



19% YEAR ON YEAR SALES GROWTH IN THE THIRD QUARTER

CDON Group AB (NASDAQ OMX Stockholm's Mid Cap market: CDON) today announced its financial results for the third quarter and first nine months, the period 1 January – 30 September 2012.

Third Quarter

- Net sales up 18.9% year on year to SEK 982.5 (826.4) million
- Gross profit of SEK 128.6 (121.5) million with a gross margin of 13.1%; when excluding non-recurring items of SEK -6.6 million the gross margin is 13.8%**
- Operating profit of SEK -7.6 (18.7) million and operating margin of -0.8%; when excluding non-recurring items the operating margin is -0.1%**
- Net income of SEK -11.3 (11.5) million
- Basic earnings per share of SEK -0.16 (0.18)

First Nine Months

- Net sales up 38.4% year on year to SEK 2,888.9 (2,087.3) million and organic growth of 46%*
- Gross profit of SEK 373.2 (357.8) million with a gross margin of 12.9%; when excluding non-recurring items of SEK -54.5 million the gross margin is 14.8%**
- Operating profit of SEK -63.2 (57.9) million and operating margin of -2.2%; when excluding non-recurring items of SEK -58.3 million the operating margin is -0.2%**
- Net income of SEK -61.4 (34.6) million
- Basic earnings per share of SEK -0.88 (0.53)

* Excluding Tretti AB for the period Jan-May 2012

** There are non-recurring items of SEK -6.6 million in the Group's result for the third quarter attributed to the Nelly.com warehouse relocation. The result for the first nine months of the year also includes further non-recurring costs of SEK -51.7 million of which SEK -47.9 million affect the gross profit.

CEO's statement

Paul Fischbein, President and CEO of CDON Group commented: "CDON Group sales increased by 19% to a new record sales level for the third quarter. We are growing strongly and we are continuing to consolidate our position in the attractive e-commerce market."

"The Entertainment segment and the Sports & Health segment continue to perform strongly, partly due to investments to expand the product range. Growth in the Fashion segment continued to be affected by Nelly's warehouse relocation, as the new warehouse unit did not reach the expected productivity level in the quarter."

"During the third quarter, we signed an agreement to acquire the logistics operations from the partner that performed these services for our online stores Nelly, Heppo, Lekmer and Members. The acquisition - which was completed on 1 October - is strategically important as it secures our customer offering and delivery capabilities and at the same time the acquisition facilitates future expansion and sales growth. We now internally operate logistics for eight of our ten online stores. Since the acquisition CDON Group has taken several actions to improve productivity in the warehouse and we are already seeing production increasing."

Forward looking statement

CDON Group operates in a sector with a high underlying market growth. The Group is in an intense growth phase and the strategy is to strengthen its market position through a retained high growth momentum. This includes substantial investments in expansion and in improving the infrastructure to ensure long-term growth, earnings and customer satisfaction such as the recent warehouse acquisition. As a result, we estimate the Group to deliver a negative operating margin, including non-recurring items, of between 0.5-1.0% for the full



year. This replaces the Group's previous statement which was that: "The objective is to deliver a positive operating result, including non-recurring items, for the full year".

Significant events during and after the third quarter 2012

Management changes

On 16 July 2012 CDON Group announced the appointment of Magnus Månsson as new CEO of Nelly.com and Head of the Group's Fashion segment. Magnus Månsson will commence his position on 22 October 2012. On 21 August 2012 CDON Group announced the appointment of Nicolas Adlercreutz as new CFO of the Group, with planned commence date in February 2013. On 4 September 2012 CDON Group announced the appointment of Patrik Illerstig as new Head of Business Development. Patrik Illerstig assumed his position on 1 October 2012.

Launch of Tretti.com's assortment on CDON.com

On 13 July 2012 CDON.com announced the launch of Tretti.com's assortment of white goods, household appliances and outdoor products on CDON.com. The launch strengthens CDON.com position as the leading online shopping mall in the Nordic region, simultaneously increasing Tretti.com's reach on the market.

Launch of Sports & Leisure products on CDON.com

CDON.com announced on 11 September 2012, the launch of a new product assortment on CDON.com. The launch of the Sport & Leisure product category is part of the company's continued broadening of its customer offering.

CDON Group acquired Business Linc's logistical operations in Falkenberg, Sweden

On 28 September 2012 CDON Group announced that it signed an agreement to acquire Business Linc BL AB's operations in Falkenberg, Sweden, through an asset deal. The acquisition of the logistical operations is an important step towards strengthening the Group's value chain and delivering a high level of customer satisfaction. CDON Group completed the acquisition on 1 October 2012.

