding in associated companies, joint ventures or financial assets. All amounts pertaining to the divested unit previously recognised in other comprehensive income are recognised as if the Group had directly divested the assets or liabilities in question. This may result in the amount previously recognised in other comprehensive income being reclassified to profit or loss.

Associated companies

Associated companies are all companies over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 per cent and 50 per cent of the voting rights. Investments in associated companies are recognised using the equity method. Mekonomen Group has only one small associated company with a marginal impact on the Group.

Joint arrangements

Under IFRS 11, holdings in a joint arrangement are to be classified as either a joint operation or a joint venture depending on each investor's contractual rights and obligations. Mekonomen Group has only one small joint arrangement with a marginal impact on the Group and has determined that it is a joint venture. Joint ventures are recognised in accordance with the equity method.

Translation of transactions in foreign currencies
Transactions in foreign currencies are translated into Swedish Kronor (SEK) based on the exchange rate on the date of the transaction. Monetary items (assets and liabilities) in foreign currencies are translated into SEK according to the exchange rate on the balance-sheet date. Exchange-rate gains and losses that arise in connection with such translations are recognised in profit or loss as Other operating revenue and/or Other operating expenses. Exchange-rate differences that arise in foreign long-term loans and liabilities, and in the translation of bank accounts in currencies other than the accounting currency, are recognised in financial income and expenses.

Translation of foreign subsidiaries
When the consolidated financial statements were prepared, the Group's foreign operations' balance sheets were translated from their functional currencies to SEK based on the exchange rates on the balance-sheet date. The income statements and other comprehensive income were translated at the average exchange rate for the period. Translation differences that arose were recognised in other comprehensive income against the translation reserve in shareholders' equity. The accumulated translation differences were transferred and recognised as part of capital gains or capital losses in cases where foreign operations were divested. Goodwill and adjustments to fair values attributable to acquisitions of operations using functional currencies other than SEK are treated as assets and liabilities in the acquired operations' currencies and translated at the exchange rates on the balance-sheet date.

Segment reporting
Operating segments are reported to correspond with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the function responsible for the allocation of resources and assessing the earnings of the operating segments. In the Group, this function has been identified as the company's President and CEO.

Revenue recognition
Revenue from external customers derives primarily from the sale of goods, representing approximately 96 per cent (96) of net sales. The remaining net sales derive from workshop services, as well as annual and license fees to affiliated stores and workshops.

Sales of goods are recognised at delivery/handover of products to the customer, in accordance with conditions of sale. Sales are recognised net after deduction of discounts, returns and value-added tax.

Revenue from the sale of workshop services is recognised in the period in which the service took place. Revenue is recognised based on the degree of completion on the balance-sheet date (percentage of completion).

Revenue from licensing agreements is allocated over the term of the agreement.

Other operating revenue mainly comprises of rental income, marketing subsidies and exchange-rate gains.

Interest income is recognised over the term by applying the effective interest method.

Leasing
A financial lease agreement is an agreement according to which the financial risks and benefits associated with ownership of an object are essentially transferred from the lessor to the lessee. Leasing objects mainly comprise company vehicles and distribution vehicles.

Operating leases primarily comprise leased premises.

Group as lessee
Assets held under financial lease agreements are measured as fixed assets in the consolidated balance sheets at fair value at the beginning of the leasing period or at the present value of minimum leasing fees if this is lower. The liability that the lessee has to the lessor is recognised in the balance sheet under the heading "Lease agreement" divided into long-term and short-term liabilities. Leasing payments are divided between interest and amortisation of liabilities. Interest is divided over the leasing period so that each reporting period is charged with an amount corresponding to a fixed interest rate of the liability recognised during each period. Interest expenses are recognised directly in profit or loss. Lease fees that are paid during operating lease agreements are systematically expensed over the leasing period.

Remuneration of employees
The Group has both defined-contribution and defined-benefit pension plans. A defined-benefit pension plan is a pension plan whereby the Group guarantees an amount, which the employee receives as pension benefits upon retirement, normally based on several different factors, for example, salary and period of service. A defined-contribution pension plan is a pension plan in which the Group, after having paid its pension premium to a separate legal entity, has fulfilled its commitments towards the employee.

Defined-contribution plans are recognised as an expense in the period to which the premiums paid are attributable.

Pension expenses for defined-benefit plans are calculated using the Projected Unit Credit Method whereby expenses are distributed over the employee's period of employment. These commitments, meaning the liabilities that are recognised, are measured at the present value of expected future payments, taking estimated future salary increases into account, applying a discount rate corresponding to the interest on first-class corporate bonds issued in the same currency as the pension is to be paid in, with a remaining duration that is comparable to the current commitment and with deductions for the fair value of plan assets. In countries where there are no functioning markets for corporate bonds, a discount rate corresponding to the interest rate on mortgage bonds is used. Consequently, a discount rate established by referring to the interest rate on mortgage bonds is used for the Group's defined-benefit pension plans in Norway. The most important actuarial assumptions are stated in Note 22. If a net asset arises, it is be recognised only to the extent that it represents future financial benefits, for example, in the form of repayments or reduced future premiums.

One of the Group's defined-benefit pension plans comprises a so-called multi-employer defined-benefit pension plan (ITP plan in Alecta). In accordance with Mekonomen Group's accounting policies, a multi-employer defined-benefit plan is recognised based on the rules of the plans and recognises its proportional share of the defined-benefit pension obligations and of plan assets and expenses related to the plan in the same manner as for any other similar defined-benefit pension plan. However, Alecta has not been able to present sufficient information to facilitate reporting as a defined-benefit plan, which is why the ITP plan is recognised as a defined-contribution plan in accordance with IAS 19.34.

In addition to the defined-benefit pension plans via Alecta described above, the Group has defined-benefit pension plans for employees in Norway. Actuarial gains and losses on the defined-benefit pension plans for employees in Norway are recognised in their entirety over comprehensive income in the period in which they arise.

Remuneration in connection with termination of employment can be paid when an employee has been served notice of termination prior to the expiration of the normal date of retirement or when an employee accepts voluntary retirement. The Group recognises liabilities and expenses in connection with a termination of employment, when Mekonomen Group is unquestionably obligated to either terminate employment prior to the normal termination date or to voluntarily pay remuneration to encourage early retirement.

Mekonomen Group recognises a liability and an expense for bonuses when there are legal or informal obligations, based on earlier practice, to pay bonuses to employees.

Tax
The Group's total tax expense comprises current tax and deferred tax. Current tax is tax that is to be paid or received pertaining to the current year and adjustments of prior years' current tax. Deferred tax is calculated based on the difference between the carrying amounts and the values for tax purposes of company assets and liabilities. Deferred tax is recognised according to the balance-sheet method. Deferred tax liabilities are recognised in principle on all taxable temporary differences, while deferred tax assets are recognised to the extent that is probable that the amount can be utilised against future taxable surplus.

The carrying amount on deferred tax assets is assessed at each accounting year-end and reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to be utilised either in its entirety or partially against the deferred tax asset.

Deferred tax is calculated based on the tax rates that are expected to apply for the period when the asset is recovered or the debt settled. Deferred tax is recognised as revenue or expenses in profit or loss, except in cases when it pertains to transactions or events that are recognised against other comprehensive income or directly against shareholders' equity. The deferred tax is then also recognised against other comprehensive income or directly against shareholders' equity. Deferred tax assets and tax liabilities are offset when they are attributable to income tax that is charged by the same authority and when the Group intends to pay the tax with a net amount.

Discontinued operations
A discontinued operation is a part of a company that has either been divested or is classified as being held for sale and that the operation represents an independent operating segment or a significant operation within a geographic area or is a subsidiary acquired solely for the purpose of being sold on. Classification as a discontinued operation takes place upon divestment or at an earlier point in time when the operation meets the criteria to be classified as being held for sale. Profit after tax from discontinued operations is recognised on a separate line in the income statement. When an operation is classified as a discontinued operation, the format of the comparison year's income statement is changed so that it is presented as if the discontinued operation had been discontinued at the opening of the comparison year. The format of the statement of financial position for the current and previous years is not changed correspondingly.

The discontinued operation's cash flows are included in the consolidated cash flow statement. All notes to the income statement refer to continuing operations unless otherwise stated. For further description and separate financial information on discontinued operations, refer to Note 34.

Goodwill
Goodwill is initially measured at the amount by which the total purchase consideration and fair value for the non-controlling interests exceeds the fair value of identifiable acquired assets and assumed liabilities. If the purchase consideration is lower than the fair value of the acquired company's net assets, the difference is recognised directly in profit or loss. Goodwill has an indefinite useful life and is recognised at cost less any accumulated impairment. In the divestment of an operation, the portion of goodwill attributable to this operation is recognised in the calculation of gain or loss on the divestment.

Other intangible assets
Expenditure for the development and implementation of IT systems can be capitalised if it is probable that future financial benefits will accrue to the company and the cost for the asset can be calculated in a reliable manner.

Brands, customer relations and franchise contracts acquired through business combinations are measured at fair value on the date of acquisition.

Acquired brands attributable to the acquisitions of Sørensen og Balchen and MECA have been deemed to have an indefinite useful life and are recognised at cost less any accumulated impairment losses. Customer relations, other brands, franchise contracts and strategic IT investments have definite useful lives and are recognised at cost less accumulated amortisation. Amortisation is applied according to the straight-line method over the assets' estimated useful life. Customer relations, other brands and franchise contracts are deemed to have a useful life of five to ten years.

IT investments are deemed to have a useful life of three to ten years from the start of operation.

Tangible fixed assets
Tangible fixed assets are recognised as assets in the balance sheet if it is probable that future financial benefits will be accrued to the company and the cost of the asset can be calculated in a reliable manner. Tangible fixed assets, primarily comprising equipment, computers and transport, are recognised at cost less accumulated depreciation and any impairment. Depreciation of tangible fixed assets is recognised as an expense so that the asset's value is depreciated according to the straight-line method over its estimated useful life.

The following percentages were applied for depreciation:

Fixed assets	%
Improvement costs, third-party property[1]	10
Equipment	10–20
Vehicles	20
Servers	20
Workplace computers	33

[1] Depreciation takes place over the shorter period corresponding to 10 per cent per year and the remaining duration of the contract.

The residual value of assets and useful life are tested at the end of each reporting period and adjusted when necessary.

An asset's carrying amount is immediately depreciated to its recoverable amount if the asset's carrying amount exceeds its assessed recoverable amount.

Gains and losses from divestments are determined by comparing the proceeds and the carrying amount and recognised net in profit or loss.

Impairment
Assets with an indefinite useful life, for example, goodwill and intangible assets that are not ready for use are not impaired but tested annually for any impairment requirements. The brands that were added through the acquisitions of Sørensen og Balchen and MECA have been deemed to have indefinite useful lives, which is why these are also tested at least annually for any impairment requirements.

Assets impaired are measured in terms of value decline whenever events or changes in conditions indicate that the carrying amount may not be recoverable. If this occurs, a calculation of the asset's recoverable amount is performed.

The recoverable amount comprises the highest of the value in use of the asset in the operation and the value that would be received if the asset was divested to an independent party, net realisable value. The value in use comprises the present value of all in and out payments attributable to the asset during the period it is anticipated to be used in the operation, plus the present value of the net realisable value at the end of the useful life. If the estimated recoverable amount falls below the carrying amount, the asset is impaired to the recoverable amount. The impairment is recognised in profit or loss in the period it is determined.

Refer also to Note 12 for information on how impairment testing is performed. Previously recognised impairment is reversed only if there has been a change to the assumptions that served as the basis for determining the recoverable amount in connection with the impairment. If this is the case, a reversal will be conducted to increase the carrying amount of the impaired asset to its recoverable amount. A reversal of an earlier impairment takes place in an amount that does not allow the new carrying amount to exceed what would have been the carrying amount (after impairment) if the impairment had not taken place. Impairment of goodwill is never reversed.

Inventories
Inventories are recognised at the lower of the cost and net realisable value. The cost is established by using the first in/first out principle (FIFO).

A provision for estimated obsolescence in inventories is established when there is an objective basis to assume that the Group will be unable to receive the carrying amount when inventories are sold in the future. The size of the provision amounts to the difference between the asset's carrying amount and the value of expected future cash flows. The reserved amount is recognised in profit or loss. The inventory value was reduced by the value included in the inter-company profit from goods sold from the Group's central warehouse to the company's own stores on the goods that are still in stock. Furthermore, the inventory value was also reduced by the value of the remaining portion of the supplier bonus on goods that are still in stock.

Financial instruments
Financial assets recognised as assets in the balance sheet include loan receivables, accounts receivable and cash and cash equivalents. Liabilities in the balance sheet include long-term and short-term loans and accounts payable. A currency derivative is recognised either as an asset or liability, depending on changes in the exchange rate. A financial asset or financial liability is recognised in the balance sheet when the company becomes party to the contractual conditions. Accounts receivable are recognised when an invoice is sent and accounts payable are recognised when an invoice has been received. With the exception of cash and cash equivalents, only an insignificant portion of the financial assets is interest-bearing, which is why interest exposure is not recognised. The maximum credit risk corresponds to the carrying amount of the financial assets. The terms for long-term and short-term loans are stated in separate note disclosures; other financial liabilities are non-interest-bearing. A financial asset, or portion thereof, is eliminated when the rights contained in the contract are realised or mature. A financial liability, or portion thereof, is eliminated as it is regulated when the commitment in the agreement has been fulfilled or has been terminated in another manner.

Calculation of fair value, financial instruments
When establishing the fair value of derivatives, official market listings at year-end are used. If no such information is available, a measurement is conducted applying established methods, such as discounting future cash flows to the quoted market rate for each term. Translation to SEK is based on the quoted exchange rate at year-end.

Long-term receivables
Long-term receivables comprise primarily deposits and lease-purchase agreements. These are recognised at the amortised cost. A provision for probable losses on accounts receivable is made when there are objective indications to assume that the Group will not receive all the amounts that are due for payment in accordance with the receivables' original conditions. The size of the provision amounts to the difference between the asset's carrying amount and the present value of expected future cash flows. The reserved amount is recognised in profit or loss.

Accounts receivable
Accounts receivable are recognised net after provisions for probable bad debts. The expected term of accounts receivable is short, which is why the amount is recognised at nominal value without discounting in accordance with the method for amortised cost. A provision for probable bad debts on accounts receivable is made when there are objective indications to assume that the Group will not be able to receive all the amounts that are due for payment in accordance with the receivables' original conditions. The size of the provision amounts to the difference between the asset's carrying amount and the value of expected future cash flows. The reserved amount is recognised in profit or loss.

Cash and cash equivalents
Cash and cash equivalents comprise cash funds held at financial institutions and current liquid investments with a term from the date of acquisition of less than three months, which are exposed to only an insignificant risk of fluctuations in value. Cash and cash equivalents are recognised at nominal amounts.

Derivative instruments

Mekonomen Group applies hedge accounting to receivables in foreign currencies. Hedging is conducted using currency derivatives with a maximum term of three months. Hedged receivables in foreign currencies are recognised at the closing day rate and hedging instruments are recognised separately at fair value in the balance sheet and the change in value is recognised in profit or loss.

The Group signed derivative instruments aimed at hedging interest payments attributable to loans at floating interest rates (cash-flow hedges). The Group applies hedge accounting to these derivative agreements. The derivatives are measured at fair value in the balance sheet. Value changes are recognised in Other comprehensive income to the extent they are effective and accumulated as a separate component in shareholders' equity until the hedged item impacts earnings. The portion of unrealised value changes that is ineffective is recognised in profit or loss.

Accounts payable

The expected term for accounts payable is short, which is why the debt is recognised at nominal amount without discounting according to the method for amortised cost.

Loans

Liabilities to credit institutions, overdraft facilities and other liabilities (loans) are initially measured at fair value net after transaction costs. Thereafter, loans are recognised at amortised cost. Any transaction costs are distributed over the loan period applying the effective interest method. Long-term liabilities have an estimated term longer than one year while short-term liabilities have a term of less than one year.

Share capital

Ordinary shares are classified as share capital. Transaction costs in connection with a new rights issue are recognised as a deduction, net after tax, from proceeds from the rights issue.

Provisions

Provisions differ from other liabilities since there is uncertainty regarding the date of payment and the amount for settling the provision. Provisions are recognised in the statement of financial position when Mekonomen Group has a legal or informal obligation as a result of an event that has occurred and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amounts can be made. Provisions are recognised in an amount corresponding to the most reliable estimate of the payment required to settle the commitment. When an outflow of resources is expected to be required far later in the future, the expected future cash flow and provision are recognised at present value.

