



Interim report, 1 January – 31 March 2012

## **67% YEAR ON YEAR SALES GROWTH IN THE FIRST QUARTER – INCREASED INVESTMENT IN GROWTH**

**CDON Group AB (NASDAQ OMX Stockholm's Mid Cap market: CDON) today announced its financial results for the first quarter, ended 31 March 2012.**

### **First Quarter**

---

- Net sales up 67% year on year to SEK 954.3 (571.8) million and organic growth of 43% (22%)\*
- Gross profit of SEK 135.6 (109.9) million with a gross margin of 14.2%, when excluding non recurring items of SEK 14.0 million the gross margin is 15.7%\*\*
- Operating profit of SEK -12.1 (20.1) million and operating margin of -1.3%, including non recurring items of SEK 14.0 million
- Net income of SEK -13.1 (12.7) million
- Basic earnings per share of SEK -0.18 (0.19)

\* Excluding Tretti AB

\*\* There are non recurring items of SEK 14.0 million in the Group's result for the quarter, of which SEK 7.0 million is attributed to warehouse relocation for Nelly.com and SEK 7.0 million is attributed to adjusted offset model for returns within Nelly.com.

Paul Fischbein, CEO and President of CDON Group, commented: "We have started 2012 with record sales in the first quarter and a continued strong sales growth of 67%. This confirms that the investments we made in 2011 and during the first quarter of 2012 are paying off in increased market shares. In the first quarter of 2012 we have doubled our organic growth from the same period last year."

"Nelly.com was established outside the Nordic region in 2011 and has grown steadily since then. The combined markets outside the Nordic region went from being Nelly.com's third largest market to becoming the second largest market in the quarter. Further, in April we launched a localised version of Nelly.com in the United Kingdom."

"In the first quarter, we have, as planned, made heavy investments in Nelly.com's geographical expansion outside the Nordics. Sales in Germany have outperformed our own expectations, however, as a result we experienced losses of approximately SEK 20 million in Germany in the period, which was higher than expected. Further, as we have experienced higher return levels in the German market, we have also adjusted the offset model for returned goods which resulted in a one-off charge of SEK 7.0 million."

"Going forward, our strategy remains to focus our efforts on maintaining our high growth momentum while at the same time delivering overall healthy profitability for the full year. In order to facilitate our current pace of growth it remains necessary to invest in the Group's infrastructure whilst of course closely monitoring our European expansion costs."



### Significant events during and after the first quarter 2012

#### *Warehouse relocation for Nelly.com*

In order to effectively facilitate the fast expansion of the Fashion segment, Nelly.com initiated the process of relocating its warehouse from Borås to Falkenberg, which is expected to quadruple the capacity compared to the present warehouse. The relocation is expected to result in non-recurring costs of SEK 22.0 million, spread over the first, second and third quarter of 2012, of which SEK 7.0 million has been attributed to the first quarter.

#### *Launch of Nelly.com in the United Kingdom*

On 10 April 2012 Nelly.com announced the launch of a localised version of Nelly.com in the United Kingdom as a part of its continued international expansion.

#### *Arbitration for compulsory acquisition of outstanding shares of Tretti AB completed*

On 25 January 2012 CDON Group announced that the arbitration process relating to the compulsory acquisition of the outstanding shares in Tretti AB had been completed.

### Financial summary

(SEK Million)	2012 Jan-Mar	2011 Jan-Mar	Change (%)
Net sales	<b>954.3</b>	571.8	66.9%
Gross profit	<b>135.6</b>	109.9	23.4%
Gross margin (%)	<b>14.2%</b>	19.2%	
Operating profit	<b>-12.1</b>	20.1	
Operating margin (%)	<b>-1.3%</b>	3.5%	
Net interest & other financial items	<b>-5.4</b>	-3.4	
Income before tax	<b>-17.5</b>	16.7	
Net income	<b>-13.1</b>	12.7	
Basic earnings per share (SEK)	<b>-0.18</b>	0.19	
Diluted earnings per share (SEK)	<b>-0.18</b>	0.19	
Total assets	<b>1,435.6</b>	937.7	53.1%

### Group summary

Group net sales were up 67% year on year in the quarter and organically sales were up 43% year on year in the quarter, following continued sales growth and market share gains for each business segment. The Group's sites attracted 58.7 (34.1) million visits during the quarter and generated 1.6 (1.3) million orders in the period.

