Annual Report 2009

We make CarLife easier

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Mekonomen's formal Annual Report comprises pages 18 to 58. Only the formal annual report has been reviewed by the company's auditors. A more detailed description of Mekonomen's operations and additional, regularly updated financial Information is presented on Mekonomen's website: www.mekonomen.se.

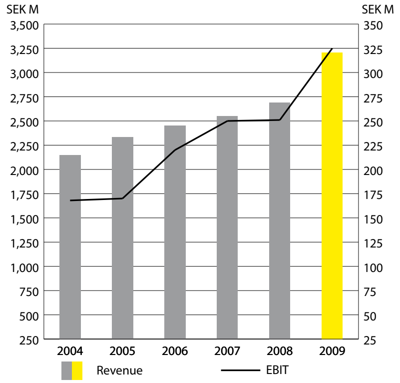
In March, Mekonomen was named "Retail chain of the Year" by the Swedish Trade Federation and paper, Dagens Handel, at the Retail Awards 2010, an event aimed at encouraging innovation and quality in retailing, to increase focus on retail companies and their suppliers, as well as to highlight retail as a future-oriented sector. Retail Awards is an annual event, where the principal players in the Swedish retail sector are the centre of attention..

The Swedish Trade Federation's and Dagens Handel's commendation was: "With a new, communicative store environment, investment in employee training and a consistent effort to raise awareness among consumers for the retail chain, Mekonomen has become an attractive retail chain for spare parts and leisure products, where visitors to the workshops also feel welcome. Mekonomen makes the journey from traditional automotive spare parts workshop to modern retail chain."

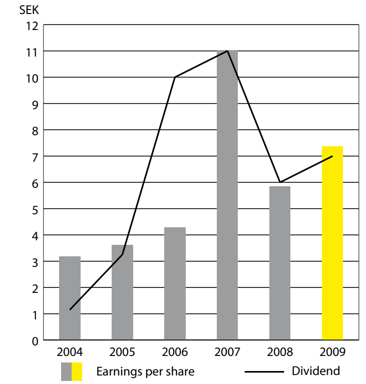
The year in brief

- New store concept – 60 Mekonomen Medium and Mekonomen Mega units were completed.
- Mekonomen Direkt was launched in Sweden in January 2009.
- Mekonomen's proprietary products were launched.
- Revenues increased to SEK 3,206 M (2,691).
- EBIT increased to SEK 325 M (251).
- EBIT margin amounted to 10 per cent (9).
- Profit after tax amounted to SEK 323 M (261).
- Earnings per share amounted to SEK 7.38 (5.84).
- The Board of Directors proposes a dividend of SEK 7.00 (6.00).

REVENUE AND EBIT



EARNINGS PER SHARE AND DIVIDEND



KEY RATIOS

	2009	2008	2007
Revenues, SEK M	3,206	2,691	2,550
EBIT, SEK M	325	251	250
EBIT margin, %	10	9	10
Profit for the year*, SEK M	237	189	348
Earnings per share*, SEK	7.38	5.84	11.03
Cash flow ** per share, SEK	9.38	6.77	10.32
Dividend***, SEK	7.00	6.00	11.00
Return on shareholders' equity, %	27	20	36
Equity/assets ratio, %	59	60	67

*) The figures for 2007 include capital gain from the sale of property. Profit for 2007, excluding sales of property, totalled SEK 192 M and earnings per share were SEK 5.98.
**) From continuing operations.
***) Board of Directors' proposal for 2009. Of which, extra dividend of SEK 5 SEK 2007.

CEO'S COMMENTS

2009 was a record year for Mekonomen

With EBIT and revenue increases of 30 and 19 per cent, respectively, 2009 was a record year for Mekonomen. This was achieved in a year characterised by a deep recession and a global financial crisis. The success was a result of our ability to satisfy customers' requirements through attractive concepts and offerings.

During the year, we increased market shares in all countries – meaning, Sweden, Norway and Denmark. Our promise to make CarLife easier attracted more customers and new customer groups. The increase in the number of women who chose Mekonomen was particularly gratifying. Those of you who follow Mekonomen may have noticed that our communication and offerings were specifically aimed at women.

During 2009, Mekonomen's position strengthened significantly in all markets. This was accomplished through the establishment of Mega and Medium units, workshop concepts, Mekonomen Direkt and the investment in Fleet customers. The targets set for 2009 were achieved with 60 Mekonomen Mega and Medium units. The expansion continues and the number of affiliated workshops is currently 1,220. The net increase in 2009 was 155. Mekonomen Direkt and Mekonomen Fleet were launched in Sweden in 2009 and will be introduced in Denmark and Norway during the first quarter of 2010.

The passion to make CarLife easier has only just begun. During 2010 and in coming years, We will be launching new concepts at a maintained high rate, both proprietary and in collaboration with various partners. The launch of the Mekonomen card in January 2010, with 10 per cent discount on accessories, is one example. Another area in which we will be focusing strongly in 2010 is our proprietary products. An important part of this development is a successive introduction of environmentally labelled products, which have been requested by consumers.

It is gratifying that our success has contributed to employment at Mekonomen and affiliated Mekonomen units for a large number of people. In 2009, combined with our affiliated workshops and our cooperation stores, we generated more than 300 new jobs.

In Sweden, the largest number of Mega and Medium units was established in 2009. Mekonomen Direkt, which was launched in January 2009, strengthened our availability and popularity in Sweden – one call to +46 (0)771-72 00 00 is all a customer must do to get in touch with Mekonomen, day or night. Mekonomen Fleet has also been s success. The total result of all our investments in Sweden has been a 20-per cent sales increase in 2009, with a maintained EBIT margin of 16 per cent..

Norway also reported record figures in 2009, with a 16-per cent (12) increase in EBIT margin and 16-per cent rise in sales. Our efforts in Norway resulted in a significant strengthening of our brand and awareness of Mekonomen.

Measures taken in Denmark to achieve satisfactory profitability resulted in an increase in Mekonomen's market share. Store profitability increased thanks to the merging of stores and the implementation of a streamlining programme. In 2009, EBIT amounted to SEK 5 M (loss: 2) and sales increased 16 per cent. I view the trend as positive and there are more improvement areas in Denmark.

During 2007, a new strategy was formulated for Mekonomen, which can be summarised in the "We want to make CarLife easier" motto.. The year 2008 was one of repositioning, and in 2009, we began to reap the benefits of our work, with record results. Our long-term growth target is 10 per cent annually, which we surpassed in 2009. We expect a more stable market in 2010 and I am very positive about the future. Focusing on customers will enable us to achieve our long-term growth targets.

Our single most important success factor is the input from our employees within all sections of Mekonomen. I am reminded of this every day in my work. Hard and conscientious work and consistent fulfilment of the strategy have been crucial. I would like to express my thanks to our employees who make our success possible.

We will continue to develop unique concepts and offerings to satisfy every customer's specific requirements – we don't serve cars, we serve people!

Kungens Kurva, March 2010

Håkan Lundstedt
President and CEO

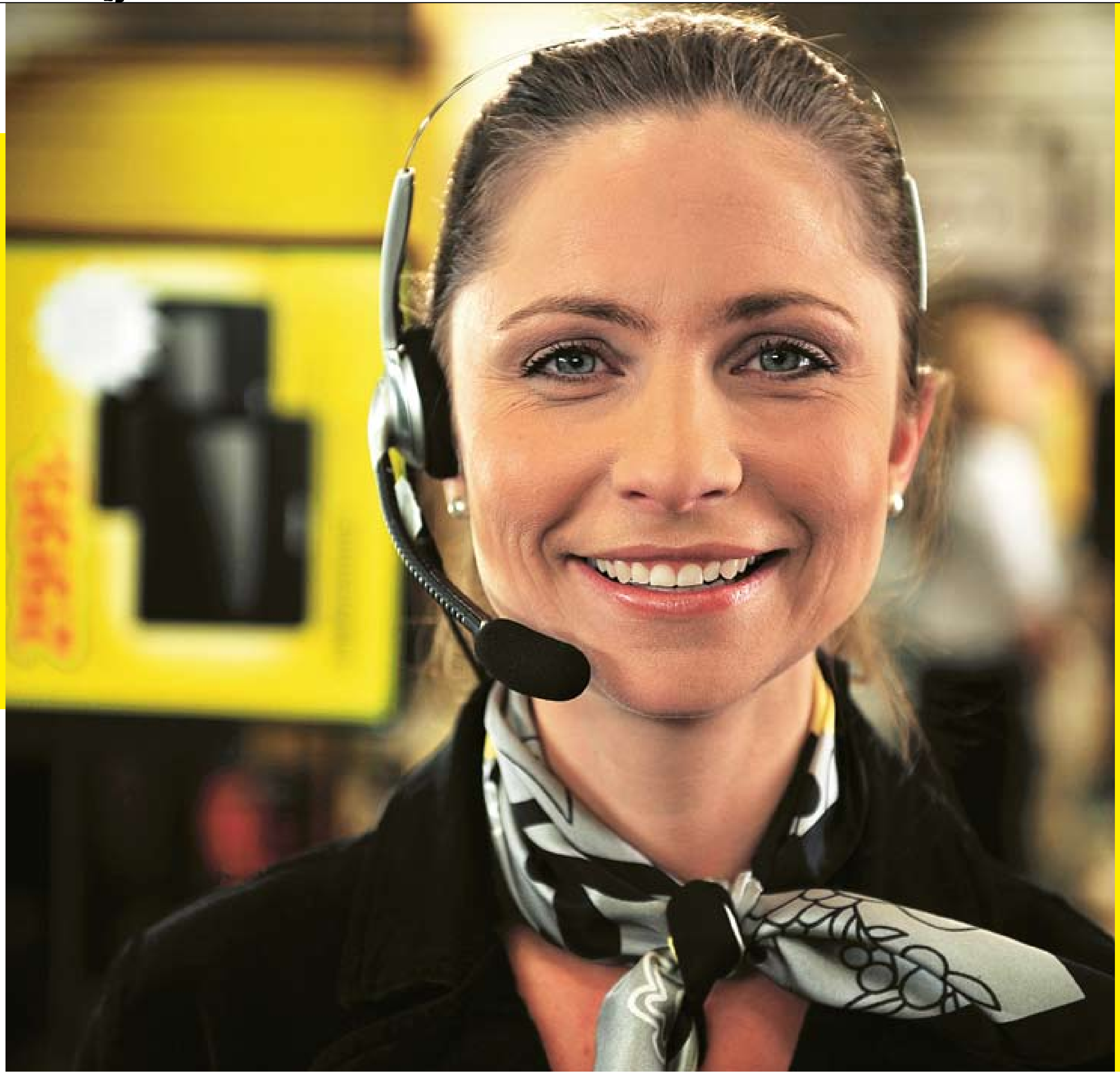
This is Mekonomen

Mekonomen makes CarLife easier. This is accomplished through a broad and easily accessible range of value-for-money and innovative solutions and products for consumers and companies in Sweden, Norway and Denmark.

We are Scandinavia's leading spare-parts chain with our own wholesale operations and 220 stores, of which 172 wholly owned and 48 partnerships. There is a complete range and the central warehouse in Strängnäs has slightly more than 65,000 products for more than 5,000 car models. Through cooperation with contract suppliers that deliver directly to the stores, Mekonomen has access to an additional 400,000 products.

For repairs and service, we have franchise agreements with 1,200 workshops, entrepreneur-owned companies that are marketed under the Mekonomen brands, Mekonomen Service Centre and MekoPartner, in Sweden and Norway, as well as Mekonomen Autoteknik and Meko-Partner in Denmark.

A total of more than 10,000 individuals work under the Mekonomen brand in Scandinavia and annual sales for 2009 amounted to approximately SEK 11 billion.



MEKONOMEN IS ONE OF SCANDINAVIA'S MOST RECOGNISED BRANDS

During the three past years, the Mekonomen brand has become significantly more distinct for consumers in Scandinavia. To meet various customers' requirements, new concepts were launched, such as Mekonomen Mega and Medium - with stores and workshops in the same facility and a very high level of availability and service. With a new graphic identity, the next step was to demonstrate to the market the changes that had been implemented.

The channel to reaching consumers in Sweden, Norway and Denmark was through the TV screen.. Campaigns for various products were initiated in January 2009, with the Mekonomen Direkt campaign. This was when Karin became the face of Mekonomen in Sweden. In Norway and Denmark, Mekonomen Direkt was launched during the first quarter of 2010.

The message was short and very concise. The results of our efforts are highly positive. Recent surveys show that the level of awareness among consumers has risen significantly in Sweden to nearly 100 per cent. This means that Mekonomen has developed into one of Scandinavia's best-known brands.

Successful launch of Mekonomen's proprietary brand

As the Mekonomen brand successively grew during 2009, broadening the range with Mekonomen's proprietary products was a natural step.

The strategy was formed after extensive consumer surveys were conducted, which showed that consumers were very positive to the introduction of products with the Mekonomen name. Furthermore, it was indicated that there was a strong demand for products with a distinct environmental profile.

Consumers were also asked their opinions on the products' design; various design proposals were shown. The design that is now used on all Mekonomen's proprietary products was the one preferred by the vast majority of our customers.

A clear statement from consumers was also that they expected premium products, but somewhat lower prices.

In June 2009, the first product, windscreen-wiper fluid, was launched. This was rapidly followed by a windscreen-wiper fluid carrying the Nordic Swan environmental label, a bio-degradable degreasing agent and a nontoxic glycol. The next step was a range of wiper blades and in the spring of 2010, there will be a series of light bulbs and an entire range of car-care products.

The results of the launch were very positive. Certain product groups reported a doubling in sales volume, compared with earlier comparable products. There will be more. During the spring of 2010, the first steps will be taken to introduce Mekonomen Original spare parts.

Rapid expansion for Mekonomen Mega and Medium units

In December 2008, the first Mekonomen Mega unit was opened in Norrköping. It was the start of the introduction of an entirely new concept – with store and workshop in one unit, a joint customer service counter and generous opening hours. This was rapidly followed by the Medium units, similar to Mega, but somewhat smaller in format. The success was immediate, and in 2009 and the beginning of 2010, a total of 60 Mega and Medium units had been opened.

Simpler and more distinct stores

Mekonomen's new retail-store concept is based on the new distinct graphic profile, combined with simple and well-planned exposure of the products needed by customers to make CarLife easier.

Five-year summary | Mekonomen Annual Report 2009

FIVE-YEAR SUMMARY

INCOME STATEMENT

SEK M	2009	2008	2007	2006	2005
Net sales	3,129	2,646	2,530	2,432	2,312
Other revenues	77	45	20	17	22
Goods for resale	–1,530	–1,317	–1,294	–1,275	–1,246
Other expenses	–1,352	–1,123	–1,007	–955	–918
Operating revenue	325	251	250	220	170
Profit after financial items	323	261	418	198	162
Tax on profit for the year	–86	–72	–70	–58	–44
PROFIT FOR THE YEAR	**237**	**189**	**348**	**140**	**118**

BALANCE SHEET

SEK M	2009	2008	2007	2006	2005
ASSETS					
Intangible assets	278	254	206	169	173
Other fixed assets	180	148	109	471	490
Inventories	620	602	554	521	534
Accounts receivable	265	217	201	200	196
Other current assets	126	116	120	188	169
Cash and cash equivalents	60	85	290	95	38
TOTAL ASSETS	**1,529**	**1,423**	**1,481**	**1,644**	**1,600**
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders equity, Parent Company shareholders	877	833	978	933	911
Minority share of shareholders' equity	18	18	18	20	23
Long-term liabilities	29	42	44	70	148
Current liabilities	605	530	441	621	518
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1,529**	**1,423**	**1,481**	**1,644**	**1,600**

CONDENSED CASH-FLOW STATEMENT

SEK M	2009	2008	2007	2006	2005
Cash flow from operating activities	289	209	320	200	125
Cash flow from Investing activities	–92	–93	448	–19	–65
Cash flow from financing activities	–222	–321	–574	–122	–113
CASH FLOW FOR THE YEAR	**–25**	**–205**	**194**	**59**	**–53**

DATA PER SHARE

Amounts in SEK per share, if not otherwise stated	2009	2008	2007	2006	2005
Profit	7.38	5.84	11.03	4.28	3.61
Cash flow	9.38	6.77	10.32	8.61	4.06
Shareholders' equity	28.4	27.0	31.7	30.2	29.5
Dividends*	7	6	11	10	3.25
Share of profit paid, %	95	103	100	234	90
Share price at the end of the year	155	70	146	106.75	101.5
Share price, highest for the year	159.5	151	154.5	114.5	104.5
Share price, lowest for the year	71.75	58.25	100	73.75	76
Direct yield, %	4.5	8.6	7.5	9.4	3.2
P/E ratio at the end of the year, multiple	21.0	12.0	13.2	24.9	28.1
Average number of shares after dilution effects	30,868,822	30,868,822	30,868,822	30,868,822	30,868,822
Number of shareholders at the end of the year	7,430	6,559	6,199	5,976	5,978

*) Board of Directors' proposal for 2009 of which, extraordinary dividend SEK 5.00 for 2007, SEK 7.00 for 2006 and SEK 2.10 for 2005.