Restructuring reserves are recognised when the Group has both decided on a detailed restructuring plan and implementation has begun or the main features have been announced to the parties concerned.

Cash-flow statement

The cash-flow statement was prepared in accordance with the indirect method. The recognised cash flow comprises only transactions that result in inward and outward payments.

Parent Company accounting policies

The Parent Company complies with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. Application of RFR 2 means that, in the annual accounts for a legal entity, the Parent Company is to apply all of the IFRS and statements that have been approved by the EU where this is possible within the framework of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act and taking into account the link between accounting and taxation. The recommendation specifies the exceptions and additions that are to be made from IFRS. The differences between the Group's and the Parent Company's accounting policies are stated below.

Financial instruments exist to a limited extent and are recognised in the Parent Company based on cost in accordance with the Annual Accounts Act.

The policies have been applied consistently for all years presented, unless otherwise stipulated.

Amended accounting policies 2015

During 2015, the Swedish Financial Reporting Board issued a new version of the RFR 2 Accounting for Legal Entities. The amendments to RFR 2 did not have any material impact on the Parent Company's financial statements.

Classification and presentation format

The income statement and balance sheet comply with the presentation format specified in the Annual Accounts Act. This means they are slightly different to the consolidated financial statements, for example, balance-sheet items are more specified and subitems are given different designations in shareholders' equity

Shares and participations in subsidiaries

Participations in subsidiaries are recognised in the Parent Company according to the cost method. Acquisition-related costs for subsidiaries, expensed in the consolidated financial statements, are included as part of the cost for participations in subsidiaries.

Contingent considerations are measured based on the probability that the purchase consideration will be paid. Any changes in the provision/receivable will be added/deducted from the cost. In the consolidated financial statements, contingent consideration is measured at fair value with changes in value in profit or loss. The carrying amount for participations in subsidiaries is tested pertaining to any impairment requirements when there are indications of impairment needs.

Tax

The amounts reserved as untaxed reserves consist of taxable temporary differences. Due to the link between accounting and taxation, the deferred tax liabilities that are attributable to the untaxed reserves are not recognised separately in a legal entity. The changes in untaxed reserves are recognised in accordance with Swedish practice in profit or loss for individual companies under the heading "Appropriations." The accumulated value of provisions are recognised in the balance sheet under the heading "Untaxed reserves," of which 22 per cent is regarded as deferred tax liabilities and 78 per cent as restricted shareholders' equity.

Group contributions and shareholders' contributions

Shareholders' contributions paid are recognised as an increase in the value of shares and participations. An assessment is then conducted as to whether impairment requirements exist for the value of the shares and participations in question.

Group contributions are recognised according to the alternative rule, entailing that all Group contributions, both paid and received, are recognised as appropriations.

Pensions

Defined-benefit and defined-contribution pension plans are recognised in accordance with the current Swedish accounting standard, which is based on the regulations in the Pension Obligations Vesting Act.

Leasing

All lease agreements, regardless of whether they are financial or operational, are recognised as operational lease agreements (rental agreements), which means that the leasing charges are distributed according to the straight-line method across the leasing period.

Other information

The financial statements are in SEK M, unless otherwise stated . Rounding off may result in some tables not tallying.

NOTE 2 Significant estimates and assessments

The preparation of the annual accounts and application of various accounting standards are based to a certain extent on management's assessments or assumptions and estimates that are considered reasonable under the circumstances. These assumptions and estimates are frequently based on historic experience but also on other factors, including expectations on future events. The results could differ if other assumptions and estimates were used and the actual outcome will, in terms of definition, rarely agree with the estimated outcome. The assumptions and appreciations made by Mekonomen Group in the 2015 annual accounts, and which had the greatest impact on earnings and assets and liabilities, are discussed below.

Goodwill and other acquisition-related intangible fixed assets

When assessing the impairment requirement for goodwill and other intangible assets with an indefinite useful life, the carrying amount is compared with the recoverable amount. The recoverable amount is the highest of an asset's net realisable value and the value in use. Since there are normally no listed prices that may be used to assess the net realisable value of an asset, the value in use will normally be the value that is used to compare with the carrying amount. Calculation of the value in use is based on assumptions and assessments. Key assumptions are the future trends for revenue and margins, including trends for prices and volumes, utilisation of operating capital employed, as well as yield requirements, which are used to discount future cash flows. These assumptions are described in more detail in Note 12 Intangible fixed assets.

On the whole, this means that the measurement of goodwill and intangible assets items with an indefinite useful life is subject to significant estimates and assessments.

Company acquisitions

In conjunction with acquisitions, analyses are prepared in which all identifiable assets and liabilities, including intangible assets, are identified and measured at fair value on the date of acquisition. In accordance with IFRS 3, acquired identifiable intangible assets, for example, customers, franchise contracts, brands and customer relations, are to be separated from goodwill. This applies if these fulfil the criteria as assets, meaning that it is possible to separate them or they are based on contractual or other formal rights, and that their fair values can be established in a reliable manner. An examination is conducted at each acquisition. The remaining surplus value is allocated to goodwill. Measuring identifiable assets and liabilities in acquisition assessments is subject to important estimates and assessments. Information about company acquisitions and acquisition analyses is found in Note 31.

Reserves for inventories, doubtful receivables and guarantee commitments

The Group operates in several geographic markets, with sales to consumers and companies and with a wide range to many different customer groups. In order to satisfy customers' needs, there must be a sufficiently large inventory of products and also various types of guarantees that the products function as they should. With this type of operation that is conducted within the Group, there is a risk of customer loss and that some of the Group's stocked products cannot be sold at their carrying amounts, and also the risk that the company has guarantee commitments that extend further than the reserves for these commitments. The Group has established policies for reserves for accounts receivable, obsolescence provisions and provisions for guarantee commitments. These policies per se are estimates of historic outcome and evaluated continuously to ensure that they correspond to actual outcome in terms of customer losses, obsolescence and guarantee commitments. Further information about reserves for customer losses is found in Note 18.

Restructuring costs

Restructuring costs include required impairment of assets and other non-cash items, estimated costs for employees redundancies and other direct costs related to the closure of operations. Cost calculations are based on detailed action plans that are expected to improve the Group's cost structure and productivity.

Measurement of reserves for restructuring costs is subject to significant estimates and assessments.

Information about restructuring costs and associated provisions is found in Note 22.

Deferred tax

When preparing the financial statements, Mekonomen Group calculates the income tax for each tax jurisdiction in which the Group operates and the deferred taxes attributable to temporary differences. Deferred tax assets that are primarily attributable to loss carryforwards and temporary differences are recognised if tax assets can be expected to be recovered based on future taxable income. Changes in assumptions regarding forecast future taxable earnings, and changes in tax rates, may result in significant differences in the measurement of deferred taxes. At 31 December 2015, Mekonomen Group recognised deferred tax liabilities in excess of deferred tax assets at a net amount of SEK 114 M (113). Further information about deferred taxes is found in Note 15.

NOTE 3 Segment information

Operating segments are reported to correspond with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the function responsible for the allocation of resources and assessing the earnings of the operating segments. In Mekonomen Group, this function has been identified as the company's President and CEO.

Mekonomen Group is divided into three Group companies: MECA, Mekonomen Nordic and Sørensen og Balchen. The Group companies have separate organisations that act independently in the market with individual brands, competition between themselves and governed through Boards. The chief operating decision maker monitors the operation based on this distribution.

Mekonomen Nordic includes Mekonomen Sweden, Mekonomen Norway, Mekonomen Fleet, Marinshopen, Mekonomen Finland, Mekonomen Island, Mekonomen Services and Mekonomen Norden AB.

As of 1 January 2015, store operations in Denmark are presented as discontinued operations and therefore are not included in the MECA segment in the table below; comparative figures have been recalculated. For additional information regarding discontinued operations, refer to Note 34.

Other consists of the Parent Company Mekonomen AB (publ), M by Mekonomen (discontinued in the third quarter of 2015), the purchasing company in Hong Kong, Meko Service Nordic, joint venture in Poland (InterMeko Europa), the associated company Automotive Web Solutions AB, Mekonomen Group Inköp AB (as of June 2015) and group-wide operations and eliminations. Mekonomen AB's operations mainly comprise Group Management and finance management. Meko Service Nordic operates proprietary workshops under the Mekonomen Service Centre and Speedy concepts.

The CEO assesses the results of the operating segments at an EBIT level. Financial items are not distributed in segments since they are impacted by measures implemented by central finance management. The distribution of assets and liabilities at segment is not reported regularly.

NOTE 3 continued

SEK M	MECA[1)] 2015	MECA[1)] 2014	Mekonomen Nordic 2015	Mekonomen Nordic 2014	Sørensen og Balchen 2015	Sørensen og Balchen 2014	Other 2015	Other 2014	Group 2015	Group 2014
Revenue										
External net sales	1,871	1,679	2,817	2,692	729	712	208	180	5,624	5,262
Internal revenue	40	16	130	128	27	26	-197	-170	0	0
Other revenue	10	6	71	68	9	6	47	48	137	128
Total revenue	**1,921**	**1,701**	**3,018**	**2,888**	**765**	**744**	**58**	**58**	**5,761**	**5,390**
Operating profit/loss before amortisation and impairment of intangible fixed assets (EBITA)	**258**	**268**	**412**	**422**	**117**	**109**	**-60**	**-36**	**726**	**763**
Operating profit/loss (EBIT)[2)]	**245**	**243**	**393**	**401**	**116**	**109**	**-138**	**-114**	**616**	**639**
Financial items – net									-22	-19
Profit before tax									**594**	**620**
Investments, tangible assets[3)]	10	12	33	33	2	3	3	2	48	50
Investments, IT systems[3)]	8	8	47	11	0	1	0	0	55	19
Depreciation and impairment (tangible assets)	12	10	37	41	4	5	5	4	57	61
Amortisation and impairment (intangible assets)[2) 4)]	13	26	19	20	0	0	78	79	110	124
Average number of employees for the period	699	614	1,099	1,089	273	252	219	176	2,290	2,131
Number of proprietary stores	72	72	150	151	35	34	0	1	257	258
Number of partner stores	13	15	37	41	35	37	0	0	85	93
Number of stores in the chain	**85**	**87**	**187**	**192**	**70**	**71**	**0**	**1**	**342**	**351**
Key figures										
EBITA margin, %[5)]	14	16	14	15	16	15			13	14
EBIT margin, %[5)]	13	14	13	14	16	15			11	12
Change in sales, %[5)]	11	5	5	1	2	2			7	3
Revenue per employees, SEK 000s	2,748	2,770	2,746	2,652	2,802	2,952			2,516	2,529
Operating profit/loss per employee, SEK 000s	351	396	358	368	425	433			269	300

1) MECA's EBITA for 2014 was positively impacted in an amount of SEK 11 M due to re-allocation of costs for IT systems regarding the discontinued Danish store operations. Impairment losses on intangible fixed assets had a corresponding negative impact and the effect on EBIT was therefore neutral.
2) Acquisition-related items attributable to Mekonomen AB's direct acquisitions have been re-allocated from the MECA and Sørensen og Balchen segments to "Other"; the comparative figures have been recalculated. Current acquisition-related items are amortisation of acquired intangible assets regarding the acquisitions of MECA in an amount of SEK 60 M (60) and Sørensen og Balchen in an amount of SEK 17 M (18), which were reversed in EBIT for these segments and instead recognised in EBIT for Other. Consolidated EBIT is unchanged.
3) Investments do not include company and business combinations.
4) Including amortisation and impairment of acquisition-related intangible assets.
5) Internal sales were excluded from the calculation of the operating margin and the sales increase for the segments.

Sales between segments take place on market-based terms and conditions. Revenue from external customers that is reported to Group Management is measured in the same manner as in the income statement.

Net sales from external customers derived primarily from the sale of goods, representing approximately 96 per cent (96) of net sales. The remaining net sales derived from workshop services, as well as annual and license fees to affiliated stores and workshops.

Net sales derived from the sale of goods from external customers are distributed according to the following customer groups:

	2015	2014
Analysis of net sales by customer groups, %:		
- Affiliated workshops[1)]	34%	33%
- Other workshops	40%	39%
- Consumer	20%	20%
- Partner stores	7%	8%
Total net sales	**100%**	**100%**

1) Sales in proprietary workshops are included in sales to affiliated workshops.

The company has its registered office in Sweden. The distribution of revenue from external customers in Sweden and other geographic markets is presented in the table below:

Net sales	2015	2014
Sweden	3,137	2,909
Norway	2,381	2,315
Other	106	38
Total	**5,624**	**5,262**

The Group has no individual customers that account for 10 per cent or more of the Group's revenue.

All fixed assets, other than financial instruments and deferred tax assets (there are no assets in connection with benefits after terminated employment or rights according to insurance agreements), located in Sweden amounted to SEK 2,287 M (2,284) and the total of such fixed assets located in other countries amounted to SEK 629 M (730), of which SEK 622 M (707) in Norway.

NOTE 4 Audit expenses

	Group		Parent Company	
	2015	2014	2015	2014
PwC				
Audit assignment	6	5	1	1
Audit-related services other than the audit assignment	1	0	0	0
Tax advice	0	0	0	0
Other services	0	0	0	0
Total[1)]	**7**	**5**	**1**	**1**

[1)] In addition to this, PwC received SEK 1 M (1) for the audit of discontinued operations in Denmark for the Group.

NOTE 5 Average number of employees, salaries, other remuneration and social security contributions

	2015		2014	
Average number of employees	**No. of employees**	**Of whom, men %**	**No. of employees**	**Of whom, men %**
Parent Company				
Sweden	15	53	15	60
Total in Parent Company	**15**	**53**	**15**	**60**
Subsidiaries				
Sweden	1,423	82	1,320	83
Norway	794	83	772	83
Other countries	58	72	24	83
Total in subsidiaries	**2,275**	**82**	**2,116**	**83**
Group total	**2,290**	**82**	**2,131**	**83**

Salaries, remuneration, etc. SEK 000s	**Salaries and other remuneration**	**Soc. security expenses (of which pension costs)**	**Salaries and other remuneration**	**Soc. security expenses (of which pension costs)**
Parent Company	26,892	20,812	28,181	14,661
		(8,368)		(4,657)
Subsidiaries	934,824	279,842	881,913	250,551
		(51,111)		(42,975)
Group total	**961,716**	**300,654**	**910,094**	**265,212**
		(59,479)		**(47,632)**

Salaries and other remuneration distributed between the President and Board members and other employees, SEK 000s	**Board and President[1)] (of which bonus, etc.)**	**Other employees**	**Board and President[1)] (of which bonus, etc.)**	**Other employees**
Parent Company				
Mekonomen AB	10,181	16,711	11,161	17,020
	(1,065)	(1,375)	(2,754)	(2,171)
Total in Parent Company	**10,181**	**16,711**	**11,161**	**17,020**
	(1,065)	**(1,375)**	**(2,754)**	**(2,171)**
Subsidiaries in Sweden	32,880	514,185	33,880	463,233
	(1,935)	(3,606)	(1,580)	(3,416)
Subsidiaries abroad				
Norway	23,939	343,117	23,381	350,726
	(1,500)	(5,969)	(980)	(3,912)
Other countries	1,248	19,455	2,744	7,949
	(143)	(0)	(400)	(0)
Total in subsidiaries	**58,067**	**876,757**	**60,005**	**821,908**
	(3,578)	**(9,575)**	**(2,960)**	**(7,328)**
Group total	**68,248**	**893,468**	**71,166**	**838,928**
	(4,643)	**(10,950)**	**(5,714)**	**(9,499)**

[1)] Remuneration to the Board and President includes the Parent Company and, where applicable, subsidiaries in each country.

NOTE 5 continued

Remuneration of senior executives

Fees are paid to the Chairman of the Board and Board members in accordance with the resolution of the Annual General Meeting. The annual Board fee totalling SEK 2,010,000 (1,950,000) was determined in accordance with the resolution of the 2015 Annual General Meeting. Of this, SEK 400,000 (400,000) represents fees to the Chairman of the Board, SEK 310,000 (300,000) to the Executive Vice Chairman, and SEK 260,000 (250,000) to each of the remaining Board members. For members of the Board's Audit Committee, SEK 60,000 (60,000) is paid to the Chairman of the Audit Committee and SEK 35,000 (35,000) is paid to the other members of the Audit Committee. For members of the Board's Remuneration Committee, SEK 35,000 (35,000) is paid to the Chairman of the Remuneration Committee and SEK 25,000 (25,000) is paid to the other members of the Remuneration Committee.

No fees are paid to the Boards of other subsidiaries.

