



Interim report, 1 January – 31 March 2011

## 22% YEAR ON YEAR SALES GROWTH

**CDON Group AB (publ.) ("CDON Group" or "the Group") (Nasdaq OMX Stockholm's Mid Cap market: CDON) today announced its financial results for the first quarter ended 31 March 2011.**

### First Quarter Highlights

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- Net sales up 22% year on year to SEK 571.8 (469.7) million
- Gross profit up 17% year on year to SEK 109.9 (93.6) million, with a gross margin of 19.2%
- Operating profit of SEK 20.1 (37.9) million with an operating margin of 3.5%
- Net income of SEK 12.7 (25.0) million
- Basic earnings per share of SEK 0.19 (49.46)<sup>1</sup>
- Acquisition of designer brand furniture and interior decoration e-retailer RUM21.se
- Launch of Gymgrossisten.com sports and health store in Denmark as Bodystore.dk
- Fashion store Nelly.com's presence in Germany made permanent following positive evaluation, and new test launch in Austria

Mikael Olander, President & Chief Executive Officer, commented: "Our record first quarter sales further demonstrate the scalability of the platform and our capability to develop the existing businesses, acquire and launch new internet stores, and enter new markets. Group revenues were up 22% year on year in the first quarter, and gross profits were up 17% with a gross margin of 19.2%, despite the accelerating migration away from media products towards higher growth product categories such as consumer electronics, which grew to become the second largest product group within the Entertainment segment.

"We have continued to expand the business in line with our strategy in the first quarter by acquiring furniture and interior design retailer RUM21.se, rolling out Nelly.com in Germany with market tests in the Netherlands and Austria, launching Gymgrossisten.com in Denmark as Bodystore.dk, and broadening the assortments of all of our online stores. The year on year development in our sales and profitability also reflected the launch of Heppo.com in Sweden in September 2010, the acquisition of Lekmer.com at the end of the first quarter of last year, and the pan-Nordic extension of both brands.

"As predicted, the year on year decline in profitability reflects the investments that we have been making, the shift in the sales mix and the costs associated with being a separately listed company, as well as the substantial year on year appreciation of the Group's Swedish krona reporting currency. We continue to expect to deliver a slight improvement in our underlying operating margin for the full year. We have the funds required to further develop the business and benefit from e-commerce's rapidly growing share of total retail sales, and we continue to review opportunities to expand both organically and by acquisition."

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<sup>1</sup> Earnings per share for Jan-Mar 2010 have been recalculated following the 250:1 share split in September 2010. The weighted average number of issued shares for this period was 500,000. The weighted average number of shares before dilution for the first quarter 2011 amounted to 66,342,124. The weighted average number of shares after dilution in the first quarter 2011 amounted to 72,921,071.



### Significant events

On 31 January 2011, CDON Group acquired 90.1% of RUM21 AB, an online retailer of designer brand furniture and interior decoration products, for SEK 14.0 million in cash. SEK 7.3 million of the purchase price will be paid as a deferred payment over the three years after the closing of the transaction, starting from 2012. RUM21.se's results have been fully consolidated in the Group's accounts with effect from 1 February 2011. RUM21.se generated SEK 11.2 million of revenues in 2010.

The conversion price for the Group's SEK 250.0 million five-year convertible bond was announced on 19 January 2011. The SEK 38.00 conversion price corresponds to 125 per cent of the volume-weighted trading price of the CDON Group share between 15 December 2010 and 14 January 2011 (the first 20 days of trading in the Group's shares). The bond may therefore be converted into a maximum of 6,578,947 CDON Group shares between 15 June 2012 and the end of 1 December 2015, which would represent a 9.0% dilution effect based on the number of shares outstanding as at 31 December 2010.