KEY FIGURES

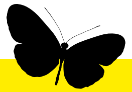
	2009	2008	2007	2006	2005
Sales growth, %	19	6	4	5	9
Gross margin,%	51	50	49	48	46
EBIT margin, %	10	9	10	9	7
Profit margin, %	10	10	16	8	7
Capital employed, SEK M	925	905	1,002	1,212	1,078
Operating capital, SEK M	865	820	712	1,117	1,040
Return on capital employed, %	36	28	39	19	16
Return on operating capital, %	39	33	27	20	16
Return on equity, %	27	20	36	14	13
Return on total capital, %	22	19	27	13	11
Equity/assets ratio, %	59	60	67	58	58
Net debt/equity ratio, multiple	neg	neg	neg	0.2	0.1
Interest-coverage ratio, multiple	66	33	47	14	13
Net indebtedness, SEK M	neg	neg	neg	164	236
AVERAGE NUMBER OF EMPLOYEES					
Sweden	789	732	687	684	670
Norway	243	233	202	184	169
Denmark	398	397	382	388	405
GROUP	**1,430**	**1,363**	**1,271**	**1,256**	**1,244**
NUMBER OF STORES/of which wholly owned					
Sweden	134/103	123/103	114/93	115/88	115/88
Norway	47/31	44/29	42/25	39/21	39/21
Denmark	39/38	39/39	38/38	38/38	39/39
GROUP	**220/172**	**206/171**	**194/156**	**192/147**	**193/148**

Contd. KEY FIGURES

	2009	2008	2007	2006	2005
NUMBER OF MEKONOMEN SERVICE CENTRES					
Sweden	401	363	337	329	365
Norway	331	320	305	321	310
Denmark	178	169	136	114	93
GROUP	**910**	**852**	**778**	**764**	**768**
NUMBER OF MEKOPARTNER					
Sweden	117	75	–	–	–
Norway	53	38	–	–	–
Denmark	126	86	–	–	–
GROUP	**296**	**199**	**–**	**–**	**–**

QUARTERLY REVIEW

	Full-year 2009	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Full-year 2008	Q4 2008	Q3 2008	Q2 2008	Q1 2008
NET SALES, SEK M										
Sweden	1,550	409	398	407	336	1,297	340	316	347	294
Norway	731	182	184	195	170	630	155	156	178	142
Denmark	816	193	196	215	211	704	181	162	184	178
Other	32	12	3	6	12	14	4	3	3	3
GROUP	**3,129**	**796**	**780**	**823**	**729**	**2,646**	**680**	**637**	**712**	**617**
EBIT, SEK M										
Sweden	261	74	74	65	48	211	54	60	60	38
Norway	114	26	33	31	25	76	12	22	26	16
Denmark	5	0	3	1	1	–2	–7	3	2	0
Other	–56	–19	–10	–11	–16	–34	–14	–6	–9	–6
GROUP	**325**	**81**	**100**	**86**	**57**	**251**	**45**	**79**	**79**	**48**
EBIT margin, %										
Sweden	16	18	18	16	14	16	15	18	17	13
Norway	16	14	18	16	14	12	8	14	14	11
Denmark	1	0	2	1	0	0	–4	2	1	0
GROUP	**10**	**10**	**12**	**10**	**8**	**9**	**7**	**12**	**11**	**8**
QUARTERLY DATA, GROUP										
Net financial items, SEK M	–2	1	–3	3	–2	10	3	2	–1	5
Profit before tax, SEK M	323	82	97	89	54	261	49	81	78	53
Tax, SEK M	–86	–20	–26	–24	–15	–72	–13	–23	–22	–14
Profit after tax, SEK M	237	62	70	65	39	189	36	58	56	39
Gross margin,%	51	52	52	50	51	50	51	52	50	49
Earnings per share, SEK	7.38	2.05	2.16	1.98	1.20	5.84	1.13	1.79	1.72	1.20



Corporate Governance

CORPORATE GOVERNANCE REPORT FOR MEKONOMEN AB (PUBL)

Mekonomen applies the Swedish Code of Corporate Governance. Information pertaining to the Swedish Code of Corporate Governance is found on the Council for Swedish Corporate Governance website, www.bolagsstyrningskollegiet.se. If companies included in the Code in no way apply the Code, this must be clearly stated and the reasons explained. Mekonomen's possible deviations from the Code and explanations are reported in the running text. This Corporate Governance report does not represent part of the formal Annual Report and has not been reviewed by the company's auditors.

SHAREHOLDERS

Shares and shareholders

The share capital amounted to SEK 77,172,055 on 31 December, 2009, represented by 30,868,822 shares. Each share represents one voting right at the Annual General Meeting. The total market value for the company on 31 December 2009 amounted to SEK 4.8 billion, based on the closing price of SEK 155.

The number of shareholders on 31 December 2009 was 7,430. The ten largest shareholders controlled at the same time 64.8 per cent of the capital and voting rights and the participation of foreign owners accounted for 15.9 per cent of the capital and voting rights.

The ten largest shareholders at 31 December 2009, according to SIS Ownership Data Corp.

Shareholders	Number of shares	% of votes and capital
Axet Johnson AB with subsidiaries	8,951,958	29.0
AFA Försäkring	2,817,830	9.1
Eva Fraim Påhlman	2,012,176	6.5
Swedbank Robur fonder	1,221,691	4.0
SEB fonder	1,156,737	3.7
Ing-Marie Fraim Sefastsson	1,000,000	3.2
Lannebo fonder	919,000	3.0
Nordea Fonder	850,782	2.8
Fjärde AP-fonden	729,382	2.4
Capital Group fonder	348,374	1.1
TOTAL	20,007,930	64.8

Annual General Meeting

The Annual General Meeting is Mekonomen's highest governing body, at which every shareholder is entitled to participate. The Annual General Meeting shall 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, when applicable, 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 time and location 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., are available on the company's website.

With regard to participation in the Annual General Meeting, the Board has deemed it not financially justifiable at present to allow shareholders to participate in the Annual General Meeting through any means other than physical presence. It is the company's ambition that the Annual General Meeting shall 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 management executives must always be present at the Annual General Meeting.

NOMINATION COMMITTEE

In accordance with a resolution on 22 April 2009, Mekonomen has established a Nomination Com-

mittee. The Nomination Committee shall prepare and submit proposals to the Annual General Meeting on 20 April 2010 pertaining to:

- election of Chairman of the Meeting,
- election of the Chairman of the Board and other members to the Board of Directors of the Company,
- board fees and any remuneration for committee work,
- where appropriate, election of and fees to auditors

The Nomination Committee, prior to the 2010 Annual General Meeting, consists of Göran Ennerfelt, representing the Axel Johnson AB Group, Maj Charlotte Wallin, representing AFA Försäkring, Eva Fraim Påhlman, representing own shareholdings and Johan Lannebo, representing Lannebo Funds. The Nomination Committee elected Göran Ennerfelt as its Chairman. Mekonomen's Chairman, Fredrik Persson, has been co-opted to the Nomination Committee. The Nomination Committee is entitled to charge the Company with such costs as recruitment consultants and other consultants required to allow the Nomination Committee to fulfil its assignments. The Nomination Committee shall, in connection with its assignments otherwise, fulfil the tasks that rest upon the Nomination Committee in accordance with the Swedish Code for Corporate Governance.

Mekonomen has not established any specific age limit for Board meetings or time limits pertaining to the length of time Board members may sit on the Board. Auditors are elected every fourth year when the matter is submitted to the Annual General Meeting. The election of auditors took place at the 2007 Annual General Meeting.

SPECIFIC INFORMATION ABOUT THE BOARD'S WORK

Size and composition

At the Annual General Meeting on 22 April 2009, it was decided that the Board shall comprise seven ordinary members with no deputy members. All existing Board members, Fredrik Persson, Marcus Storch, Antonia-Ax:son Johnson, Kenny Bräck, Anders G. Carlberg, Wolff Huber and Helena Skåntorp were re-elected. Fredrik Persson was elected Chairman of the Board.

All ordinary Board members are independent in relation to the company and its management. Three 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 the Management Group.

Board member

It is the opinion of the Board that the Board's structure in terms of competency, experience and background is compatible with the company's operations, development phase and circumstances. A presentation of education, current assignments, and the number of shares held by Board members can be found on pages 60-61..

Chairman of the Board

The Chairman of the Board, Fredrik Persson, is not employed by the company and does not have any assignments for the company beyond his chairmanship of the Board. It is the opinion of the Board that

Fredrik Persson 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 shall also make decisions pertaining to strategic issues. During 2009, the Board held eight meetings, of which one was the statutory meeting. The minutes of the meetings were recorded by the Board's secretary, who is the company's CFO. Relevant meeting documentation was sent to all members prior to each meeting, which were then held in accordance with the agenda that was approved for the meeting. On occasions, other senior executives have participated in the Board meetings in a reporting capacity, whenever necessary. No deviating views to be recorded in the minutes were expressed at any of the meetings during the year. Matters of high significance that were discussed during the year primarily concerned the company's financial performance, the launch of new concepts and the company's future strategy.

Assignments

In accordance with the requirements of the Code, the Board's ambition was to devote particular attention to establishing overall goals for the operation and decide on strategies by which to achieve the said goals, and in part to continuously evaluate the operating management, with the aim of securing the company's governance, management and control. The Board believes that there are functioning systems for the monitoring and control of the company's financial position in relation to the established goals; that control of compliance with laws and other regulations is implemented, and that the provision of external information is open, objective and relevant.

There are written instructions that regulate the distribution of information 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
- Attestation regulations

The Board evaluates its work every year and it is the duty of the Chairman of the Board to ensure that this is done. The evaluation involves individual meetings between the Chairman of the Board and all Board members. In 2009, an external party also conducted an independent evaluation of the Board's work. The collective opinion is that the Board's work during 2009 functioned well and that the Board fulfilled the requirements of the Code pertaining to the Board's assignment.

The Annual General Meeting resolved, in accordance with the proposal from the Nomination Committee, to allocate Board fees amounting to SEK 1,360,000, of which SEK 320,000 pertains to a fee for the Chairman of the Board and SEK 240,000 for the Vice Chairman, with the remaining amount to be distributed equally between the other Board members.

Board of Directors	Present at Board meetings	Dependent/ independent*	Board member since
Fredrik Persson, Chairman	8/8	B	August 2006
Marcus Storch, Vice Chairman	8/8	B	August 2006
Antonia Ax:son Johnson	8/8	B	August 2006
Helena Skåntorp	8/8	O	May 2004
Wolff Huber	7/8	O	August 2006
Anders G Carlberg	7/8	B	August 2006
Kenny Bräck	6/8	O	May 2007

*) According to the definition in the Swedish Code of Corporate Governance.
All Board members are independent of the company and its management.
O = Board members considered independent of major shareholders in the company.
B = Board members considered dependent of major shareholders in the company.

Audit Committee

The entire Board of Mekonomen assumes responsibility for ensuring that the audit guarantees, in an efficient manner, that the Group has acceptable procedures for internal control and high-quality and correct financial reporting. Twice per year, in connection with preparation of the financial accounting for the third quarter and annual financial statements, the company's auditors report on how the company ensured that accounting, management and financial control function. Following the formal report, the President and CFO leave the Board meeting to allow Board members to discuss with auditors without the participation of company officials.

REMUNERATION COMMITEE

During 2008, the Board of Directors formed a Remuneration Committee. This was based on the Annual General Meeting's resolution pertaining to the guidelines for remuneration of senior executives. The Committee comprises Fredrik Persson as Chairman, Marcus Storch and Anders G Carlberg. Two meetings were held during the year and all members were present at these meetings. In addition, the President of the company, Håkan Lundstedt, was present at these meetings.

COMPANY MANAGEMENT

President's assignments

The President is appointed and may be discharged by the Board and his/her work is continuously evaluated by the Board, which occurs without the presence of Company Management. Mekonomen's President and CEO, Håkan Lundstedt, is also a member of the Board of Fjällbrynt AB, Servera R&S AB and Telge Inköp AB and has no shareholdings or ownership in companies with significant business ties with Mekonomen.

Company Management

A presentation of Company Management is available on pages 62–63.

Remuneration of Company Management

Mekonomen's Remuneration Committee makes decisions pertaining to remuneration of the President.

Håkan Lundstedt has a basic salary per month and a variable salary portion, which is based on the company's profit and can amount to a maximum of 50 per cent of the basic annual salary. Under his pension terms, payment of pension premiums is made in the amount corresponding to 25 per cent of basic salary. Other benefits take the form of a company car. Termination notice is 12 months if initiated by the Company and six months if notice is given by the employee. Severance pay of six months' salary is paid if termination is initiated by the Company.

Issues pertaining to remuneration to other senior executives are also prepared by the Remuneration Committee. The principle for remuneration is based on the senior executives being offered market-based remuneration. Thus the criteria shall be based on the significance of assignments performed, demand for competency, experience and performance and that remuneration shall comprise the following parts:

- Fixed basic salary
- Variable remuneration
- Pension benefits
- Other benefits and severance terms

The distribution between basic salary and variable remuneration shall be in proportion to the senior executive's responsibilities and authorities. The variable remuneration for senior executives is based partly on the company's profit and partly on individual qualitative parameters and can amount to a maximum of four months' salary. 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 abroad. Pensionable salary refers to the basic salary. Severance pay if employment termination is initiated by the company can amount to one year's basic salary. At the 2008 Annual General Meeting, it was also decided that Company Management may also receive a cash bonus from the company. The bonus will be profit-based and calculated on the Group's profit for the 2008 – 2010 financial years. The bonus program, in its entirety, as a total expense for the company, may not exceed SEK 12 M for the period. The criteria for the size of an individual bonus will be established by the Board.

The Board has not made any decisions pertaining to share or share price-based incentive programs for Company Management.

AUDITORS

The auditors are appointed by 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. Deloitte AB, which has an organisation comprising broad and specialized competency that is well-suited to Mekonomen's operations, has been the company's auditors since 1994. At the 2007 Annual General Meeting, Deloitte AB, with Authorised Public Accountant Lars Svantemark as the Auditor in Charge, was appointed the auditing firm until 2011. In addition to Mekonomen, Lars Svantemark is also the auditor of Uniflex, Securitas Direct and Oxford Aviation Academy. He has also previously been the auditor of Sandvik, Elekta, Poolia and A-Com. Lars Svantemark has no assignments in companies that are closely related to Mekonomen's major shareholders or President.

Remuneration to Deloitte, SEK M	2009	2008	2007	2006
Remuneration for audit assignments	5.2	4.3	4.3	3.6
In addition to audit assignments, Deloitte has received the following remuneration for consulting services during the past years as follows. Amount in SEK M:	0.0	0.2	1.8	1.7

REPORTING AND AUDIT

Reporting

The Board supervises the quality of the financial reporting through instructions to the President. Jointly with the CFO, the President's assignment is 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 entire Board of Mekonomen assumes responsibility for ensuring that the audit, in an efficient manner, establishes that the Group has acceptable procedures for internal control and high-quality financial reporting. With regard to the preparation of the Board's work, the Board estimates that quality assurance of the financial reporting, which is conducted within the framework of the company's own internal control, corresponds to current requirements. The company's auditors personally present their plans, risk assessments and controls, and findings from the audit at two Board meetings during the year, which additionally secures the Board's information requirement. At these meetings, the President and CFO leave after presenting their formal reports to enable the Board members to conduct discussions with the auditors without the participation of Company Management. The Board continuously evaluates the need to elect an Audit Committee.

BOARD OF DIRECTORS' REPORT ON INTERNAL CONTROL

In accordance with the Swedish Companies Act and the Swedish Code of Corporate Governance, the Board of Directors is responsible for internal control. This report was prepared in accordance with the Swedish Code of Corporate Governance, sections 10.5 and 10.6, and FAR/SRS's guidance to the Swedish Code of Corporate Governance. The report is limited to deal with internal control pertaining to financial reporting and Mekonomen has elected to only submit a description of how internal control is organised without submitting a statement on how well it functioned. This report does not represent a part of the formal annual report document and has not been reviewed by the company's auditors.

Control environment

The control environment represents the basis for the internal control pertaining to the 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 assignment is to prepare and approve a number of fundamental policies, guidelines and frameworks. These include the Board's working procedures, instructions for the President, Investment policies and the Insider policy. The aim of these policies is to create a basis for sound internal control. Furthermore, the Board has assured that the organizational structure provides distinct roles, responsibilities and processes that benefit the effective management of the operation's risks and facilitate target 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 ratios, comments pertaining to the business status of each operation and also quarterly forecasts for future periods. As a contribution to strengthening the internal control, Mekonomen prepared a financial handbook that provides an overall picture of existing policies, rules and regulations and procedures within the financial area. This is a living document, which will be updated continuously and adapted to changes within the Mekonomen operation. In addition to the financial handbook, there are documents and manuals that provide guidance for the daily work in stores and the rest of the organisation, for example, pertaining to stock taking and cash-register reconciliation, etc.

Risk assessment

Mekonomen 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 affiliated to start-ups and acquisitions.

Control activities

The Group's control structure is formed to manage risks that the Board deems significant for the internal control of the financial reporting. The aim of the appropriate control activities is to discover, prevent and correct errors and deviations in the reporting. 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..

Information and communication

Policies and guidelines are particularly important for accurate accounting, reporting and dissemination of information. Within Mekonomen, policies and guidelines are continuously updated pertaining to the financial process. This occurs primarily within respective Group functions aimed at the various operations through e-mails, but also in connection with quarterly control meetings in which all financial managers/controllers participate. For communication with internal and external parties, there is a communications policy that states guidelines for 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 the Company Management and auditors. The CEO and CFO also cooperate closely with the subsidiaries' controllers on matters pertaining to accounts and reporting. The follow-up and feedbacks 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. Mekonomen has no internal audit function since the above-mentioned functions fulfil this task, however, an annual evaluation is conducted of the requirement of a specific internal audit function.