The Group's gross margin was 14.2% (19.2%) in the quarter. The decrease in margin is a result of the ongoing shift in the Entertainment segment away from the sale of media products towards growth categories such as consumer electronics. Furthermore, margins are affected by the consolidation of Tretti.com from 3 June 2011, as the company's gross margins are somewhat lower than the Group's average, the non-recurring cost from the adjusted offset model for returns within the Fashion segment as well as by the non recurring cost of SEK 7.0 million related to Nelly's warehouse relocation.



Sales, general and administrative expenses increased by 63% year on year to SEK 147.3 (90.2) million in the quarter, which reflected the higher sales volumes from existing and new business lines, the ramp-up of Nelly.com in Germany, the Netherlands, Austria, the EU and Members.com. This also reflects costs attributed to the accelerated launch-pace of localised versions of Nelly.com on selected markets, of which the United Kingdom was launched on 10 April 2012.

The Group therefore reported an operating profit of SEK 1.9 (20.1) million in the quarter, with operating margins of 0.2% (3.5%) excluding one-off items and an operating profit of SEK -12.1 million including one-off items.

The Group's net interest and other financial items amounted to SEK -5.4 (-3.4) million in the first quarter, which primarily reflected the interest costs related to the convertible bond issued by CDON Group in December 2010, as well as the Group's revolving credit facility.

Group pre-tax profits amounted to SEK -17.5 (16.7) million in the first quarter. The Group reported a positive income tax effect of SEK 4.5 (-4.0) million in the quarter as a result of capitalised loss carry forwards. Group consolidated net income therefore totalled SEK -13.1 (12.7) million in the quarter.

The Group reported basic earnings per share of SEK -0.18 (0.19) for the quarter, and diluted earnings per share of SEK -0.18 (0.19).

#### **Entertainment**

(SEK Million)	2012 Jan-Mar	2011 Jan-Mar	Change (%)
Net sales	<b>484.3</b>	361.2	34.1%
Operating profit	<b>24.1</b>	18.2	32.6%
Operating margin (%)	<b>5.0%</b>	5.0%	

The Entertainment segment comprises the online stores CDON.com, BookPlus.fi and Lekmer.com. The segment's sales were up 34% year on year in the quarter. The segment accounted for 51% (63%) of total Group sales in the first quarter.

All markets showed good growth and CDON.com strengthened its position within all product categories in the quarter. The strong growth within consumer electronics has continued during the first quarter as the product assortment has increased. Media products have also developed strongly, mainly driven by a number of strong product releases in the period. Toys continued to perform well and the product groups children clothing and baby further strengthened the growth.

Within the product categories consumer electronics and toys, the assortments have increased significantly as a result of adding several new suppliers. In the quarter CDON.com also launched a new concept called "smart deals" with special campaigns, limited in time and volume, on products that are normally outside of CDON.com's ordinary product assortment and that are sold at the best prices on the market.

The segment's operating profit was strengthened in the period. Fixed costs in relation to sales were lower than the first quarter 2011. The gross profit margin decreased as a result of the increased sales volume of consumer electronics within CDON.com. However, overall the operating margin was stable in the period.



### Fashion

(SEK Million)	2012 Jan-Mar	2011 Jan-Mar	Change (%)
Net sales	<b>196.4</b>	111.5	76.1%
Operating profit	<b>-38.5</b>	-4.4	
Operating margin (%)	<b>-19.6%</b>	-3.9%	

The Fashion segment comprises the online stores Nelly.com, Heppo.com and Members.com. The segment sales were up 76% year on year in the quarter and the segment accounted for 21% (20%) of total Group sales in the period.