### Financial summary

(SEK thousand)	2011 Jan-Mar	2010 Jan-Mar	Change (%)
Net sales	<b>571,821</b>	469,733	21.7%
Gross profit	<b>109,897</b>	93,571	17.4%
Gross margin (%)	<b>19.2%</b>	19.9%	
Operating profit	<b>20,138</b>	37,911	-46.9%
Operating margin (%)	<b>3.5%</b>	8.1%	
Net interest & other financial items	<b>-3,444</b>	-5,595	-38.4%
Income before tax	<b>16,694</b>	32,316	-48.3%
Net income	<b>12,669</b>	25,013	-49.4%
Basic earnings per share (SEK)*	<b>0.19</b>	49.46	-
Diluted earnings per share (SEK)*	<b>0.18</b>	49.46	-
Total assets	<b>937,746</b>	576,635	62.6%

\* Earnings per share for Jan-Mar 2010 have been recalculated following the 250:1 share split in September 2010. The weighted average number of issued shares for this period was 500,000. The weighted average number of shares before dilution for the first quarter 2011 amounted to 66,342,124. The weighted average number of shares after dilution in the first quarter 2011 amounted to 72,921,071.

### Group Overview

Group net sales were up 22% year on year in the quarter following sales growth and continued market share gains for each business segment. The Group's sites attracted 34.1 (26.1) million visits and generated 1,250,000 (1,065,000) orders during the quarter.

The Group's consolidated cost of goods sold increased by 23% year on year to SEK 461.9 (376.2) million in the quarter. The lower year on year gross margin of 19.2% (19.9%) in the quarter reflected the adverse impact of the appreciation of the Group's Swedish krona reporting currency against its other operating currencies. The gross margin was also impacted by the ongoing shift in the Entertainment segment away from the sale of higher margin CDs towards higher growth product categories such as consumer electronics and books.

Sales, General and Administrative expenses increased by 63% year on year to SEK 90.2 (55.2) million, which reflected the larger sales volumes, marketing investments in Lekmer.com, the scaling of Heppo.com and RUM21.se, and the expansion of Nelly.com in the German market. As forecast, the Group is also incurring a SEK



20 million increase in TV advertising spend for the full year following the signing of a new agreement with Viasat Broadcasting, which is a subsidiary of former parent company Modern Times Group in the fourth quarter of 2010. The Group also incurred SEK 4.6 (0.3) million of central costs in the first quarter, which were primarily related to the Group's status as a standalone and publicly listed company.

The Group therefore reported a 47% year on year decline in operating profits in the quarter and an operating margin of 3.5% (8.1%).

The Group's net interest and other financial items amounted to SEK -3.4 (-5.6) million in the quarter and reflected the Group's net cash position, compared to a net debt position in the first quarter of 2010, as well as the interest payable on the SEK 250 million convertible bond issued by CDON Group in December 2010.

Group pre-tax profits amounted to SEK 16.7 (32.3) million and Group tax charges totalled SEK -4.0 (-7.3) million in the first quarter. Group consolidated net income therefore amounted to SEK 12.7 (25.0) million in the first quarter.

The total number of shares outstanding remained unchanged during the period at 66,342,124 (500,000) and the Group therefore reported basic earnings per share of SEK 0.19 (49.46) and diluted earnings per share of SEK 0.18 (49.46).

## Segmental Operating Review

### Entertainment

(SEK thousands)	2011	2010	Change (%)
	Jan–Mar	Jan–Mar	
Net sales	<b>361,215</b>	328,941	9.8%
Operating profit	<b>18,191</b>	24,186	-24.8%
<i>Operating margin (%)</i>	<b>5.0%</b>	7.4%	
No. of visits (thousands)	<b>18,864</b>	16,490	14.4%
No. of orders (thousands)	<b>935</b>	861	8.6%
Average shopping basket (SEK)	<b>363</b>	357	1.7%

The Entertainment segment comprises the CDON.COM, BookPlus.fi and Lekmer.com internet stores. Segment sales were up 10% year on year in the quarter and the Entertainment segment accounted for 63% (70%) of total Group sales in the quarter.

CDON.COM strengthened its market positions in all product categories. Consumer electronics delivered strong sales growth, and grew to become the second largest category in the quarter, with toys and books also growing strongly. The industry-wide decline in media products, especially CDs, continued in the first quarter and is expected to continue moving forward. CDON.COM accelerated its shift towards future growth segments, such as consumer electronics and small white-goods, and broadened its assortment in all categories, including books, which are now available in all the Group's Nordic markets. Both Bookplus.fi and Lekmer.com showed healthy year on year growth in the quarter, which reflected successful campaigns, the Pan-Nordic expansion of Lekmer.com, and the ongoing shift from traditional retail stores to e-commerce. A children's wear category was launched on Lekmer.com in the quarter.