The Board and President of Mekonomen AB (publ.), Corporate Registration Number 556392-1971, hereby submit the Annual Report and Consolidated Accounts for the 2009 financial year.

GENERAL

Mekonomen is Scandinavia's leading spare parts chain with proprietary wholesale operations, approximately 200 stores and more than 1,000 workshops that operate under the Mekonomen brand. The Parent Company conducts operations in the form of a liability company and has its registered office in Stockholm. The address of the head office is Smista Allé 11, SE-141 70 Segeltorp, Sweden. The Parent Company's share is listed on the Mid-Cap list of NASDAQ OMX Nordic. The principal owner in the Parent Company is the Axel Johnson AB Group, which owns 29 per cent of the votes and capital.

FINANCIAL YEAR

The year 2009 was a record year for Mekonomen, with increases in EBIT and revenue of 30 and 19 per cent, respectively. This was achieved during a recession and emphasises that Mekonomen is meeting customers' requirements with attractive concepts and offerings.

During 2009, investments in a number of areas continued. The project with the new store concepts Mekonomen Mega and Mekonomen Medium, which commenced at the end of 2008, progressed according to plan and 60 such units were completed in 2009. The investment in corporate marketing with Mekonomen Fleet continued in Sweden during 2009 and will be implemented in Norway and Denmark during 2010. Mekonomen Direkt, which was launched in Sweden at the beginning of 2010 was a success and contributed strongly to the success during the year. Mekonomen Direkt will also be introduced in Norway and Denmark during 2010. The number of affiliated workshops continued to increase and at 31 December 2009 totalled 1,206. The net increase was 155 during 2009.

During the year, Mekonomen also continued work on converting to a new business system, with implementation in Denmark during 2009 and implementation scheduled for Norway during 2010. Furthermore, there will also be a shift to the new stores system, which will simplify work in stores and further increase the degree of service to our customers.

The number of stores increased by 14 during the year, primarily through new partnership stores, where Mekonomen was a strong partner in the brand-independent area, by cooperation with Svenska Bil. The total number of stores in the chain at the end of the year was 220 (206), of which the number of wholly owned stores was 172 (171).

Revenues

Revenues for the full year increased 19 per cent to SEK 3,206 M (2,691). Other revenues included exchange-rate gains of SEK 36 M (14) and rental revenues, property-related revenue, licenses, etc. The organic growth for 2009 was 14 per cent.

EBIT

EBIT totalled SEK 325 M (251) and EBIT margin was 10 per cent (9). Major marketing efforts and solid cost control had a positive impact on revenue. The introduction of Mekonomen's new concept stores that commenced during the fourth quarter in 2008 continued according to plan and the number of Mekonomen Medium and Mekonomen Mega units totalled 60 at the end of the year. Project costs for the new stores concept amounted to SEK 26 M and investments to SEK 27 M.

Profit/loss after net financial items

Profit after net financial items amounted to SEK 323 M (261). Net financial items were a negative SEK 2 M (pos: 10). Net interest income amounted to SEK 1 M (4) and other financial items to a negative SEK 3 M (pos: 7). Profit after net financial items were impacted by currency effects corresponding to an expense of SEK 1 M (expense: 3).

Profit for the year

Profit for the year amounted to SEK 237 M (189) and earnings per share to SEK 7.38 (5.84). Of profit for the year, SEK 227 M (180) was attributable to the Parent Company's shareholders and SEK 10 M (9) to minority shareholders.

Sweden

Net sales (external) increased by 20 per cent to SEK 1,550 M (1,297). The underlying net sales increased 20 per cent. Sales were positively impacted by extensive and successful marketing, the launch of Mekonomen Direkt, the new stores concept, as well as a stabilising underlying business cycle for Mekonomen.

EBIT amounted to SEK 261 M (211) and the operating margin was 16 per cent (16). The number of stores totalled 134 (123), of which 103 (103) are wholly owned. The new stores acquired from Micro in December 2008 had a positive impact of 5 per cent on sales for the full year, compared with 2008.

Norway

Net sales (external) increased 16 per cent to SEK 731 M (630). The underlying net sales increased 13 per cent. Similar marketing efforts were implemented in Norway as in Sweden with positive effects on both sales and profit. EBIT amounted to SEK 114 M (76) and operating margin was 16 per cent (12). The number of stores in Norway totalled 47 (44), of which 31 (29) are wholly owned.

Denmark

Net sales (external) in Denmark amounted to SEK 816 M (704). The market remained weak during the year in Denmark. Despite this, the underlying net sales increased 5 per cent and the EBIT improved to SEK 5 M (loss: 2). The improved net sales combined with a strong cost control generated slightly positive results for the year. The number of stores in Denmark totalled 39 (39), of which 38 (39) are wholly owned.

ACQUISITIONS AND START-UPS

During 2009, three stores were acquired. Two new stores were also opened in Sweden. Two stores transferred to cooperation stores and three stores merged with other existing stores. In Norway, two new stores were opened. In Denmark, one wholly owned store opened. Two stores merged with existing stores. In addition, minority shares in two store companies were acquired. In Sweden, 13 store managers became part-owners in individual store companies. Their ownership share amounts to 9 per cent per store company.

Investments

During the year, net investments in tangible fixed assets amounted to SEK 71 M (44). In addition, investments in new IT systems amounted to SEK 20 M (17) during the year.

Acquisitions of companies and operations were implemented during the year totalling SEK 10 M (63). Acquired assets amounted to SEK 6 M (36) and acquired liabilities to SEK 1 M (9). In addition to goodwill, which amounted to 5 (37), no intangible surplus value was identified in connection with the acquisitions.

FINANCIAL POSITION

Cash and cash equivalents and short-term investments amounted to SEK 60 M at the end of the year, compared with SEK 85 M on 31 December 2008. The equity/assets ratio was 59 per cent (60). Interest-bearing liabilities amounted to SEK 30 M (54) at year-end and net cash to SEK 30 M (32).

CASH-FLOW STATEMENT

During the year, cash flow was negative in the amount of SEK 26 M (neg: 205). Dividends totalling SEK 195 M (347) were paid to shareholders. Cash flow from operating activities amounted to SEK 289 M (209). The difference between the years was primarily attributable to improved results in 2009.

PERSONNEL

The number of employees at the end of the year totalled 1,441 (1,425) and the average number of employees during the year was 1,430 (1,363).

REMUNERATION OF SENIOR EXECUTIVES

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

The company will strive to offer its senior executives market-based remuneration, whereby the criteria shall be based on the significance of assignments, demand for expertise, experience and performance and remuneration shall comprise the following:

- fixed basic salary
- variable remuneration
- pension benefits
- other benefits and severance terms

The Board's motion for the policies complies with the preceding year's remuneration policies and is based on existing agreements between the company and senior executives. The distribution between basic salary and variable remuneration shall be in proportion to the responsibilities and authority of the senior executive. The variable remuneration of the President and other senior executives is based partly on the Group's profit and partly on individual qualitative parameters and shall amount to a maximum of 50 per cent of the basic salary for the President and a maximum of 33 per cent of the basic salary for senior executives.

Senior executives are, in addition to the President, the nine individuals that jointly comprise Group Management along with the President. Other benefits consist primarily of a company car. Pension premiums are paid in an amount based on the ITP plan or a corresponding system for employees abroad. In accordance with the employment contract, pension provisions for the President are made in an amount corresponding to 25 per cent of the basic salary. Pensionable salary consists of the basic salary. Severance pay on termination of employment by the company amounts to a maximum of one year's salary. In addition, there is a specific three-year bonus programme that is calculated on the Group's profit for the 2008–2010 financial years. The bonus programme in its entirety, in terms of total expense for the company, must not exceed SEK 12 M for the period. The criteria for the size of the individual bonus shall be determined by the company's Board of Directors.

SENSITIVITY ANALYSIS

Mekonomen's earnings were influenced by a number of factors, such as sales volume, exchange-rate fluctuations on imported goods and sales to foreign subsidiaries, margins for purchased goods and salary changes. Virtually all imports originate from Europe where the currencies are primarily EUR and SEK. Purchases in EUR represent slightly less than 40 per cent of the purchased volume. Due to the high correlation between DKK and EUR, sales and purchases in these currency flows may be matched. The table below shows the currency effects on the net flow for each currency. NOK and DKK pertain to internal sales from Mekonomen Grossist AB to individual countries, and the year's profit in Norway and Denmark. Hedging pertaining to the net flows and internal receivables was implemented during the year.

FACTORS PERTAINING TO PROFIT BEFORE TAX	Change	Effect
Sales volume	+1%	+3 SEK M
Exchange-rate fluctuation		
NOK	+1%	+5 SEK M
EUR	+1%	– 1 SEK M
DKK	+1%	+0 SEK M
Gross margin	plus one %-unit	+31 SEK M
Personnel expenses	+1%	–7 SEK M

RISKS AND UNCERTAINTIES

The market trend stabilised in Sweden and Norway during 2009 but remained weak in Denmark.

Competition

Competition in the spare parts market is fierce and within the brand independent trade there are approximately 400 stores in Sweden in which the four largest players, including Mekonomen, all have product ranges that cover most automotive models. The situation is similar in both Norway and Denmark, with only a few major players with complete ranges, but there is also competition from a number of smaller players. Accessibility is very important in this market, which means that delivery rate is a key factor in competition. Accordingly, Mekonomen attaches great importance to logistics and related optimisation activities.

Operational risks

Within the company, there is significant awareness that the increasingly centralised IT structure could provide the Group with considerable advantages and improved possibilities. Consequently, preventive efforts are prioritised and the organisation for this is well developed, as is planning for continuity in operations in the event of unforeseen circumstances.

It is very important for the Group's fire protection work that there is a well-functioning fire organisation, regular internal control and training.

Mekonomen's centralised warehouse is a key factor in the logistics flow and accordingly, great importance has been attached to preventive work to reduce the risk of damage in the centralised warehouse.

Insurance

Mekonomen has Group-wide insurance solutions. Insurance coverage includes property, consequential loss, transport, the Board and the President.

Value-management risks

Mekonomen strives to achieve the same level of solutions for security services, security systems and value management for all companies within the Group.

Shrinkage

Activities relating to shrinkage are continuously in progress within Mekonomen, to define what is scrapping, internal consumption and actual theft. The activities to combat shrinkage are based on the idea that it is important to focus on all aspects of shrinkage, for example, by reviewing order procedures, delivery checks and unpacking of goods. This will improve knowledge on procedures for managing shrinkage, while providing a basis for increased vigilance of goods that are particularly theft-prone.

Financial risks

Mekonomen's financial policy regulates how various types of risks shall be managed and states the risk exposure that the operation can accept. The main focus is to aim at a low risk profile. The policy identifies risks pertaining to value management, cash management and capital procurement. Refer also to Note 31 for a description of the financial risks identified and managed by Mekonomen.

PARENT COMPANY

The Parent Company operations comprise Group management and Group-wide functions and financial management. Loss after net financial income was SEK 26 M (loss:17) excluding dividends from subsidiaries. The average number of employees was 47 (61).

ENVIRONMENT

The Group does not conduct any operations that require permits according to the Swedish Environmental Code. Environmental activities are concentrated on the best and most efficient way to adapt operations environmentally in terms of distribution and packaging material. These two "guiding policies" from the Group's environmental plan apply to both the supply and delivery of goods. When procuring transport services, considerable emphasis is placed on high efficiency and less reloading to minimise the transport distances. At the centralised warehouse and store warehouses, fireproof rooms for chemicals and petroleum products are being constructed.

EVENTS AFTER THE END OF THE YEAR

In January 2010, Mekonomen and Robert Bosch AB Skandinavien initiated a cooperation pertaining to sales and delivery of spare parts, tools and diagnostic equipment to Bosch Car Service in Sweden, Norway and Denmark. The partnership entails that Bosch Car Service will have the opportunity to receive deliveries of spare parts from Mekonomen.

Bosch Car Service is a worldwide concept, with approximately 14,300 workshops in 131 countries. In Scandinavia, there are 290 workshops, which are affiliated to the Bosch Car Service concept.

Mekonomen Direkt was launched in Denmark in January 2010 and in Norway in March 2010.

In March, Mekonomen was named "Retail chain of the Year" by the Swedish Trade Federation and Internet newspaper, Dagens Handel, at the Retail Awards 2010, an event aimed at encouraging innovation and quality in retail, to increase focus on retail companies and their suppliers, as well as to highlight retail as a future-oriented sector. The Retail Awards are an annual event, where the principal players in retail are the centre of attention.

The Swedish Trade Federation's and Dagens Handel's commendation was: "With a new, communicative store environment, investment in employee training and a consistent effort to raise awareness in consumers for the retail chain, Mekonomen has become an attractive retail chain for spare parts and leisure products, where visitors to the workshops also feel welcome. Mekonomen makes the journey from traditional automotive spare parts workshop to modern retail chain."

SHARE

Mekonomen's share capital amounted to SEK 77 M and comprises 30,868,822 shares with a quotient value of SEK 2.50 per share. All shares have the same voting rights. Axel Johnson AB represents more than one tenth of the voting rights.

SHARE DIVIDEND

The Board proposes a share dividend of SEK 7.00 (6.00) based on profit for the year per share.

BOARD OF DIRECTORS' WORK 2009

At the Annual General Meeting in April 2009, it was decided that the Board shall comprise seven ordinary members with no deputy members. All current members, Fredrik Persson, Marcus Storch, Antonia Ax:son Johnson, Kenny Bräck, Anders G Carlberg, Wolff Huber and Helena Skåntorp were re-elected. Fredrik Persson was re-elected Chairman of the Board.

During 2009, the Board held eight meetings (eight), of which one was the statutory meeting. At Board meetings, it was primarily the company's financial development, the launch of new concepts and the company's future strategy that were addressed.

Within Mekonomen's Board of Directors, there is a Remuneration Committee, which focuses on remuneration of Company Management. This Committee, which held two meetings during 2009, comprises Fredrik Persson, Marcus Storch and Anders G Carlberg. Other matters are handled by the Board in its entirety.

AUDITORS

The auditor for the company is elected at the Annual General Meeting every fourth year. According to a resolution of the Annual General Meeting, auditors' fees are paid against invoices. The company's auditor participates in Board meetings in conjunction with the third-quarter report and at the Board meeting when year-end reports and proposals for the Annual Report are presented and in this connection he/she submits the report from the audit of the company's financial position and internal control. At the 2007 Annual General Meeting, the auditing firm Deloitte AB, with Authorised Public Accountant Lars Svantemark as the Auditor in Charge, was elected for the next four-year period.

PROPOSED APPROPRIATION OF PROFIT

Parent Company

The following profit is available for distribution by the Annual General Meeting, SEK 000s	
Unappropriated profit brought forward	574,953
Profit for the year	49,651
TOTAL	**624,604**

The Board of Directors and President proposes that profits be distributed as follows: :	
Dividend to shareholders (SEK 7.00 per share)	216,082
To be carried forward	408,522
TOTAL	**624,604**

THE BOARD 'S STATEMENT CONCERNING THE PROPOSED DIVIDEND

Following the proposed dividend, the Parent Company's equity/assets ratio will amount to 70 per cent and the Group's equity/assets ratio to 50 per cent. The equity/assets ratio is satisfactory considering that the company's and the Group's operations continue to operate profitably. 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. Accordingly, the proposed dividends can be justified by what is stated in the prudence principle, Chapter 17, Paragraph 3, Sections 1-3 of the Swedish Companies Act.

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

INCOME STATEMENT

SEK M	Note	2009	2008
	1		
Net sales	2	3,129	2,646
Other operating revenue		77	45
TOTAL REVENUES		**3,206**	**2,691**
OPERATING EXPENSES			
Goods for resale		–1,530	–1,317
Other external costs	4	–570	–456
Personnel expenses	5	–738	–633
Depreciation/amortisation of tangible and intangible fixed assets	6	–44	–34
OPERATING REVENUE		**325**	**251**
FINANCIAL INCOME AND EXPENSES			
Income from divestment of subsidiaries		5	5
Interest income		6	12
Interest expense		–5	–8
Exchange-rate differences		–8	1
PROFIT AFTER FINANCIAL ITEMS		**323**	**261**
Tax on profit for the year	9	–86	–72
PROFIT FOR THE YEAR		**237**	**189**
Earnings per share before dilution attributable to Parent Company shareholders, SEK*		7.38	5.84

*) No dilution is currently applicable.