Increase of credit facility

After the third quarter CDON Group has taken up an additional overdraft facility of SEK 200.0 million where after the Group's total overdraft facilities amount to SEK 320.0 million.

Financial summary

(SEK Million)	2012 Jul-Sep	2011 Jul-Sep	Change (%)	2012 Jan-Sep	2011 Jan-Sep	Change (%)
Net sales	982.5	826.4	18.9%	2,888.9	2,087.3	38.4%
Gross profit	128.6	121.5	5.8%	373.2	357.8	4.3%
Gross margin (%)	13.1%	14.7%		12.9%	17.1%	
Operating profit	-7.6	18.7	-	-63.2	57.9	-
Operating margin (%)	-0.8%	2.3%		-2.2%	2.8%	
Net interest & other financial items	-8.8	-5.4		-19.2	-12.8	
Income before tax	-16.4	13.3	-	-82.4	45.1	-
Net income	-11.3	11.5	-	-61.4	34.6	-
Basic earnings per share (SEK)	-0.16	0.18	-	-0.88	0.53	-
Diluted earnings per share (SEK)	-0.16	0.18	-	-0.88	0.53	-
Total assets	1,482.3	1,346.8	10.1%	1,482.3	1,346.8	10.1%



Group summary

Group net sales were up 19% year on year in the third quarter and up 38% year to date. The Group's sites attracted 53.3 (41.3) million visits and generated 1.6 (1.4) million orders during the third quarter, and 166.5 (111.0) million visits and 4.6 (3.8) million orders year to date.

The Group's gross margin was 13.1% (14.7%) in the quarter and 12.9% (17.1%) year to date. The decrease in margin is a result of the ongoing shift within the Entertainment segment away from the sale of media products towards growth categories such as consumer electronics. Furthermore, margins were affected by the non-recurring cost of SEK -6.6 million, related to Nelly's warehouse relocation during the third quarter and SEK -54.5 million for the first nine months.

Sales, general and administrative expenses increased by 31% year on year to SEK 137.7 (105.1) million in the quarter and by 44% to SEK 435.7 (303.4) million year to date, which mainly reflected the higher sales volumes from both existing and new segments.

The Group reported an operating profit of SEK -1.0 (33.7) million in the quarter excluding one-off items with an operating margin of -0.1% (4.1%) and an operating profit of SEK -7.6 (18.7) million including non-recurring items with an operating margin of -0.8% (2.3%). The operating profit for the first nine months was SEK -4.9 (77.7) million excluding non-recurring with an operating margin of -0.2% (3.7%) items and an operating profit of SEK -63.2 (57.9) million including non-recurring items with an operating margin of -2.2% (2.8%).

The Group's net interest and other financial items amounted to SEK -8.8 (-5.4) million in the third quarter and SEK -19.2 (-12.8) million year to date, which primarily reflected the interest costs related to the convertible bond, as well as the Group's revolving credit facility.

Group pre-tax profits amounted to SEK -16.4 (13.3) million in the third quarter and SEK -82.4 (45.1) million for the first nine months. The Group reported a positive income tax effect of SEK 5.1 (-1.8) million in the quarter and 21.0 (-10.5) million for the first nine months, as a result of capitalised loss carry forwards. Group consolidated net income therefore totalled SEK -11.3 (11.5) million in the quarter and SEK -61.4 (34.6) million for the first nine months.

Development per segment

Entertainment

(SEK Million)	2012 Jul-Sep	2011 Jul-Sep	Change (%)	2012 Jan-Sep	2011 Jan-Sep	Change (%)
Net sales	525.0	429.8	22.1%	1 473.4	1 156.8	27.4%
Operating profit	19.6	23.7	-17.4%	55.6	51.8	7.3%
Operating margin (%)	3.7%	5.5%		3.8%	4.5%	

The Entertainment segment comprises the online stores CDON.com, BookPlus.fi and Lekmer.com. The segment's sales were up 22.1% year-on-year for the quarter and up 27.4% for the first nine months. The segment accounted for 53% (52%) of total Group sales in the third quarter and 51% (55%) of total Group sales for the first nine months.

The product categories Consumer Electronics and Toys showed a continued strong growth rate and increased their share of segment sales, while volume decreased in the Media category when comparing to the same period last year. CDON.com's focus is on strengthening its customer offering by widening its product range. In the third quarter, the assortment in the Consumer Electronics category was further broadened, the new product category Sports & Leisure was launched, and the product range from the Tretti.com store was added,



thereby bringing CDON.com one step closer to consolidating its position as the leading online shopping mall in the Nordic region.