The President, Magnus Johansson, has a basic salary of SEK 390,000 per month and a variable salary portion, which is based on the company's earnings and can amount to a maximum of 60 per cent of the basic annual salary. Pension provisions are paid in an amount corresponding to 30 per cent of the basic salary.

Other benefits consist of a company car. The period of notice is six months if employment is terminated by the company, and six months if terminated by the President. If termination is initiated by the company, severance pay amounting to 12 months' salary is paid. For other senior executives, remuneration follows the policies adopted at the 2015 Annual General Meeting. This means that the company is to strive to offer its senior executives market-based remuneration, that the criteria for this is to be based on the significance of work duties, skills requirements, experience and performance and that remuneration is to comprise the following parts:

– fixed basic salary
– variable remuneration
– pension benefits
– other benefits and severance pay

The variable remuneration for senior executives, excluding the President, is based partly on the Group's earnings and partly on individual qualitative parameters and can amount to a maximum of a certain percentage of the fixed annual salary. The percentage is linked to the position of each individual and varies between 33 and 60 percentage points for members of Group Management. Other benefits refer primarily to company cars.

Pension premiums are paid in an amount that is based on the ITP plan or a corresponding system for employees outside Sweden. Pensionable salary comprises basic salary. Severance pay for termination on the part of the company can total a maximum of one annual salary. Matters pertaining to remuneration of company management are resolved by the Board's Remuneration Committee. However, remuneration of the President is determined by the Board in its entirety.

Furthermore, a long-term variable remuneration programme was adopted by the 2014 Annual General Meeting. Group Management and a number of selected, business-critical senior executives may receive long-term variable remuneration from the company. The criteria for determining the variable remuneration portion for each individual is decided by the Board's Remuneration Committee, and for the President by the Board in its entirety. The long-term variable remuneration is to be profit-based and calculated on the Group's earnings for the 2014-2016 financial years. The entire bonus programme, as an expense for the company, is to amount to a maximum of SEK 24 M for the period. Furthermore, an additional requirement to the above is that the average price paid for the Mekonomen share on Nasdaq Stockholm on the last trading day in December 2016 is to exceed the Nasdaq Stockholm PI index for the programme period. The right to receive variable remuneration expires if the senior executive resigns (before payment). No bonus was reserved as per 31 December 2015 pertaining to this bonus programme.

Other than the above, the Board has not decided on any other share or share-price based incentive programs for company management.

	Basic salary[1]		Bonus		Board fees[2]		Other benefits		Pension premiums	
Executives/category, SEK 000s	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Kenneth Bengtsson, Chairman of the Board[3]					470	285				
Caroline Berg, Executive Vice Chairman[3]					335	275				
Kenny Bräck, Board member					260	250				
Malin Persson, Board member					285	–				
Helena Skåntorp, Board member					320	310				
Christer Åberg, Board member					295	285				
Fredrik Persson, Chairman of the Board until 12 May 2015[3]					–	435				
Marcus Storch, Executive Vice Chairman until 14 April 2015					–	325				
President, Magnus Johansson as of 15 June 2015	2,599	–	772	–			41	–	770	–
President, Håkan Lundstedt until 15 June 2015[4]	4,552	6,242	293	2,754			65	90	1,145	1,720
Other senior executives, 5 (4)[5]	11,588	7,861	2,043	1,907			529	396	2,353	1,678
Total	**18,739**	**14,103**	**3,108**	**4,661**	**1,965**	**2,165**	**635**	**486**	**4,268**	**3,398**

[1] Basic salary in this table includes holiday bonus.
[2] Board fees include fees to members of the Board's Committees.
[3] At the ordinary Board meeting on 12 May 2015, Fredrik Persson withdrew from his assignment as Mekonomen's Chairman of the Board and the Board elected Kenneth Bengtsson as its Chairman and Caroline Berg as its Executive Vice Chairman until the 2016 Annual General Meeting.
[4] Including remuneration during the period of notice until 15 September 2015.
[5] Group Management's composition changed during the year. As of 1 September 2015, Group Management consists of the President as well as five other people, of whom 0 (1) are women. The average number of people in Group Management, except the President, amounted to 5 (4) people during 2015.

One member of Group Management is covered by a defined-benefit pension plan. The net obligation at 31 December 2015 amounted to SEK 1 M (-).

The number of senior executives at 31 December 2015 was six, which also constitute Group Management. Besides the President and CEO, they are the Group's Executive Vice President, the CFO, the President of Sørensen og Balchen, the President of MECA Scandinavia and the COO (President of Mekonomen Nordic until 31 December 2015). As of 1 March 2016, Örjan Grandin, Supply Chain Director for Mekonomen Group, is also a member of Group Management.

NOTE 6 Depreciation/amortisation and impairment of tangible and intangible fixed assets

	Group		Parent Company	
	2015	2014	2015	2014
Depreciation of tangible fixed assets according to plan	-57	-61	0	0
Total depreciation and impairment of tangible fixed assets	**-57**	**-61**	**0**	**0**
Amortisation, brands	0	0	–	–
Amortisation, customer relationships	-77	-75	–	–
Amortisation, franchise contracts	-4	-5	–	–
Amortisation, capitalised expenditure for IT systems	-29	-34	–	–
Impairment, capitalised expenditure for IT systems	–	-11	–	–
Total amortisation and impairment of intangible fixed assets	**-110**	**-124**	**0**	**0**
Total continuing operations	**-167**	**-185**	**0**	**0**

NOTE 7 Result from participations in Group companies

	Parent Company	
	2015	2014
Dividends	489	888
Gains from divestment of participations	0	0
Impairment	-35	-486
Total	**454**	**403**

NOTE 8 Appropriations

	Parent Company	
	2015	2014
Group contributions received	331	370
Group contributions paid	-44	-20
Changes in tax allocation reserve	-61	46
Changes in excess depreciation/amortisation	0	0
Total	**226**	**396**

NOTE 9 Exchange-rate differences – net

Exchange-rate differences were recognised in profit or loss as follows:

	Group		Parent Company	
	2015	2014	2015	2014
Exchange-rate differences in EBIT	0	-10	0	1
Exchange-rate differences in net financial items	8	12	12	3
Total	**8**	**3**	**12**	**4**

NOTE 10 Tax on profit for the year

	Group		Parent Company	
	2015	2014	2015	2014
Current tax				
Sweden	-59	-97	-40	-80
Other countries	-103	-95	–	–
Total current tax	**-162**	**-192**	**-40**	**-80**
Changes in deferred tax, temporary differences	-2	38	3	53
Recognised tax expenses	**-164**	**-153**	**-37**	**-27**
Tax on profit for the year				
Recognised profit before tax	594	620	630	761
Tax according to applicable tax rate	-149	-153	-139	-167
Tax on standard interest on tax allocation reserves	0	0	0	0
Tax effects on expenses that are not tax deductible				
Other non-deductible expenses	-5	-1	-7	-108
Other non-taxable revenue	0	3	108	195
Effects on adjustments from preceding year	1	0	–	–
Effects of non-capitalised loss carryforwards	-11	-3	–	–
Effect of change in the Norwegian tax rate	0	–	–	–
Effects of capitalised loss carryforwards[1)]	–	–	1	53
Recognised tax expenses	**-164**	**-153**	**-37**	**-27**

[1)] Capitalised loss carryforwards in 2015 and 2014 in the Parent Company pertain in their entirety to loss carryforwards attributable to the Danish operations and correspond to the portion of loss carryforwards in Denmark that is deemed to be able to be utilised based on future Group deductions in Sweden.

The weighted average tax rate amounted to 25.1 per cent (24.7). This increase is primarily attributable to a higher percentage of tax in Norway with a higher tax rate than in Sweden.

NOTE 11 Supplemental disclosures, financial risk management

Disclosures on financial instruments measured at fair value in the balance sheet

The financial instruments that were measured at fair value in the balance sheet are showed below. Measurement is divided into three levels:

Level 1: Fair value is determined according to listed prices in an active market for the same instrument.

Level 2: Fair value is determined based on wither direct (prices) or indirect (derived from prices) observable market data not included in Level 1.

Level 3: Fair value is determined base on inputs not observable in the market.

All of Mekonomen's financial instruments are included in Level 2.

Calculation of fair value

The following summarises he main methods and assumptions used to determined the fair value of the financial instruments shown in the table below.

Fair value of listed securities, where appropriate, is determined based on the asset's listed average price on the balance-sheet date with no additions for transaction costs on the acquisition date.

For currency contracts, fair value is determined on the basis of listed prices. Fair value for interest-rate swaps is based on discounting estimated future cash flows in accordance with the contract terms and due dates, and on the basis of the market interest rate for similar instruments on the balance-sheet date. If discounted cash flows have been used, future cash flows are calculated on company management's best assessment. The discount rate applied is a market-based interest rate on similar instruments on the balance-sheet date.

NOTE 11 continued

All valuation techniques applied are accepted on the market and take into account all parameters which the market would take into consideration when pricing. The techniques are reviewed regularly with a view to ensuring their reliability. Assumptions applied are followed up against actual results so as to identify any need for adjustments to measurements and forecasting tools.

For methods of payment, receivables and liabilities with variable interest rates, and current assets and liabilities (such as accounts receivable and accounts payable), fair value is equivalent to the carrying amount.

Group's derivative instruments measured at fair value in balance sheet		2015	2014
Financial liabilities			
Derivatives:	Currency swaps	–	1
	Interest-rate swaps	3	2
Total		**3**	**2**

Net gains on derivative instruments, held for trading amounted to SEK 1 M (2).

Financial assets and liabilities by measurement category, 31 Dec. 2015	Derivative instru-ments	Loans and receiva-bles	Other financial liabilities	Total carrying amount	*Fair value*	Non-finan-cial assets and liabilities	Total Balance sheet
Financial assets							
Other long-term receivables	–	49	–	49	*49*	2	51
Accounts receivable	–	453	–	453	*453*	–	453
Other current receivables	–	–	–	0	*0*	365	365
Cash and cash equivalents	–	295	–	295	*295*	–	295
Total	**–**	**798**	**–**	**798**	***798***	**367**	**1,164**
Financial liabilities							
Long-term liabilities, interest-bearing	3	–	1,466	1,469	*1,469*	–	1,469
Current liabilities, interest-bearing	–	–	461	461	*461*	–	461
Accounts payable	–	–	540	540	*540*	–	540
Other current liabilities	–	–	–	0	*0*	559	559
Total	**3**	**–**	**2,467**	**2,470**	***2,470***	**559**	**3,029**

Financial assets and liabilities by measurement category, 31 December 2014	Derivative instru-ments	Loans and receiva-bles	Other financial liabilities	Total carrying amount	*Fair value*	Non-financial assets and liabilities	Total Balance sheet
Financial assets							
Other long-term receivables	–	62	–	62	*62*	3	65
Accounts receivable	–	450	–	450	*450*	–	450
Other current receivables	–	–	–	0	*0*	319	319
Cash and cash equivalents	–	258	–	258	*258*	–	258
Total	**–**	**770**	**–**	**770**	***770***	**322**	**1,092**
Financial liabilities							
Long-term liabilities, interest-bearing	–	–	1,404	1,404	*1,404*	–	1,404
Current liabilities, interest-bearing	2	–	493	495	*495*	–	495
Accounts payable	–	–	558	558	*558*	–	558
Other current liabilities	–	–	–	0	*0*	676	676
Total	**2**	**–**	**2,455**	**2,457**	***2,457***	**676**	**3,133**

Group's maturity structure for undiscounted cash flows for financial liabilities and derivatives

	31 Dec. 2015					
Nominal amount	**2016**	**2017**	**2018**	**2019**	**2020**	**Total**
Liabilities to credit institutions, bank borrowing	154	152	844	490	0	1,641
Liabilities to leasing companies	2	1	0	0	0	3
Overdraft facilities	327	0	0	0	0	327
Derivatives	0	0	0	3	0	3
Accounts payable	540	0	0	0	0	540
Total	**1,023**	**153**	**844**	**493**	**0**	**2,514**

NOTE 11 continued

Group's maturity structure for undiscounted cash flows for financial liabilities and derivatives

31 Dec. 2014

Nominal amount	2015	2016	2017	2018	2019	Total
Liabilities to credit institutions, bank borrowing	160	158	156	649	491	1,615
Liabilities to leasing companies	3	1	0	0	0	4
Overdraft facilities	361	0	0	0	0	361
Derivatives	2	0	0	0	0	2
Accounts payable	558	0	0	0	0	558
Total	**1,084**	**159**	**156**	**649**	**491**	**2,540**

Time when hedged cash flows in the hedging reserve are expected to occur and affect profit for the year

	2016 - Q1	2016 - Q2	2016 - Q3	2016 - Q4	2017	2018 and later	Total
Currency swap	0	0	0	0	0	0	0
Interest-rate swap	0	0	0	0	0	-3	-3
Total	**0**	**0**	**0**	**0**	**0**	**-3**	**-3**

Offsetting financial assets and liabilities
Derivative contracts are subject to legally binding framework agreements on netting. This information is limited as the amounts are of minor value.

NOTE 12 Intangible fixed assets

	Goodwill		Brands		Franchise contracts		Customer relations		IT investments		Total Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Opening accumulated cost, 1 January	**1,891**	**1,856**	**331**	**327**	**45**	**45**	**741**	**729**	**182**	**149**	**3,190**	**3,106**
Reclassifications	–	–	–	–	–	–	–	–	–	13	–	13
Acquisitions	–	–	–	–	–	–	–	–	55	19	55	19
Acquisitions in connection with acquired operation	16	35	–	4	–	–	12	13	5	1	33	53
Divestments/disposals	-28	–	–	–	–	–	–	–	-13	–	-41	0
Translation difference, currency	-44	0	-5	0	-4	0	-11	-1	–	–	-64	-1
Closing accumulated cost, 31 December	**1,835**	**1,891**	**325**	**331**	**41**	**45**	**742**	**741**	**229**	**182**	**3,173**	**3,190**
Opening acc. amortisation and impairment, 1 January	**-28**	**–**	**-2**	**-2**	**-18**	**-13**	**-204**	**-130**	**-125**	**-80**	**-378**	**-226**
Divestments/disposals	28	–	–	–	–	–	–	–	13	–	41	0
Amortisation for the year, continuing operations	–	–	0	0	-4	-5	-77	-75	-29	-34	-110	-114
Amortisation for the year, discontinued operations	–	–	–	–	–	–	–	–	–	0	–	0
Impairments for the year, continuing operations[1)]	–	–	–	–	–	–	–	–	–	-11	–	-11
Impairments for the year, discontinued operations	–	-28	–	–	–	–	–	–	–	–	–	-28
Translation difference, currency	–	–	0	0	2	0	5	1	–	–	7	1
Closing accumulated amortisation and impairment, 31 December	**0**	**-28**	**-2**	**-2**	**-20**	**-18**	**-276**	**-204**	**-141**	**-125**	**-440**	**-378**
Closing carrying amount, 31 December	**1,835**	**1,862**	**322**	**328**	**21**	**27**	**467**	**538**	**88**	**57**	**2,734**	**2,813**

[1)] Impairment losses in 2014 on IT systems in an amount of SEK 11 M pertain to the MECA segment. Re-allocation of costs for IT systems related to the discontinued Danish operations had a corresponding positive impact and the effect on EBIT was therefore neutral.

NOTE 12 continued

The carrying amounts of intangible fixed assets are distributed among operating segments as follows:

	Goodwill		Brands		Franchise contracts		Customer relations		IT investments		Total Group	
Carrying amount for operating segment for	**31 Dec. 2015**	**31 Dec. 2014**	**31 Dec. 2015**	**31 Dec. 2014**	**31 Dec. 2015**	**31 Dec. 2014**	**31 Dec. 2015**	**31 Dec. 2014**	**31 Dec. 2015**	**31 Dec. 2014**	**31 Dec. 2015**	**31 Dec. 2014**
MECA	1,104	1,097	270	270	–	–	396	453	15	13	1,786	1,833
Mekonomen Nordic	282	280	–	–	–	–	8	4	72	42	362	326
Sørensen og Balchen	383	422	51	56	21	27	61	79	1	2	517	586
Other	66	64	1	2	–	–	2	2	–	–	69	68
	1,835	**1,862**	**322**	**328**	**21**	**27**	**467**	**538**	**88**	**57**	**2,734**	**2,813**

Testing of impairment requirement for goodwill and other intangible assets with indefinite useful period

Goodwill is distributed among the Group's cash-generating units (CGU) identified by operating segments. In addition to goodwill, the Group has acquired brands that are deemed to have indefinite useful period. The useful period is deemed indefinite when it pertains to well-established brands in their individual markets, which the Group intends to retain and further develop. The brands that have been identified and evaluated essentially pertain to the acquisition of MECA in 2012 and the acquisition of Sørensen og Balchen in 2011, with the associated BilXtra brand. Other brands are amortised and their carrying amount at year-end was SEK 1 M (2). A summary of goodwill and brands with indefinite useful period at operating segment level is provided in the table below.