Sales within the fashion segment grew strongly despite the moderate development on the general clothing- and shoe market in the quarter. The strong growth is a result of increased market shares in the Nordic markets, the geographical expansion of Nelly.com outside of the Nordics as well as strong growth within the segment's new webstores, Members.com and Heppo.com, which are both developing according to plan.

Nelly.com opened a new sales branch for the British market in the period, and Nelly.com/uk was launched in the beginning of the second quarter 2012. In the first quarter the Group has set aside SEK 20.5 million for the geographical expansion of Nelly.com outside the Nordic countries. The Fashion segment has also adjusted its offset model for returned goods as a result of the fast growing share of sales from markets outside the Nordic regions, which resulted in a one-off effect of SEK -7.0 million. Nelly.com has also initiated the warehouse relocation that is crucial for the segment's continued expansion. The warehouse relocation is expected to be finalised during the third quarter and is predicted to result in non recurring items of SEK 22.0 million apportioned over the first, second and third quarters in 2012. Out of these non recurring items, SEK 7.0 million is attributed to the first quarter and comprise efficiency losses and preparations in the presence of the relocation scheduled for June 2012. SEK 10.0 million is expected to be directly attributed to the relocation in the second quarter, and SEK 5.0 million is expected to be attributed to the phasing of the new warehouse operations during the third quarter.

The segment's selling, general and administrative expenses increased substantially during the quarter compared to the same period last year. This is a result of increased marketing investments in Nelly.com's markets outside the Nordic region as well as a decided strongly accelerated launch-pace of localised versions of Nelly.com on selected markets.

Adjusted for the above mentioned expansion, non recurring costs, ramp-up of Heppo.com and Members.com the Fashion segment was profitable in the period.

### Sports & Health

(SEK Million)	2012 Jan-Mar	2011 Jan-Mar	Change (%)
Net sales	<b>127.6</b>	96.7	32.0%
Operating profit	<b>13.3</b>	10.8	23.1%
Operating margin (%)	<b>10.4%</b>	11.2%	

The Sports & Health segment comprises the online stores Gymgrossisten.com, Fitnessstukka.fi and Bodystore.com. The segment's sales were up 32% year on year in the first quarter. The segment accounted for 13% (17%) of total Group sales for the period.

The solid growth continued in the first quarter, which is historically the strongest period of the year for the segment. The growth derives from all product categories and all markets, but mainly Finland, Norway and Denmark, where CDON Group has strengthened its positions as a result of market investments. The launch in the German market during the fourth quarter 2011 has been well received by both customers and suppliers.



The private label brand Star Nutrition, which is market leading in Sweden, has widened its assortment during the period, which has strengthened Gymgrossisten.com's customer offering of quality products at attractive prices.

The segment's operating profit increased by 23% in the quarter compared to last year. However, as a result of the market investments, mainly on the newly established German market, the segment's operating margin decreased compared to the previous year.

### Home & Garden

(SEK Million)	2012 Jan-Mar	2011 Jan-Mar*	Change (%)
Net sales	146.3	2.4	-
Operating profit	-5.9	0.1	-
Operating margin (%)	-4.0%	4.4%	-

\*Jan-Mar 2011 figures for the Home & Garden segment include Rum21 from Feb 2011

The Home & Garden segment comprises the online-stores Tretti.com and Rum21.se. The segment sales accounted for 15% (-) of total Group sales for the quarter.

During the quarter, Tretti.com strengthened its position as the leading online white goods and home appliance store in the Nordic region. The Nordic launch and range expansion contributed to increased market shares, but also resulted in increased costs in a total market characterised by strong price pressure. Rum21 reported three-digit growth in the period as a result of the launches in Norway, Denmark and Finland, continued expansion of its assortment as well as intensified online- and TV-marketing.

The segment's operating margin is under pressure as a result of the Nordic expansion within the segment, but also as a result of strong pressure on prices in the white goods category.