The segment's operating profit declined in the third quarter, but improved for the first nine months. The shift from Media to Consumer Electronics went as planned during the quarter, which put pressure on gross margin in the period and affected the operating margin.

Fashion

(SEK Million)	2012 Jul-Sep	2011 Jul-Sep	Change (%)	2012 Jan-Sep	2011 Jan-Sep	Change (%)
Net sales	193.3	157.2	23.0%	615.6	453.1	35.9%
Operating profit	-30.3	2.3	-	-126.3	6.3	-
Operating margin (%)	-15.7%	1.5%		-20.5%	1.4%	

The Fashion segment comprises the online stores Nelly.com, Heppo.com and Members.com. The segment's sales were up 23.0% year on year for the quarter and 35.9% for the first nine months. The segment accounted for 20% (19%) of total Group sales in the third quarter and 21% (22%) of total Group sales for the first nine months.

Segment growth in the third quarter was mainly due to an increase in market shares for Nelly.com in the Nordic region and the growth of Members.com and Heppo.com. Growth was reduced in the period as fine-tuning processes and systems were adapted following Nelly.com's warehouse relocation.

The warehouse relocation, which took place during the second quarter, resulted in non-recurring items of SEK 6.6 million in the third quarter, charged to the Fashion segment's operating profit. The gross margin was negatively impacted in the quarter by two large clearance sales held in the third quarter, due to the overstock generated by lower sales during the warehouse relocation.

Sports & Health

(SEK Million)	2012 Jul-Sep	2011 Jul-Sep	Change (%)	2012 Jan-Sep	2011 Jan-Sep	Change (%)
Net sales	123.5	93.4	32.2%	367.5	280.1	31.2%
Operating profit	10.6	9.0	17.5%	34.9	29.5	18.3%
Operating margin (%)	8.6%	9.7%		9.5%	10.5%	

The Sports & Health segment comprises the online stores Gymgrossisten.com (Fitnessstykke.fi in Finland, Bodystore.dk in Denmark and Bodystore.de in Germany) as well as the Swedish site Bodystore.com. The segment's sales were up 32.2% year-on-year for the quarter and 31.2% for the first nine months of the year. The segment accounted for 13% (11%) of total Group sales in the third quarter and 13% (13%) of total Group sales for the first nine months.

Sales growth remained strong in the third quarter and our assessment is that Gymgrossisten/Bodystore has taken market shares in each country, and that the total market for dietary supplements has grown during the period. The launch in the German market continued in the quarter with new sales campaigns. The strategy of focusing on growth in Germany remains.

The segment operating profit rose 17% in the quarter. The operating margin declined somewhat mainly due to continued investments in new markets. The number of products under the company's own brands has grown and costs for product launches and campaigns have also affected the operating profit.



Home & Garden

(SEK Million)	2012 Jul-Sep	2011 Jul-Sep	Change (%)	2012 Jan-Sep	2011 Jan-Sep*	Change (%)
Net sales	141.6	146.0	-3.0%	434.0	197.4	119.9%
Operating profit	-1.3	3.3	-	-10.6	4.0	-
Operating margin (%)	-0.9%	2.3%		-2.4%	2.1%	

* 2011 figures for the Home & Garden segment comprise Room21 from February 2011 and Tretti from June 2011

The Home & Garden segment comprises the online stores Tretti.com and Room21.com. The segment's sales were down 3.0% year-on-year for the quarter. The segment accounted for 14% (18%) of total Group sales for the quarter and 15% (9%) of total Group sales for the first nine months.

Segment sales in the quarter have been weak, as has the overall Swedish market for white goods. Several market players have made aggressive price cuts, and the tough competition has led to eliminations from the market. In July, Tretti.com launched its range of white goods, household appliances and outdoor products for sale through CDON.com in Sweden and later in Norway, which increases its customer visibility and thereby Tretti.com capitalises on the existing web traffic to CDON.com. The Room21.com online store has grown according to plan, and the store has widened its product portfolio with a new range of private label products.

Operating profit in the segment was encumbered by the expansion of Room21.com, as well as by the price pressure we experience in the white goods category.

Financial position

Group total assets grew by 10% year on year to SEK 1,482.3 (1,346.8) million. At the end of the second quarter 2012, the Groups total assets amounted to SEK 1,417.9 million.

Inventory levels increased year on year to SEK 682.9 (474.9) million in the period, compared to SEK 532.6 million at the end of the second quarter 2012. The increase was mainly reflected by the higher proportion of Group sales generated from the Fashion segment which is more inventory intensive and the expansion of the Group's product categories and assortment, e.g. consumer electronics within the Entertainment segment.