GROUP COMPREHENSIVE INCOME

SEK M	2009	2008
Profit for the year	237	189
Exchange-rate difference from translation of foreign subsidiaries	2	14
COMPREHENSIVE INCOME FOR THE YEAR	**239**	**203**
Comprehensive income for the period attributable to		
Parent Company shareholders	229	194
Minority owners	10	9
	239	**203**

CASH-FLOW STATEMENT

SEK M	Note	2009	2008
OPERATING ACTIVITIES			
Profit after financial items		323	261
Adjusted for items not affecting liquidity	27	38	24
		360	**285**
Profit from participations in subsidiaries			
Tax paid		–78	–85
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGE IN WORKING CAPITAL		**283**	**200**
CASH FLOW FROM CHANGES IN WORKING CAPITAL			
Decrease(+)/increase(–) of inventories		–10	–4
Decrease(+)/increase(–) of receivables		–53	–18
Decrease(–)/increase(+) of liabilities		69	31
INCREASE(–)/DECREASE(+) IN RESTRICTED WORKING CAPITAL		**6**	**9**
CASH FLOW FROM OPERATING ACTIVITIES		**289**	**209**
INVESTMENTS			
Acquisition (–) of subsidiaries	28	–10	–63
Divestment(+)/acquisition(–) of subsidiaries	28	3	5
Acquisition of fixed assets		–91	–61
Divestment of tangible fixed assets		6	26
CASH FLOW FROM INVESTING ACTIVITIES		**–92**	**–93**
FINANCING ACTIVITIES			
Amortisation (–)/loans raised (+)		–24	36
Increase(–)/decrease(+) of long-term lending		–3	–10
Dividends paid		–195	–347
CASH FLOW FROM FINANCING ACTIVITIES		**–222**	**–321**
CASH FLOW FOR THE YEAR		**–26**	**–205**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**85**	**290**
Exchange-rate difference in cash and cash equivalents		0	0
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	18	**60**	**85**

BALANCE SHEET

SEK M	Note	31 Dec. 2009	31 Dec. 2008
ASSETS			
FIXED ASSETS			
INTANGIBLE ASSETS	13		
Goodwill		241	232
Capitalised expenditure for IT systems		37	22
TOTAL INTANGIBLE ASSETS		**278**	**254**
TANGIBLE FIXED ASSETS			
Land and buildings	10	11	4
Equipment and transport	12	132	112
Leased equipment and transport	12	3	3
TOTAL TANGIBLE FIXED ASSETS		**146**	**119**
FINANCIAL FIXED ASSETS			
Other long-term receivables	15	28	26
TOTAL FINANCIAL FIXED ASSETS		**28**	**26**
Deferred tax assets	14	6	3
TOTAL FIXED ASSETS		**458**	**402**
CURRENT ASSETS			
Goods for resale		620	602
Properties held for sale	10	3	7
Current receivables	16	388	326
Cash and cash equivalents	18	60	85
TOTAL CURRENT ASSETS		**1,071**	**1,020**
TOTAL ASSETS		**1,529**	**1,423**

BALANCE SHEET

SEK M	Note	31 Dec. 2009	31 Dec. 2008
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	25		
Share capital, (30,868,822 shares)		77	77
Other capital contributions		343	343
Translation reserve		19	17
Profit brought forward including profit for the year		438	396
TOTAL SHAREHOLDERS EQUITY ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDER		**877**	**833**
Minority share of shareholders' equity		18	18
TOTAL SHAREHOLDERS' EQUITY		**895**	**851**
LONG-TERM LIABILITIES			
Leasing liabilities, interest-bearing	19	1	1
Deferred tax liabilities, interest-free	14	26	38
Other long-term liabilities		2	3
TOTAL LONG-TERM LIABILITIES		**29**	**42**
CURRENT LIABILITIES			
Liabilities to credit institutions, interest-bearing	21	26	50
Leasing liabilities, interest-bearing	12, 21	3	3
Tax liabilities		49	22
Other current liabilities, non interest-bearing	21	527	455
TOTAL CURRENT LIABILITIES		**605**	**530**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,529**	**1,423**
MEMORANDUM ITEMS			
Pledged assets	23	92	92
Contingent liabilities	23	20	19

INCOME STATEMENT

SEK M	Note	2009	2008
	1		
Net sales	2	96	77
Other operating revenue		32	32
TOTAL REVENUES		**128**	**109**
OPERATING EXPENSES			
Goods for resale		–9	–26
Other external costs	4	–79	–54
Personnel expenses	5	–64	–53
Depreciation/amortisation and impairment of tangible and intangible fixed assets	6	–9	–8
OPERATING REVENUE		**–33**	**–32**
FINANCIAL INCOME AND EXPENSES			
Dividend on shares in subsidiaries		74	300
Income from divestment of shares in subsidiaries		1	3
Interest income		13	27
Interest expense		–6	–16
Exchange-rate difference		–1	1
PROFIT AFTER FINANCIAL ITEMS		**48**	**283**
Appropriations	7	–6	–52
Tax on profit for the year	9	8	19
PROFIT FOR THE YEAR		**50**	**250**

CASH-FLOW STATEMENT

SEK M	Note	2009	2008
OPERATING ACTIVITIES			
Profit after financial items		48	283
Adjusted for items not affecting liquidity	27	10	–1
		58	**282**
Tax paid		–47	–54
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		**11**	**228**
CASH FLOW FROM CHANGES IN WORKING CAPITAL			
Decrease(+)/increase(–) in inventories		0	0
Decrease(+)/increase(–) in receivables		174	33
Decrease(–)/increase(+) in liabilities		33	–48
INCREASE(–)/DECREASE(+) RESTRICTED WORKING CAPITAL		**207**	**–15**
CASH FLOW FROM OPERATING ACTIVITIES		**218**	**213**
INVESTMENTS			
Divestment(+)/acquisition(–) of subsidiaries		–	–2
Acquisition of fixed assets		–23	–20
Divestment of tangible fixed assets		–	9
CASH FLOW FROM INVESTING ACTIVITIES		**–23**	**–13**
FINANCING ACTIVITIES			
Dividends paid		–185	–340
CASH FLOW FROM FINANCING ACTIVITIES		**–185**	**–340**
CASH FLOW FOR THE YEAR		**10**	**–140**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		0	140
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	18	**10**	**0**

BALANCE SHEET

SEK M	Note	31 Dec. 2009	31 Dec. 2008
ASSETS			
FIXED ASSETS			
INTANGIBLE FIXED ASSETS	13		
Capitalised expenditure for IT systems		37	22
		37	**22**
TANGIBLE FIXED ASSETS			
Equipment and transport	12	10	11
		10	**11**
FINANCIAL FIXED ASSETS			
Participation in Group companies	24	249	249
		249	**249**
TOTAL FIXED ASSETS		**296**	**282**
CURRENT ASSETS, INVENTORIES, ETC.			
Goods for resale		1	1
CURRENT RECEIVABLES			
Accounts receivable		5	2
Receivables in Group companies		531	527
Tax receivables		2	–
Other receivables		4	5
Prepaid expenses and accrued income	17	62	46
TOTAL CURRENT RECEIVABLES		**604**	**580**
Cash and cash equivalents	18	10	0
TOTAL CURRENT ASSETS		**614**	**581**
TOTAL ASSETS		**910**	**863**

BALANCE SHEET

SEK M	Note	31 Dec. 2009	31 Dec. 2008
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY	25		
RESTRICTED SHAREHOLDERS' EQUITY			
Share capital, (30,868,822 shares)		77	77
Statutory reserve		3	3
TOTAL RESTRICTED SHAREHOLDERS' EQUITY		**80**	**80**
NON-RESTRICTED SHAREHOLDERS' EQUITY			
Profit brought forward		575	365
Profit for the year		50	250
TOTAL NON-RESTRICTED SHAREHOLDERS' EQUITY		**625**	**615**
TOTAL SHAREHOLDERS' EQUITY		**705**	**695**
UNTAXED RESERVES		**144**	**138**
PROVISIONS	20	**2**	**3**
CURRENT LIABILITIES			
Accounts payable		25	9
Liabilities to Group companies		5	4
Tax liabilities		–	1
Other liabilities		2	2
Accrued expenses and deferred income	22	27	11
TOTAL CURRENT LIABILITIES		**59**	**27**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**910**	**863**
MEMORANDUM ITEMS			
Pledged assets	23	**92**	**92**
Contingent liabilities	23	**20**	**19**

GROUP

SEK M	Share capital	Other capital contributions	Translation reserve	Profit brought forward	Total attributable to Parent Company shareholders	Of which, minority share	Total shareholders' equity
OPENING BALANCE ON 1 JANUARY 2008	**77**	**343**	**3**	**555**	**978**	**18**	**996**
Translation difference pertaining to foreign operations			14		14		14
Profit for the year				180	180	9	189
TOTAL REVENUES AND EXPENSES FOR THE PERIOD				**180**	**194**	**9**	**189**
Dividends				–340	–340	–8	–347
Acquisition/divestment of minority shares						–1	–1
CLOSING BALANCE ON 31 DECEMBER 2008	**77**	**343**	**17**	**396**	**833**	**18**	**851**
OPENING BALANCE ON 1 JANUARY 2009	**77**	**343**	**17**	**396**	**833**	**18**	**851**
Translation difference pertaining to foreign operations			2		2		2
Profit for the year				227	227	10	237
TOTAL REVENUES AND EXPENSES FOR THE PERIOD				**227**	**227**	**10**	**237**
Dividends				–185	–185	–10	–195
Acquisition/divestment of minority shares						0	0
CLOSING BALANCE ON 31 DECEMBER 2009	**77**	**343**	**19**	**438**	**877**	**18**	**895**

Number of shares at 31 December 2009 amounted to 30,868,822.

PARENT COMPANY

SEK M	Share capital	Statutory reserve	Profit brought forward	Profit for the year
CLOSING BALANCE 31 DEC. 2007	**77**	**3**	**291**	**265**
Appropriation of profits according to Annual General Meeting resolution			265	–265
Group contribution received			205	
Tax on Group contribution received			–58	
Dividends			–340	
Profit for the year				250
CLOSING BALANCE 31 DEC. 2008	**77**	**3**	**365**	**250**
Appropriation of profits according to Annual General Meeting resolution			250	–250
Group contribution received			197	
Tax on Group contribution received			–52	
Dividends			–185	
Profit for the year				50
CLOSING BALANCE 31 DEC. 2009	**77**	**3**	**575**	**50**

NOTE 1 Accounting policies

ACCOUNTING AND VALUATION POLICIES

The consolidated accounts were prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the European Union and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) for application as of 31 December 2009. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1.2, Supplementary Accounting Regulations for Groups, has been applied.

The functional currency of the Parent Company is Swedish kronor (SEK), which is also the Group's reporting 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 accounts were prepared in accordance with the Annual Accounts Act and RFR 2.2.

The Group's main accounting policies are described below.

Amended accounting policies 2009

For 2009, IAS 1 has been amended, which signified a change in the format for the Group. The Group's revenue and expenses that were previously recognised against shareholders' equity and which did not pertain to transactions with shareholders, will now be presented in a comprehensive income report directly after the consolidated income statement. In the Group's report on changes in shareholders' equity, comprehensive income items will be separate from transactions with shareholders.

A new standard has been added in the form of IFRS 8, Operating Segments. The application of this new standard has resulted in the Group's segment information being presented based on management's perspective and operating segments are identified based on the internal reporting to the company's highest decision-maker. The Group has identified Mekonomen's President and CEO as its highest decision-maker, and the internal reporting used by the President to monitor the operation and make decisions on resource distribution is the basis for the segment information presented. Application of IFRS 8 has not resulted in any changes in the Group's segments.

From 1 January 2009, five Interpretations were added from IFRIC. The amendment in IFRIC 9 Reassessment of Embedded Derivatives, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 16 Hedges of a net investment in a Foreign Operation, IFRIC 18 Transfers of Assets from Customers (applied for transfers that occurred 1 July 2009 or later). During 2009, IASB made amendments to IAS 23, 32 and 39, as well as IFRS 1, 2 and 7, which were also approved for application in the EU. The new interpretations IFRIC 9, 13, 15, 16 and 18, as well as amendments in IAS 23, 32 and 39, and IFRS 1, 2 and 7 will not have any impact on Mekonomen Group's income statement and balance sheets.

Amended accounting policies 2010

The new or amended standards and interpretations that will come into effect in 2010 have not been applied in advance in the preparation of these financial reports. New or amended standards that will be applicable after the 2010 financial year are not planned for advance application. Mekonomen has not yet assessed the extent of the anticipated effects on the financial reports of the application of the below-mentioned new or amended standards and interpretations described below.

IFRS 3 Operating Segments and IAS 27 Consolidated and Separate Financial Statements have been amended for financial years beginning 1 July 2009 or later. These standards are for prospective application, which means that they will only impact acquisitions and transactions that occur 1 January 2010 or later. The amendments imply that transactions with minority shareholders, where control is retained, shall be reported as transactions between shareholders (within shareholders' equity). Furthermore, the regulations for reporting contingent purchasing consideration have been amended so that the cost for an acquisition will be recognised at the same time. The subsequent adjustments of the cost will impact the income statement. Acquisition-related costs may not be included in the cost for a business acquisition but are reported as an expense in the income statement. The initial recognition in reporting successive acquisition has been amended, which means that at the transaction time (when control is obtained), the fair value is calculated on previously owned shareholdings. The acquisition cost will thus constitute the fair value of the previously owned shareholding plus the purchase consideration for the newly acquired shareholdings. Any value changes pertaining to the previously owned shareholding are recognised as a profit or loss in the income statement.

In addition to IFRS 3 and IAS 27, the following have also been amended, IAS 24 Related Party Disclosures, IAS 32 Financial Instrument Presentation, IAS 39 Financial Instrument, Recognition and Measurement, IFRS 1 First Time adoption of IFRS, IFRS 2 Share-based Payment, IFRS 9 Financial Instruments (new standard), Amendments to IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interact project, IFRIC 17 Distributions of Non-Cash Assets to Owners, IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments. IFRS 1, 2 and 9, IAS 24, as well as IFRIC 14 and 17 have not yet been approved for application by the EU, which is why these have not been applied. The stated amendments have not been assessed to have any significant impact on the Mekonomen Group's income statement and balance sheets, cash-flow statement and shareholders' equity.

CONSOLIDATED ACCOUNTS

The consolidated accounts include the Parent Company and all companies over which the Parent Company has a controlling influence. Controlling influence refers to companies in which Mekonomen has a right to formulate financial and operational strategies. This normally occurs through ownership and voting rights of more than 50 per cent. The existence and effect of potential voting rights, which are currently available for exercise or conversion, are taken into account when an assessment is made of whether the Group can exercise controlling influence over another company. Subsidiaries are included in the consolidated accounts from the point in time at which controlling influence is achieved and excluded from the consolidated accounts from the point in time at which the controlling influence ceases.

The consolidated accounts were prepared in accordance with the purchase method, which means that the carrying amount of shares in subsidiaries of the Parent Company is eliminated against shareholders' equity including the proportion of equity contained in the untaxed reserves of each Group company. If applicable, the accounting records of subsidiaries are adjusted to comply with the same policies that apply for the other Group companies. All internal transactions between Group companies and intercompany transactions were eliminated during the preparation of the consolidated accounts.

Translation of transactions in foreign currency

Transactions in foreign currencies are translated into Swedish kronor (SEK) according to 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 closing date. Exchange-rate gains and losses that arise in connection with such translations are recognised in profit and loss in the income statement as Other operating revenue and/or Other operating expense. Exchange-rate differences that arise in foreign long-term loans and liabilities are recognised in financial income and expenses.

Translation of foreign subsidiaries

When the consolidated accounts were prepared, the Group's foreign operations' balance sheets were translated from their functional currencies to SEK based on the exchange rates on the closing date. The income statements were translated at the average annual exchange rate. Translation differences that arose were recognised against translation reserves 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 acquisition of operations with functional currencies other than SEK are treated as assets and liabilities in the acquired operations' currencies and translated at the exchange rates on the closing date..

Segment reporting

The Mekonomen Group uses geographic regions as primary segments, since the Group's organisation and control is based on geographical division. This division is the basis used by the highest governing decision-maker to monitor the organisation. The regions consist of each country, Sweden, Norway and Denmark. Other Segments comprise the Parent Company, Mekonomen Fleet AB, as well as Group-wide and eliminations.

Profit/loss for each segment includes the contribution received by the segment through wholesale operations. This is to facilitate comparison between segments. There are no adjustments made to bonus in inventories for each segment relating to this contribution.

Revenue recognition

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 and value-added tax. Sales from the centralised warehouse to stores occur in the currency of the receiving country. Consequently, exchange-rate fluctuations only affect wholesale operations. Intra-Group sales are eliminated in the consolidated accounts.

Interest revenues are recognised on an accruals basis over the term by applying the effective interest method.

Leasing

A financial leasing contract is an agreement according to which the financial risks and benefits that are connected to ownership of an object are essentially transferred from the lessor to the lessee. The leasing object refers primarily to company vehicles, distribution vehicles and forklift trucks.

Group as lessee

Assets held under financial leasing agreements are recognised as fixed assets in the consolidated balance sheets at fair value at the beginning of the leasing period or at the 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 debt. 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 reported during each period. Interest expenses are recognised directly in profit and loss in the income statement. Lease fees that are paid during operating lease agreements are systematically expensed over the leasing period.

Remuneration to employees

The Group has both defined-contribution and defined-benefit pension plans. A defined-benefit pension plan is a pension plan that 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 or government 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. Should a net asset arise, this will be recognised only to the extent that it represents future financial benefits, for example, in the form of repayments or reduced future premiums. Accumulated actuarial gains and losses, outside the so-called corridor, are recognised in profit and loss in the income statement as revenues or expenses, distributed over the employee's average remaining estimated period of employment until retirement.