The Entertainment segment's operating profits declined year on year in the quarter, which reflected the ongoing shift in the product category mix, investments in the expansion of Lekmer.com and the continued appreciation of the Group's Swedish krona reporting currency against its other operating currencies.



### **Fashion**

(SEK thousands)	2011	2010	Change (%)
	Jan–Mar	Jan–Mar	
Net sales	<b>113,959</b>	69,035	65.1%
Operating profit	<b>-4,259</b>	3,857	-210.4%
Operating margin (%)	<b>-3.7%</b>	5.6%	
No. of visits (thousands)	<b>12,848</b>	7,997	60.7%
No. of orders (thousands)	<b>173</b>	107	61.7%
Average shopping basket (SEK)	<b>643</b>	639	0.6%

The Fashion segment comprises the Nelly.com, LinusLotta.com, Heppo.com and RUM21.se internet stores. The year started positively with segment sales for the first quarter 65% ahead of the same period last year and the segment accounted for 20% (15%) of total Group sales in the quarter.

Nelly.com continued its expansion outside the Nordic home markets. The store made its German presence permanent during the quarter, continued the test-launch in the Netherlands and is now targeting Austria as a new test-market. The Nelly.com website was overhauled and re-launched following the implementation of extended functionality, that will further improve the online shopping experience. Nelly.com also launched a complementary customer fashion-magazine in the quarter, new private label 'Nelly Trend', and a sportswear category, which will further increase the assortment on the site. Heppo.com continued to develop according to plan. The Group also acquired RUM21.se, an online retailer of designer brand furniture and interior decoration products during the quarter.

Segment operating profits were down year on year in the first quarter, which was due primarily to the increased marketing costs associated with the ramp up of Heppo.com, as well as Nelly.com's German launch and the integration of RUM21.se.

### **Sports & Health**

(SEK thousands)	2011	2010	Change (%)
	Jan–Mar	Jan–Mar	
Net sales	<b>96,660</b>	71,757	34.7%
Operating profit	<b>10,823</b>	10,126	6.9%
Operating margin (%)	<b>11.2%</b>	14.1%	
No. of visits (thousands)	<b>2,380</b>	1,616	47.3%
No. of orders (thousands)	<b>142</b>	97	46.4%
Average shopping basket (SEK)	<b>681</b>	722	-5.7%

The Sports & Health segment comprises the Gymgrossisten.com, Fitnessstykke.fi and Bodystore.com internet stores. Segment sales were up 35% year on year in the first quarter and accounted for 17% (15%) of total Group sales in the quarter.

The continued sales growth reflected market share gains for Gymgrossisten.com in each of its geographical markets in the first quarter, which is the seasonally strongest period of the year. Gymgrossisten.com was launched in Denmark on 22 February as Bodystore.dk and Gymgrossisten.com is now available in all of the Nordic markets. The company has secured extended warehouse facilities and handling capacity in Trollhättan in



Sweden. The new facilities provide the business with doubled storage capacity, and will enable it to support the segment's further growth.

Segment operating profits grew by 6.9% year on year in the first quarter, with operating margins of 11.2% despite the investments related to the launch in Denmark and activities associated with increasing market shares in new markets.

#### **Financial position**

Group total assets grew by 63% year on year to SEK 937.7 (576.7) million as at 31 March 2011, which reflected the ongoing expansion of the Fashion and Entertainment businesses, as well as the convertible bond issue in December 2010. Inventory levels increased year on year to SEK 295.8 (169.3) million, in line with the increased scale of the Group.

Capital employed increased by SEK 259.1 million year on year to SEK 569.6 (310.5) million, which primarily reflected the convertible bond issue, as well as the higher prevailing inventory levels due to the increased proportion of Group sales derived from the more inventory-intensive Fashion and Sports & Health businesses, and the overall expansion of the Group's product assortment. The Group's rolling twelve month return on capital employed was 27.0% (41.3%).

Cash flow from operating activities before changes in working capital amounted to SEK 2.2 (31.3) million in the quarter, and included a SEK 18.9 million corporate tax payment for 2010. The Group reported a SEK -164.1 (-96.6) million change in working capital in the quarter, which primarily reflected the higher inventory levels referred to above, as well as the usual seasonal patterns.