The Group reported a SEK -93.6 (-59.4) million change in working capital in the quarter and SEK -291.2 (-161.1) million for the nine month period. Capital employed decreased by SEK 10.2 million, to SEK 740.4 million in the quarter. The Group's rolling twelve-month return on capital employed declined year on year to 1.1% (15.8%) in the quarter, which mainly is explained by the lower operating profit compared to last year, the acquisition of Tretti AB in June 2011 as well as higher inventory due to the fact that the more inventory intensive segments' share of total Group sales has increased.

Group cash flow to investing activities amounted to SEK -6.1 (-10.3) million in the quarter and SEK -32.7 (-336.3) million for the first nine months, which primarily reflected investments in the Group's web platforms.

Group cash flow from financing activities amounted to SEK 0.0 (-35.5) million in the quarter and SEK 0.0 (150.0) million for the first nine months.

The Group's total interest-bearing loans amounted to SEK 370.9 (362.8) million at the end of the period compared to SEK 368.8 million at the end of the second quarter 2012.

In addition to the SEK 20.0 million already in place at the time, the Group took up an overdraft facility of SEK 100.0 million in the second quarter, of which SEK 0.0 was used at 30 September. After 30 September, the total group overdraft facilities have been increased to SEK 320.0 million.



The Group's cash and cash equivalents decreased by SEK -101.4 (-73.8) million to SEK 9.0 (135.5) million at the end of the quarter, compared to SEK 110.4 million at the end of the second quarter 2012. The Group therefore had a net debt position (defined as long term interest-bearing liabilities less cash and cash equivalents) of SEK 361.8 (227.3) million at the end of the reporting period, compared to SEK 258.4 million at the end of the second quarter 2012.

Parent company

The CDON Group parent company reported sales of SEK 12.4 (8.6) million in the third quarter and SEK 40.4 (28.2) million for the first nine months. The parent company's cash and cash equivalents amounted to SEK -10.3 (82.2) million at the end of the period.

The parent company invested SEK 0.0 (0.5) million in non-current assets during the quarter and SEK 0.5 (359.6) for the first nine months.

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 and the group are 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 parent company and the group in the period are of the same character and approximate amounts as the transactions described in the 2011 Annual Report.

Other information

Annual General Meeting of shareholders 2013

CDON Group's 2013 Annual General Meeting of shareholders will be held on 14 May 2013 in Stockholm. Shareholders that would like to have matters addressed at the Annual General Meeting should send a request in writing to ir@cdongroup.com or to the Company Secretary, CDON Group AB (publ), Box 385, SE-201 23 Malmö, Sweden. To be certain that a matter can be included in the notice of the Annual General Meeting the request must have been received at least seven weeks before the Annual General Meeting. Further details on how and when to give notice to attend will be published in advance of the Annual General Meeting.

Nomination Committee for the 2013 Annual General Meeting of shareholders

In accordance with the resolution of the 2012 Annual General Meeting, Cristina Stenbeck has convened a Nomination Committee consisting of members representing the largest shareholders in CDON Group. The Nomination Committee is comprised of Cristina Stenbeck on behalf of Investment AB Kinnevik; Ryan Schaper on behalf of Point Lobos Capital LLC; Frank Larsson on behalf of Handelsbanken Fonder AB; and Jan Särilvik on behalf of Nordea Investment Funds. The members of the Committee will appoint the Committee Chairman at their first meeting. Information about the work of the Nomination Committee can be found on CDON Group's website at www.cdongroup.com.



Fourth Quarter and Full Year 2012 Financial Results

CDON Group's results for the fourth quarter and full year ending 31 December 2012 will be published on 8 February 2013.

17 October 2012

Paul Fischbein,
President & CEO

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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)8 505 137 93
International: +44 (0) 20 713 620 54
US: +1 212 444 08 95

The access pin code for the conference call is 6439550.
To listen to the conference call online, please go to www.cdongroup.com.

For additional information, please visit www.cdongroup.com or contact:

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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 and Lekmer.com), Fashion (Nelly.com, Heppo.com and Members.com), Sports & Health (Gymgrossisten.com and Bodystore.com) and Home & Garden (Tretti.com and Room21.com) segments. CDON Group's ten online stores attract approximately 172 million site visits and two million unique customers on a yearly basis.

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 17 October 2012.