The corridor represents the higher of 10 per cent of the present value of the defined-benefit pension obligation and 10 per cent of the value of the plan assets. Expenses pertaining to employment during previous periods are recognised directly in profit and loss in the income statement unless changes in the pension plan are subject to the employees remaining in service during a stipulated period. In such cases, the expense pertaining to the employment period from previous periods will be distributed according to the straight-line method over the earnings period. Expenses for service during the present period are recognised as personnel expenses.

One of the Group's defined-benefit pension plans comprises a multi-employer defined-benefit pension plan (the ITP plan at Alecta). In accordance with Mekonomen's accounting policies, a multi-employer defined-benefit plan is recognised based on the rules of the plans and reports 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 the reason why the ITP plan is recognised as a defined-contribution plan in accordance with IAS 19.30.

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

Mekonomen reports 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 shall 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 reported 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 revenues or expenses in the income statement, except in cases when it pertains to transactions or events that are recognised directly against shareholders' equity. The deferred tax is then also recognised directly against shareholders' equity. Deferred tax assets and tax liabilities are offset when they are attributable to income tax that is debited by the same authority and when the Group intends to pay the tax with a net amount.

Goodwill

Goodwill comprises the amount by which the cost exceeds the fair value of the Group's portion of the acquired subsidiary's identifiable net assets on the date of acquisition. If in conjunction with the acquisition, the fair value of the acquired assets, liabilities and contingent liabilities exceeds the cost, the surplus is recognised directly in profit and loss in the income statement. Goodwill has an unspecified useful life and is recognised at cost with deduction for accumulated impairments and accumulated amortisation implemented prior to the transition to IFRS. In the divestment of an operation, the portion of goodwill attributable to this operation that has not been amortised is recognised in the calculation of gain or loss on the divestment. Goodwill is allocated to the lowest cash-generating unit.

Other intangible assets

Expenditure for the development and implementation of IT systems can be capitalised if development costs are estimated to exceed SEK 1 M. An individual assessment is conducted on each occasion. Capitalisation is permissible 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

Tangible fixed assets are recognised as assets in the balance sheets 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 means of transport are recognised at cost with deduction for 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	Per cent
Land improvements and permanent equipment in buildings	5–10
Equipment	10–15
Vehicles	20
Servers	20
Workplace computers	33

Impairment losses

At each accounting period, an assessment is made to determine whether there is any indication that an impairment loss should be recognised on any of the Group's assets. If there is such an indication, the asset's recoverable value is established. The recoverable value is deemed to be the higher of the asset's value in use in operations and the value that would be received if the asset were to be divested to an independent party, that is, the asset's net realizable value. The value in use is the present value of all inward and outward payments attributable to the asset during the period in which it is expected to be utilised in operations, plus the present value of the net realisable value at the end of its useful life. If the calculated recoverable value is less than the carrying amount, the asset is impaired to its recoverable value. Impairment losses are recognised in profit and loss in the income statement in the period in which they are established.

With regard to goodwill items, an impairment test is conducted at least once a year. Refer also to Note 13 for information on how this test is performed.

Assets held for sale

Fixed assets that Mekonomen has offered for sale, which are also immediately available for sale and for which the carrying amount will largely be recovered through the sale, are recognised as current assets. Such assets are valued and thereby recognised at the lowest of the carrying amount and fair value after deductions for selling expenses.

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 and loss in the income statement. The inventory value was reduced by the value included in the inter-company profit from goods sold from the wholesaler to the company's own stores. 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 of the instrument. 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 reported. The maximum credit risk corresponds to the carrying amount. 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 on the balance-sheet date are used. If no such information is available, a valuation 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 on the balance-sheet date.

Long-term receivables

Long-term receivables comprise primarily deposits and lease-purchase agreements. These are recognised at the accrued cost.

Accounts receivable

Accounts receivable are recognised net after provisions for possible 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 accrued cost. A provision for possible 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 consists of the difference between the asset's carrying amount and the value of estimated future cash flows. The reserved amount is recognised in profit and loss in the income statement.

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 is exposed to only an insignificant risk of fluctuations in value. Cash and cash equivalents are recognised at nominal value.

Derivative instruments

Mekonomen applies hedge accounting with regard to receivables in foreign currencies. Hedging is conducted using foreign-exchange forward contracts with a maximum term of three months. Hedged receivables in foreign currencies are recognised at the interest rate applying on the balance-sheet date and hedging instruments are recognised separately at fair value in the balance sheet and the change in value is recognised in the profit and loss in the income statement.

Accounts payable

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

Loans

Liabilities to credit institutions, overdraft facilities and other liabilities (loans) are initially recognised at fair value net after transaction costs. Thereafter, loans are recognised at accrued cost. Possible 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.

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'S ACCOUNTING POLICIES

The accounts of the Parent Company were prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.2, Reporting of Legal Entities. Application of RFR 2.2 means that the Parent Company shall, in the annual accounts for a legal entity, 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 law on safeguarding of pension commitments and taking into account the link between accounting and taxation. The recommendation specifies which exceptions and additions shall be made from IFRS. The differences between the Group's and the Parent Company's accounting policies are stated below.

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 the income statement 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 26.3 per cent are regarded as deferred tax liabilities and 73.7 per cent as restricted shareholders' equity.

Reporting of Group contributions

Mekonomen recognises Group contributions and shareholders' contributions in accordance with the statement from the Swedish Financial Reporting Board, URF 2. Shareholders' contributions are recognised directly against non-restricted shareholders' equity with the receiver and as an increase in the item "participations in Group companies" with the provider. Group contributions that are paid and received with the aim of minimising the Group's tax payments are recognised as a reduction or increase in non-restricted shareholders' equity.

Pensions

Defined-benefit and defined-contribution pension plans are recognised in accordance with the present Swedish accounting standard, which is based on the regulations in the law on safeguarding of pension commitments.

NOTE 2 Reporting of geographic segments

	Sweden		Norway		Denmark		Other**		Total	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
REVENUES										
External net sales	1,550	1,297	731	630	816	704	32	15	3,129	2,646
Internal revenues	728	603	1	–	0		–729	–603	0	0
Other revenues	42	28	5	7	4	7	26	3	77	45
TOTAL REVENUES	**2,320**	**1,927**	**737**	**637**	**820**	**711**	**–671**	**–585**	**3,206**	**2,691**
OPERATING REVENUE	**261**	**211**	**114**	**76**	**5**	**–2**	**–56**	**–34**	**325**	**251**
Assets	763	693	213	173	401	406	–73	–60	1,304	1,212
Undistributed assets							225	211	225	211
TOTAL ASSETS	**763**	**693**	**213**	**173**	**401**	**406**	**152**	**151**	**1,529**	**1,423**
Liabilities	758	702	104	113	243	242	–466	–477	639	580
Undistributed liabilities							–5	–8	–5	–8
TOTAL LIABILITIES	**758**	**702**	**104**	**113**	**243**	**242**	**–471**	**–485**	**634**	**572**
Investments, tangible assets	33	18	10	4	25	19	3	3	71	44
Investments, IT systems							20	17	20	17
Depreciation (tangible assets)	17	15	5	4	12	7	9	5	44	31
Average number of employees for the period	738	671	243	233	398	397	51	61	1,430	1,363
Number of own stores	103	103	31	29	38	39	–	–	172	171
Number of partnership stores	31	20	16	15	1	0	–	–	48	35
NUMBER OF STORES IN THE CHAIN	**134**	**123**	**47**	**44**	**39**	**39**	**–**	**–**	**220**	**206**
KEY FIGURES										
EBIT margin, %*	16	16	16	12	1	0	–	–	10	9
Sales increase, %	20	10	16	9	15	7	–	–	19	6
Sales/employee, SEK 000s (converted into one-year balance)	3,144	2,872	3,033	2,734	2,060	1,791	–	–	2,242	1,974
Operating profit/loss per employee, SEK 000s (converted into one-year balance)	354	314	469	326	13	–5	–	–	227	184

*) When calculating the EBIT margin for the segments, internal sales were excluded.
**) Others comprise Mekonomen AB, Mekonomen Fleet AB as well as Group-wide and eliminations.

NOTE 3 Significant appreciations 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 appreciations that are considered reasonable under the circumstances. These assumptions and estimates are frequently based on historic experience but also on other factors, including expectations of 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 in the 2009 annual accounts, and which had the greatest impact on results and assets and liabilities, are discussed below.

GOODWILL

In assessing the impairment requirement of goodwill, estimates and assessments are conducted, for example, on the relevant company's future earnings capacity and growth. These assumptions are described in detail in Note 13, Intangible fixed assets.

PROPERTIES FOR SALE

During 2007, the majority of the Group's properties were sold. During 2008, five of the remaining seven properties were sold. One additional property was divested in 2009 and the remaining property is still classed as property for sale, since the decision to sell remains and activities to implement this are in progress.

COMPANY ACQUISITIONS

In conjunction with acquisitions, analyses are prepared in which all identifiable assets and liabilities, including intangible assets, are identified and valued at fair value at the acquisition date. In accordance with IFRS 3, acquired identifiable intangible assets, for example, customers, brands and order backlog, shall be separated from goodwill. This applies if these fulfil the criteria as assets, meaning, they could be separated or are based in contractual or other formal rights, and that their fair values can be established in a reliable manner.

Pertaining to the type of operations acquired by Mekonomen, it is highly unusual that the above-mentioned types of intangible assets can be identified. The only asset that could be suitable is customer relations, but these are normally not so strong as to be considered justifiable to report as assets separate from goodwill. However, an examination is conducted at each acquisition. The remaining surplus value is allocated to goodwill.

NOTE 4 Audit expenses

	Group		Parent Company	
	2009	2008	**2009**	2008
DELOITTE AB				
Audit fee	5	4	1	1
Consultant fee	0	0	0	0
TOTAL	**5**	**4**	**1**	**1**

Audit assignment refers to the review of the annual report and accounting as well as the Board's and President's management of operations, other assignments that rest upon the company's auditor to perform and advice or other assistance resulting from observations during such a review or implementation of such other assignments. Everything else is "other assignments."

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

	2009		2008	
AVERAGE NUMBER OF EMPLOYEES	No. of employees	Of whom, men %	No. of employees	Of whom, men %
PARENT COMPANY				
Sweden	47	77	61	53
TOTAL IN PARENT COMPANY	**47**	**77**	**61**	**53**
SUBSIDIARIES				
Sweden	742	84	671	83
Denmark	398	84	397	88
Norway	243	88	233	85
TOTAL IN SUBSIDIARIES	**1,383**	**85**	**1,302**	**85**
GROUP TOTAL	**1,430**	**85**	**1,363**	**84**

SALARIES, REMUNERATION, ETC., SEK 000s	2009 Salaries and other remuneration	2009 Soc. security expenses (of which pension costs)	2008 Salaries and other remuneration	2008 Soc. security expenses (of which pension costs)
Parent Company	42,658	18,639	32,691	17,290
		(3,952)		(5,287)
Subsidiaries	543,396	120,559	470,311	106,278
		(35,029)		(28,885)
GROUP TOTAL	**586,054**	**139,198**	**503,002**	**123,568**
		(38,981)		**(34,172)**

SALARIES AND OTHER REMUNERATION DISTRIBUTED BETWEEN THE PRESIDENT AND BOARD MEMBERS AND OTHER EMPLOYEES, SEK 000s	2009 Board and President* (of which bonus, etc.)	2009 Other employees**	2008 Board and President* (of which bonus, etc.)	2008 Other employees**
PARENT COMPANY				
Mekonomen AB	7,088	35,570	5,872	26,819
	(1,890)	(12,484)	(864)	(414)
TOTAL IN PARENT COMPANY	**7,088**	**35,570**	**5,872**	**26,819**
	(1,890)	**(12,484)**	**(864)**	**(414)**
SUBSIDIARIES IN SWEDEN	22,505	211,939	14,002	180,895
	(2,350)	(1,456)	(1,485)	(1,216)
SUBSIDIARIES ABROAD				
Denmark	2,028	194,808	1,647	172,136
	(143)	(0)	(82)	(0)
Norway	15,696	96,420	14,763	86,868
	(590)	(836)	(487)	(622)
TOTAL IN SUBSIDIARIES	**40,229**	**503,167**	**30,412**	**439,899**
	(3,083)	**(2,292)**	**(2,054)**	**(1,838)**
GROUP TOTAL	**47,317**	**538,737**	**36,284**	**466,718**
	(4,973)	**(14,776)**	**(2,918)**	**(2,252)**

*) Remuneration to the Board of Directors and President includes the Parent Company and, where appropriate, subsidiaries in respective countries.

**) The amount for Mekonomen AB includes cost of SEK 12 M for the 2008-2010 bonus programme for company management. The distribution between the President and other company management employees has not yet been implemented by the Board, which is why the entire amount was recognised under Other employees in the table above.

REMUNERATION TO 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 1,360,000 (1,360,000) was established in accordance with the resolution of the 2009 Annual General Meeting. From this, SEK 320,000 (320,000) represents fees to the Chairman of the Board and SEK 240,000 (240,000) to the Deputy Chairman.

No fees are paid to the Boards of subsidiaries.

The President, Håkan Lundstedt, has a basic salary of SEK 315,000 per month and a variable salary portion, which is based on the company's profits and can amount to a maximum of 50 per cent of the basic annual salary. Pension provisions are paid in an amount corresponding to 25 per cent of the basic salary. Other benefits consist of a company car. The period of notice is 12 months if termination is on the part of the company and six months on the part of the employee. In the case of termination on the part of the company, severance pay amounting to six months' salary is paid.

Remuneration to other senior executives will be paid according to the principles adopted at the 2009 Annual General Meeting. This means that the company shall strive to offer its senior executives market-based remuneration, that the criteria shall accordingly be based on the significance of assignments, competency requirements, experience and performance and that remuneration shall comprise the following parts: - fixed basic salary, variable remuneration, pension benefits, other benefits and termination terms. The variable remuneration for other senior executives, excluding the President, is based partly on the Group's profit and partly on individual qualitative parameters and can amount to a maximum of four months' salary. Other benefits refer primarily to company cars. Pension premiums are paid in an amount based on the ITP plan. Pensionable salary refers to the basic salary. Severance pay for termination on the part of the company can total a maximum of one annual salary. Matters pertaining to remuneration to Board members shall be prepared and resolved by the Board of Directors. At the 2008 Annual General Meeting, it was also resolved, upon approval by the Board of Directors, that company management may receive a cash bonus from the company. The bonus shall be profit-based and calculated on the Group's profit for 2008-2010 financial years. The bonus program, in its entirety, as a total expense for the company, shall amount to a maximum of SEK 12 M for the period. The criteria for the size of an individual bonus shall be determined by the Board of Directors. During 2009, the cost for this bonus program totalling SEK 12 M was taken in its entirely and charged against profit for the year. However, the distribution between company management members is not yet finalised, which is why the amount is not included in the table below. The payment will occur in 2011. The Board of Directors intends to propose that the 2010 Annual General Meeting approve the continued application of these basic guidelines.

Pensions

Commitments for old-age pension and family pension for salaried employees in Sweden are secured through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 3, this is a defined-benefit plan that comprises several employers. In the 2009 financial year, the company did not have access to such information that made it possible to report this plan as a defined-benefit plan. ITP pension plans that are secured through insurance with Alecta are therefore reported as defined-contribution plans. The annual fees for pension policies signed with Alecta amounted to SEK 2 M (2). Alecta's surplus can be distributed to policyholders and/or the insured. At the end of 2009, Alecta's surplus, in the form of the collective consolidation level, amounted to 141 per cent (112). The collective consolidation level comprises the market value of Alecta's assets as a percentage of insurance commitments calculated according to Alecta's actuarial calculation commitments, which are not in agreement with IAS 19.

EXECUTIVES/OCCUPATION CATEGORY	Basic salary	Bonus	Board fees	Other benefits	Pension premiums
Fredrik Persson, Chairman of the Board			320		
Marcus Storch, Vice Chairman of the Board			240		
Antonia Ax:son Johnson, Board member			160		
Kenny Bräck, Board member			160		
Anders G Carlberg, Board member			160		
Wolff Huber, Board member			160		
Helena Skåntorp, Board member			160		
President	3,838	1,890		49	964
Other senior executives, 12*	13,850	2,093		1,102	2,854
TOTAL	**17,688**	**3,983**	**1,360**	**1,151**	**3,818**

*) During the year, the management group consisted of a total of 12 individuals. At 31 December, 2009, the management group comprised nine members.

Of all the company's officers and senior executives, two are women. At year-end, the number of senior executives was nine, who also comprised the Group's management team. In addition to the President, they are the Group's HR Manager, CFO, Establishment Manager, Head of marketing and commodities, as well as Head of Operations for Norway, Denmark, Sweden and Mekonomen Fleet.

	Parent Company	
SICK LEAVE, %	**2009**	2008
Age category: 29 years or younger	–	–
Age category: 30 – 49 years	1.0	1.8
Age category: 50 years or older	1.2	1.0
Total	**2.6**	**1.6**
Women	0.9	2.4
Men	3.1	1.0
Of which, long-term sick leave	1.6	0

The portion of employees in the 29 years and younger age category is too low to facilitate the implementation of a complete specification.