### Financial position

Group total assets grew by 53% year on year to SEK 1,435.6 (937.7) million. During the quarter the Group's cash and cash equivalents decreased by SEK 246.7.

Inventory levels increased year on year to SEK 509.6 (295.8) million. The increase reflected the higher proportion of Group sales generated from the more inventory intensive Fashion segment, the acquisition of Tretti as well as the expansion of the Group's product categories and assortments, e.g. consumer electronics within the Entertainment segment.

The Group reported a SEK -201.7 (-164.1) million change in working capital in the quarter. Capital employed decreased by SEK 11.3 million, to SEK 785.8 million in the quarter. The Group's rolling twelve-month return on capital employed declined year on year to 13.1% (27.0%) in the first quarter, which mainly reflected the acquisition of Tretti AB in June 2011, lower operating income versus last year as well as higher inventory due to the fact that the more inventory intensive segments are increasing their share of total Group sales.

Group cash flow to investing activities amounted to SEK -12.0 (-7.3) million in the quarter, which primarily reflected investments in the Group's web platforms.

Group cash flow from financing activities amounted to SEK 0.0 (0.0) million in the quarter.

The Group's total long-term interest-bearing borrowings amounted to SEK 366.8 (209.0) million at the end of the period.



The Group's cash and cash equivalents decreased by SEK 246.7 (170.1) million to SEK 170.7 (261.3) million at the end of the quarter, compared to SEK 417.4 million at the end of the fourth quarter 2011. The Group therefore had a net debt position (defined as long-term interest-bearing liabilities less cash and cash equivalents) of SEK 196.1 (-52.2) million at the end of the reporting period, compared to a net cash position of SEK 37.6 million at the end of the fourth quarter of 2011.

#### **Parent company**

The CDON Group parent company reported sales of SEK 13.4 (8.0) million in the first quarter. The parent company's cash and cash equivalents amounted to SEK 136.3 (222.4) million at the end of the period, which reflected the Group's cash pool including the funds of SEK 250.0 million pertaining to the convertible bond.

The parent company invested SEK 0.5 (5.3) million in non-current assets during the quarter.

#### **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 2011 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 2011 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 transaction**

Related party transactions for the period are of the same character and amounts as the transactions described in the 2011 Annual Report.

#### **Other information**

*Second Quarter 2012 Financial Results*

CDON Group's results for the second quarter ending 30 June 2012 will be published on 18 July 2012.

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

---

18 April 2012

Paul Fischbein,  
*President & CEO*

CDON Group AB  
Bergsgatan 20  
Box 385  
SE-201 23 Malmö  
Corporate ID number: 556035-6940



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

To participate in the conference call, please dial:

Sweden: +46 (0)8 5051 3793  
International: +44 (0)20 3364 5381  
US: +1 646 254 3367

The access pin code for the conference call is 6743862.

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

\*\*\*

**For additional information, please visit [www.cdongroup.com](http://www.cdongroup.com) or contact:**

Paul Fischbein, President & Chief Executive Officer

Phone: +46 (0) 10 703 20 00

*Investor and analysts enquiries:*

Martin Edblad, Chief Financial Officer

Phone: +46 (0) 700 80 75 03

E-mail: [ir@cdongroup.com](mailto:ir@cdongroup.com)

*Media enquiries:*

Fredrik Bengtsson, Head of Communications

Phone: +46 (0) 700 80 75 04

E-mail: [press@cdongroup.com](mailto:press@cdongroup.com)

#### **About CDON Group**

*CDON Group is the leading e-commerce group 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, Heppo.com Members.com), Sport & Health (Gymgrossisten.com, Bodystore.com) and Home & Garden (Tretti.com and Rum21.se) segments. CDON Group's ten online stores attracted approximately 172 million site visits and two million unique customers in 2011.*