Auditors' Review Report concerning this interim report

Introduction

We have reviewed the interim report for CDON Group AB as of September 30, 2012 and the nine month period ending on this date. The Board of Directors and the President and CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

The focus and scope of the review

We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410, *Review of the Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, performing an analytical examination and applying other review procedures. A review has a different focus and is substantially less in scope than an audit conducted according to ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, the conclusion expressed based on a review does not constitute the same level of assurance as a conclusion based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report, in all material respects, is not prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the Parent Company in accordance with the Swedish Annual Accounts Act.

Stockholm, 17 October 2012

KPMG AB

George Pettersson
Authorized Public Accountant



CONDENSED CONSOLIDATED INCOME STATEMENT (SEK million)	2012 Jul-Sep	2011 Jul-Sep	2012 Jan-Sep	2011 Jan-Sep	2011 Jan-Dec
Net sales	982.5	826.4	2,888.9	2,087.3	3,403.7
Cost of goods and services	-853.8	-704.9	-2,515.7	-1,729.5	-2,816.4
Gross profit	128.6	121.5	373.2	357.8	587.3
Sales and administration expenses	-137.7	-105.1	-435.7	-303.4	-458.8
Other operating income and expenses, net	1.5	2.3	-0.7	3.5	0.7
Operating profit	-7.6	18.7	-63.2	57.9	129.2
Net interest & other financial items	-8.8	-5.4	-19.2	-12.8	-18.2
Profit before tax	-16.4	13.3	-82.4	45.1	111.0
Tax	5.1	-1.8	21.0	-10.5	-28.0
Net income for the period	-11.3	11.5	-61.4	34.6	83.0
EBITDA	-3.4	21.7	-52.2	65.2	139.7
<i>Attributable to:</i>					
Equity holders of the parent	-10.4	11.8	-58.1	35.1	83.3
Non-controlling interests	-0.8	-0.3	-3.3	-0.5	-0.3
Net income for the period	-11.3	11.5	-61.4	34.6	83.0
Basic earnings per share (SEK)*	-0.16	0.18	-0.88	0.53	1.26
Diluted earnings per share (SEK)*	-0.16	0.18	-0.88	0.53	1.26

* 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)	2012 Jul-Sep	2011 Jul-Sep	2012 Jan-Sep	2011 Jan-Sep	2011 Jan-Dec
Profit for the period	-11.3	11.5	-61.4	34.6	83.0
Other comprehensive income					
Translation difference for the period	-1.7	0.8	-2.0	1.0	-3.3
Other comprehensive income for the period	-1.7	0.8	-2.0	1.0	-3.3
Total comprehensive income for period	-12.9	12.3	-63.3	35.6	79.8
<i>Total comprehensive income attributable to:</i>					
Parent company shareholders	-12.1	12.6	-60.0	36.1	87.6
Non-controlling interests	-0.8	-0.3	-3.3	-0.5	-0.6
Total comprehensive income for the period	-12.9	12.3	-63.3	35.6	87.0

Shares outstanding at period's end	66,342,124	66,342,124	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	72,921,071	72,921,071
Average number of shares, basic	66,342,124	66,342,124	66,342,124	66,342,124	66,342,124
Average number of shares, diluted	72,921,071	72,921,071	72,921,071	72,921,071	72,921,071



CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONDENSED (SEK million)	2012 30-Sep	2011 30-Sep	2011 31-Dec
Non-current assets			
Goodwill	445.8	447.6	447.0
Other intangible assets	155.9	134.8	138.0
Total intangible assets	601.6	582.4	584.9
Financial non-current assets	1.6	1.8	1.6
Tangible non-current assets	8.0	8.7	10.8
Deferred tax asset	6.0	0.0	6.0
Total non-current assets	617.2	592.9	603.3
Current assets			
Inventories	682.9	474.9	459.1
Current interest-bearing receivables	0.0	0.0	0.0
Current non-interest-bearing receivables	173.2	143.4	145.6
Total receivables	173.2	143.4	145.6
Cash and cash equivalents	9.030	135.5	417.4
Total current assets	865.1	753.8	1,022.1
Total assets	1,482.3	1,346.8	1,625.3
Equity			
Equity attributable to owners of the parent	356.4	382.0	415.8
Non-controlling interest	-1.9	7.0	1.4
Total equity	354.5	389.1	417.3
Non-current liabilities			
<i>Non interest bearing</i>			
Deferred tax liability	38.9	40.7	40.8
Other provisions	5.1	4.8	4.9
<i>Interest bearing</i>			
Long term loans	150.0	150.0	150.0
Convertible bond	220.9	212.8	214.8
Total non-current liabilities	414.9	408.3	410.4
Current liabilities			
Current interest-bearing liabilities	15.0	15.0	15.0
Current non-interest-bearing liabilities	697.9	534.4	782.6
Total current liabilities	712.9	549.4	797.6
Total equity and liabilities	1,482.3	1,346.8	1,625.3