Note 6 Depreciation/amortisation of tangible and intangible fixed assets

	Group		Parent Company	
	2009	2008	**2009**	2008
Planned depreciation of tangible fixed assets	39	31	4	4
Depreciation of capitalised expenditure for IT systems	5	3	5	3
TOTAL DEPRECIATION ACCORDING TO PLAN	**44**	**34**	**9**	**8**

NOTE 7 Appropriations

	Parent Company	
	2009	2008
Reversal of tax allocation reserve	1	–
Provision, tax allocation reserve	–	–46
Changes in excess depreciation	–7	–6
Total appropriations	**–6**	**–52**

NOTE 8 Net profit/loss on financial instruments reported in income statement

	Group		Parent Company	
NET PROFIT/NET LOSS	**2009**	2008	**2009**	2008
Of which, financial instruments categorised as:				
Holdings for trading, derivative	–10	7	–8	6
Accounts receivable, impairments	–9	–3	0	0

NOTE 9 Tax on profit for the year

	Group		Parent Company	
CURRENT TAX	**2009**	2008	**2009**	2008
Sweden	–66	–49	–44	–39
Other countries	–33	–21	–	–
TOTAL CURRENT TAX	**–99**	**–70**	**–44**	**–39**
Changes in deferred tax, temporary differences	13	–2	–	–
Tax on Group contributions, net	–	–	52	58
RECOGNISED TAX EXPENSES	**–86**	**–72**	**8**	**19**
TAX ON PROFIT FOR THE YEAR				
Recognised profit before tax	323	261	42	231
Tax according to applicable tax rate	–87	–73	–11	–65
Tax on standard interest on tax allocation reserves	–1	–2	–1	–1
Tax effects on expenses that are not tax deductible				
Other non-deductible expenses	–1	–1	0	0
Other non-taxable revenue	1	2	20	85
Effects on adjustments from the preceding year	3	2	–	–
RECOGNISED TAX EXPENSES	**–86**	**–72**	**8**	**19**

NOTE 10 Buildings and land

	Land and buildings	Improvement costs, third-party property	Total
OPENING COST, 1 JANUARY 2008	**1**	**3**	**4**
Purchasing and extensions	–	2	2
Sales/disposals	–1	–	–1
OPENING COST, 1 JANUARY 2009	**0**	**5**	**5**
Purchase, rebuilding and extensions, conversions	–	8	8
CLOSING COST, 31 DECEMBER 2009	**0**	**13**	**13**
OPENING ACCUMULATED DEPRECIATION, 1 JANUARY 2008	**0**	**–1**	**–1**
Depreciation according to plan for the year	–	0	0
OPENING ACCUMULATED DEPRECIATION, 1 JANUARY 2009	**0**	**–1**	**–1**
Depreciation according to plan for the year	–	–1	–1
CLOSING ACCUMULATED DEPRECIATION, 31 DECEMBER 2009	**0**	**–2**	**–2**
CLOSING RESIDUAL VALUE ACCORDING TO PLAN, 31 DECEMBER 2009	**0**	**11**	**11**

The improvement amounts are depreciated by 5–10 per cent based on the calculated financial service life or based on the length of the lease contract.

During 2007, the majority of the Group's properties were divested, six of the remaining seven were classed as "property held for resale" at 31 December 2007.

During 2008, five of the remaining properties were divested and one more in 2009. The remaining property is classified as "property held for resale" since it is still for sale.

PROPERTIES HELD FOR RESALE PROPERTY/CITY/COUNTRY	Initial value	Revaluation during the year	Carrying amount	Date of reclassification as properties held for resale
Tunnbindaren 4, Växjö, Sweden	3		3	januari 2007
	3	**0**	**3**	

TAX ASSESSMENT VALUE, PROPERTIES	31 Dec. 2009 Buildings	31 Dec. 2009 Of which, land	31 Dec. 2008 Buildings	31 Dec. 2008 Of which, land
Tax assessment value, Sweden	3	1	4	1

NOTE 11 Classification of financial assets and liabilities 2009

	Loan receivables and accounts receivables	Other liabilities	Hedging accounting	Non financial assets/ liabilities	Total
	Amortised cost	Amortised cost	Fair value		
ASSETS					
Intangible fixed assets	–	–	–	278	278
Tangible fixed assets	–	–	–	146	146
Deposits paid	6	–	–	–	6
Hire-purchase contract	22	–	–	–	22
Deferred tax assets	–	–	–	6	6
Inventories	–	–	–	620	620
Accounts receivable	265	–	–	–	265
Other current receivables	–	–	–	27	27
Properties for sale	–	–	–	3	3
Other assets (derivatives)	–	–	1	–	1
Prepaid expenses and accrued income	–	–	–	96	96
Cash and cash equivalents	60	–	–	–	60
TOTAL ASSETS	**353**	**0**	**1**	**1,176**	**1,529**
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	–	–	–	892	892
Provisions	–	–	–	2	2
Long-term liabilities	–	–	–	29	29
Current liabilities	–	–	–	84	84
Liabilities to credit institutions	–	26	–	–	26
Accounts payable	–	268	–	–	268
Current tax liabilities	–	–	–	52	52
Other liabilities (derivatives)	–	–	0	–	0
Accrued expenses and deferred income	–	–	–	177	177
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**0**	**294**	**0**	**1,236**	**1,529**

During the year, value changes on current investments had no impact on the income statement.

NOTE 11 Classification of financial assets and liabilities 2008

	Loan receivables and accounts receivables	Other liabilities	Hedging accounting	Non financial assets/ liabilities	Total
	Amortised cost	Amortised cost	Fair value		
ASSETS					
Intangible fixed assets	–	–	–	254	254
Tangible fixed assets	–	–	–	119	119
Deposits paid	6	–	–	–	6
Hire-purchase contract	20	–	–	–	20
Deferred tax assets	–	–	–	3	3
Inventories	–	–	–	602	602
Accounts receivable	217	–	–	–	217
Other current receivable	–	–	–	21	21
Properties for sale	–	–	–	7	7
Other assets (derivatives)	–	–	5	–	5
Prepaid expenses and accrued income	–	–	–	83	83
Cash and cash equivalents	85	–	–	–	85
TOTAL ASSETS	**328**	**–**	**5**	**1,089**	**1,423**
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	–	–	–	851	851
Provisions	–	–	–	3	3
Long-term liabilities	–	–	–	39	39
Current liabilities	–	–	–	41	41
Liabilities to credit institutions	–	50	–	–	50
Accounts payable	–	268	–	–	268
Current tax liabilities	–	–	–	22	22
Other liabilities (derivatives)	–	–	0	–	0
Accrued expenses and deferred income	–	–	–	149	149
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**–**	**318**	**0**	**1,105**	**1,423**

During the year, value changes on current investments had no impact on the income statement.

NOTE 12 Equipment and transport

	Equipment, transport	Leasing	Total
OPENING COST, 1 JANUARY 2008	**298**	**19**	**317**
Purchases	43	2	45
Sales/disposals	–9	–	–9
Exchange-rate fluctuations	12	–	12
OPENING COST, 1 JANUARY 2009	**344**	**21**	**365**
Purchases	63	4	67
Sales/disposals	–19	–	–19
Exchange-rate fluctuations	–3	–	–3
CLOSING ACCUMULATED ACQUISITION VALUE, 31 DECEMBER 2009	**385**	**25**	**410**
OPENING DEPRECIATION, 1 JANUARY 2008	**–209**	**–14**	**–223**
Sales/disposals	9	–	9
Exchange-rate fluctuations	–5	–	–5
Depreciation for the year	–27	–4	–31
OPENING DEPRECIATION, 1 JANUARY 2009	**–232**	**–18**	**–250**
Sales/disposals	15	–	15
Exchange-rate fluctuations	3	–	3
Depreciation for the year	–39	–4	–43
CLOSING ACCUMULATED DEPRECIATION, 31 DECEMBER 2009	**–253**	**–22**	**–275**
CARRYING AMOUNT, 31 DECEMBER 2009	**132**	**3**	**135**

LEASING

Leasing contracts refer to the leasing of distribution vehicles in Sweden and Norway and fork-lifts in Denmark.

	2009	2008
Leasing expenses for the year	8	6

FUTURE LEASING FEES FOR IRREVOCABLE LEASING CONTRACTS FALLING DUE FOR PAYMENT:	2009	2008
Within one year	108	140
Later than one year but within five years	395	367
After five years	129	181
	632	**688**

Of the future leasing fees, leased premises represent SEK 611 M (667).

EQUIPMENT AND TRANSPORT	Parent Company 2009	2008
OPENING COST	**40**	**37**
Purchases	3	3
Sales/disposals	0	0
CLOSING ACCUMULATED COST	**43**	**40**
Opening depreciation	–29	–24
Sales/disposals	0	0
Depreciation for the year	–4	–4
CLOSING ACCUMULATED DEPRECIATION	**–33**	**–29**
CARRYING AMOUNT	**10**	**11**

NOTE 13 Intangible fixed assets

	Goodwill	IT investment in Parent Company	Total
OPENING COST, 1 JANUARY 2008	**198**	**17**	**216**
Acquisitions	37	17	54
Divestments	–2	–	–2
Translation differences, currency	–1	–	–1
OPENING COST, 1 JANUARY 2009	**232**	**34**	**267**
Acquisitions	5	20	25
Divestments	–1	–	–1
Translation differences, currency	5	–	5
CLOSING ACCUMULATED AMORTISATION COST, 31 DECEMBER 2009	**241**	**54**	**296**
OPENING ACCUMULATED AMORTISATION, 1 JANUARY 2008	**0**	**–9**	**–9**
Depreciation according to plan for the year	–	–3	–3
OPENING ACCUMULATED AMORTISATION, 1 JANUARY 2009	**0**	**–12**	**–12**
Depreciation according to plan for the year	0	–5	–5
CLOSING ACCUMULATED AMORTISATION, 31 DECEMBER 2009	**0**	**–17**	**–17**
CLOSING RESIDUAL VALUE ACCORDING TO PLAN, 31 DECEMBER 2009	**241**	**37**	**278**

The carrying amount of goodwill is partly attributable to the wholesale operation and partly to Mekonomen's stores in Sweden, Norway and Denmark. The amount is divided into SEK 40 M and SEK 201 M, respectively. The division of SEK 201 M according to countries is as follows: Sweden SEK 126 M, Norway SEK 55 M and Denmark SEK 20 M.

TESTING OF IMPAIRMENT REQUIREMENT OF INTANGIBLE FIXED ASSETS

The assessment of the value of the Group's goodwill items was based on the value in use of the cash-generating units. For Mekonomen, this unit means an individual store; in certain cases several stores are included in one company and an assessment of the individual company as a whole is conducted. In addition to individual stores, part of the Group's goodwill is attributable to Mekonomen Grossist AB. The value in use is based on the cash flow that the unit is expected to generate in the Group in the future. The future cash flow used in the calculation of each unit's value in use is based on the 2010 business plan for each unit. Subsequently, the cash flows will be based on the unit's business plan, which extends to 2013.

The forecast after 2013 is based on growth of 2 per cent. The present value of the forecasted cash flows is calculated by applying a discount rate of 10 per cent after tax. The conditions that apply for the various markets in which Mekonomen is active do not deviate significantly from each other, which is why the same rate is used for all units. With a discount factor of 14 per cent before tax, the value in use for all of the units will exceed the carrying amount. In this type of calculation, assessments and assumptions from company management are included. The future cash flows of several units are based on similar assumptions. Important assumptions, which when changed have a major cash-flow effect, are assumptions on future price and volume developments. In the plans that are the basis for cash flows, company management assumes that the price trend will amount to only a few per cent annually. The volume trend is calculated to be between 2 and 5 per cent annually up to 2013. Price and volume developments vary a total of between 2 and 5 per cent. Assessments are conducted taking into account the trends in the most recent years. Company management estimates that, even taking into account reasonable deviations from assumed prerequisites, the recoverable value will not decrease to such an extent that it is less than the carrying amount.

NOTE 14 Deferred taxes

The table below states the Group's deferred tax assets and tax liabilities for each category. The deferred tax liabilities are reported after deduction of any tax assets if sub-items can be offset.

TAX ASSETS, LOSS CARRYFORWARDS	Opening balance, 1 Jan. 2008	Reported as income during 2008	Other changes in 2008	Closing balance, 31 Dec. 08
Deferred tax assets, Norway	2	2	–	4
Estimated tax on reversed net asset goodwill	–1	0	–	–1
Adjustment to prior years	1	–	–1	0
Translation differences, currency	0	–	0	0
TOTAL TAX ASSETS, 31 DECEMBER 2008	**2**	**2**	**–1**	**3**
TAX ASSETS, LOSS CARRYFORWARDS	1 Jan. 2009	2009	2009	31 Dec. 2009
Deferred tax assets, Norway	4	–	1	5
Estimated tax on net asset goodwill	–1	0	–	–1
Adjustment to prior years	–	–	–	0
Translation differences, currency	0	–	1	1
TOTAL TAX ASSETS, 31 DECEMBER 2009	**3**	**0**	**2**	**6**
TAX LIABILITIES	1 Jan. 2008	2008	2008	31 Dec. 2008
Untaxed reserves	64	3	–	67
Surplus value on fixed assets	2	–2	–	0
Estimated tax on net asset goodwill	10	2	–	12
Deferred tax asset, deficit, Denmark	–2	0	–	–2
Temporary tax benefits from inter-company profits	–22	–1	–	–23
Other	–13	–3	–	–17
Translation differences, currency	0	–	1	1
TOTAL TAX LIABILITIES, 31 DECEMBER 2008	**39**	**–1**	**1**	**38**

TAX LIABILITIES	1 Jan. 2009	2009	2009	31 Dec. 2009
Untaxed reserves	67	–12	–	55
Surplus value on fixed assets	0	–	–	0
Estimated tax on net asset goodwill	12	2	–	14
Deferred tax assets, deficit, Denmark	–2	1	–	–1
Temporary tax benefits from inter-company profits	–23	–2	–	–25
Other	–17	0	–	–17
Translation differences, currency	0	–	0	0
TOTAL TAX LIABILITIES, 31 DECEMBER 2009	**37**	**–14**	**0**	**26**

Estimated tax on reversed net asset goodwill arises during the reversal of amortisation on net asset goodwill in the Group.

NOTE 15 Other long-term receivables

	Group	
	31 Dec. 2009	31 Dec. 2008
Rental deposits paid	6	6
Hire-purchase contract	22	20
Other receivables	0	0
TOTAL OTHER LONG-TERM RECEIVABLES	**28**	**26**

Impairment of long-term receivables amounted to SEK 1 M (0) during the year.

NOTE 16 Current receivables

	Group	
	2009	2008
Accounts receivables	265	217
Other receivables	27	26
Prepaid expenses and accrued income	96	83
TOTAL	**388**	**326**

	Accounts receivable	
ACCOUNTS RECEIVABLES, GROUP	**2009**	2008
Accounts receivable	287	233
Provisions for bad debts	–22	–16
TOTAL ACCOUNTS RECEIVABLE	**265**	**217**

	Provisions for bad debts	
	2009	2008
Provision for bad debts at the beginning of the year	–16	–16
Net change in provision	–9	–2
Recovered prior impairment losses	3	2
TOTAL PROVISIONS FOR BAD DEBTS	**–22**	**–16**

RECEIVABLES THAT ARE DUE BUT NOT IMPAIRED	2009	2008
Accounts receivable		
Receivables due between 0 and 30 days	72	60
Receivables due between 31and 60 days	8	12
Receivables due longer than 61 days	15	5
	95	**77**

Interest income on accounts receivables during the year was SEK 5 M (4).

NOTE 17 Prepaid expenses and accrued income

	Group		Parent Company	
	2009	2008	**2009**	2008
Prepaid rents	20	18	2	2
Prepaid leasing fees	0	0	–	–
Prepaid insurance	1	2	0	–
Accrued supplier bonus	59	52	53	41
Other interim receivables	16	11	7	3
TOTAL	**96**	**83**	**62**	**46**

NOTE 18 Cash and cash equivalents

	Group		Parent Company	
	31 Dec. 2009	31 Dec. 2008	**31 Dec. 2009**	31 Dec. 2008
Cash and bank balances	60	85	10	0
CASH AND CASH EQUIVALENTS	**60**	**85**	**10**	**0**

NOTE 19 Long-term liabilities to credit institutions and leasing companies

	Group	
	31 Dec. 2009	31 Dec. 2008
SWEDEN		
Liabilities to leasing companies	1	1
TOTAL LONG-TERM LIABILITIES, INTEREST-BEARING	**1**	**1**

NOTE 20 Provisions

In conjunction with the divestment of the Group's properties in 2007, a guarantee provision totalling SEK 3 M was made in the Parent Company pertaining to consulting responsibility for property inspections performed. In 2009, this provision was reduced by SEK 1 M and amounted to SEK 2 M at 31 December 2009. Mekonomen's guarantee commitment totalled SEK 22 M and the remaining SEK 20 M is reported as a contingent liability in memorandum items.