Group cash flow to investing activities amounted to SEK -7.3 (-1.4) million in the quarter and primarily reflected the SEK -5.3 million investment in the acquisition of RUM21 AB in February 2011.

The Group had no cash flow to/from investing activities in the first quarter, compared to SEK 75.5 million of cash flow from financing activities in the first quarter of 2010.

The Group's total interest-bearing borrowings amounted to SEK 209.0 (278.4) million at the end of the period, which reflected the SEK 250.0 million convertible bond issue in December and the subscription by MTG for 65,545,122 newly issued CDON Group shares at SEK 3.646 per share in exchange for the retirement of a SEK 239.0 million receivable from CDON Group.

The Group's cash and cash equivalents therefore decreased by SEK 170.1 million in the quarter (increase of SEK 8.8 million), and amounted to SEK 261.3 (11.8) million at the end of the period.

The Group had a net cash position (defined as cash and cash equivalents less interest-bearing liabilities) of SEK 52.2 million at the end of the quarter, compared to a net debt position of SEK 186.9 million at the end of the first quarter of 2010.

#### **Parent company**

The parent company of CDON Group reported sales of SEK 8.0 (0.0) million in the first quarter, of which 99.8% was to companies within the Group. Sales, General & Administrative expenses amounted to SEK -12.0 (0.0) million in the quarter. Net interest and other financial items amounted to SEK -2.7 (-2.6) million and income before tax therefore amounted to SEK -6.8 (-2.6) million.

The parent company's investments in non-current assets during the quarter related to the acquisition of RUM21 AB as described above



The parent company reported cash and cash equivalents of SEK 222.4 (0.1) million at the end of the period.

**Accounting policies**

This report has been prepared in accordance with 'IAS 34 Interim Financial Reporting' and the 'Annual Accounts Act'. The interim report for the parent company has been prepared in accordance with the 'Annual Accounts Act'. The accounting policies in the Group's consolidated financial statements and the parent company's financial statements have been prepared according to the same accounting policies and calculation methods as the 2010 annual accounts.

**Risks and uncertainties**

Several factors could affect CDON Group's earnings and operations, most of which can be managed through internal procedures but some of which are controlled by external factors. Risks and uncertainties include IT and control systems, suppliers, seasonal variations and currencies, new market entries, changes in market conditions, and changes in e-commerce spending behaviour. The parent company is also subject to interest rate risks. The 2010 Annual Report contains a more comprehensive description of the risks and uncertainty factors affecting the Group in the Management Report and in Note 20.

**Related party transactions**

Related party transactions for the period are of the same character and amounts as the transactions described in the 2010 Annual Report.

**Other Information**

*Second Quarter 2011 Financial Results*

CDON Group's financial results for the second quarter and six months ended 30 June 2011 will be published on 18 July 2011.

This report has not been reviewed by the Group's auditor.



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19 April 2011

Mikael Olander  
President & CEO

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Corporate ID number: 556035-6940

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The company will host a conference call today at 15.00 Stockholm local time, 14.00 London local time and 09.00 New York local time.

To participate in the conference call, please dial:

Sweden: +46 (0)8 5352 6440  
International: +44 (0)20 7138 0826  
US: +1 212 444 0481

The access pin code for the conference call is 9499049.

To listen to the conference call online, please go to [www.cdongroup.com](http://www.cdongroup.com).

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#### **About CDON Group**

CDON Group is one of the leading e-commerce groups in the Nordic region. Established in 1999, the Group has continuously expanded its product portfolio and is now a leading e-commerce player in the Entertainment (CDON.COM, BookPlus.fi, Lekmer.com), Fashion (Nelly.com, LinusLotta.com, Heppo.com, RUM21.se), and Sports & Health (Gymgrossisten.com, Bodystore.com) segments. CDON Group's nine online stores attract approximately 115 million site visits and two million unique customers a year.