		Goodwill 2015						Brands (indefinite useful period) 2015				
Operating segments	**Test level CGU**	**1 Dec. 2015**	**Acquisi-tions**	**Impair-ment**	**Divest-ments**	**Translation difference, currency**	**31 Dec. 2015**	**1 Dec. 2015**	**Acquisi-tions**	**Impair-ment**	**Translation difference, currency**	**31 Dec. 2015**
MECA	**Operating segment**	**1,097**	**8**	**–**	**–**	**0**	**1,104**	**270**	**–**	**–**	**–**	**270**
Mekonomen Nordic	Mekonomen Sweden	223	7	–	–	–	230	–	–	–	–	–
	Mekonomen Norway	57	–	–	–	-5	52	–	–	–	–	–
	Mekonomen Finland	–	–	–	–	–	–	–	–	–	–	–
	Operating segment	**280**	**7**	**–**	**–**	**-5**	**282**	**–**	**–**	**–**	**–**	**–**
Sørensen og Balchen	**Operating segment**	**422**	**–**	**–**	**–**	**-39**	**383**	**56**	**–**	**–**	**-5**	**51**
Other	**Operating segment**	**64**	**2**	**–**	**–**	**–**	**66**	**–**	**–**	**–**	**–**	**–**
		1,862	**16**	**–**	**–**	**-44**	**1,835**	**326**	**–**	**–**	**-5**	**321**

NOTE 12 continued

Operating segments	Test level CGU	Goodwill 2014: 1 Dec. 2014	Acquisi-tions	Impair-ment	Divest-ments	Translation difference, currency	31 Dec. 2014	Brands (indefinite useful period) 2014: 1 Dec. 2014	Acquisi-tions	Impair-ment	Translation difference, currency	31 Dec. 2014
MECA	MECA Group	1,094	3	–	–	0	1,097	270	–	–	–	270
	MECA Denmark	26	–	-28	–	2	0	–	–	–	–	–
	Operating segment	**1,120**	**3**	**-28**	**–**	**2**	**1,097**	**270**	**–**	**–**	**–**	**270**
Mekonomen Nordic	Mekonomen Sweden	204	18	–	–	–	223	–	–	–	–	–
	Mekonomen Norway	55	2	–	–	0	57	–	–	–	–	–
	Mekonomen Finland	–	–	–	–	–	–	–	–	–	–	–
	Operating segment	**259**	**20**	**–**	**–**	**0**	**280**	**–**	**–**	**–**	**–**	**–**
Sørensen og Balchen	**Operating segment**	**421**	**4**	**–**	**–**	**-2**	**422**	**53**	**4**	**–**	**0**	**56**
Other	**Operating segment**	**56**	**9**	**–**	**–**	**–**	**64**	**–**	**–**	**–**	**–**	**–**
		1,856	**35**	**-28**	**–**	**0**	**1,862**	**323**	**4**	**–**	**0**	**326**

The impairment of goodwill in 2014 of SEK 28 M is attributable to the MECA segment's discontinued Danish store operations and is recognised under discontinued operations in the income statement.

Testing impairment requirements for goodwill and other intangible assets with indefinite useful period takes place in the fourth quarter annually or more frequently if there are indications of value depreciation. The recoverable amount for a cash-generating unit is established based on calculations of the value in use. The value in use is the present value of the estimated future cash flows.

Cash-flow forecasts are based on an assessment of the anticipated growth rate and the trend of the EBITDA margin, based on the budget that was adopted in December for the next year, forecasts for the next three years, managements' long-term expectations of the operation, and historic trends. The cash-flow forecasts for the second to fourth years are based on an annual growth rate of 2 per cent (2). Cash flows beyond this four-year period were extrapolated using an estimated growth rate of 2.5 per cent (2.5).

Calculated value in use is most sensitive to changes in assumptions for growth-rate, EBITDA margin and the relevant discount rate (WACC, Weighted Average Cost of Capital), which is used to discount future cash flows. The significant assumptions used to calculate the value in use for 2015 and 2014, respectively, are summarised as follows:

	31 Dec. 2015	31 Dec. 2014
Discount rate (WACC) before tax	9.1%	9.0%
Discount rate (WACC) after tax	7.5%	7.4%
Growth rate beyond the forecast period	2.5%	2.5%
Total price and volume trend years 2-4 of forecast period	2.0%	2.0%

Discount rate (WACC)
The present value of the forecast cash flows was calculated by applying a discount rate of 7.5 per cent (7.4) after tax, corresponding to a discount rate before tax of approximately 9.1 per cent (9.0).

The conditions that apply for the various markets in which Mekonomen operates do not deviate significantly from each other, which is why the same rate is used for all units.

Growth rate
The growth rate does not exceed the long-term growth rate for the market segments in which each cash-generating unit operates.

Total price and volume trend
In the event of a change, assumptions about future price and volume trends have a major impact on the cash flow. In plans that are used as the basis for the cash flows, management assumes that the average price and volume trend over the period until 2019 will not exceed 2.0 per cent per year.

Margin trend
The gross margin is assumed to be in line with current and historic levels throughout the forecast period. It is assumed that the operations' other expenses will follow the same rate of growth as revenue.

Sensitivity analysis
An increase in the discount rate by 2 percentage points, a reduction in the assumed long-term growth rate by 2 percentage points or a decrease in the EBITDA margin by 2 percentage points would not individually result in any impairment requirement.

According to implemented impairment testing, there is no impairment requirement for goodwill or other intangible assets with indefinite periods of use as per 31 December 2015.

NOTE 13 Improvement costs, third-party property

	Group		Parent Company	
	2015	2014	2015	2014
Opening accumulated cost, 1 January	**75**	**69**	**1**	**0**
Purchases, rebuilding and extensions, conversions	5	7	0	1
Sales/disposals	0	-1	–	–
Translation difference, currency	0	0	–	–
Closing accumulated cost, 31 December	**80**	**75**	**1**	**1**
Opening accumulated depreciation, 1 January	**-37**	**-27**	**0**	**0**
Sales/disposals	0	1	–	–
Depreciation for the year	-10	-11	0	0
Translation difference, currency	0	0	–	–
Closing accumulated depreciation, 31 December	**-47**	**-37**	**-1**	**0**
Closing carrying amount, 31 December	**33**	**38**	**0**	**1**

NOTE 14 Tangible fixed assets

	Equipment and transport Group		Financial leasing Group		Total Group	
	2015	2014	2015	2014	2015	2014
Opening accumulated cost, 1 January	**580**	**542**	**27**	**68**	**607**	**610**
Purchases	39	45	5	5	44	50
Purchase in connection with acquired operation	5	3	–	–	5	3
Reclassifications[1]	–	26	–	-26	–	–
Sales/disposals	-136	-43	-8	-20	-144	-63
Translation difference, currency	-15	7	–	–	-15	7
Closing accumulated cost, 31 December	**473**	**580**	**24**	**27**	**497**	**607**
Opening acc. depreciation and impairment, 1 January	**-420**	**-360**	**-24**	**-44**	**-444**	**-404**
Sales/disposals	122	32	8	20	130	52
Reclassifications[1]	0	-7	0	7	–	–
Depreciation for the year, continuing operations	-42	-43	-5	-7	-47	-50
Depreciation for the year, discontinued operations	–	-14	–	–	–	-14
Impairments for the year, discontinued operations	–	-25	–	–	–	-25
Translation difference, currency	11	-3	–	–	11	-3
Closing accumulated depreciation and impairment, 31 December	**-329**	**-420**	**-21**	**-24**	**-350**	**-444**
Closing carrying amount, 31 December	**145**	**161**	**3**	**3**	**148**	**163**

[1] Pertains to leased equipment acquired during the year.

Operational lease agreements

Operating leases primarily comprise leased premises.

	Group		Parent Company	
Information about leasing expenses, operational leasing	**2015**	**2014**	**2015**	**2014**
Premises rent	311	298	1	1
Leasing expenses, other	39	30	1	1
Total	**350**	**328**	**2**	**2**

	Group		Parent Company	
Future leasing fees for irrevocable lease agreements falling due for payment:	**31 Dec. 2015**	**31 Dec. 2014**	**31 Dec. 2015**	**31 Dec. 2014**
Within one year	311	305	2	1
Later than one year but within five years	683	784	3	2
After five years	139	187	–	–
	1,133	**1,276**	**5**	**3**

Of the future lease fees, rent for premises represented SEK 1,075 M (1,225) for the Group and SEK 4 M (1) for the Parent Company.

NOTE 15 Deferred tax

Deferred tax assets and liabilities are offset against each other when a legal right of offset exists for current tax assets and tax liabilities and when deferred taxes refer to the same tax authority. Below, deferred tax assets and liabilities are presented gross, without consideration to offsets done in the same tax law jurisdiction.

	Group		Parent Company	
Deferred tax assets (+)/tax liabilities (-)	**31 Dec. 2015**	**31 Dec. 2014**	**31 Dec. 2015**	**31 Dec. 2014**
Capitalised loss carryforwards[1]	57	60	54	53
Temporary differences on inter-company profits	53	56	–	–
Temporary differences, inventory obsolescence	15	16	–	–
Temporary differences on pension commitments	1	2	–	–
Temporary differences, other	14	10	3	–
Total deferred tax assets	**140**	**144**	**57**	**53**
Untaxed reserves	-49	-33	–	–
Surplus value in intangible fixed assets (through acquisition)	-183	-205	–	–
Temporary differences on reversed net asset goodwill	-22	-20	–	–
Total deferred tax liabilities	**-254**	**-258**	**0**	**0**
Total (net)	**-114**	**-113**	**57**	**53**

	Group		Parent Company	
Gross change in deferred tax assets/tax liabilities	**2015**	**2014**	**2015**	**2014**
Opening balance	-113	-188	53	0
Translation difference, currency	2	4	–	–
Acquisition of subsidiaries	1	-1	–	–
Recognition in income statement, continuing operations[1]	-2	38	4	53
Recognition in income statement, discontinued operations	0	31	–	–
Tax recognised in comprehensive income	-2	2	–	–
At year-end	**-114**	**-113**	**57**	**53**

[1] Capitalised loss carryforwards in the Parent Company pertain in their entirety to loss carryforwards attributable to the Danish operations and correspond to the portion of loss carryforwards in Denmark that is deemed to be able to be utilised based on future Group deductions in Sweden.

Taxable loss carryforwards
At the end of the financial year, tax loss carryforwards amounted to SEK 0 M (0) in the Parent Company and SEK 501 M (466) in the Group. For deficits amounting to SEK 66 M (48), there is a time limit of 10 years. All other deficits run without limit in time. Deferred tax assets pertaining to tax loss carryforwards in the Group amounted to SEK 57 M (60) on the balance-sheet date, of which SEK 54 M (53) was attributable to the Danish operations. Deferred tax assets on the remaining deficit was not assigned a value in the balance sheet.

NOTE 16 Other financial fixed assets

	Group	
	31 Dec. 2015	**31 Dec. 2014**
Rental deposits paid	4	7
Hire-purchase contracts	42	52
Other	3	3
Total	**49**	**62**

	Group	
Hire-purchase contracts	**31 Dec. 2015**	**31 Dec. 2014**
Hire-purchase contracts	59	80
Provisions for doubtful hire-purchase contracts	-17	-28
Total	**42**	**52**

	Group	
Provisions for doubtful hire-purchase contracts	**2015**	**2014**
Provision for doubtful receivables at the beginning of the year	-28	-14
Impairment for the year, continuing operations	-2	-1
Impairment for the year, discontinued operations	0	-12
Receivables written off during the year as non-collectable	9	0
Earlier impairment recovered, discontinued operations	3	0
Translation difference, currency	1	-1
Total	**-17**	**-28**

Interest income on hire-purchase contracts during the year was SEK 1 M (1).

NOTE 17 Inventories

	Group	
	31 Dec. 2015	**31 Dec. 2014**
Goods for resale	1,226	1,223
Total	**1,226**	**1,223**

The cost of inventories expensed is included in the item goods for resale in the income statement for continuing operations and amounted to SEK 2,529 M (2,337). Provisions for obsolescence are induced in the value of inventories.

NOTE 18 Current receivables

	Group	
	31 Dec. 2015	31 Dec. 2014
Accounts receivable	453	450
Tax assets	66	25
Other receivables	68	59
Prepaid expenses and accrued income	231	235
Total	**818**	**769**

	Group	
Accounts receivable	31 Dec. 2015	31 Dec. 2014
Accounts receivable	502	513
Provisions for bad debts	-49	-63
Total	**453**	**450**

	Group	
Provisions for bad debts	2015	2014
Provision for bad debts at the beginning of the year	-63	-63
Change in net impairment for the year, continuing operations	-10	-16
Change in net impairment for the year, discontinued operations	10	-15
Change in provision, net in balance sheet	12	33
Translation difference, currency	2	-2
Total	**-49**	**-63**

	Group	
Receivables that are past due but not impaired	31 Dec. 2015	31 Dec. 2014
Accounts receivable		
Receivables due between 0–30 days	58	41
Receivables due between 31-60 days	8	9
Receivables due longer than 61 days	1	9
Total	**67**	**59**

Fair value of accounts receivable agrees with the carrying amounts. Credit quality of unreserved receivables is assessed to be good.

Interest income on accounts receivable during the year was SEK 4 M (3).

NOTE 19 Prepaid expenses and accrued income

	Group		Parent Company	
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
Prepaid rents	46	44	0	0
Prepaid lease fees	2	1	–	–
Prepaid insurance	3	3	1	0
Accrued supplier bonus	130	137	–	–
Other interim receivables	50	50	9	11
Total	**231**	**235**	**10**	**12**

NOTE 20 Cash and cash equivalents

	Group		Parent Company	
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
Cash and bank balances	295	258	210	162
Total	**295**	**258**	**210**	**162**

NOTE 21 Liabilities to credit institutions

	Group		Parent Company	
Long-term	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
Liabilities to credit institutions, bank borrowing	1,462	1,396	1,460	1,396
Liabilities to leasing companies	1	1	–	–
Derivatives, interest-rate swaps	3	–	–	–
Total long-term liabilities, interest-bearing	**1,466**	**1,397**	**1,460**	**1,396**

	Group		Parent Company	
Current	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
Liabilities to credit institutions, bank borrowing	136	136	136	136
Overdraft facilities	323	355	323	355
Liabilities to leasing companies	2	3	–	–
Derivatives, currency and interest-rate swaps	–	2	–	–
Total current liabilities, interest-bearing	**461**	**495**	**459**	**491**
Total borrowing	**1,927**	**1,892**	**1,919**	**1,887**
Overdraft facility limit	**627**	**606**	**627**	**606**
- Of which, unutilised portion	304	251	304	251

All interest rates, excluding interest-rate swaps, are variable or have a maximum fixed period of three months. During the financial year, the interest level varied up to just below 2 per cent. Interest-rate swaps have been entered into in an amount of SEK 450 M to hedge the cash flows in the loans Mekonomen AB has falling due in 2019.

Long-term interest-bearing liabilities increased during the year, mainly as a result of higher utilisation of credit facilities in an amount of SEK 200 M. In 2015, loans have been repaid in an amount of SEK 148 M, of which SEK 11 M pertains to repayment of loans in the acquired company Opus Equipment AB. The Group's maturity structure is specified in Note 11.

Mekonomen AB's borrowing from banks is subject to certain conditions, known as covenants, all of which Mekonomen AB meets. The Group's long-term borrowing occurs mainly under credit frameworks with long-term lines of credits, but with short-term fixed-interest periods. The Group's interest payments pertaining to borrowing amounted to SEK 33 M (45). Refer also to the sensitivity analysis pertaining to interest-rate risks in the sensitivity analysis section in the Administration Report and in Note 37. Existing overdraft facilities are in SEK, NOK, EUR and DKK. Other loans are essentially in SEK.

NOTE 22 Provisions

	Group		Parent Company	
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
Provision for restructuring	14	121	–	–
Provision for pensions	4	8	–	–
Other provisions	6	2	2	–
Total	**24**	**131**	**2**	**0**

	Restructuring	Other provisions
Carrying amount at the beginning of the year	121	2
Recognised in the income statement:		
- New provisions	0	5
- Reversed provisions	0	0
Amounts utilised during the period	-105	0
Currency effects	-2	0
Carrying amount at year-end	**14**	**6**

Provisions comprise:

	Group		Parent Company	
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
Long-term portion	10	10	2	0
Short-term portion	14	121	0	0
Total	**24**	**131**	**2**	**0**

Restructuring

Restructuring provisions are first established when on the balance-sheet date Mekonomen Group has a detailed formal restructuring plan and has also informed those concerned about the content of the plan. Amounts are calculated based on company management's best estimates and adjusted when changes are made to these estimates.