*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 18 April 2012.*



CONDENSED CONSOLIDATED INCOME STATEMENT (SEK million)	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Net sales	954.3	571.8	3,403.7
Cost of goods and services	-818.7	-461.9	-2,801.4
Non-recurring items*	0.0	0.0	-15.0
<b>Gross profit</b>	<b>135.6</b>	<b>109.9</b>	<b>587.3</b>
Sales and administration expenses	-147.3	-90.2	-458.8
Other operating income and expenses, net	-0.4	0.4	0.7
<b>Operating profit</b>	<b>-12.1</b>	<b>20.1</b>	<b>129.2</b>
Net interest & other financial items	-5.4	-3.4	-18.2
<b>Profit before tax</b>	<b>-17.5</b>	<b>16.7</b>	<b>111.0</b>
Tax	4.5	-4.0	-28.0
<b>Net income for the period</b>	<b>-13.1</b>	<b>12.7</b>	<b>83.0</b>
<b>EBITDA</b>	<b>-8.9</b>	<b>22.1</b>	<b>139.7</b>
<i>Attributable to:</i>			
Equity holders of the parent	-12.0	12.8	83.3
Non-controlling interests	-1.1	-0.1	-0.3
<b>Net income for the period</b>	<b>-13.1</b>	<b>12.7</b>	<b>83.0</b>
Basic earnings per share (SEK)**	-0.18	0.19	1.26
Diluted earnings per share (SEK)**	-0.18	0.19	1.26

\* For an explanation of the non-recurring items please see heading "Recognition of one-off costs" under the section "Significant events during and after the end of the fourth quarter" in the fourth quarter report for 2011.

\*\* Basic earnings per share for all periods has been calculated on the average number of outstanding shares for the periods, amounting to 66,342,124. Diluted earnings per share for all periods has been calculated on the average number of outstanding shares after dilution for the periods, amounting to 72,921,071.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME CONDENSED (SEK million)			
<b>Profit for the period</b>	<b>-13.1</b>	<b>12.7</b>	<b>83.0</b>
<b>Other comprehensive income</b>			
Translation difference for the period	-0.4	-0.9	-3.3
<b>Other comprehensive income for the period</b>	<b>-0.4</b>	<b>-0.9</b>	<b>-3.3</b>
<b>Total comprehensive income for period</b>	<b>-13.4</b>	<b>11.7</b>	<b>0.1</b>
<i>Total comprehensive income attributable to:</i>			
Parent company shareholders	-12.3	26.3	87.6
Non-controlling interests	-1.1	-1.3	-0.6
<b>Total comprehensive income for the period</b>	<b>-13.4</b>	<b>25.1</b>	<b>87.0</b>
Shares outstanding at period's end*	66,342,124	66,342,124	66,342,124
Shares outstanding at period's end, incl convertible*	72,921,071	72,921,071	72,921,071
Average number of shares, basic*	66,342,124	66,342,124	66,342,124
Average number of shares, diluted*	72,921,071	72,921,071	72,921,071





CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONDENSED (SEK million)	2012 31-Mar	2011 31-Mar	2011 31-Dec
<b>Non-current assets</b>			
Goodwill	446.7	197.1	447.0
Other intangible assets	147.2	72.0	138.0
<b>Total intangible assets</b>	<b>593.9</b>	<b>269.1</b>	<b>584.9</b>
Financial non-current assets	7.6	0.0	7.6
Tangible non-current assets	10.3	4.9	10.8
<b>Total non-current assets</b>	<b>611.8</b>	<b>274.0</b>	<b>603.3</b>
<b>Current assets</b>			
Inventories	509.6	295.8	459.1
Current interest-bearing receivables	0.0	0.0	0.0
Current non-interest-bearing receivables	143.5	106.6	145.6
<b>Total receivables</b>	<b>143.5</b>	<b>106.6</b>	<b>145.6</b>
Cash and cash equivalents	170.7	261.3	417.4
<b>Total current assets</b>	<b>823.8</b>	<b>663.7</b>	<b>1,022.1</b>
<b>Total assets</b>	<b>1,435.6</b>	<b>937.7</b>	<b>1,625.3</b>
<b>Equity</b>			
Equity attributable to owners of the parent	403.7	358.3	415.8
Non-controlling interest	0.3	2.3	1.4
<b>Total equity</b>	<b>404.0</b>	<b>360.5</b>	<b>417.3</b>
<b>Non-current liabilities</b>			
<i>Non interest bearing</i>			
Deferred tax liability	40.2	28.1	40.8
Other provisions	4.9	4.7	4.9
<i>Interest bearing</i>			
Long term loans	150.0	0.0	150.0
Convertible bond	216.8	209.0	214.8
<b>Total non-current liabilities</b>	<b>411.9</b>	<b>241.9</b>	<b>410.4</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	15.0	0.0	15.0
Current non-interest-bearing liabilities	604.7	335.3	782.6
<b>Total current liabilities</b>	<b>619.7</b>	<b>335.3</b>	<b>797.6</b>
<b>Total equity and liabilities</b>	<b>1,435.6</b>	<b>937.7</b>	<b>1,625.3</b>