*The information in this announcement is that which CDON Group AB is required to disclose under the Securities Markets Act. This information was released for publication at 13:00 CET 19 April 2011.*

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CONDENSED CONSOLIDATED INCOME STATEMENT (SEK thousand)	2011 Jan-Mar	2010 Jan-Mar	2010 Jan-Dec
Net sales	571,821	469,733	2,210,034
Cost of goods and services	-461,924	-376,162	-1,789,814
<b>Gross profit</b>	<b>109,897</b>	<b>93,571</b>	<b>420,220</b>
Sales and administration expenses	-90,180	-55,200	-287,382
Other operating income and expenses, net	421	-460	1,790
<b>Operating profit</b>	<b>20,138</b>	<b>37,911</b>	<b>134,628</b>
Net interest & other financial items	-3,444	-5,595	-18,799
<b>Profit before tax</b>	<b>16,694</b>	<b>32,316</b>	<b>115,829</b>
Tax	-4,025	-7,303	-25,595
<b>Net income for the period</b>	<b>12,669</b>	<b>25,013</b>	<b>90,234</b>
<i>Attributable to:</i>			
Equity holders of the parent	12,817	24,731	90,835
Non-controlling interests	-148	282	-601
<b>Net income for the period</b>	<b>12,669</b>	<b>25,013</b>	<b>90,234</b>
Basic earnings per share (SEK)*	0.19	49.46	5.00
Diluted earnings per share (SEK)*	0.18	49.46	4.90

\* Earnings per share for Jan-Mar 2010 has been recalculated following a 250:1 share split in September 2010. The number of issued shares for this period is 500,000. The earnings per share for the period Jan-Dec 2010 have also, and besides taking into account the 250:1 share split, been recalculated to reflect two share issues, by which the amount of issued shares increased in September from 500,000 to 66,045,122, and in October to 66,342,124. The weighted average number of shares before dilution for 2010 amounted to 18,153,748. The weighted average number of shares after dilution for 2010 amounted to 18,694,484. The weighted average number of shares before dilution for the first quarter 2011 amounted to 66,342,124. The weighted average number of shares after dilution for the first quarter 2011 amounted to 72,921,071.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME CONDENSED (SEK thousand)			
<b>Profit for period</b>	<b>12,669</b>	<b>25,013</b>	<b>90,234</b>
<b>Other comprehensive income</b>			
Translation difference for the period	-206	-855	-3,250
<b>Other comprehensive income for the period</b>	<b>-206</b>	<b>-855</b>	<b>-3,250</b>
<b>Total comprehensive income for period</b>	<b>12,463</b>	<b>24,158</b>	<b>86,984</b>
<i>Total comprehensive income attributable to:</i>			
Parent company shareholders	12,611	23,876	87,585
Non-controlling interests	-148	282	-601
<b>Total comprehensive income for the period</b>	<b>12,463</b>	<b>24,158</b>	<b>86,984</b>

Shares outstanding at period's end*	66,342,124	500,000	66,342,124
Shares outstanding at period's end, incl convertible*	72,921,071	500,000	72,921,071
Average number of shares, basic*	66,342,124	500,000	18,153,748
Average number of shares, diluted*	72,921,071	500,000	18,694,484

\* Outstanding shares at the end of the period Jan-Mar 2010 and weighted average number of shares before and after dilution have been recalculated with regards to a split 250:1 in September 2010. Outstanding shares at the end of the reporting period and weighted average number of shares before and after dilution for the period Jan-Dec 2010 have, in addition to the split 250:1, been recalculated with regards to two share issues, where the number of shares increased from 500,000 to 66,045,122 in September, and to 66,342,124 in October.





CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONDENSED (SEK thousand)	2011 31-Mar	2010 31-Mar	2010 31-Dec
<b>Non-current assets</b>			
Goodwill	197,101	189,548	188,966
Other intangible assets	71,952	61,461	65,878
<b>Total intangible assets</b>	<b>269,053</b>	<b>251,009</b>	<b>254,844</b>
Tangible assets	4,947	2,058	3,660
<b>Total non-current assets</b>	<b>274,000</b>	<b>253,067</b>	<b>258,504</b>
<b>Current assets</b>			
Inventories	295,832	169,344	251,284
Current interest-bearing receivables	0	79,615	0
Current non-interest-bearing receivables	106,627	62,791	73,066
<b>Total receivables</b>	<b>106,627</b>	<b>142,406</b>	<b>73,066</b>
Cash and cash equivalents	261,287	11,818	431,343
<b>Total current assets</b>	<b>663,746</b>	<b>323,568</b>	<b>755,693</b>
<b>Total assets</b>	<b>937,746</b>	<b>576,635</b>	<b>1,014,197</b>
<b>Equity</b>			
Equity attributable to owners of the parent	358,275	29,096	345,665
Non-controlling interest	2,266	3,033	879
<b>Total equity</b>	<b>360,541</b>	<b>32,129</b>	<b>346,544</b>
<b>Non-current liabilities</b>			
<i>Non interest bearing</i>			
Deferred tax liability	28,111	14,850	26,748
Other provisions	4,708	1,326	2,397
<i>Interest bearing</i>			
Convertible bond	209,047	0	207,204
<b>Total non-current liabilities</b>	<b>241,866</b>	<b>16,176</b>	<b>236,349</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	0	278,407	0
Current non-interest-bearing liabilities	335,339	249,923	431,304
<b>Total current liabilities</b>	<b>335,339</b>	<b>528,330</b>	<b>431,304</b>
<b>Total equity and liabilities</b>	<b>937,746</b>	<b>576,635</b>	<b>1,014,197</b>