NOTE 21 Current liabilities

	Group	
	31 Dec. 2009	31 Dec. 2008
Overdraft facility	26	50
Liabilities to leasing companies	3	3
TOTAL CURRENT LIABILITIES, INTEREST-BEARING	**29**	**53**
Accounts payable	307	268
Other liabilities	43	37
Provisions	–	1
Accrued expenses and deferred income	177	149
TOTAL CURRENT LIABILITIES, INTEREST-BEARING	**527**	**455**

NOTE 22 Accrued expenses and deferred income

	Group		Parent Company	
	2009	2008	**2009**	2008
Accrued salaries	22	5	15	2
Accrued holiday pay	69	66	3	3
Accrued social security contributions	33	26	7	4
Accrued bonus/contract expense	14	10	–	–
Other interim liabilities	39	42	2	2
TOTAL	**177**	**149**	**27**	**11**

NOTE 23 Memorandum items

	Group		Parent Company	
PLEDGED ASSETS	**31 Dec. 2009**	31 Dec. 2008	**31 Dec. 2009**	31 Dec. 2008
Property mortgages, subsidiaries	92	92	92	92
TOTAL	**92**	**92**	**92**	**92**
CONTINGENT LIABILITIES				
Guarantee commitment, Mekonomen AB	**20**	**19**	**20**	**19**

The guarantee commitment refers to a guarantee pertaining to consulting responsibility for inspections performed by an external consulting company in connection with the sale of the Group's properties in Denmark and Sweden. The guarantee extends for 10 years calculated from July 2007, when the properties were divested.

NOTE 24 Participations in Group companies

NAME OF COMPANY/REGISTERED OFFICE, SWEDEN	Corp. Reg. No.	Share of equity, %	No. of stores	Carrying amount
Mekonomen Grossist AB/Stockholm	556062-4875	100		40
Mekonomen Detaljist AB/Stockholm	556157-7288	100		5
Mekonomen Finans AB/Stockholm	556179-9676	100		1
Mekonomen Fleet AB/Stockholm	556720-6031	100		2
Mekonomen Vilande Fyra AB/Stockholm	556729-1439	100		0
Mekonomen Vilande Fem AB/Stockholm	556729-1579	100		0
Mekonomen Vilande Sex AB/Stockholm	556724-9254	100		0
NAME OF COMPANY/REGISTERED OFFICE, DENMARK				
Mekonomen Danmark A/S/Odense	30 07 81 28	100	38	177
NAME OF COMPANY/REGISTERED OFFICE, NORWAY				
Mekonomen Norge AS/Oslo	980 748 669	100		24
PARTICIPATIONS IN GROUP COMPANIES, TOTAL				**249**

Contd. INDIRECT PARTICIPATIONS IN SUBSIDIARIES

NAME OF COMPANY/ REGISTERED OFFICE	Corp. Reg. No.	Share of equity, %	No. of stores
SWEDEN			
Mekonomen Alingsås AB/Alingsås	556596-3690	75	1
Mekonomen Anderstorp AB/Anderstorp	556775-9849	100	1
Mekonomen Arvika AB/Arvika	556528-3750	80	2
Mekonomen B2C AB/Stockholm	556767-7405	100	2
Mekonomen Backaplan AB/Göteborg	556226-1338	91	1
Mekonomen Barkarby AB/Stockholm	556758-7679	51	1
Mekonomen Borås City AB/Borås	556078-9447	91	3
Mekonomen Bromma AB/Stockholm	556230-5101	91	1
Mekonomen Enköping AB/Enköping	556264-2636	91	1
Mekonomen Eskilstuna AB/Eskilstuna	556613-5637	91	1
Mekonomen Falkenberg AB/Falkenberg	556213-1622	70.2	1
Mekonomen Falköping AB/Falköping	556272-1497	100	1
Mekonomen Falun AB/Falun	556559-3927	60	2
Mekonomen Farsta AB/Stockholm	556528-4766	91	1
Mekonomen Finspång AB/Finspång	556594-1951	100	1
Mekonomen Flen AB/Flen	556769-8542	75	2
Mekonomen Gislaved AB/Gislaved	556261-4676	100	1
Mekonomen Gävle AB/Gävle	556353-6803	91	1
Mekonomen Göteborg Ringön AB/Göteborg	556561-6751	100	1
Mekonomen Hedemora AB/Hedemora	556308-8011	100	1
Mekonomen Helsingborg AB/Helsingborg	556044-4159	75	2
Mekonomen Hudiksvall AB/Hudiksvall	556428-1102	75	1
Mekonomen Härnösand AB/Härnösand	556217-2261	80	1
Mekonomen Hässleholm AB/Hässleholm	556678-0622	91	1
Mekonomen Järfälla AB/Stockholm	556660-3196	91	1
Mekonomen Jönköping AB/Jönköping	556237-5500	100	1
Mekonomen Kalmar AB/Kalmar	556236-8349	91	1
Mekonomen Karlshamn AB/Karlshamn	556649-9090	100	1
Mekonomen Karlskoga AB/Karlskoga	556196-2605	100	1
Mekonomen Karlskrona AB/Karlskrona	556649-9082	100	1
Mekonomen Kramfors AB/Kramfors	556496-1810	91	1
Mekonomen Kristianstad AB/Kristianstad	556171-9203	80	1
Mekonomen Landskrona AB/Landskrona	556646-4813	91	1
Mekonomen Lidköping AB/Lidköping	556761-3012	75	1
Mekonomen Linköping AB/Linköping	556202-9545	100	1
Mekonomen Ljungby Odlaren AB/Ljungby	556111-9719	100	1
Mekonomen Ludvika AB/Ludvika	556470-4210	91	1
Mekonomen Luleå AB/Luleå	556338-4071	100	1
Mekonomen Lund AB/Lund	556531-0108	91	1
Mekonomen Lycksele AB/Lycksele	556687-8095	75	1
Mekonomen Malmö Fosie AB/Malmö	556493-7018	91	2

Contd. INDIRECT PARTICIPATIONS IN SUBSIDIARIES

NAME OF COMPANY/ REGISTERED OFFICE	Corp. Reg. No.	Share of equity, %	No. of stores
Mekonomen Mariestad AB/Mariestad	556261-0179	50	1
Mekonomen Mjölby AB/Mjölby	556362-0565	75	1
Mekonomen Mora AB/Mora	556363-2487	80	1
Mekonomen Motala AB/Motala	556311-8750	91	1
Mekonomen Märsta AB/Sigtuna	556596-3674	91	1
Mekonomen Nacka AB/Nacka	556204-0294	100	1
Mekonomen Norrköping AB/Norrköping	556376-2797	75	2
Mekonomen Norrtälje AB/Stockholm	556178-9719	60	1
Mekonomen Nyköping AB/Nyköping	556244-0650	75	1
Mekonomen Nässjö AB/Nässjö	556187-8637	100	2
Mekonomen Osby AB/Osby	556408-8044	91	1
Mekonomen Oskarshamn AB/Oskarshamn	556631-8589	75	1
Mekonomen Partille AB/Göteborg	556731-1401	91	1
Mekonomen Piteå AB/Piteå	556659-8966	75	1
Mekonomen Ronneby AB/Ronneby	556649-9017	91	1
Mekonomen Sandviken AB/Sandviken	556201-1295	91	1
Mekonomen Segeltorp AB/Huddinge	556580-2351	91	1
Mekonomen Skellefteå AB/Skellefteå	556389-4095	91	1
Mekonomen Skåne Ystad AB/Ystad	556565-3085	100	1
Mekonomen Sollefteå AB/Sollefteå	556216-9424	80	1
Mekonomen Sollentuna AB/Sollentuna	556462-0416	85	2
Mekonomen Solna AB/Stockholm	556213-3073	91	1
Mekonomen Sundsvall AB/Sundsvall	556201-1675	100	2
Mekonomen Söderhamn AB/Söderhamn	556509-4132	75	1
Mekonomen Södertälje AB/Södertälje	556405-5498	100	1
Mekonomen Sölvesborg AB/Sölvesborg	556216-4250	75	1
Mekonomen Torslanda AB/Göteborg	556583-3893	100	1
Mekonomen Trollhättan AB/Trollhättan	556515-0298	91	3
Mekonomen Uddevalla AB/Uddevalla	556550-5004	100	1
Mekonomen Umeå AB/Umeå	556483-3084	81.8	1
Mekonomen Uppsala AB/Uppsala	556092-4218	91	4
Mekonomen Varberg AB/Varberg	556261-0161	75	1
Mekonomen Vetlanda AB/Vetlanda	556653-4219	91	1
Mekonomen Vimmerby AB/Vimmerby	556232-5877	91	1
Mekonomen Värnamo Norra AB/Värnamo	556530-9266	75	1
Mekonomen Västberga AB/Stockholm	556192-0314	91	1
Mekonomen Västerås AB/Västerås	556344-5492	75	2
Mekonomen Växjö AB/Växjö	556192-0439	100	1
Mekonomen Åkersberga AB/Österåker	556632-9966	91	1
Mekonomen Örebro Aspholmen AB/Örebro	556344-0717	75	2
Mekonomen Örnsköldsvik AB/Örnsköldsvik	556465-6287	75	1
Mekonomen Östersund AB/Östersund	556296-5243	100	1
Primexxa Strängnäs AB/Stockholm	556422-3872	60	1
			103

Contd. INDIRECT PARTICIPATIONS IN SUBSIDIARIES

NAME OF COMPANY/ REGISTERED OFFICE	Corp. Reg. No.	Share of equity, %	No. of stores
NORWAY			
Mekonomen Arendal AS/Arendal	982,434,696	100	1
Mekonomen Askim AS/Askim	974,209,772	100	1
Mekonomen Björkelangen AS/Björkelangen	989,903,551	100	1
Mekonomen Bodö AS/Bodö	986,489,576	100	1
Mekonomen Drammen AS/Drammen	924,843,543	100	1
Mekonomen Elverum AS/Elverum	993,562,629	100	1
Mekonomen Fredrikstad AS/Fredrikstad	881,509,032	100	1
Mekonomen Grenland AS/Porsgrund	984,690,703	100	1
Mekonomen Hamar AS/Hamar	984,006,047	100	1
Mekonomen Harstad AS/Harstad	982,952,379	100	1
Mekonomen Haugesund AS/Haugesund	983,509,622	100	1
Mekonomen Horten AS/Horten	990,815,798	100	1
Mekonomen Jessheim AS/Jessheim	987,696,109	100	1
Mekonomen Kolbotn AS/Oslo	990,815,739	100	1
Mekonomen Kongsberg AS/Kongsberg	937,161,786	75	1
Mekonomen Kongsvinger AS/Kongsvinger	992,102,217	100	1
Mekonomen Lilleström AS/Lilleström	993,561,428	100	1
Mekonomen Molde AS/Molde	985,793,417	100	1
Mekonomen Moss AS/Moss	939,161,260	100	1
Mekonomen Oslo AS/Oslo	938,215,103	100	1
Mekonomen Sandefjord AS/Sandefjord	990,815,844	100	1
Mekonomen Sandnes AS/Sandnes	992,302,577	100	1
Mekonomen Sandvika AS/Sandvika	982,707,862	100	1
Mekonomen Sarpsborg AS/Sarpsborg	910,155,520	100	1
Mekonomen Ski AS/Ski	983,098,525	100	1
Mekonomen Stavanger AS/Stavanger	983,935,214	100	1
Mekonomen Sörlandsparken AS/Kristiansand	981,508,939	100	1
Mekonomen Tromsö AS/Tromsö	942,591,322	100	1
Mekonomen Trondheim AS/Trondheim	979,462,026	100	1
Mekonomen Tönsberg AS/Tönsberg	934,256,867	75	1
Mekonomen Ålesund AS/Ålesund	981,929,276	100	1
			31
TOTAL NUMBER OF STORES			**172**

NOTE 25 Shareholders' equity

SHARE CAPITAL
The share capital amounted to SEK 77 M and consists of 30,868,822 shares at a par value of SEK 2.50 per share.

OTHER CAPITAL CONTRIBUTIONS
The amount consists of the Parent Company's statutory reserve.

Statutory reserve
The purpose of the statutory reserve is to allocate profits to cover any future losses.

PROFIT BROUGHT FORWARD
Comprises prior years' profits brought forward after any provisions to statutory reserves and after dividends. Profit for the year is included in this amount. The Parent Company's Profit brought forward represents the basis for the resolution of the Annual General Meeting for dividends for the year.

DIVIDEND TO PARENT COMPANY'S SHAREHOLDERS
The Board of Directors proposes a dividend of SEK 7.00 per share, which gives a total dividend of SEK 216,081,754.

TRANSLATION DIFFERENCES, FOREIGN SUBSIDIARIES	2009	2008
Accumulated translation differences in Norway	6	23
Accumulated translation differences in Denmark	–8	–6
	–2	**17**

NOTE 26 Capital

Mekonomen manages its capital to ensure that the units in the Group can continue to operate, while dividends to shareholders are maximised through a good balance between liabilities and shareholders' equity. The Group's capital consists of shareholders' equity, for which the proportions and changes during the year are described in the Group's changes in shareholders' equity on page 30 and Note 25, Shareholders' equity.

At least once per year, the Board of Directors reviews the capital structure and takes this into account when making decisions on, for example, dividends or raising new loans.

NOTE 27 Adjustments for items not affecting liquidity

	Group		Parent Company	
	31 Dec. 2009	31 Dec. 2008	**31 Dec. 2009**	31 Dec. 2008
Depreciation/amortisation	44	34	9	8
Change in value, derivatives	0	–7	0	–6
Exchange-rate differences	0	6	–	0
Capital gain/loss from divestment of fixed assets	–5	–10	–	–3
Other items not affecting liquidity	–1	0	1	0
	38	**24**	**10**	**–1**

NOTE 28 Acquisitions and divestment of subsidiaries

ACQUISITIONS	2009	2008
VALUE OF ACQUIRED ASSETS AND LIABILITIES		
Tangible fixed assets	0	4
Inventories	5	30
Current receivables	0	2
Current liabilities	0	–9
ACQUIRED NET ASSETS	**5**	**26**
Goodwill	5	37
Total purchase price	10	63
Cash and cash equivalents in the acquired companies	0	0
IMPACT ON THE GROUP'S CASH AND CASH EQUIVALENTS	**10**	**63**

2009 ACQUIRED SUBSIDIARIES/OPERATIONS	Country	Acquisition date	Shareholding and share of voting rights	Object
Microbutik, Barkarby	Sweden	April	51	Assets and liabilities
AD-butik, Flen	Sweden	April	100	Company
Microbutik, Anderstorp	Sweden	May	100	Assets and liabilities

2008 ACQUIRED SUBSIDIARIES/OPERATIONS	Country	Acquisition date	Shareholding and share of voting rights	Object
Oddvar Ohlsen A/S	Norway	February	100	Assets and liabilities
Koblingsdepotet A/S	Denmark	May	100	Assets and liabilities
HCJ Bilutrustning AB	Sweden	June	100	Assets and liabilities
Björkelangen Bildeler AS	Norway	July	100	Company
Bildelespesialisten AS	Norway	November	100	Company
AD-butik	Sweden	December	100	Assets and liabilities
Microbutiker, 8 st	Sweden	December	100	Assets and liabilities

The amount for 2009 includes acquisition of companies and operations, as well as the acquisition of minority shares in Mariestad and Täby. The companies acquired during the year impacted sales by SEK 22 M and EBIT by SEK 2 M.

Information on company acquisitions is submitted in aggregated form, since not every individual acquisition is deemed large enough to warrant separate reporting.

In addition to goodwill, no intangible surplus value was identified in conjunction with the acquisitions. The purchase price also includes any transaction expenses, which are not reported separately since the amounts are insignificant.

In Sweden, 13 (15) store managers signed on as partners in individual store companies. Their shareholding amounts to 9 per cent per store company. The total purchase price for these shareholdings amounted to SEK 3 M (5).

NOTE 29 Transactions with related parties

During the year, Mekonomen AB sold products and services to Group companies totalling SEK 81 M (72).

NOTE 30 Approval of the Annual Report

The Annual Report and the consolidated accounts were approved for issue by the Board on 11 March 2010. The consolidated income statement and balance sheet and the Parent Company's income statement and balance sheet will be subject to the approval of the Annual General Meeting on 20 April 2010.

NOTE 31 Financial risks

Mekonomen AB is exposed to risks in terms of currency, credit, interest rates and liquidity through its operations. The management of these risks is regulated in accordance with the finance policy adopted by the Board of Directors.

Currency risks

Exchange-rate risks occur when exchange-rate fluctuations have a negative impact on the Group's profit 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 foreign subsidiaries' translation of balance sheets and income statements into SEK (translation exposure). During 2009, exchange-rate fluctuations had a negative impact on the Group's income before tax amounting to SEK 1 M (neg: 3). The most important currency in terms of transaction exposure is EUR, which represents 40 per cent of imports as well as NOK and DKK pertaining to internal sales from the Grossist company to Norway and Denmark. NOK and DKK are the most important currencies as regards translation exposure. The finance policy permits hedging of the net currency flows using external financial contracts. Since negative exchange-rate fluctuations are expected to be offset in customer pricing within one to three months, the hedging horizon shall not exceed three months. With regard to financial assets and liabilities, the policy states that internal loans and investments in foreign currencies shall be matched by external loans and investments in the same currency. If for some reason matching is not achieved, hedging shall be implemented using foreign exchange forward contracts. With regard to foreign shareholders' equity, the principal rule is that Mekonomen shall not hedge this exposure. However, if major foreign investments are made that require separate financing, the decision can be made to recognise all or part of the financing in the acquisition currency.

Credit risks

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's credit risks primarily comprise accounts payable, which are distributed over a large number of counterparties. The maximum credit risk corresponds to the carrying amount of financial assets. Specifications pertaining to impairment of accounts payable for the year are found in Note 16.