Restructuring provisions include costs that are expected to arise as a result of Mekonomen Group's comprehensive structural changes in the Group's Danish operations. The recognised restructuring provisions in the Danish operations are primarily attributable to personnel costs and costs for premises. Total costs for restructuring amounted to SEK 0 M (280) for the financial year and have in their entirety been recognised under discontinued operations in the income statement; for further information, refer to Note 34. Remaining restructuring provisions are expected to be utilised in 2016.

Pensions

Alecta

The ITP 2 scheme's defined-benefit pension obligations for old-age and family pensions (or family pension) for salaried employees in Sweden are secured through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Recognition of ITP 2 Pension Plans Financed through Insurance with Alecta, this is a multi-employer defined-benefit plan. In the 2015 financial year, the company did not have access to such information that made it possible to recognise its proportional share of the plan's obligations, plan assets and costs, which means that it was not possible to recognise this as a defined-benefit plan. ITP 2 pension plans that are secured through insurance with Alecta are therefore recognised as defined-contribution plans. The anticipated fees for the next reporting period for ITP 2 policies signed with Alecta amounts to SEK 14 M (11).

The collective consolidation level comprises the market value of Alecta's assets as a percentage of insurance commitments calculated according to Alecta's actuarial methods and assumptions, which are not in agreement with IAS 19. Alecta's surplus, in the form of the collective consolidation level, amounted to 153 per cent (143) at year-end 2015.

Pension commitments

All pension commitments pertain to employees in the subsidiary in Norway. The Group is obliged to provide pension provisions according to the Norwegian act on occupational pensions. The Group has a total of five defined-benefit pension plans which jointly include 63 (65) gainfully employed individuals and 47 (47) pensioners. Pension benefits are largely dependent on the number of years of service, salary level at retirement and the amount of the benefit. This obligation is covered via insurance companies. Employer contributions are included in the net pension obligation. The amounts recognised in the balance sheet have been calculated as follows:

	Group	
	31 Dec. 2015	31 Dec. 2014
Present value of funded commitments	46	52
Fair value of plan assets	-42	-44
Deficit in funded plans	**4**	**8**
Present value in unfunded commitments	–	–
Net debt in the balance sheet	**4**	**8**

	Group	
Present value of commitments	**2015**	**2014**
Opening balance	52	42
Gross pension cost for the year	3	3
Interest expenses	0	0
Pension payment	-2	-2
Actuarial gains and losses[1]	-2	10
Exchange-rate differences	-5	-1
Closing balance	**46**	**52**

	Group	
Fair value of plan assets	**2015**	**2014**
Opening balance	44	42
Expected return	1	2
Payments	3	3
Pension payment	-2	-2
Actuarial gains and losses[1]	0	-1
Exchange-rate differences	-4	0
Closing balance	**42**	**44**

Net pension commitments	**4**	**8**

1) Changes in demographic and financial assumptions are not specified on the basis of a materiality assessment.

	Group	
Costs recognised in profit or loss	**2015**	**2014**
Pension vesting for the year including contributions	3	2
Administration fees	0	0
Interest expenses	0	0
	3	**2**

	Group	
Composition of plan assets	**31 Dec. 2015**	**31 Dec. 2014**
Equities	9%	9%
Bonds	74%	73%
Property	14%	15%
Other	3%	3%
Total	**100%**	**100%**

	Group	
Actuarial assumptions	**31 Dec. 2015**	**31 Dec. 2014**
Discount rate	2.50%	2.30%
Future salary increases	2.50%	2.75%
Future pension increases	0.00%	0.00%

Assumptions regarding future length of life are based on public statistics and experience from mortality studies in the country concerned, and set in consultation with actuarial experts.

Through its post-employment defined-benefit pension plans, the Group is exposed to a number of such risks as asset volatility, changes in returns and length of life commitments. The company actively monitors how terms of and expected returns on investments match expected payments arising from its pension commitments. The Group has not changed the processes used to manage its risks from previous periods. The Group does not use derivative instruments to manage its risk. Investments are highly diversified.

Contributions to post-employment benefit plans for the 2016 financial year are expected to amount to SEK 3 M.

A sensitivity analysis and weighted average term for the pension commitments and term analysis for undiscounted payments have not been provided since they are deemed to be insignificant.

NOTE 23 Other current liabilities, non-interest-bearing

	Group	
	31 Dec. 2015	31 Dec. 2014
Accounts payable	540	558
Other liabilities	137	131
Accrued expenses and deferred income	313	327
Total	**990**	**1,016**

NOTE 24 Accrued expenses and deferred income

	Group		Parent Company	
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
Accrued personnel-related costs	198	212	12	16
Accrued bonuses/contract fees	67	62	–	–
Accrued interest expenses	2	2	2	2
Prepaid rental income	7	6	–	–
Other interim liabilities	39	45	1	1
Total	**313**	**327**	**15**	**19**

NOTE 25 Memorandum items

	Group		Parent Company	
	31 Dec. 2015	31 Dec. 2014	31 Dec. 2015	31 Dec. 2014
Pledged assets				
Other pledged assets	–	3	–	–
Total	**–**	**3**	**–**	**–**
Contingent liabilities				
Guarantee commitments, divested properties	22	22	22	22
Other guarantee commitments	11	8	–	–
Rental commitments	–	20	–	–
Guarantees on behalf of subsidiaries	–	–	73	57
Other sureties	9	12	–	–
Total	**41**	**62**	**95**	**79**

NOTE 26 Participations in Group companies

	Parent Company	
	2015	2014
Opening cost	3,542	3,179
Capital contributions paid[1)]	9	363
Acquisitions during the year	–	–
Closing accumulated cost	**3,551**	**3,542**
Opening impairment	-511	-25
Impairment[1)]	-35	-486
Closing accumulated impairment	**-546**	**-511**
Closing residual value	**3,004**	**3,031**

[1)] Impairment of SEK -26 M (-486) and capital contributions paid of SEK 0 M (363) pertain to Mekonomen A/S in Denmark.

NOTE 26 continued

Name of company/registered office, Sweden	Corp. ID number	Share of equity, %	Number of stores	Book value 31 Dec. 2015	Book value 31 Dec. 2014
MECA Scandinavia AB/Malmö	556218-3037	100		2,033	2,033
Mekonomen Norden AB/Stockholm	556724-9254	100		0	0
Mekonomen Grossist AB/Stockholm	556062-4875	100		40	40
Mekonomen Detaljist AB/Stockholm	556157-7288	100	15	5	5
Meko Service Nordic AB/Stockholm	556179-9676	100		1	1
Mekonomen Fleet AB/Stockholm	556720-6031	100		2	2
Speedy Autoservice AB/Malmö	556575-9858	100		31	31
Mekonomen Nya Affärer AB/Stockholm	556821-5981	100		0	0
Mekonomen Services AB/Stockholm	556840-9428	100		0	0
Name of company/registered office, Finland					
Mekonomen Oy/Helsinki	2259452-4	100		0	0
Name of company/registered office, Denmark					
Mekonomen A/S/Odense	30 07 81 28	100		28	54
Name of company/registered office, Norway					
Mekonomen AS/Oppegård	980 748 669	100		24	24
Sørensen og Balchen AS/Oslo	916 591 144	100		840	840
Participations in Group companies, total			**15**	**3,004**	**3,031**

NOTE 26 continued

Within Mekonomen Nordic, a decision has been made to merge the wholly owned store companies in Sweden and Norway. In total, approximately 60 store companies in Sweden and 29 store companies in Norway are planned to be merged. The mergers are estimated to be completed in 2016. For further information, please refer to the table below regarding companies where mergers are under way as per 31 December 2015. In 2015, four store companies in Denmark were also liquidated.

Indirect participations in subsidiaries	Corp. ID number	Share of equity, %	No. of stores
MECA			
MECA Car Parts AB/Malmö	556169-0412	100	–
MECA Sweden AB/Malmö	556356-5612	100	48
MECA Bilservice i Köping AB/Köping	559012-2478	100	–
MECA Norway AS/Gjøvik, Norway	935682525	100	24
Opus Equipment AB/Gothenburg	556884-6504	100	–
J&B Maskinteknik AB/Gothenburg	556490-2996	100	–
J&B Maskinteknikk AS/Gjøvik, Norway	915971865	100	–
Opus Instrument (Foshan) Co. Ltd/Foshan China	44060040 000987	100	–
Opus Asia Ltd/Hong Kong	1077601	100	–
ProMeister Solutions AB/Malmö	559034-6929	100	–
ProMeister Sweden AB/Malmö	556509-7861	100	–
			72
Denmark			
Mekonomen Grossist Danmark A/S/Odense	33 38 01 27	100	–
			0
Finland – Mekonomen Nordic[1]			
Mekonomen Viiki Oy/Helsinki	2359722-5	100	–
Mekonomen Tammisto Oy/Vantaa	2359731-3	100	1
Mekonomen Renkomäki Oy/Lahti	2429678-2	100	1
Mekonomen Levänen Oy/Kuopio	2462875-9	100	1
Mekonomen Grossist Oy/Vantaa	2445185-0	100	–
			3

[1] All companies in Finland have their registered offices in Helsinki; the place of business is stated above.

Indirect participations in subsidiaries	Corp. ID number	Share of equity, %	No. of stores
Iceland - Mekonomen Nordic			
Mekonomen ehf/Gardabaer	411214-0520	100	–
Mekonomen Gardabae ehf/Gardabaer	411214-0790	71	1
			1
Sweden - Mekonomen Nordic[1]			
Mekonomen Alingsås AB/Alingsås	556596-3690	95	1
Mekonomen Arvika AB/Arvika	556528-3750	80	5
Mekonomen B2C AB/Stockholm	556767-7405	100	–
Mekonomen Backaplan AB/Gothenburg	556226-1338	91	1
Mekonomen Barkarby AB/Stockholm	556758-7679	100	1
Mekonomen Bilverkstad AB/Stockholm	556607-1493	100	–
Mekonomen Bilverkstad Båstad AB/Båstad	556462-0416	100	–
Mekonomen Bilvård AB/Stockholm[2]	556561-6751	100	–
Mekonomen Blekinge AB/ Sölvesborg	556649-9017	51	4
Mekonomen Bollnäs AB/Bollnäs	556827-3675	91	1
Mekonomen Boländerna AB/Uppsala	556767-8916	100	–
Mekonomen Borås City AB/Borås	556078-9447	100	1
Mekonomen Bromma AB/Stockholm[2]	556230-5101	100	–
Mekonomen BV Härlöv AB/Gislaved[2]	556758-7646	100	–
Mekonomen Båstad AB/Båstad	556594-1951	100	2
Mekonomen Enköping AB/Enköping	556264-2636	91	1
Mekonomen Eskilstuna AB/Eskilstuna	556613-5637	100	1
Mekonomen Falkenberg AB/Falkenberg	556213-1622	91	1
Mekonomen Falköping AB/Falköping	556272-1497	100	1
Mekonomen Falun AB/Falun	556559-3927	100	2
Bilverkstad i Härnösand AB/Härnösand	556528-4766	100	–
Mekonomen FKV AB/Stockholm	556775-9831	87.5	–
Mekonomen Flen AB/Flen	556769-8542	87.5	2
Mekonomen Butikerna AB/Gislaved	556261-4676	100	–
Mekonomen Globen AB/Stockholm[2]	556794-8905	100	–
Mekonomen Gränby AB/Uppsala	556821-6062	100	–
Mekonomen Gärdet AB/Stockholm	556821-6104	100	–
Mekonomen Gärdet Café AB/Stockholm	556840-9436	100	–
Mekonomen Gävle AB/Gävle	556353-6803	91	1
Mekonomen Hedemora AB/Hedemora	556308-8011	100	1
Mekonomen Helsingborg AB/Helsingborg	556044-4159	100	1
Mekonomen Helsingborg Södra AB/Helsingborg	556613-6007	100	1
Mekonomen Häggvik AB/Stockholm	556840-9410	100	1
Mekonomen Härnösand AB/Härnösand	556217-2261	80	1
Mekonomen Hässleholm AB/Hässleholm	556678-0622	91	1
Mekonomen Högsbo AB/Gothenburg	556887-1999	51	1
Mekonomen Infra City AB/Stockholm	556840-4437	100	1
Mekonomen Järfälla AB/Stockholm	556660-3196	100	1
Mekonomen Jönköping AB/Jönköping	556237-5500	100	2
Mekonomen Kalmar AB/Kalmar	556236-8349	100	1
Mekonomen Karlshamn AB/Karlshamn	556649-9090	100	–
Mekonomen Karlskoga AB/Karlskoga[2]	556196-2605	100	–
Mekonomen Karlskrona AB/Karlskrona[2]	556649-9082	100	–
Mekonomen Karlstad AB/Karlstad	556786-9457	100	–
Mekonomen Katrinelund AB/Malmö	556530-7237	100	–
Mekonomen Kramfors AB/Kramfors	556496-1810	91	1
Mekonomen Kristianstad AB/Kristianstad	556171-9203	100	1
Mekonomen Kungsbacka AB/Kungsbacka	556887-2336	51	1
Mekonomen Landskrona AB/Landskrona	556646-4813	100	1
Mekonomen Lidköping AB/Lidköping	556761-3012	75	1
Mekonomen Linköping AB/Linköping	556202-9545	100	2
Mekonomen Ljungby Odlaren AB/Ljungby[2]	556111-9719	100	–
Mekonomen Ljusdal AB/Ljusdal	556786-1066	100	2
Mekonomen Ludvika AB/Ludvika	556470-4210	91	1
Mekonomen Luleå AB/Luleå	556338-4071	100	2
Mekonomen Lund AB/Lund	556531-0108	91	1
Mekonomen Lycksele AB/Lycksele	556687-8095	75	1
Mekonomen Malmö Fosie AB/Malmö	556493-7018	100	1
Mekonomen Mariestad AB/Mariestad	556261-0179	75	1
Mekonomen Mjölby AB/Mjölby	556362-0565	100	1
Mekonomen Mora AB/Mora	556363-2487	100	1
Mekonomen Motala AB/Motala	556311-8750	100	1
Mekonomen Märsta AB/Sigtuna	556596-3674	100	–
Mekonomen Mölndal AB/Mölndal	556887-2294	51	1
Mekonomen Bilverkstad Lidingö AB/Lidingö	556204-0294	100	–
Mekonomen Norrköping AB/Norrköping	556376-2797	100	2
Mekonomen Norrtull AB/Stockholm[2]	556821-6088	100	–
Mekonomen Norrtälje AB/Stockholm	556178-9719	60	1
Mekonomen Nyköping AB/Nyköping	556244-0650	75	1
Mekonomen Nässjö AB/Nässjö	556187-8637	100	1
Mekonomen Osby AB/Osby	556408-8044	91	1