CONSOLIDATED STATEMENT OF CASH FLOWS CONDENSED (SEK million)	2012 Jul-Sep	2011 Jul-Sep	2012 Jan-Sep	2011 Jan-Sep	2011 Jan-Dec
Cash flow from operating activities	1.2	30.9	-81.7	51.1	124.3
Changes in working capital	-93.6	-59.4	-291.2	-161.1	71.6
Cash flow from operations	-92.4	-28.4	-372.9	-110.0	195.9
Investments in subsidiaries	0.0	0.0	-4.9	-322.8	-323.9
Investments in other non-current assets	-6.1	-10.3	-27.9	-13.5	-21.9
Cash flow to/from investing activities	-6.1	-10.3	-32.7	-336.3	-345.8
Other cash flow from/to financing activities	0.0	-35.5	0.0	150.0	136.2
Cash flow to/from financing activities	0.0	-35.5	0.0	150.0	136.2
Change and cash equivalents for the period	-98.5	-74.2	-405.7	-296.3	-13.8
Cash and cash equivalents at period's start	110.4	209.3	417.4	431.3	431.3
Translation difference, cash and cash equivalents	-2.9	0.4	-2.7	0.4	-0.1
Cash and cash equivalents at period's end	9.0	135.5	9.0	135.5	417.4

STATEMENT OF CHANGES IN EQUITY CONDENSED (SEK million)	2012 30-Sep	2011 30-Sep	2011 31-Dec
Opening balance	417.3	346.5	346.5
Profit for the period	-61.4	34.6	83.0
Other comprehensive income	-2.0	1.0	-0.2
Effects of long term incentive program	0.6	0.3	0.3
New share issue	0.6	0.4	0.4
Repurchased own shares	-0.6	-0.4	-0.4
Acquisition of non-controlling interests with a change in control	-	6.6	1.5
Acquisition of shares from non-controlling interests without a change in control	-	-	-13.8
Closing balance	354.5	389.1	417.3



SEGMENT REPORTING

NET SALES (SEK million)	2011 Jan-Mar	2011 Apr-Jun	2011 Jul-Sep	2011 Oct-Dec	2011 Full year	2012 Jan-Mar	2012 Apr-Jun	2012 Jul-Sep	2012 Jan-Sep
Entertainment	361.2	365.8	429.8	772.1	1,928.9	484.3	464.1	525.0	1,473.4
Fashion	111.5	184.4	157.2	275.1	728.2	196.4	225.9	193.3	615.6
Sport & Health	96.7	90.0	93.4	97.1	377.1	127.6	116.4	123.5	367.5
Home & Garden	2.4	48.9	146.0	172.1	369.5	146.3	146.1	141.6	434.0
Total operational business areas	571.8	689.1	826.4	1,316.4	3,403.8	954.6	952.5	983.4	2,890.5
Group central operations	8.0	11.6	8.6	14.1	42.4	13.4	14.5	12.4	40.4
Eliminations	-8.0	-11.6	-8.6	-14.1	-42.4	-13.7	-14.9	-13.4	-41.9
CONSOLIDATED TOTAL	571.8	689.1	826.4	1,316.4	3,403.7	954.3	952.1	982.5	2,888.9

Intersegment sales									
Entertainment	0.0	-	-	-	0.0	-	-	0.0	0.0
Fashion	-	-	-	-	-	-	-	-	-
Sport & Health	-	-	-	-	-	0.0	0.0	0.0	0.0
Home & Garden	-	-	-	-	-	0.2	0.4	0.9	1.5
Group central operations	7.9	11.6	8.6	14.1	42.3	13.4	14.5	12.4	40.4
Total	8.0	11.6	8.6	14.1	42.4	13.7	14.9	13.4	41.9

OPERATING PROFIT (SEK million)	2011 Jan-Mar	2011 Apr-Jun	2011 Jul-Sep	2011 Oct-Dec	2011 Full year	2012 Jan-Mar	2012 Apr-Jun	2012 Jul-Sep	2012 Jan-Sep
Entertainment	18.2	9.9	23.7	50.5	102.3	24.1	11.8	19.6	55.6
Fashion	-4.4	8.3	2.3	13.5	19.8	-38.5	-57.5	-30.3	-126.3
Sport & Health	10.8	9.6	9.0	10.3	39.7	13.3	10.9	10.6	34.9
Home & Garden	0.1	0.6	3.3	1.2	5.3	-5.9	-3.4	-1.3	-10.6
Total operational business areas	24.8	28.4	38.4	75.5	167.1	-7.0	-38.2	-1.3	-46.5
Group central operations	-4.6	-9.3	-19.8	-4.1	-37.8	-5.1	-5.3	-6.3	-16.7
CONSOLIDATED TOTAL	20.1	19.1	18.7	71.3	129.2	-12.1	-43.5	-7.6	-63.2