CONSOLIDATED STATEMENT OF CASH FLOWS CONDENSED (SEK million)	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Cash flow from operating activities	-32.8	2.2	124.3
Changes in working capital	-201.7	-164.1	71.6
<b>Cash flow from operations</b>	<b>-234.5</b>	<b>-161.9</b>	<b>195.9</b>
Investments in subsidiaries	0.0	-5.3	-323.9
Investments in other non-current assets	-12.0	-2.0	-21.9
Other cash flow from investing activities	0.0	0.0	0.0
<b>Cash flow to/from investing activities</b>	<b>-12.0</b>	<b>-7.3</b>	<b>-345.8</b>
Other cash flow from/to financing activities	0.0	0.0	136.2
<b>Cash flow to/from financing activities</b>	<b>0.0</b>	<b>0.0</b>	<b>136.2</b>
<b>Change and cash equivalents for the period</b>	<b>-246.6</b>	<b>-169.2</b>	<b>-13.8</b>
Cash and cash equivalents at period's start	417.4	431.3	431.3
Translation difference, cash and cash equivalents	-0.2	-0.8	-0.1
<b>Cash and cash equivalents at period's end</b>	<b>170.7</b>	<b>261.3</b>	<b>417.4</b>

STATEMENT OF CHANGES IN EQUITY CONDENSED (SEK million)	2012 31-Mar	2011 31-Mar	2011 31-Dec
<b>Opening balance</b>	<b>417.3</b>	<b>346.5</b>	<b>346.5</b>
Profit for the period	-13.1	12.7	83.0
Other comprehensive income	-0.4	-0.2	-0.2
Effects of long term incentive program	0.1	-	0.3
New share issue	-	-	0.4
Repurchased own shares	-	-	-0.4
Acquisition of non-controlling interests with a change in control	-	1.5	1.5
Acquisition of shares from non-controlling interests without a change in control	-	-	-13.8
<b>Closing balance</b>	<b>404.0</b>	<b>360.5</b>	<b>417.3</b>