Mekonomen Oskarshamn AB/ Oskarshamn	556631-8589	75	1
Mekonomen Partille AB/Gothenburg	556731-1401	100	2
Mekonomen Piteå AB/Piteå	556659-8966	100	1
Mekonomen Sala AB/Sala	556882-0905	100	1
Mekonomen Sandviken AB/Sandviken	556201-1295	91	1
Mekonomen Segeltorp AB/Huddinge	556580-2351	100	–
Mekonomen Skellefteå AB/Skellefteå	556389-4095	91	1
Mekonomen Skåne Ystad AB/Ystad[2)]	556565-3085	100	–
Mekonomen Sollefteå AB/Sollefteå	556216-9424	80	1
Mekonomen Solna AB/Stockholm[2)]	556213-3073	100	–
Mekonomen Strömstad AB/Strömstad	556775-9849	100	1
Mekonomen Sundsvall Birsta AB/ Sundsvall	556201-1675	100	1
Mekonomen Sundsvall Nacksta AB/ Sundsvall	556777-4863	100	1
Mekonomen Söderhamn AB/Söderhamn	556509-4132	100	–
Mekonomen Södertälje AB/Södertälje	556405-5498	100	1
Mekonomen Sölvesborg AB/Sölvesborg	556216-4250	100	–
Mekonomen Torslanda AB/Gothenburg	556583-3893	91	1
Mekonomen Tranås AB/Tranås	556770-0041	100	1
Mekonomen Trollhättan AB/Trollhättan	556515-0298	100	2
Mekonomen Täby AB/Täby	556632-9958	100	1
Mekonomen Uddevalla AB/Uddevalla[2)]	556550-5004	100	–
Mekonomen Umeå AB/Umeå	556483-3084	81.8	1
Mekonomen Uppsala AB/Uppsala	556092-4218	100	–
Valdemarsvik Butiksbolag AB/ Valdemarsvik	556963-4966	100	1
Mekonomen Varberg AB/Varberg	556261-0161	75	1
Mekonomen Verkstadscenter Älvsjö AB/ Stockholm	556192-0314	91	1
Mekonomen Verkstadscenter Luleå AB/ Luleå[2)]	556770-0033	100	–
Mekonomen Vetlanda AB/Vetlanda	556653-4219	91	1
Mekonomen Vimmerby AB/Vimmerby	556232-5877	100	1
Mekonomen Vänersborg AB/ Vänersborg	556770-0058	91	1
Mekonomen Värnamo Norra AB/ Värnamo	556530-9266	75	1
Mekonomen Västerås AB/Västerås	556344-5492	100	2
Mekonomen Växjö AB/Växjö	556192-0439	60	2
Mekonomen Åkersberga AB/Österåker	556632-9966	100	–
Mekonomen Älvsjö AB/Huddinge[2)]	556758-7661	100	–
Mekonomen Örebro AB/Örebro	556344-0717	100	3
Mekonomen Örnsköldsvik AB/ Örnsköldsvik	556465-6287	51	1
Mekonomen Östersund AB/Östersund	556296-5243	100	2
Primexxa Strängnäs AB/Stockholm[2)]	556422-3872	100	–
Marinshopen RM AB/Stockholm	556829-5066	100	1
Mekonomen Utveckling AB/Stockholm[2)]	556777-4871	100	–
Mekonomen Group Inköp AB/Stockholm	559009-7837	100	–
			99

1) Includes the Marinshopen store
2) Merger under way

Norway – Mekonomen Nordic

Mekonomen Arendal AS/Arendal	982434696	100	1
Motor Norge AS/Alta	945481668	51	1
Mekonomen Askim AS/Askim	974209772	100	1
Mekonomen Bjørkelangen AS/ Bjørkelangen	989903551	100	1
Mekonomen Bodø AS/Bodø	986489576	100	1
Mekonomen Drammen AS/Drammen	924843543	100	1
Mekonomen Elverum AS/Elverum	993562629	100	1
Mekonomen Grenland AS/Porsgrund	984690703	100	1
Mekonomen Hadeland AS/Hadeland	996446956	100	1
Mekonomen Hamar AS/Hamar	984006047	100	1
Mekonomen Harstad AS/Harstad	982952379	100	1
Mekonomen Haugesund AS/Haugesund	983509622	100	1
Mekonomen Horten AS/Horten	990815798	100	1
Mekonomen Jessheim AS/Jessheim	987696109	100	1
Mekonomen Kongsberg AS/Kongsberg	937161786	75	1
Mekonomen Kongsvinger AS/ Kongsvinger	992102217	100	1
Mekonomen Larvik AS/Larvik	981929276	100	1
Mekonomen Lillestrøm AS/Lillestrøm	993561428	100	1
Mekonomen Molde AS/Molde	985793417	100	1
Mekonomen Moss AS/Moss	939161260	100	1
Mekonomen Oslo AS/Oslo	938215103	100	1
Mekonomen Sandefjord AS/Sandefjord	990815844	100	1
Mekonomen Sandvika AS/Sandvika	982707862	100	1
Mekonomen Sarpsborg AS/Sarpsborg	910155520	100	2
Mekonomen Ski AS/Ski	983098525	100	1
Mekonomen Stavanger AS/Stavanger	983935214	100	1
Mekonomen Steinkjer AS/Steinkjer	984318677	100	1
Mekonomen Sørlandsparken AS/ Kristiansand	981508939	100	1
Mekonomen Tromsø AS/Tromsø	942591322	100	1
Mekonomen Trondheim AS/Trondheim	979462026	100	1
Mekonomen Tønsberg AS/Tønsberg	934256867	75	1
Mekonomen Fleet AS/Oppegård	895917052	100	–
Lasingoo Norge AS/Oslo	914835585	100	–
			32

Norway – Sørensen og Balchen

Rønneberg Autoindustri AS/Ålesund	981015150	100	5
BilXtra Kristiansund AS/Kristiansund	999255876	91	1
Bilvarehusene Nor AS/ Skårer	880553852	100	9
BilXtra AS/Moss	983032133	100	4
BilXtra Kristiansand AS/Kristiansand	979438761	100	1
Bilutstyr Arendal AS/Arendal	961171067	100	1
Østfold Bilutstyr AS /Sarpsborg	987586788	100	1
Telemark Bilutstyr AS/Skien	986980415	100	1
Rogaland Rekvisita AS/Stavanger	936043119	100	2
Jahre Motor Hamar AS/Hamar	935614031	91	1
Askim Bilrekvisita AS/Askim	885049702	100	2
Steglet Bilutstyr AS /Kongsberg	988210196	100	1
Jøntvedt Bilutstyr AS/Tønsberg	887813752	100	1
Oppland Bilutstyr AS/Gjøvik	987600659	100	1
Høistad Bildeler AS/Lillehammer	981015142	100	1
Vest Bilutstyr AS/Bergen	980281450	100	2
Autoproducts AS/Trondheim	995080125	50	1
DINDEL NORWAY AS/Bærum	913284607	100	–
BilXtra Autogården Kongsberg AS/ Kongsberg	914746345	80	–
			35

Sweden – Meko Service Nordic

Mekonomen BilLivet AB/Stockholm	556845-2196	100	–
Mekonomen BilLivet Akalla AB/ Stockholm	556882-0772	100	–
Mekonomen BilLivet Bromma AB/ Stockholm	556864-3455	100	–
Mekonomen BilLivet Gävle AB/Gävle	556864-3448	100	–

Mekonomen BilLivet Haninge AB/ Stockholm	556882-0947	91	–
Mekonomen BilLivet Infra City AB/ Stockholm	556864-3471	100	–
Mekonomen BilLivet Johanneshov AB/ Stockholm	556882-0780	100	–
Mekonomen BilLivet Katrinelund AB/ Malmö	556882-0954	91	–
Mekonomen BilLivet Sisjön AB/ Gothenburg	556863-9909	91	–
Mekonomen BilLivet Högsbo AB/ Gothenburg	556909-4906	91	–
Mekonomen BilLivet Södertälje AB/ Stockholm	556882-0939	100	–
Mekonomen BilLivet Täby AB/Stockholm	556882-0962	91	–
Mekonomen BilLivet Backaplan AB/ Gothenburg	556756-1146	91	–
Mekonomen BilLivet Gärdet AB/ Stockholm	556821-6047	100	–
Promotor Åkersberga AB/Åkersberga	556819-5019	91	–
Speedy Bilservice Östermalm AB/ Stockholm	556953-2434	91	–
Speedy Bilservice Mölndal AB/Mölndal	559004-5711	51	–
Meko Service Hemmesta AB/Stockholm	556428-1102	100	–
Meko Service Susannes Bilverkstad i Härlöv AB/Stockholm	556964-0641	60	–
Meko Service Tyresö AB/Stockholm	556961-2319	100	–
			0
Hong Kong			
ProMeister Global Limited/Hong Kong	1988735	100	–
			0
Total number of stores			**257**

Including the Parent Company, Mekonomen Group comprises a total of 219 companies, 257 proprietary stores and 34 proprietary workshops. Currently, 89 wholly-owned companies run 205 stores and 43 partly-owned companies run 52 stores. Furthermore, 16 wholly-owned companies and 11 partly-owned companies run 34 workshops.

The Group has no subsidiary with non-controlling interests that is of individual significance to Mekonomen Group.

NOTE 27 Investments accounted for using the equity method

The amounts recognised in the balance sheet comprise the following:

	Group	
	31 Dec. 2015	31 Dec. 2014
Associated companies	0	2
Joint ventures	2	1
Total	**2**	**3**

The amounts recognised in profit or loss comprise the following:

	Group	
	2015	2014
Associated companies	0	0
Joint ventures	0	0
Total	**0**	**0**

Holdings in joint ventures and associated companies are recognised in accordance with the equity method. The Group has only one small associated company and a small joint venture with an insignificant impact on the Group.

NOTE 28 Shareholders' equity

A specification of changes to shareholders' equity can be found in the statement of changes in consolidated and Parent Company's shareholders' equity (see pages 45 and 50, respectively).

Share capital

At the end of the financial year, share capital amounted to SEK 89,754 (89,754) thousand and comprised 35,901,487 shares (35,901,487) at a quotient value of SEK 2.50 per share (2.50). There were no outstanding shareholders' equity instruments that could result in a dilution of the share capital as per 31 December 2015 and 31 December 2014.

Other capital contributions

Other capital contributions included contributions the company received from shareholders and which are not recognised as share capital.

Other capital contributions	
Opening balance on 1 January 2014	**1,456**
Closing balance on 31 December 2014	**1,456**
Opening balance on 1 January 2015	**1,456**
Closing balance on 31 December 2015	**1,456**

Reserves

The item consists of translation differences attributable to the translation of foreign subsidiaries in accordance with IAS 21 and cash-flow hedges as shown in the table below:

Reserves	Translation differences[1]	Hedges	Total
Opening balance on 1 January 2014	-124	-1	-125
Exchange-rate differences on translation of foreign subsidiaries	-20	–	-20
Cash-flow hedges	–	0	0
Closing balance on 31 December 2014	**-144**	**-1**	**-145**
Opening balance on 1 January 2015	**-144**	**-1**	**-145**
Exchange-rate differences on translation of foreign subsidiaries	-88	–	-88
Cash-flow hedges	–	-1	-1
Closing balance on 31 December 2015	**-232**	**-2**	**-234**

[1] At 31 December 2015, the accumulated translation reserve regarding Denmark amounted to SEK -17 M. The translation reserve for Denmark will be reclassified within shareholders' equity through profit and loss to the amount current at the time when the Danish company is liquidated. For additional information regarding discontinued operations, refer to Note 34.

Profit brought forward

The profit brought forward item corresponds to the accumulated profits and losses generated in total in the Group.

Profit brought forward	
Opening balance on 1 January 2014	**807**
Comprehensive income for the year:	
- Profit for the year	120
- Actuarial gains and losses	-7
Comprehensive income for the year	**113**
Dividends	-251
Acquisition/divestment of non-controlling interests	-4
Closing balance on 31 December 2014	**665**

Opening balance on 1 January 2015	**665**
Comprehensive income for the year:	
- Profit for the year	423
- Actuarial gains and losses	2
Comprehensive income for the year	**424**
Dividends	-251
Acquisition/divestment of non-controlling interests	-7
Closing balance on 31 December 2015	**831**

Dividend to Parent Company's shareholders
The Board of Directors proposes a dividend of SEK 7.00 per share (7.00), leading to a total dividend of SEK 251,310,409 (251,310,409).

NOTE 29 Capital

Mekonomen Group manages its capital to ensure that the units in the Group are able to continue operating, while dividends to shareholders are maximised through a sound balance between liabilities and shareholders' equity. The Group's capital comprises shareholders' equity, as well as short and long-term borrowing. The proportions of shareholders' equity and changes during the year are described in the changes in consolidated shareholders' equity on page 45 and Note 28 Shareholders' equity.

At least once per year, the Board reviews the capital structure and takes this into account when making decisions on, for example, dividends or raising new loans. The key figure company management primarily assesses regarding capital structure is net debt relative to EBITDA. This key figure is continuously followed up in the internal reporting to Group Management and the Board. As of 2016, Mekonomen Group's financial targets include that net debt/EBITDA shall not exceed 2.0 over the long term. In addition, the long-term equity/assets ratio shall not be less than 40 per cent.

NOTE 30 Adjustments for items not affecting liquidity

	Group		Parent Company	
	2015	**2014**	**2015**	**2014**
Depreciation/Amortisation	167	188	0	0
Impairment of intangible fixed assets	–	39	–	–
Impairment of tangible fixed assets	–	25	–	–
Impairment of financial fixed assets	2	12	35	486
Impairment of inventories	–	75	–	–
Impairment of accounts receivable	–	12	–	–
Provision for discontinuation costs	–	116	–	–
Other provisions	5	–	2	–
Capital gain/loss from divestment of fixed assets	2	-3	–	–
Other items not affecting liquidity	12	-1	-3	-1
	188	**461**	**34**	**485**

Cash flow pertains to total operations, i.e. both continuing and discontinued operations.

NOTE 31 Effects of acquisitions implemented

Acquisitions in 2015
MECA acquired Opus Equipment AB, a comprehensive supplier of workshop equipment for workshops and car inspection stations. Delivery of workshop equipment is a new business in Mekonomen Group that offers equipment with installation and maintenance service to new and existing customers on the automotive aftermarket. The purchase price for the shares amounted to SEK 41 M and the assumed net debt was SEK 10 M. Consolidation of the company took place as of 1 July 2015 in Mekonomen Group. MECA also acquired a partner store and workshop in Köping, Sweden.

Mekonomen Nordic acquired non-controlling interests in 21 stores, 18 in Sweden and 3 in Norway, for a minor value. In Sweden, three partner stores in Kiruna, Linköping and Karlskrona were acquired, and three workshops in Härnösand, Ljusdal and Lidingö in Stockholm. Mekonomen Nordic also acquired a partner store in Iceland.

Sørensen og Balchen acquired all non-controlling interests in DinDel Norway and established a store in Mysen, Norway.

Meko Service Nordic acquired a workshop in Karlskrona and non-controlling interests in a workshop in Sweden.

The company acquired, Opus Equipment AB, impacted consolidated net sales in an amount of SEK 66 M, and EBITA in an amount of SEK 4 M and EBIT in an amount of SEK 3 M, excluding acquisition costs. The impact of other acquisitions on consolidated sales and earnings was marginal.

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 acquisitions were paid in cash.

Acquisitions in 2015	Total acquisitions
Value of acquired assets and liabilities	
Intangible fixed assets	5
Tangible fixed assets	5
Deferred tax assets	2
Inventories	44
Current receivables	21
Cash and cash equivalents	1
Long-term liabilities	-1
Current liabilities	-37
Acquired net assets	**40**
Customer relations	12
Goodwill	16
Deferred tax liabilities	-1
Acquired non-controlling interests, surplus value recognised against shareholders' equity	17
Total identifiable net assets and goodwill	**84**
Total purchase price	84
- of which, cash portion	84
Cash and cash equivalents in the acquired companies	1
Impact on Group's cash and cash equivalents	**83**

No store or workshop managers entered as part-owners in the respective store or workshop companies during the year.

NOTE 31 continued

Acquired subsidiaries/operations 2015	Country	Acquisition date	Participating interest and share of voting rights	Object
Partner store, Kiruna - Mekonomen Nordic	Sweden	Quarter 1	100	Assets and liabilities
Partner store, Linköping - Mekonomen Nordic	Sweden	Quarter 1	100	Assets and liabilities
Partner store, Iceland - Mekonomen Nordic	Iceland	Quarter 1	100	Assets and liabilities
Workshop, Lidingö - Mekonomen Nordic	Sweden	Quarter 1	100	Assets and liabilities
Workshop, Härnösand - Mekonomen Nordic	Sweden	Quarter 2	100	Assets and liabilities
Workshop, Ljusdal - Mekonomen Nordic	Sweden	Quarter 2	100	Assets and liabilities
Partner store, Köping - MECA	Sweden	Quarter 2	100	Assets and liabilities
Workshop, Köping - MECA	Sweden	Quarter 2	100	Assets and liabilities
OPUS Equipment AB, Gothenburg - MECA	Sweden	Quarter 3	100	Company
Partner store, Karlskrona - Mekonomen Nordic	Sweden	Quarter 4	51	Assets and liabilities
Workshop, Karlskrona - Meko Service Nordic	Sweden	Quarter 4	100	Assets and liabilities

Acquisitions in 2014

Mekonomen Nordic in Sweden acquired a store and share in a workshop in Valdemarsvik, a store in Torsby, a partner store in Löddeköpinge, a partner store in Strömstad, a partner store in Ängelholm and the establishment of a store in Töcksfors. In Norway, a partner store was acquired in Larvik. Mekonomen Nordic acquired non-controlling interests in seven Swedish stores for a minor amount during the year.

Sørensen og Balchen acquired one company in Østerås, Norway.

In Sweden, MECA acquired stores in Mora and Leksand, Vällingby in Stockholm and a partner store in Hässleholm.

Meko Service Nordic acquired three workshops in Sweden.

The impact of these acquisitions on consolidated sales and earnings was marginal.