PROFIT BEFORE TAX (SEK million)	2011 Jan-Mar	2011 Apr-Jun	2011 Jul-Sep	2011 Oct-Dec	2011 Full year	2012 Jan-Mar	2012 Apr-Jun	2012 Jul-Sep	2012 Jan-Sep
Entertainment	17.9	10.1	24.2	48.6	100.8	23.6	11.7	17.9	53.2
Fashion	-5.3	8.2	1.4	11.2	15.5	-40.5	-58.8	-33.8	-133.0
Sport & Health	10.8	9.6	8.7	10.5	39.7	13.4	11.0	9.1	33.5
Home & Garden	0.1	0.8	3.2	1.1	5.2	-6.0	-3.4	-1.4	-10.8
Total operational business areas	23.5	28.8	37.5	71.5	161.3	-9.4	-39.5	-8.1	-57.1
Group central operations	-6.8	-13.6	-24.2	-5.6	-50.2	-8.1	-8.9	-8.3	-25.3
CONSOLIDATED TOTAL	16.7	15.1	13.3	65.9	111.0	-17.5	-48.5	-16.4	-82.4



PARENT COMPANY INCOME STATEMENT CONDENSED (SEK million)	2012 Jul-Sep	2011 Jul-Sep	2012 Jan-Sep	2011 Jan-Sep	2011 Jan-Dec
Net Sales	12.4	8.6	40.4	28.2	42.4
Gross profit	12.4	8.6	40.4	28.2	42.4
Administration expenses	-18.7	-13.2	-57.0	-41.4	-61.9
Operating profit	-6.3	-4.6	-16.7	-13.2	-19.6
Net interest & other financial items	-2.0	-4.6	-8.6	-11.1	-12.6
Group contribution received	0.0	0.0	0.0	0.0	124.0
Group contribution paid	0.0	0.0	0.0	0.0	-16.0
Change in excess depreciation	0.0	0.0	0.0	0.0	0.0
Profit before tax	-8.3	-9.2	-25.3	-24.3	75.8
Tax	2.2	2.5	6.7	6.2	-20.1
Net income for the period	-6.1	-6.7	-18.6	-18.1	55.7

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME CONDENSED (SEK million)	2012 Jul-Sep	2011 Jul-Sep	2012 Jan-Sep	2011 Jan-Sep	2011 Jan-Dec
Profit for period	-6.1	-6.7	-18.6	-18.1	55.7
Other comprehensive income	0.0	0.0	0.0	0.0	0.0
Total comprehensive income for period	-6.1	-6.7	-18.6	-18.1	55.7

PARENT COMPANY STATEMENT OF FINANCIAL POSITION CONDENSED (SEK million)	2012 30-Sep	2011 30-Sep	2011 31-Dec
Non-current assets			
Shares and participating interests	684.3	640.5	683.9
Equipment	0.0	0.0	0.0
Total non-current assets	684.3	640.5	683.9
Current assets			
Current interest-bearing receivables	316.1	81.9	17.7
Current non-interest-bearing receivables	142.9	6.8	131.5
Cash and cash equivalents	-10.3	82.2	356.3
Total current assets	448.7	170.9	505.5
Total assets	1,133.1	811.4	1,189.4
Equity			
Restricted equity	134.4	133.9	133.9
Unrestricted equity	253.3	198.1	271.8
Total equity	387.7	332.0	405.7
Non-current liabilities			
Convertible bonds	220.9	212.8	214.8
Interest-bearing liabilities	150.0	150.0	150.0
Deferred tax liability	7.7	9.8	9.3
Provisions	5.1	4.8	4.9
Total non-current liabilities	383.6	377.3	378.9
Current liabilities			
Other interest-bearing liabilities	329.0	87.3	344.7
Non-interest-bearing liabilities	32.7	14.8	60.0
Total current liabilities	361.7	102.1	404.8
Total equity and liabilities	1,133.1	811.4	1,189.4