CONSOLIDATED STATEMENT OF CASH FLOWS CONDENSED (SEK thousand)	2011 Jan-Mar	2010 Jan-Mar	2010 Jan-Dec
Cash flow from operating activities	2,150	31,271	126,162
Changes in working capital	-164,056	-96,600	-32,876
<b>Cash flow from operations</b>	<b>-161,906</b>	<b>-65,329</b>	<b>93,286</b>
Investments in subsidiaries*	-5,303	-1,067	-4,459
Investments in other non-current assets	-2,026	-347	-5,373
Other cash flow from investing activities	0	-16	0
<b>Cash flow to/from investing activities</b>	<b>-7,329</b>	<b>-1,430</b>	<b>-9,832</b>
Other cash flow from/to financing activities	0	75,532	353,808
<b>Cash flow to/from financing activities</b>	<b>0</b>	<b>75,532</b>	<b>353,808</b>
<b>Change and cash equivalents for the period</b>	<b>-169,235</b>	<b>8,773</b>	<b>437,262</b>
<b>Cash and cash equivalents at period's start</b>	<b>431,343</b>	<b>3,045</b>	<b>3,045</b>
<b>Translation difference, cash and cash equivalents</b>	<b>-821</b>	<b>0</b>	<b>-8,964</b>
<b>Cash and cash equivalents at period's end</b>	<b>261,287</b>	<b>11,818</b>	<b>431,343</b>

\* Investments in subsidiaries 2011 comprises SEK 5.303 thousand acquisition of Rum21 AB, see Note 1.

STATEMENT OF CHANGES IN EQUITY (SEK thousand)	2011 31-Mar	2010 31-Mar	2010 Jan-Dec
<b>Opening balance</b>	<b>346,544</b>	<b>8,211</b>	<b>8,211</b>
Profit for the period	12,669	25,013	90,234
Other comprehensive income	-206	-855	-3,250
Effects of employee option program	-	-240	-
New share issue	-	-	239,594
Acquisition of non-controlling interests with a change in control	1,535	-	827
Acquisition of shares from non-controlling interests without a change in control	-	-	-21,033
Equity-part of convertible bonds	-	-	31,960
<b>Closing balance</b>	<b>360,541</b>	<b>32,129</b>	<b>346,544</b>