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 acquisitions were paid in cash.

Acquisitions in 2014	Total acquisitions
Value of acquired assets and liabilities	
Tangible fixed assets	3
Inventories	17
Current receivables	0
Cash and cash equivalents	2
Long-term liabilities	0
Current liabilities	-8
Acquired net assets	**14**
Brands	4
Customer relations	13
IT systems	1
Goodwill	35
Deferred tax liabilities	-1
Acquired non-controlling interests, surplus value recognised against shareholders' equity	6
Total identifiable net assets and goodwill	**71**
Total purchase price	71
- of which, cash portion	71
Cash and cash equivalents in the acquired companies	2
Impact on Group's cash and cash equivalents	**69**

In Sweden, 0 (2) store and workshop managers became partners in their store/workshop companies. Their shareholdings amounted to 9 per cent per company. The total purchase consideration for these shareholdings amounted to SEK 0 M (0).

Acquired subsidiaries/operations 2014	Country	Acquisition date	Participating interest and share of voting rights	Object
DINDEL NORWAY AS/Bærum - Sørensen og Balchen	Norway	Quarter 1	75	Assets and liabilities
Workshop, Tyresö - Meko Service Nordic	Sweden	Quarter 1	60	Company
Partner store, Löddeköpinge - Mekonomen Nordic	Sweden	Quarter 1	100	Assets and liabilities
Store, Torsby - Mekonomen Nordic	Sweden	Quarter 2	100	Assets and liabilities
Store, Mora - MECA	Sweden	Quarter 2	100	Assets and liabilities
Store, Leksand - MECA	Sweden	Quarter 2	100	Assets and liabilities
Store, Vällingby - MECA	Sweden	Quarter 2	100	Assets and liabilities
Workshop, Härlöv - Meko Service Nordic	Sweden	Quarter 2	60	Assets and liabilities
Workshop, Hemmesta - Meko Service Nordic	Sweden	Quarter 2	100	Assets and liabilities
Partner store, Hässleholm - MECA	Sweden	Quarter 3	100	Assets and liabilities
Partner store, Larvik - Mekonomen Nordic	Norway	Quarter 3	100	Assets and liabilities
Partner store, Strömstad - Mekonomen Nordic	Sweden	Quarter 3	100	Assets and liabilities
Partner store, Ängelholm - Mekonomen Nordic	Sweden	Quarter 4	100	Assets and liabilities
Store, Valdemarsvik - Mekonomen Nordic	Sweden	Quarter 4	100	Company

NOTE 32 Information concerning revenue and expenses between Group companies

During the year, the Parent Company Mekonomen AB sold products and services to Group companies totalling SEK 37 M (42). Purchases relating to goods and services from Group companies amounted to SEK 63 M (54).

NOTE 33 Transactions with related-parties

In 2015, Mekonomen Group acquired goods and services worth SEK 0 M (3) and supplied goods and services worth SEK 0 M (0) to the Axel Johnson companies. Mekonomen Group also acquired goods and services at a value of SEK 2 M (0) from companies where Mekonomen Group has significant influence or joint controlling influence. Agreements on goods and services with related parties are made on market-based terms. There were no receivables from or liabilities to related parties as at the balance-sheet date. No other transactions with related parties took place. For information on remuneration of senior executives, refer to Note 5.

NOTE 34 Discontinued operations

A decision on comprehensive structural changes and repositioning of the Group's Danish operations was made in December 2014. All of the stores, which are also local warehouses, and the Danish head office have been closed. The franchise workshops are retained and these now receive their deliveries of spare parts directly from the central warehouse in Sweden and from regional warehouses, meaning that efficient logistics are achieved without intermediaries in the distribution chain.

In March 2015, the two last stores were discontinued, and the Danish store operations are presented according to the rules for discontinued operations in IFRS 5 as of the first quarter of 2015. All comparable periods have been recalculated. The Danish store operations were previously a part of the MECA segment.

In the consolidated income statement, the discontinued store operations are recognised as an item under "Discontinued operations." This means that the discontinued operation has been excluded from all income statement items in the consolidated income statement and that only net earnings from the discontinued operation have been stated on the line "Earnings from discontinued operations." Cash flow from discontinued operations is included in the consolidated cash-flow statement and is recognised separately below. The consolidated balance sheet has not been recalculated.

As at 31 December 2015, the accumulated translation reserve pertaining to Denmark was a negative SEK 17 M. The translation reserve pertaining to Denmark will be reclassified in shareholders' equity via the income statement in the current amount at the time when the Danish company is liquidated. The liquidation, which was previously scheduled for 2016 will be postponed. Separate financial information is presented below with regard to the discontinued store operations in Denmark.

Profit/loss and other comprehensive income from discontinued operations	2015	2014
Revenue	36	534
Expenses	-36	-904
Profit/loss from discontinued operations – before tax	**0**	**-370**
Tax	0	31
Profit/loss from discontinued operations – after tax[1)]	**0**	**-340**
Other comprehensive income:		
Exchange-rate differences on translation of foreign subsidiaries	-1	-5
Comprehensive income/loss from discontinued operations	**-1**	**-344**

[1)] For 2014, non-recurring costs as a result of the structure change in Denmark are included in an amount of SEK 280 M in the profit.

Cash flow from discontinued operations in summary	2015	2014
Cash flow from operating activities	-134	-115
Cash flow from investing activities	29	-1
Cash flow from financing activities	0	0
Cash flow from discontinued operations	**-105**	**-116**

NOTE 35 Events after the end of the year

On 16 February 2016 the Board of directors has adopted the following financial goals for Mekonomen Group:

- to develop with good profitability and thereby create value growth for the shareholders
- to achieve annual sales growth of at least 5 per cent, as a combination of organic and acquired growth
- to annually achieve an operating margin in excess of 10 per cent
- the equity/assets ratio shall not in the long term be less than 40 per cent
- net debt / EBITDA shall not in the long term exceed 2,0

Decisions were made regarding changes in Group Management. As of 1 March 2016, Group Management comprises the following individuals:

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

The Mekonomen Nordic segment has ceased as of 1 January 2016. As of the first quarter of 2016, the operations that were a part of Mekonomen Nordic will instead be reported in the new segments Mekonomen Sweden and Mekonomen Norway as well as in Other.

Mekonomen Group has signed a Letter Of Intent (LOI) with the intention of investing in an automated central warehouse solution in Strängnäs. As a part of streamlining the logistics structure Mekonomen Group intends to centralise the structure of the central warehouses in Sweden. The plan is that the existing building in Strängnäs will be expanded to include a common automated central warehouse. The estimated size of the investment is SEK 250 M during the period 2016-2018 with full EBIT effect from savings of SEK 50 M annually from 2020. The tied up capital is expected to decrease with SEK 80 M with full effect from 2020. Before a final contract is signed the involved companies in Mekonomen Group will undertake the necessary negotiations with relevant unions.

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

NOTE 36 Approval of the Annual Report

The Annual Report and consolidated financial statements were approved for issue by the Board on 16 March 2016. The consolidated income statement, statement of comprehensive income and balance sheet and the Parent Company's income statement, statement of comprehensive income and balance sheet will be subject to approval by the Annual General Meeting on 12 April 2016.

NOTE 37 Financial risks

Through its operations, Mekonomen Group is exposed to currency, credit, interest-rate and liquidity risks. The management of these risks is regulated in accordance with the finance policy adopted by the Board. Credit risk relating to customer commitments is managed, according to central frameworks, decentralised locally. Other risks are mainly managed centrally by the Group's Treasury unit.

Currency risk

Currency risks occur when currency fluctuations have a negative impact on the Group's earnings and shareholders' equity. Currency exposure arises in connection with cash flows in foreign currencies (transaction exposure), as well as in translation of loans/receivables in foreign currencies and in the translation of foreign subsidiaries' balance sheets and income statements into SEK (translation exposure).

In 2015, currency fluctuations had a positive impact on the Group's profit before tax totalling SEK 8 M (3). The most important currency in terms of transaction exposure is EUR, which represents 37 per cent (33) of goods purchases in the Group, as well as NOK pertaining to internal sales from wholesale companies in Mekonomen Nordic and MECA to Norway. NOK is the most important currency with regard to translation exposure. Translation exposure to DKK decreased during 2015 due to restructuring in Denmark. The management of currency risks is regulated in the finance policy with a hedging period of between 0 and 3 months.

With regard to foreign shareholders' equity, the principal rule is that Mekonomen Group does not hedge this exposure. However, if major foreign investments are made that require separate financing, a decision may be made to recognise all or part of the financing in the acquisition currency. For more detailed information on currency exposure, refer also to the sensitivity analysis section in the Administration Report.

Credit risk

The Group's financial transactions give rise to credit risks in relation to financial counterparties. Credit risks or counterparty risks refer to the risk of loss if the counterparty does not fulfil its commitments. Mekonomen Group's credit risks primarily comprise accounts receivable, which are distributed over a large number of counterparties and a small portion of long-term hire-purchase contracts. For each new customer, or in the event an existing customer wants to increase the credit limit, a credit rating is conducted according to the Group's established policies. The maximum credit risk corresponds to the carrying amount of financial assets. Specifications of impairment of accounts receivable for the year and long-term hire-purchase contracts are found in Notes 16 and 18.

Interest-rate risk

Interest-rate risks refer to the risk that changes in market interest rates will have a negative impact on the Group's net interest expense. The rate at which interest rate changes affect the net interest expense depends on the period of fixed interest for the loan. According to the finance policy, the fixed-interest period is normally to be 12 months, with an exception mandate of +6/-9 months.

As per 31 December 2015, Mekonomen's net debt is SEK 1,626 (1,629). A fixed-interest period is available with a term of less than one year. In addition to this, interest-rate swaps have been entered into in an amount of SEK 450 M to hedge the cash flows in the loans Mekonomen AB has falling due in 2019.

See also the table in the Sensitivity analysis section of the Administration Report.

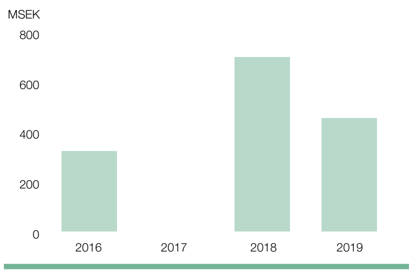
Financing and liquidity risks

Financing risk is seen as the risk of the cost being higher and financing opportunities limited when loans are renewed and payment obligations cannot be met as a result of insufficient liquidity or difficulties in securing financing. According to the finance policy, refinancing risks are to be managed by signing long-term and flexible credit agreements.

As per 31 December 2015, the Group's total loan financing amounted to SEK 1,921 M (1,887), of which the long-term portion is SEK 1,462 M (1,396). The Group's borrowing from banks is subject to certain conditions, known as covenants, all of which Mekonomen AB meets.

See the maturity structure excluding amortisation in the graph below.

Mekonomen Group's external loans without backup facilities as per 31 December 2015.



Maturity structure excluding amortisation.

Total amortisation of the loans is SEK 136 M per year. In addition, the Group has overdraft facilities totalling SEK 627 M (606). The Group's cash and cash equivalents are invested short term and any excess liquidity is to primarily be used for amortising loans. According to the finance policy, investments may be made in SEK, NOK, EUR and DKK. Investments may be made with or in securities issued by the Swedish Government or Swedish and foreign banks with at least an A rating, according to the definition of Standard & Poor's (S&P).

Fair value

No financial assets or liabilities were recognised at a value that significantly deviated from fair value.

The Board of Directors and President hereby certify that the Annual Report was prepared in accordance with the Annual Accounts Act and RFR 2 and provides a true and fair view of the company's financial position and earnings and that the Administration Report provides a true and fair view of the performance of the company's operations, position and earnings and describes significant risks and uncertainty factors faced by the company.

The Board of Directors and President hereby certify that the consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as approved by the EU, and provide a true and fair view of the Group's financial position and earnings and that the Administration Report or the Group provides a true and fair view of the performance of the Group's operations, position and earnings and describes significant risks and uncertainty factors faced by the companies included in the Group.

Stockholm, 16 March 2016

Kenneth Bengtsson
Chairman of the Board

Caroline Berg
Executive Vice Chairman

Kenny Bräck
Board member

Malin Persson
Board member

Helena Skåntorp
Board member

Christer Åberg
Board member

Magnus Johansson
President and CEO

Our Auditors' Report was submitted on 18 March 2016
PricewaterhouseCoopers AB

Lennart Danielsson
Authorised Public Accountant

Auditor's report

To the Annual General Meeting of Mekonomen AB, corporate identity number 556392-1971

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Mekonomen AB for the year 2015 except for the corporate governance statement on pages 34-41. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 28–77.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards , as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 34-41. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Mekonomen AB for the year 2015. We have also conducted a statutory examination of the corporate governance statement.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposed appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act and ensuring that the corporate governance report on pages 34-41 has been prepared in accordance with the Annual Accounts Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and consolidated accounts.

Stockholm, 18 March 2016
PricewaterhouseCoopers AB

Lennart Danielsson
Authorised Public Accountant

Five-year summary

The tables below present financial information in summary for the financial years 2011-2015. For all years presented, the income statement and certain key indicators were recalculated considering the discontinuation of the store operations in Denmark. Balance sheets and cash flows have not been recalculated.

Income statements, SEK M	2015	2014	2013	2012	2011
Continuing operations:					
Net sales	5,624	5,262	5,129	4,591	3,381
Other revenue	137	128	122	133	96
Goods for resale	-2,529	-2,337	-2,275	-2,015	-1,435
Other operating expenses	-2,506	-2,290	-2,293	-2,070	-1,545
Earnings before amortisation and impairment of intangible fixed assets, EBITA	**726**	**763**	**683**	**639**	**498**
Amortisation and impairment of intangible fixed assets	-110	-124	-156	-73	-25
Operating profit, EBIT	**616**	**639**	**527**	**566**	**473**
Net financial items	-22	-19	-39	-55	-14
Profit after financial items	**594**	**620**	**489**	**511**	**459**
Tax on profit for the year	-164	-153	-129	-101	-131
Profit for the year from continuing operations	**430**	**466**	**360**	**410**	**328**
Discontinued operations:					
Profit for the year from discontinued operations[1]	0	-340	-44	-28	52
Profit for the year	**430**	**127**	**315**	**382**	**380**

Balance sheets, SEK M	2015	2014	2013	2012	2011
Assets					
Intangible fixed assets	2,734	2,813	2,881	3,086	1,116
Other fixed assets	288	321	347	381	302
Inventories	1,226	1,223	1,213	1,203	934
Accounts receivable	453	450	439	495	411
Other current assets	365	319	285	302	225
Cash and cash equivalents	295	258	279	241	67
Total assets	**5,361**	**5,384**	**5,444**	**5,708**	**3,054**
Equity and liabilities					
Shareholders' equity, Parent Company's shareholders	2,143	2,066	2,228	2,303	1,539
Non-controlling interests	12	14	12	13	17
Long-term liabilities	1,645	1,575	1,872	2,059	511
Current liabilities	1,560	1,728	1,332	1,333	988
Total equity and liabilities	**5,361**	**5,384**	**5,444**	**5,708**	**3,054**

Condensed cash-flow statement, SEK M	2015	2014	2013	2012	2011
Cash flow from operating activities	439	413	557	518	259
Cash flow from investing activities	-146	-121	-54	-1,510	-512
Cash flow from financing activities	-245	-309	-442	1,165	246
Cash flow for the year	**48**	**-17**	**61**	**173**	**-7**

Data per share[2], amounts in SEK per share unless otherwise stated	2015	2014	2013	2012	2011
Earnings, continuing operations	11.77	12.80	9.81	11.57	9.79
Earnings, discontinued operations	0.00	-9.46	-1.25	-0.76	1.60
Earnings	11.77	3.34	8.56	10.80	11.39
Cash flow	12.23	11.51	15.51	14.93	7.98
Shareholders' equity	59.7	57.5	62.1	64.2	46.9
Dividends[3]	7	7	7	7	8
Share of profit paid, %	59	210	82	65	69
Share price at year-end	173.0	204.0	198.0	206.5	225.0
Share price, highest for the year	234.5	207.0	233.0	246.0	257.5
Share price, lowest for the year	170.0	139.0	189.0	180.0	157.0
Direct yield, %	4.0	3.4	3.5	3.4	3.6
P/E ratio at year-end, multiple	14.7	61.1	23.1	19.1	19.8
Average number of shares after dilution effects[4]	35,901,487	35,901,487	35,901,487	34,692,458	32,436,258
Number of shares at end of period	35,901,487	35,901,487	35,901,487	35,901,487	32,814,605
Number of shareholders at year-end	9,373	9,664	8,355	8,138	7,735

[1] For 2014, non-recurring costs as a result of the adopted structure change in Denmark are included in an amount of SEK 280 M in the profit/loss from discontinued operations. For additional information regarding discontinued operations, refer to Note 34.
[2] For information on financial definitions, refer to page 83.
[3] The Board's proposal for 2015.
[4] No dilution is applicable.