KEY RATIOS

KEY RATIOS	2011 Jan-Mar	2011 Apr-Jun	2011 Jul-Sep	2011 Oct-Dec	2011 Full year	2012 Jan-Mar	2012 Apr-Jun	2012 Jul-Sep	2012 Jan-Sep
GROUP									
Sales growth (%)	21.7	50.6	60.9	71.2	54.0	66.9	38.2	18.9	38.4
Change in operating expenses (%)	27.8	65.3	66.8	49.7	59.6	63.4	39.3	31.0	43.6
Operating margin (%)	3.5	2.8	2.3	5.4	3.8	-1.3	-4.6	-0.8	-2.2
Gross profit margin (%)	19.2	18.3	14.7	17.4	17.3	14.2	11.4	13.1	12.9
Return on capital employed (%)	27.0	20.6	15.8	18.7	18.7	13.1	4.4	1.1	1.1
Return on equity (%)	35.4	24.1	17.5	22.0	22.0	15.0	3.2	-2.6	-2.6
Equity/assets ratio (%)	38.4	29.2	28.9	25.7	25.7	28.1	25.9	23.9	23.9
Net debt (SEK million)	-52.2	187.1	227.3	-52.6	-52.6	196.1	258.4	361.8	361.8
Cash flows from operations (SEK million)	-161.9	80.4	-28.4	304.7	194.7	-234.5	-46.0	-92.4	-372.9
Earnings per share (SEK)*	0.19	0.16	0.18	0.73	1.26	-0.18	-0.54	-0.16	-0.88
Equity per share (SEK)*	5.43	5.68	5.86	6.29	6.29	6.09	5.53	5.34	5.34
Depreciation/Net sales (%)	0.3	0.3	0.4	0.2	0.3	0.3	0.4	0.4	0.4
Capital Expenditure/Net sales (%)	0.4	0.2	1.2	0.6	0.6	1.3	1.0	0.6	1.0
No. of visits (thousand)	34,092	35,611	41,289	60,765	171,758	58,679	54,532	53,332	166,542
No. of orders (thousand)	1,250	1,235	1,358	2,151	5,996	1,579	1,437	1,553	4,570
Average shopping basket (SEK)	438	536	588	587	546	581	643	611	611
Entertainment									
No. of visits (thousand)	18,864	16,061	18,991	27,519	81,436	22,305	19,565	21,830	63,699
No. of orders (thousand)	935	818	954	1,494	4,201	1,048	868	1,039	2,955
Average shopping basket (SEK)	363	424	429	484	433	436	508	482	474
Fashion									
No. of visits (thousand)	12,848	16,814	17,892	27,426	74,980	30,292	29,292	25,663	85,247
No. of orders (thousand)	173	271	224	445	1,113	296	356	292	944
Average shopping basket (SEK)	643	657	686	608	641	644	628	641	637
Sport & Health									
No. of visits (thousand)	2,380	2,036	2,207	2,863	9,486	3,497	2,979	3,000	9,475
No. of orders (thousand)	142	132	129	142	545	180	158	164	502
Average shopping basket (SEK)	681	679	723	688	692	703	733	745	726
Home & Garden									
No. of visits (thousand)	170	699	2,199	2,958	5,856	2,585	2,696	2,839	8,121
No. of orders (thousand)	2	14	51	71	136	56	55	58	169
Average shopping basket (SEK)	2,056	3,377	2,781	2,450	2,696	2,574	2,625	2,380	2,424

* Earnings per share for the periods Jan-Dec 2011 and Jan-Jun 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 to the Groups online stores.
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.



NOTES

Note 1

On 28 September 2012 CDON Group announced that it signed a deal to acquire Business Linc BL AB's operations. Business Linc is a third-party logistics company with focus on the e-commerce market. The company operates approximately 50,000 sq. m. of warehousing space in Falkenberg. The acquisition is structured as an assets deal and all approximately 340 personnel will be offered employment in the CDON Group. External customers outside CDON Group will be phased out.

The acquisition of the logistical operations is an important step towards strengthening the group's value chain and delivering a high level of customer satisfaction. CDON Group completed the acquisition on 1 October and paid the first part of the consideration amounting 1 MSEK.

Accrued goodwill in 2012 consists of strategic advantages and synergies. All part of recognised goodwill is expected to be deductible.

PRELIMINARY PURCHASE PRICE ALLOCATION FOR BUSINESS LINC BL AB'S OPERATIONS	Recognised values
Tangible non-current assets	5.7
Trade creditors and other short term debts	-6.4
Net identifiable assets and liabilities	-0.7
Goodwill on acquisition	15.7
Consideration transferred	15.0
Deferred purchase price	-9.0
Provision, contingent consideration	-5.0
Net cash flow	1.0

Contingent consideration

The acquisition agreement states that a contingent consideration is to be paid to the former owners of the operation based on certain conditions, including the transfer to CDON Group of existing rental contracts with unchanged terms for the operations.