## SEGMENT REPORTING

NET SALES (SEK million)	2011 Jan-Mar	2011 Apr-Jun	2011 Jul-Sep	2011 Oct-Dec	2011 Full year	2012 Jan-Mar
Entertainment	361.2	365.8	429.8	772.1	1,928.9	484.3
Fashion	111.5	184.4	157.2	275.1	728.2	196.4
Sport & Health	96.7	90.0	93.4	97.1	377.1	127.6
Home & Garden	2.4	48.9	146.0	172.1	369.5	146.3
<b>Total operational business areas</b>	<b>571.8</b>	<b>689.1</b>	<b>826.4</b>	<b>1,316.4</b>	<b>3,403.8</b>	<b>954.6</b>
Group central operations	8.0	11.6	8.6	14.1	42.4	13.4
Eliminations	-8.0	-11.6	-8.6	-14.1	-42.4	-13.7
<b>CONSOLIDATED TOTAL</b>	<b>571.8</b>	<b>689.1</b>	<b>826.4</b>	<b>1,316.4</b>	<b>3,403.7</b>	<b>954.3</b>
<b>Intersegment sales</b>						
Entertainment	0.0	-	-	-	0.0	-
Fashion	-	-	-	-	-	-
Sport & Health	-	-	-	-	-	0.0
Home & Garden	-	-	-	-	-	0.2
Group central operations	7.9	11.6	8.6	14.1	42.3	13.4
<b>Total</b>	<b>8.0</b>	<b>11.6</b>	<b>8.6</b>	<b>14.1</b>	<b>42.4</b>	<b>13.7</b>
<b>OPERATING PROFIT</b>						
<b>(SEK million)</b>	<b>2011 Jan-Mar</b>	<b>2011 Apr-Jun</b>	<b>2011 Jul-Sep</b>	<b>2011 Oct-Dec</b>	<b>2011 Full year</b>	<b>2012 Jan-Mar</b>
Entertainment	18.2	9.9	23.7	50.5	102.3	24.1
Fashion	-4.4	8.3	2.3	13.5	19.8	-38.5
Sport & Health	10.8	9.6	9.0	10.3	39.7	13.3
Home & Garden	0.1	0.6	3.3	1.2	5.3	-5.9
<b>Total operational business areas</b>	<b>24.8</b>	<b>28.4</b>	<b>38.4</b>	<b>75.5</b>	<b>167.1</b>	<b>-7.0</b>
Group central operations	-4.6	-9.3	-19.8	-4.1	-37.8	-5.1
<b>CONSOLIDATED TOTAL</b>	<b>20.1</b>	<b>19.1</b>	<b>18.7</b>	<b>71.3</b>	<b>129.2</b>	<b>-12.1</b>



PARENT COMPANY INCOME STATEMENT CONDENSED (SEK million)	2012 Jan-Mar	2011 Jan-Mar	2011 Jan-Dec
Net Sales	13.4	8.0	42.4
<b>Gross profit</b>	<b>13.4</b>	<b>8.0</b>	<b>42.4</b>
Administration expenses	-18.5	-12.0	-61.9
<b>Operating profit</b>	<b>-5.1</b>	<b>-4.1</b>	<b>-19.6</b>
Net interest & other financial items	-3.0	-2.7	-12.6
Group contribution received	0.0	0.0	124.0
Group contribution paid	0.0	0.0	-16.0
Change in excess depreciation	0.0	0.0	0.0
<b>Profit before tax</b>	<b>-8.1</b>	<b>-6.8</b>	<b>75.8</b>
Tax	2.1	1.7	-20.1
<b>Net income for the period</b>	<b>-6.0</b>	<b>-5.0</b>	<b>55.7</b>

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME CONDENSED (SEK thousand)			
<b>Profit for period</b>	<b>-6.0</b>	<b>-5.0</b>	<b>0.1</b>
<b>Other comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total comprehensive income for period</b>	<b>-6.0</b>	<b>-5.0</b>	<b>0.0</b>