## SEGMENT REPORTING

NET SALES (SEK thousand)	2010 Jan-Mar	2010 Apr-Jun	2010 Jul-Sep	2010 Oct-Dec	2010 Full year	2011 Jan-Mar
Entertainment	328,941	272,972	328,270	561,971	1,492,154	361,215
Fashion	69,035	116,971	112,488	134,673	433,167	113,959
Sport & Health	71,757	67,684	72,983	72,234	284,658	96,660
<b>Total operational business areas</b>	<b>469,733</b>	<b>457,627</b>	<b>513,741</b>	<b>768,878</b>	<b>2,209,979</b>	<b>571,834</b>
Group central operations	-	-	-	55	55	7,961
Eliminations	0	0	0	0	0	-7,974
<b>TOTAL OPERATING ACTIVITIES</b>	<b>469,733</b>	<b>457,627</b>	<b>513,741</b>	<b>768,933</b>	<b>2,210,034</b>	<b>571,821</b>
<b>CONSOLIDATED TOTAL</b>	<b>469,733</b>	<b>457,627</b>	<b>513,741</b>	<b>768,933</b>	<b>2,210,034</b>	<b>571,821</b>
<b>Intersegment sales</b>						
Entertainment	-	-	-	-	-	27
Fashion	-	-	-	-	-	-
Sport & Health	-	-	-	-	-	-
Group central operations	-	-	-	-	-	7,947
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,974</b>
<b>OPERATING PROFIT</b>						
<b>(SEK thousand)</b>	<b>2010 Jan-Mar</b>	<b>2010 Apr-Jun</b>	<b>2010 Jul-Sep</b>	<b>2010 Oct-Dec</b>	<b>2010 Full year</b>	<b>2011 Jan-Mar</b>
Entertainment	24,186	11,175	20,951	43,422	99,734	18,191
Fashion	3,857	8,906	1,458	1,857	16,078	-4,259
Sport & Health	10,126	7,983	8,844	8,405	35,358	10,823
<b>Total operational business areas</b>	<b>38,169</b>	<b>28,064</b>	<b>31,253</b>	<b>53,684</b>	<b>151,170</b>	<b>24,755</b>
Group central operations	-258	-210	-473	-15,601	-16,542	-4,617
<b>CONSOLIDATED TOTAL</b>	<b>37,911</b>	<b>27,854</b>	<b>30,780</b>	<b>38,083</b>	<b>134,628</b>	<b>20,138</b>



PARENT COMPANY INCOME STATEMENT CONDENSED (SEK thousand)			
	2011 Jan-Mar	2010 Jan-Mar	2010 Jan-Dec
Net Sales	7,961	0	55
<b>Gross profit</b>	<b>7,961</b>	<b>0</b>	<b>55</b>
Administration expenses	-12,041	-26	-17,814
<b>Operating profit</b>	<b>-4,080</b>	<b>-26</b>	<b>-17,759</b>
Net interest & other financial items	-2,689	-2,604	-8,321
<b>Profit before tax</b>	<b>-6,769</b>	<b>-2,630</b>	<b>-26,080</b>
Tax	1,740	1,037	6,682
<b>Net income for the period</b>	<b>-5,029</b>	<b>-1,593</b>	<b>-19,399</b>
PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME CONDENSED (SEK thousand)			
	2011 Jan-Mar	2010 Jan-Mar	2010 Jan-Dec
<b>Profit for period</b>	<b>-5,029</b>	<b>-1,593</b>	<b>-19,399</b>
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for period</b>	<b>-5,029</b>	<b>-1,593</b>	<b>-19,399</b>
PARENT COMPANY STATEMENT OF FINANCIAL POSITION CONDENSED (SEK thousand)			
	2011 31-Mar	2010 31-Mar	2010 31-Dec
<b>Non-current assets</b>			
Shares and participating interests	289,481	301,490	280,282
Equipment	34	0	0
<b>Total non-current assets</b>	<b>289,515</b>	<b>301,490</b>	<b>280,282</b>
<b>Current assets</b>			
Current interest-bearing receivables	69,688	0	27,399
Current interest-bearing receivables, MTG cash pool accounts	0	0	0
Current non-interest-bearing receivables	145,922	1,099	139,815
Cash and cash equivalents	222,361	124	407,444
<b>Total current assets</b>	<b>437,971</b>	<b>1,223</b>	<b>574,658</b>
<b>Total assets</b>	<b>727,486</b>	<b>302,713</b>	<b>854,940</b>
<b>Equity</b>			
Restricted equity	133,484	1,800	133,484
Unrestricted equity	211,254	11,811	216,283
<b>Total equity</b>	<b>344,738</b>	<b>13,611</b>	<b>349,767</b>
<b>Non-current liabilities</b>			
Convertible bonds	209,047	0	207,204
Interest-bearing liabilities, MTG cash pool accounts	0	228,577	0
Deferred tax liability	10,771	0	11,255
Provisions	4,660	0	2,660
<b>Total non-current liabilities</b>	<b>224,478</b>	<b>228,577</b>	<b>221,119</b>
<b>Current liabilities</b>			
Other interest-bearing liabilities	133,450	0	241,311
Non-interest-bearing liabilities	24,820	60,525	42,743
<b>Total current liabilities</b>	<b>158,270</b>	<b>60,525</b>	<b>284,054</b>
<b>Total equity and liabilities</b>	<b>727,486</b>	<b>302,713</b>	<b>854,940</b>