Key figures[1)3)]	2015	2014	2013	2012	2011
Sales growth, %	7	3	12	36	30
Gross margin, %	55	56	56	56	58
EBITA margin, %	13	14	13	14	14
EBIT margin, %	11	12	10	12	14
Profit margin, %	10	11	9	11	13
Capital employed, SEK M	4,086	3,980	4,176	4,432	2,203
Operating capital, SEK M	3,791	3,722	3,898	4,191	2,136
Return on capital employed, %	15	16	13	16	25
Return on operating capital, %	16	16	13	16	27
Return on shareholders' equity, %	20	21	16	21	23
Return on total capital, %	12	12	10	12	18
Equity/assets ratio, %	40	39	41	41	51
Net debt/equity ratio, multiple	0.8	0.8	0.7	0.8	0.4
Interest-coverage ratio, multiple	19	16	11	12	25
Net debt, SEK M	1,626	1,629	1,642	1,849	580
Average number of employees[2)]					
Sweden	1,438	1,335	1,342	1,287	1,076
Norway	794	772	775	690	475
Other countries	58	24	21	24	15
Group	**2,290**	**2,131**	**2,138**	**2,001**	**1,566**
Number of stores/of which proprietary[2)]					
Mekonomen Sweden	134/113	137/113	137/109	143/115	144/114
Mekonomen Norway	45/32	46/33	47/32	51/35	53/36
Mekonomen Finland	6/3	6/3	6/3	7/4	3/3
Mekonomen Iceland	1/1	1/0	1/0	1/0	1/0
Marinshopen	1/1	2/2	2/2	2/2	1/1
Total Mekonomen Nordic	**187/150**	**192/151**	**193/146**	**204/156**	**202/154**
Sørensen og Balchen – Norway	**70/35**	**71/34**	**74/34**	**78/36**	**77/35**
MECA Sweden	61/48	63/48	61/44	64/43	–
MECA Norway	24/24	24/24	25/24	25/24	–
Total MECA	**85/72**	**87/72**	**86/68**	**89/67**	**–**
M by Mekonomen	–	1/1	1/1	1/1	1/1
Group	**342/257**	**351/258**	**354/249**	**372/260**	**280/190**
Number of Mekonomen Service Centres[2)]					
Sweden[4)]	457	485	489	484	438
Norway	345	378	384	387	380
Denmark	102	195	212	219	215
Finland	19	17	12	4	3
Group	**923**	**1,075**	**1,097**	**1,094**	**1,036**
Number of MekoPartner – workshops[2)]					
Sweden	125	129	116	137	128
Norway	97	73	72	73	78
Denmark	39	153	190	216	214
Group	**261**	**355**	**378**	**426**	**420**
Number of BilXtra workshops					
Norway	246	232	243	225	219
Group	**246**	**232**	**243**	**225**	**219**
Number of Speedy workshops					
Sweden	20	14	12	11	11
Group	**20**	**14**	**12**	**11**	**11**
Number of MECA Car Service workshops					
Sweden	404	377	344	334	–
Norway	272	251	226	212	–
Group	**676**	**628**	**570**	**546**	**–**
Total number of affiliated workshops in the Group	**2,126**	**2,304**	**2,300**	**2,302**	**1,686**

1) The key figures refer to continuing operations. Comparative figures have been recalculated. The balance sheet has not been recalculated for discontinued operations. For additional information regarding discontinued operations, refer to Note 34.

2) The number of employees and numbers of stores are reported excluding the discontinued store operations in Denmark. Comparative figures have been recalculated. With regard to workshops, the workshops that are affiliated with Mekonomen Group's concepts also continue to be presented. MECA sells directly to these workshops in Denmark.

3) For information on financial definitions, refer to page 83.

4) Includes 18 (17) proprietary workshops in Meko Service Nordic.

Quarterly overview

	2015					2014				
Continuing operations, SEK M	**Full-year**	**Q4**	**Q3**	**Q2**	**Q1**	**Full-year**	**Q4**	**Q3**	**Q2**	**Q1**
Net sales[1]										
MECA[2]	1,871	489	466	473	444	1,679	435	414	419	411
Mekonomen Nordic	2,817	710	682	761	664	2,692	685	671	700	634
Sørensen og Balchen	729	159	179	201	191	712	176	176	188	171
Other[3]	208	57	47	55	48	180	50	45	47	39
Group	**5,624**	**1,415**	**1,374**	**1,489**	**1,346**	**5,262**	**1,347**	**1,306**	**1,354**	**1,255**
EBITA										
MECA[2]	258	52	54	80	71	268	72	73	76	47
Mekonomen Nordic	412	78	119	129	86	422	97	121	108	95
Sørensen og Balchen	117	26	30	35	25	109	22	29	34	24
Other[3]	-60	-19	-8	-20	-13	-36	-8	-10	-9	-10
Group	**726**	**138**	**196**	**224**	**169**	**763**	**184**	**214**	**210**	**156**
EBIT										
MECA[2][4]	245	49	51	77	68	243	57	69	73	44
Mekonomen Nordic	393	72	115	124	82	401	93	117	104	88
Sørensen og Balchen[4]	116	26	30	35	25	109	22	29	34	24
Other[3]	-138	-38	-27	-39	-33	-114	-27	-29	-28	-29
Group	**616**	**109**	**168**	**197**	**142**	**639**	**145**	**186**	**182**	**126**
Investments[5]										
MECA[2]	17	5	2	2	8	20	5	6	5	4
Mekonomen Nordic	80	26	17	19	18	44	20	6	11	7
Sørensen og Balchen	3	1	0	1	1	4	1	0	1	1
Other[3]	3	1	0	2	0	2	0	1	0	1
Group	**103**	**33**	**19**	**24**	**28**	**70**	**27**	**14**	**17**	**13**
EBITA margin, %										
MECA[2]	14	11	12	17	16	16	16	18	18	11
Mekonomen Nordic	14	11	17	16	13	15	14	17	15	14
Sørensen og Balchen	16	16	16	17	13	15	12	16	18	14
Group	**13**	**10**	**14**	**15**	**12**	**14**	**13**	**16**	**15**	**12**
EBIT margin, %										
MECA[2][4]	13	10	11	16	15	14	13	17	17	11
Mekonomen Nordic	13	10	16	16	12	14	13	17	14	13
Sørensen og Balchen[4]	16	16	16	17	13	15	12	16	18	14
Group	**11**	**8**	**12**	**13**	**10**	**12**	**11**	**14**	**13**	**10**
Quarterly data, Group[6]										
Total revenue	5,761	1,447	1,405	1,527	1,382	5,390	1,373	1,340	1,387	1,290
EBITA	726	138	196	224	169	763	184	214	210	156
EBIT	616	109	168	197	142	639	145	186	182	126
Net financial items	-22	0	-15	-9	2	-19	-3	-12	-1	-4
Profit after financial items	594	109	154	188	144	620	142	174	181	123
Tax	-164	-32	-42	-50	-39	-153	-40	-38	-44	-31
Profit/loss for the period	430	76	111	138	105	466	102	135	137	92
Gross margin, %	55	54	56	55	55	56	56	55	55	56
EBITA margin, %	13	10	14	15	12	14	13	16	15	12
EBIT margin, %	11	8	12	13	10	12	11	14	13	10
Earnings per share, continuing operations, SEK	11.77	2.14	3.01	3.74	2.88	12.80	2.87	3.69	3.74	2.50
Earnings per share, discontinued operations, SEK	0.00	0.03	0.00	-0.02	-0.01	-9.46	-7.55	-0.49	-0.75	-0.67
Earnings per share, SEK	11.77	2.17	3.01	3.72	2.87	3.34	-4.68	3.20	2.99	1.83
Shareholders' equity per share, SEK	59.7	59.7	58.4	56.9	61.0	57.5	57.5	65.0	60.9	64.6
Cash flow per share, SEK	12.2	5.4	4.3	3.8	-1.3	11.5	5.0	3.2	5.4	-2.0
Return on shareholders' equity, %	20.0	20.0	20.9	21.9	21.3	20.6	20.6	18.3	17.2	16.6

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

2) As of 1 January 2015, store operations in Denmark are presented as discontinued operations and therefore are not included in the MECA segment; comparative figures have been recalculated. For additional information regarding discontinued operations, refer to Note 34. EBITA for Q4 2014 and full-year 2014 was positively impacted in an amount of SEK 11 M due to re-allocation of costs for IT systems regarding the discontinued Danish operations. Impairment losses on intangible fixed assets had a corresponding negative impact and the effect on EBIT was therefore neutral.

3) "Other" consists of the Parent Company Mekonomen AB (publ), M by Mekonomen (discontinued in the third quarter of 2015), the purchasing company in Hong Kong, Meko Service Nordic, joint venture in Poland (InterMeko Europa), the associated company Automotive Web Solutions AB, Mekonomen Group Inköp AB (as of June 2015) and group-wide operations and eliminations. Mekonomen AB's operations mainly comprise Group Management and finance management functions.

4) Acquisition-related items attributable to Mekonomen AB's direct acquisitions have been re-allocated from the MECA and Sørensen og Balchen segments to "Other"; the comparative figures have been recalculated. Current acquisition-related items are amortisation of acquired intangible assets regarding the acquisitions of MECA and Sørensen og Balchen, which were reversed in EBIT for these segments and instead recognised in EBIT for Other. Consolidated EBIT is unchanged.

5) Investments do not include company and business combinations.

6) All amounts and key figures refer to the continuing operations except cash flow. For information on financial definitions, refer to page 83.

Annual General Meeting

The shareholders of Mekonomen Aktiebolag (publ), corporate identity number 556392-1971, are hereby invited to attend the Annual General Meeting at 3:00 p.m. on 12 April 2016 at Cirkus, Skandiascenen, Djurgårdsslätten 43-45, Stockholm, Sweden. Registration for the Annual General Meeting will open at 2:00 p.m.

Registration

Shareholders wishing to participate the Annual General Meeting must:

- be registered in the shareholders' register maintained by Euroclear Sweden AB not later than 6 April 2016, and
- notify the company of their intention to attend the meeting no later than 6 April 2016.

Notification may be given via the company's website, www.mekonomen.com. Notification may also be made in writing to Årsstämma i Mekonomen Aktiebolag, c/o Euroclear Sweden AB, PO Box 7842, SE-103 98 Stockholm, Sweden or by phone +46 8 402 90 47 between 9:00 a.m. and 4:00 p.m. on weekdays. Notification must include the shareholder's name and personal identity number or company name and corporate identity number, address, telephone number and the number of any assistants accompanying the shareholder to the Meeting (maximum of two).

Nominee-registered shares

In addition to notifying their attendance, shareholders who have nominee-registered shares through a bank or other nominee must temporarily re-register the shares in their own name in the shareholders' register by 6 April 2016 in order to be entitled to participate in the Annual General Meeting. Shareholders should notify their nominees of this well in advance of this date.

Proxies

Shareholders who are represented by proxy must issue a written and dated power of attorney for their proxy. If the power of attorney is issued by a legal entity, copies of authorization documents (certificate of registration or similar) must be enclosed. To facilitate registration at the Annual General Meeting, the power of attorney, in original, and any authorization documents should be sent by post well in advance of the Annual General Meeting to the following address: Årsstämma i Mekonomen Aktiebolag, c/o Euroclear Sweden AB, PO Box 7842, SE-103 98 Stockholm, Sweden. Proxy forms are available for download from company's website: www.mekonomen.com.

Dividends

The Board proposes a dividend of SEK 7.00 (7.00) per share to the Annual General Meeting. The Board proposes Thursday, 14 April 2016 as the record day for the dividend. If the Annual General Meeting adopts the proposal, the dividend is expected to be paid on 19 April 2016.

The final day for trading the company's shares including the right to dividends is Tuesday, 12 April 2016.

Printed Annual Report

Printed Annual Reports will be distributed only to shareholders requesting them approximately one week before the Annual General Meeting.

Financial calendar 2016–2017

Information	Period	Date
Interim report	January–March 2016	11 May 2016
Interim report	January–June 2016	26 August 2016
Interim report	January–September 2016	11 November 2016
Year-end report	January–December 2016	15 February 2017

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Analysts

The analysts below continuously monitor Mekonomen. Please note that these analysts' estimates, forecasts or other opinions do not represent Mekonomen or its company management.

Name	Company
Andreas Lundberg	ABG Sundal Collier
Fredrik Villard	Carnegie
Robin Santavirta	Handelsbanken
Stellan Hellström	Nordea
Erik Paulsson	Pareto Securities
Stefan Cederberg	SEB
Mats Liss	Swedbank

Glossary and definitions

Financial definitions

Return on shareholders' equity
Profit for the period, excluding non-controlling interests, as a percentage of average shareholders' equity excluding non-controlling interests.

Return on operating capital
Operating profit as a percentage of average operating capital.

Return on total capital
Profit after net financial items plus financial costs as a percentage of the average total assets.

Capital employed
Total assets less non-interest-bearing liabilities and provisions including deferred tax liabilities.

Return on capital employed
Profit after net financial items plus interest expenses as a percentage of average capital employed.

Equity/assets ratio
Shareholders' equity including non-controlling interest as a percentage of total assets.

Gross margin
Net sales less costs for goods for resale, as a percentage of net sales.

EBIT margin
Operating profit (EBIT) as a percentage of total revenue.

EBITA
EBITA after depreciation according to plan but before amortisation and impairment of intangible fixed assets.

EBITA margin
EBITA as a percentage of total revenue.

EBITDA
Operating profit before depreciation/amortisation and impairment of tangible and intangible fixed assets.

EBITDA margin
EBITDA as a percentage of total revenue.

Earnings per share
Profit for the period excluding non-controlling interests, in relation to the average number of shares.

Shareholders' equity per share
Shareholders' equity excluding non-controlling interests in relation to the number of shares at the end of the period.

Cash flow per share
Cash flow from operating activities in relation to the average number of shares.

Net debt
Current and long-term interest-bearing liabilities for borrowing less cash and cash equivalents, meaning excluding pensions, leasing, derivatives and similar obligations.

Net debt/equity ratio
Net debt divided by shareholders' equity including non-controlling interest.

Sales per employee
Sales relative to the average number of employees.

Sales growth
Increase in the total revenue as a percentage of the total revenue of the previous year.

Operating capital
Capital employed less cash and cash equivalents and short-term investments.

Interest-coverage ratio
Profit after net financial items plus interest expenses divided by interest expenses.

Company-specific definitions

Affiliated workshops
Workshops that are not proprietary owned, but conduct business under the Group's brands/workshop concept (Mekonomen Service Centre, MekoPartner, MECA Car Service, BilXtra and Speedy).

Proprietary stores
Stores with operations in subsidiaries, directly or indirectly majority owned, by Mekonomen AB.

Proprietary workshops
Workshops with operations in subsidiaries, directly or indirectly majority owned, by Mekonomen AB.

Fleet operations
Mekonomen Group's offering to business customers comprising service and repairs of cars, sales of spare parts and accessories and tyre storage.

Sales in comparable units
Sales in comparable units comprise external sales in majority-owned stores, wholesale sales to partner stores, external sales in majority-owned workshops and Internet sales.

Sales to customer group Affiliated workshops
Sales to affiliated workshops and sales to proprietary workshops.

Sales to customer group Consumers
Cash sales from proprietary stores to other customer groups than the above, as well as the Group's e-commerce sales to consumers.

Sales to customer group Other workshops
Sales to business customers that are not affiliated to any of Mekonomen Group's concepts, including sales in the fleet operations.

Comparable units
Stores, majority-owned workshops and Internet sales that have been in operation for the past 12 month period and throughout the entire preceding comparative period.

Concept workshops
Affiliated workshops.

Group companies
The MECA, Mekonomen Nordic and Sørensen og Balchen segments.

PIM
Product Information Management system.

ProMeister
Mekonomen Group's proprietary brand for high quality spare parts with five-year warranties.

Spare parts for cars
Parts that are necessary for a car to function.

Partner stores
Stores that are not proprietary, but conduct business under the Group's brands/store concepts.

Accessories for cars
Products that are not necessary for a car to function, but enhance the experience or extend use of the car, for example, car-care products, roof boxes, car child seats, etc.

Underlying net sales
Sales adjusted for the number of comparable working days and currency effects.

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Mekonomen Group