PARENT COMPANY STATEMENT OF FINANCIAL POSITION CONDENSED (SEK million)	2012 31-Mar	2011 31-Mar	2011 31-Dec
<b>Non-current assets</b>			
Shares and participating interests	684.4	289.5	683.9
Equipment	0.0	0.0	0.0
<b>Total non-current assets</b>	<b>684.4</b>	<b>289.5</b>	<b>683.9</b>
<b>Current assets</b>			
Current interest-bearing receivables	93.3	69.7	17.7
Current non-interest-bearing receivables	144.5	145.9	131.5
Cash and cash equivalents	136.3	222.4	356.3
<b>Total current assets</b>	<b>374.1</b>	<b>438.0</b>	<b>505.5</b>
<b>Total assets</b>	<b>1,058.5</b>	<b>727.5</b>	<b>1,189.4</b>
<b>Equity</b>			
Restricted equity	133.9	133.5	133.9
Unrestricted equity	266.0	211.3	271.8
<b>Total equity</b>	<b>399.9</b>	<b>344.7</b>	<b>405.7</b>
<b>Non-current liabilities</b>			
Convertible bonds	216.8	209.0	214.8
Interest-bearing liabilities	150.0	0.0	150.0
Deferred tax liability	8.7	10.8	9.3
Provisions	4.9	4.7	4.9
<b>Total non-current liabilities</b>	<b>380.5</b>	<b>224.5</b>	<b>378.9</b>
<b>Current liabilities</b>			
Other interest-bearing liabilities	238.0	133.5	344.7
Non-interest-bearing liabilities	40.2	24.8	60.0
<b>Total current liabilities</b>	<b>278.2</b>	<b>158.3</b>	<b>404.8</b>
<b>Total equity and liabilities</b>	<b>1,058.5</b>	<b>727.5</b>	<b>1,189.4</b>



## KEY RATIOS

KEY RATIOS	2011 Jan-Mar	2011 Apr-Jun	2011 Jul-Sep	2011 Oct-Dec	2011 Full year	2012 Jan-Mar
<b>GROUP</b>						
Sales growth (%)	21.7	50.6	60.9	71.2	54.0	66.9
Change in operating expenses (%)	27.8	65.3	66.8	49.7	59.6	63.4
Operating margin (%)	3.5	2.8	2.3	5.4	3.8	-1.3
Gross profit margin (%)	19.2	18.3	14.7	17.4	17.3	14.2
Return on capital employed (%)	27.0	20.6	15.8	18.7	18.7	13.1
Return on equity (%)	35.4	24.1	17.5	22.0	22.0	15.0
Equity/assets ratio (%)	38.4	29.2	28.9	25.7	25.7	28.1
Net debt (SEK million)	-52.2	187.1	242.3	-37.6	-37.6	196.1
Cash flows from operations (SEK million)	-161.9	80.4	-28.4	304.7	194.7	-234.5
Earnings per share (SEK)*	0.19	0.16	0.18	0.73	1.26	-0.18
Equity per share (SEK)*	5.43	5.68	5.86	6.29	6.29	6.09
Depreciation/Net sales	0.3%	0.3%	0.4%	0.2%	0.3%	0.3%
Capital Expenditure/Net sales	0.4%	0.2%	1.2%	0.6%	0.6%	1.3%
No. of visits (million)	34.1	35.6	41.3	60.8	171.8	58.7
No. of orders (million)	1.3	1.2	1.4	2.2	6.0	1.6
Average shopping basket (SEK)	438	536	588	587	546	581
<b>Entertainment</b>						
No. of visits (million)	18.9	16.1	19.0	27.5	81.4	22.3
No. of orders (million)	0.9	0.8	1.0	1.5	4.2	1.0
Average shopping basket (SEK)	363	424	429	484	433	436
<b>Fashion</b>						
No. of visits (million)	12.8	16.8	17.9	27.4	75.0	30.3
No. of orders (million)	0.2	0.3	0.2	0.4	1.1	0.3
Average shopping basket (SEK)	643	657	686	608	641	644
<b>Sport &amp; Health</b>						
No. of visits (million)	2.4	2.0	2.2	2.9	9.5	3.5
No. of orders (million)	0.1	0.1	0.1	0.1	0.5	0.2
Average shopping basket (SEK)	681	679	723	688	692	703
<b>Home &amp; Garden</b>						
No. of visits (million)	0.2	0.7	2.2	3.0	5.9	2.6
No. of orders (million)	0.0	0.0	0.1	0.1	0.1	0.1
Average shopping basket (SEK)	2,056	3,377	2,781	2,450	2,696	2,574

\* Earnings per share for the periods Jan-Dec 2011 and Jan-Mar 2012 have been calculated on the average number of outstanding shares for the periods, 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.
Capital Expenditure/Net Sales	Investments in tangible non-current assets divided by Net sales for the period.