KEY RATIOS	2010 Jan-Mar	2010 Apr-Jun	2010 Jul-Sep	2010 Oct-Dec	2010 Full year	2011 Jan-Mar
<b>GROUP</b>						
Sales growth (%)	21.3	32.3	29.1	25.0	26.6	21.7
Change in operating expenses (%)	17.8	32.7	31.9	29.5	28.0	27.8
Operating margin (%)	8.1	6.1	6.0	5.0	6.1	3.5
Gross profit margin (%)	19.9	20.7	18.1	18.1	19.0	19.2
Return on capital employed (%)	41.3	44.9	44.1	36.1	36.1	27.0
Return on equity (%)	62.7	81.0	62.0	60.6	60.6	35.4
Equity/assets ratio (%)	5.6	8.6	42.5	34.2	34.2	34.2
Net debt (SEK million)	186.9	189.7	-81.0	-224.1	-224.1	-52.2
Cash flows from operations (SEK million)	-65.3	9.2	40.5	108.9	93.3	-161.9
Earnings per share (SEK)*	49.46	39.00	4.05	0.41	5.00	0.19
Equity per share (SEK)*	65.61	103.53	4.70	5.22	5.22	5.43
Earnings per share (SEK)**	0.37	0.29	0.30	0.41	1.37	0.19
Equity per share (SEK)**	0.44	0.77	4.65	5.22	5.22	5.43
No. of visits (thousand)	26,102	23,807	26,774	37,419	114,102	34,092
No. of orders (thousand)	1,065	963	1,126	1,557	4,711	1,250
Average shopping basket (SEK)	419	465	443	453	442	438
<b>Entertainment</b>						
No. of visits (thousand)	16,490	13,011	15,875	23,189	68,564	18,864
No. of orders (thousand)	861	697	867	1,260	3,685	935
Average shopping basket (SEK)	357	368	364	400	375	363
<b>Fashion</b>						
No. of visits (thousand)	7,997	9,420	9,352	12,543	39,312	12,848
No. of orders (thousand)	107	173	159	196	635	173
Average shopping basket (SEK)	639	718	693	661	655	643
<b>Sport &amp; Health</b>						
No. of visits (thousand)	1,616	1,376	1,547	1,687	6,226	2,380
No. of orders (thousand)	97	93	100	101	391	142
Average shopping basket (SEK)	722	727	731	709	727	681

\* Earnings per share for the first three quarters 2010 have been recalculated with regards to a split of 250:1 in september 2010. The number of shares for these periods is 500,000. Earnings per share for the full year 2010 and Oct-Dec 2010 have, in addition to the recalculation following the 250:1 split, been recalculated with regards to share issues, where the number of shares has increased from 500,000 to 66,342,124. The weighted average number of shares for the full year 2010 is 18,153,748 and 66,264,645 for the period Oct-Dec 2010. Earnings per share for the period Jan-Mar 2011 has been calculated on the present number of shares, as per March 2011, amounting to 66,342,124.

\*\* Calculated on present number of shares, as per March 2011, amounting to 66,342,124.

#### Definitions

Equity/assets ratio	Equity plus non-controlling interests as a percentage of total assets.
Net debt (+) / Net cash (-)	Interest-bearing liabilities less interest-bearing current and non-current assets and cash and cash equivalents.
No. of visits	Gross number of visits.
Return on equity	Net income for the last four quarters as a percentage of average equity for the last four quarters.
Return on capital employed	Operating income for the last four quarters as a percentage of average of total non-current assets, cash and cash equivalents, and net working capital reduced for provisions, for the last four quarters
Earnings per share	Earnings for the year attributable to the parent company's shareholders divided by average number of shares.
Equity per share	Equity attributable to the parent company's shareholders divided by average number of shares.



## Note 1

Preliminary purchase price allocation for Rum21 AB	Recognised values
Net identifiable assets and liabilities	<b>7,195</b>
Non-controlling interest	-1,535
Goodwill on acquisition	8,314
Consideration transferred	<b>13,974</b>
Deferred payment	-5,000
Contingent consideration	-2,311
Cash in acquired company	-1,360
Net cash flow	<b>5,303</b>