Interest-rate risks

Interest-rate risks refer to the risk that changes in market interest rates will have a negative impact on the Group's net interest income/expense. The speed at which interest-rate changes affect the net interest income/expense depends on the period of fixed interest for the loan. At the end of the year, Mekonomen had a negligible amount of interest-bearing loans. According to the finance policy, Mekonomen shall maintain an average fixed interest term of a maximum of three months. Within this time frame, it is estimated that increased financial expenses, as an effect of changed interest rates, could be offset through changes in retail prices. In order to manage possible interest-rate risks, relevant instruments in the market can be used.

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 that the ability to pay cannot be met as a result of insufficient liquidity or difficulties in securing financing. According to the finance policy, refinancing risks shall be managed by signing long-term and flexible credit agreements. At the end of 2009, the Group had no long-term credit facilities. The Group's cash and cash equivalents are invested short-term with the aim that any excess liquidity shall primarily be used for amortising loans. Investments may be made in SEK, NOK and DKK with the objective of matching future loans that mature, or large disbursements. In cases where the company is not aware of any large disbursements, the maturity period for investments shall not exceed one month. Investments may occur at or in securities issued by the Swedish Government or Swedish and foreign banks with not less than 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 2.2 and provides a true and fair view of the company's position and results and that the Board of Directors' report gives a true and fair view of the development of the Group's operations, position and results and describes significant risks and uncertainties facing the company.

The Board of Directors and President hereby certify that the consolidated accounts were prepared in accordance with International Financial Reporting Standards (IFRS), as approved by the EU, and give a true and fair view of the Group's position and results and that the Board of Directors' report for the Group gives a true and fair view of the development of the Group's operations, position and results and describes significant risks and uncertainties facing the companies included in the Group.

Stockholm
11 March 2010

Fredrik Persson
Chairman of the Board

Marcus Storch
Vice Chairman

Antonia Ax:son Johnson
Board member

Kenny Bräck
Board member

Anders G Carlberg
Board member

Wolff Huber
Board member

Helena Skåntorp
Board member

Håkan Lundstedt
President and CEO

TO THE ANNUAL GENERAL MEETING OF MEKONOMEN AB (PUBL), CORPORATE REGISTRATION NUMBER 556392-1971

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the President of Mekonomen AB for the 2009 financial year. The company's annual accounts are included in the printed version of this document on pages 18 – 58. The Board of Directors and the President are responsible for these accounts and the administration of the Company, as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of International Financial Reporting Standards, IFRS, as adopted by the EU and the application of the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

The audit was conducted in accordance with generally accepted auditing standards in Sweden. This means that we planned and performed the audit to obtain reasonable, but not absolute, assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and other disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the President and significant estimates made by the Board of Directors and the President when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any Board member or the President. We also examined whether any Board member or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with international reporting standards, IFRS, as adopted by the EU and the Annual Accounts Act and give a true and fair view of the Group's results and position. The Board of Directors' report is consistent with the other parts of the annual accounts and the consolidated accounts.

We recommend to the Annual General Meeting of shareholders that the income statements and balance sheets of the Parent Company and the Group be adopted, that the profit of the Parent Company be dealt with in accordance with the proposal in the Board of Directors' report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

Stockholm, 11 March 2010
Deloitte AB

Lars Svantemark
Authorised Public Accountant

INFORMATION TO SHAREHOLDERS

Annual General Meeting
The Annual General Meeting will be held on 20 April 2010, at 3:00 p.m. at Globen Quality Hotel, Arenaslingan 7, in Stockholm.

Who is entitled to participate in the Annual General Meeting?
Shareholders registered in the shareholders' register on the record date and who have informed Mekonomen of their intention to attend in advance are entitled to participate in the Annual General Meeting.

How do you register as owner?
Shareholders must be registered In the shareholders' register maintained by Euroclear Sweden AB, not later than Wednesday, 14 April 2010. Shareholders whose shares are registered in the name of a nominee must have temporarily registered their shares in their own name with Euroclear, to be able to participate at the Annual General Meeting. This means that shareholders wishing such reregistration must inform the nominee in adequate time before 14 April 2010.

How do you register?
Shareholders wishing to participate at the Annual General Meeting should register in ample time prior to 5:00 p.m. on Wednesday 14 April 2010 at:

Mekonomen's Annual General Meeting
Box 7842
SE-103 98 Stockholm
Tel: +46 (0)8-402 90 47
or
Mekonomen's website: www.mekonomen.se.

Dividend
The Board of Directors proposes a dividend of SEK 7.00 (6,00) per share. The Board of Directors has proposed 23 April 2010 as the record date for the dividend. If the Annual General Meeting adopts the proposal, the dividend will be paid on 28 April 2010.

Reporting dates for 2010

Interim report January – March	12 May
Interim report April – June	23 August
Interim report July – September	5 November
Year-end report for the entire financial year 2010:	17 February 2011

DEFINITIONS

Average number of employees
Average full-year employees during the year.

Average number of shares
The average of the number of shares adjusted for splits, bonus issues and full dilution of the convertible loans, taking into account the date on which the changes occurred during the year.

Capital employed
Total assets reduced by non interest-bearing provisions and liabilities, including deferred tax liability.

Cash flow per share
Cash flow from operating activities adjusted for interest on convertibles, in relation to the average number of shares.

Dividend ratio
Dividend per share in relation to earnings per share attributable to the Parent Company's shareholders.

Earnings per share
Profit after tax in relation to the average number of shares.

EBIT margin
EBIT as a percentage of total revenues.

Equity/assets ratio
Shareholders' equity including minority shares as a percentage of total assets.

Gross margin
Gross profit, meaning net sales less expenses for goods for resale, as a percentage of net sales.

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

Net debt/equity ratio
Net Indebtedness divided by shareholders' equity including minority shares.

Net indebtedness
Interest-bearing liabilities less cash and cash equivalents and short-term investments.

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

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

Profit margin
Profit after net financial items as a percentage of the total revenues.

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

Return on operating capital, %
EBIT as a percentage of average operating capital.

Return on shareholders' equity, %
Profit for the year as a percentage of average shareholders' equity.

Return on total capital, %
Profit for the year as a percentage of the average total assets.

Sales growth
Increase in total revenues as a percentage of the preceding year's total revenues.

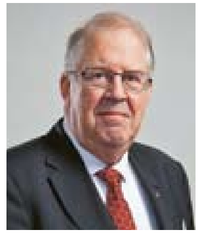
Sales per employee
Sales in relation to the average number of employees.

Shareholders' equity per share
Shareholders' equity excluding minority shares, adjusted for convertible debentures, in relation to the number of shares at the end of the year.

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

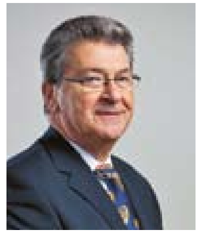
BOARD OF DIRECTORS

Fredrik Persson
Chairman of the Board. Born 1968.
Graduate in Business Administration, the Stockholm School of Economics and studies at Wharton School in the US.
Other assignments: Chairman of Axel Johnson International AB, Axfood AB, Novax AB, Servera R&S AB, Svensk BevakningsTjänst AB and Åhléns AB. Vice Chairman of Svensk Handel. Board member of AxFast AB, Lancelot Holding AB, Svenska Handelsbanken Region Stockholm and Confederation of Swedish Enterprise.
Shares in Mekonomen: 1,000.
Board member since 2006.



Marcus Storch
Vice Chairman of the Board. Born 1942.
Graduate Engineer, Royal Swedish Institute of Technology, Stockholm, Medicine Dr h.c.
Other assignments: Chairman of the Board of the Nobel Foundation. Vice Chairman of Axel Johnson AB and Axfood AB. Board member of NCC AB, AB Hannells Industrier, Nordstjernan AB, the Royal Swedish Academy of Sciences and the Royal Swedish Academy of Engineering Science (IVA).
Shares in Mekonomen: 0.
Board member since 2006.

Anders G Carlberg
Born 1943.
MBA Economics, Lund.
Other assignments: Chairman of Höganäs AB. Board member of Axel Johnson AB, Axel Johnson Inc., AxFast AB, Beijer Alma AB, Svenskt Stål AB (SSAB), SäkI AB, Sapa AB and Sweco AB.
Shares in Mekonomen: 0.
Board member since 2006.



Wolff Huber
Born 1942.
Other assignments: Previously President of Bil Sweden, Volvo Car Europe and IBM Svenska AB.
Shares in Mekonomen: 0.
Board member since 2006.

Antonia Ax:son Johnson
Born 1943.
B.Sc., University of Stockholm.
Other assignments: Chairman of Axel Johnson AB, Axel Johnson Inc. and Axel and Margaret Ax:son Johnson Foundation. Vice Chairman of Nordstjernan AB. Board member of Axfood AB, AxFast AB, NCC AB, Axel and Margaret Ax:son Johnson Foundation for Societal Purposes and World Childhood Foundation.
Shares in Mekonomen: 8,951,958 through companies.
Board member since 2006.

Kenny Bräck
Born 1966.
Upper Secondary School Education.
Other assignments: Own company and previously professional racing car driver.
Shares in Mekonomen: 1,000.
Board member since 2007.

Helena Skåntorp
Born 1960.
Graduate in Business Administration, University of Stockholm.
Other assignments: President and CEO of Sveriges Bostadsrättscentrum AB and member of the Board of ÅF AB.
Shares in Mekonomen: 2,000.
Board member since 2004.

All shareholdings are reported at 31 December 2009.

MANAGEMENT

Håkan Lundstedt
President and CEO
Born 1966.
Experience: President of Lantmännen AXA AB, Cerealia Foods AB and Kungsörnen AB. Founder and Chairman of the Board of Gooh AB.
Other assignments: Board member of Fjällbrynt AB, Servera R&S AB and Telge Inköp AB.
Shares in Mekonomen: 42 600.
Employed 2007.

Staffan Lindewald
Head of Fleet.
Born 1973.
Experience: President of GoGreen AB, Marketing Area Director of Cerealia Foods, Logistics Manager of Kungsörnen.
Shares in Mekonomen: 300.
Employed 2008.

Lena Borg
HR Manager
Born 1961.
Experience: HR Manager of SanPoint AB.
Shares in Mekonomen: 100.
Employed 2005.

Nils-Erik Brattlund
Establishment Manager.
Born 1951.
Experience: President of Tillbryggerier Umeå AB, Administrative Manager of the Tillbryggeri Group, President of Årelift-arna AB, President of Bilbolaget Lastbilar & Bussar, President of Bilbolaget Personbilar, General Manager of Bilia, Personnel Manager Bilia.
Shares in Mekonomen: 1,300.
Employed 2005.

Lars From
Head of Retail operations in Denmark.
Born 1965.
Experience: Export Director of SBS, Segment Manager of Vestfrost.
Other assignments: Board member of Bested Biler A/S.
Shares in Mekonomen: 1,000.
Employed 2009.

Marcus Larsson
Head of Marketing & Commodities.
Born 1970.
Experience: Sales Manager, Business Development Manager of the Volkswagen Group.
Shares in Mekonomen: 1,000.
Employed 2003.

Gunnar Rantzow
Head of Retail operations in Sweden.
Born 1952.
Experience: President of Coop inköp och logistik AB, President of Ostkompaniet HB, Head of the Swedish Operations Ceralia Food, Sales Director and President of Specialost AB, Sales Director of GB Glace AB.
Other assignments: Chairman of the Board of Riflex AB, Board member of SBF.
Shares in Mekonomen: 3,000*.
Employed 2007.

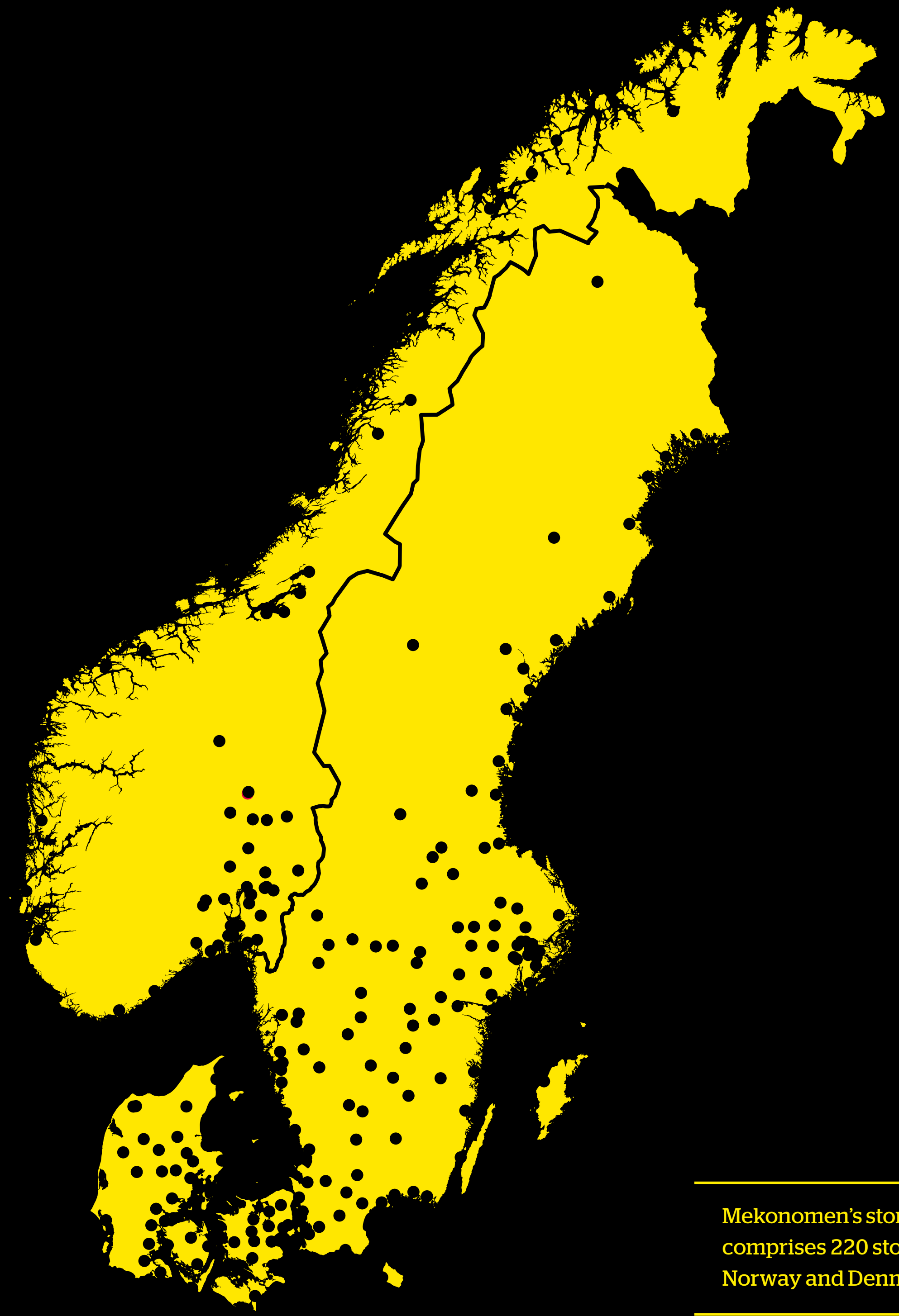
Gunilla Spongh
CFO.
Born 1966.
Experience: Financial Director of CashGuard AB, Financial Director of Enea AB, Vice President of Finance & Controlling Fresenius Kabi Parenteral Nutrition, Financial Manager of Electrolux Professional AB, Financial Manager of Electrolux Storkök AB.
Other assignments: Board member of Infranord AB.
Shares in Mekonomen: 6,000.
Employed 2007.

Petter Torp
Head of Retail operations in Norway.
Born 1955.
Experience: Marketing Director of Scangross Disribution AS.
Shares in Mekonomen: 300.
Employed in 1997.

All shareholdings are reported at 31 December 2009.

*) Including holdings from family

A total of 1,220 workshops are affiliated to Mekonomen in Sweden, Norway and Denmark.



Mekonomen's store network comprises 220 stores in Sweden, Norway and Denmark.

Sweden

Mekonomen AB
Box 6077
SE-141 06 Kungens Kurva
Tel +46 8-464 00 00
Fax +46 8-464 00 66

Visiting address:
Smista allé 11
SE-141 70 Kungens Kurva
www.mekonomen.se

Mekonomen Grossist AB
Box 542
SE-645 25 Strängnäs
Tel +46 152-229 00
Fax +46 152-229 41

Visiting address:
Fjädervägen 20
SE-645 47 Strängnäs

Mekonomen Fleet AB
Box 6077
SE-141 06 Kungens Kurva
Tel +46 8-464 00 00
Fax +46 8-464 00 66

Visiting address:
Smista allé 11
SE-141 70 Kungens Kurva

Mekonomen Direkt
Tel +46 (0)771-72 00 00

Norway

Mekonomen Norge AS
Postboks 524 Bedriftssenteret
NO-1411 Kolbotn
Tel +47 66-81 76 90
Fax +47 66-99 11 51

Visiting address:
Rosenholmveien 25
NO-1414 Trollåsen
www.mekonomen.no

Mekonomen Direkt
Tel + 47 055 66

Denmark

Mekonomen Danmark A/S
Næsbyvej 6
DK-5000 Odense C
Tel +45 65-43 43 43
Fax +45 65-43 42 01

Visiting address:
Handelsvej 30
DK-5260 Odense S
www.mekonomen.dk

Mekonomen Direkt
Tel +45 70 140 140

We don’t serve cars – we serve people