

Interim report for 1 January – 30 September 2013

CDON Group AB (NASDAQ OMX Stockholm Mid Cap: CDON) announces its financial results for the third quarter and first nine months of 2013.

Third quarter

- Net sales reached SEK 949.6 million. Previous year SEK 953.3 million excluding divested operations and SEK 982.5 million including divested operations
- Gross margin of 12.3%. Previous year 13.6% excluding non-recurring items and divested operations
- Operating profit of SEK -17.9 million. Previous year SEK 2.6 million excluding non-recurring items and divested operations and SEK -7.6 million including non-recurring items and divested operations
- Profit after tax amounted to SEK -21.1 (-11.3) million
- Earnings per share amounted to SEK -0.21 (-0.16)

First nine months

- Net sales excluding divested operations was up 4.6% to SEK 2,946.2 (2,817.6) million
- Net sales including divested operations was up 2.8% to SEK 2,969.9 (2,888.9) million
- Gross margin of 12.8% (12.9%), which corresponds to 14.0% (14.7%) excluding non-recurring items and divested operations
- Operating profit of SEK -28.4 (10.0) million excluding non-recurring items and divested operations
- Operating profit of SEK -74.6 (-63.2) million including non-recurring items and divested operations
- Profit after tax amounted to SEK -83.1 (-61.4) million
- Earnings per share amounted to SEK -1.03 (-0.88)

CEO's statement

Paul Fischbein, CEO and President, commented: "CDON Group reports a solid sales growth for three out of four segments during the quarter. Particularly, the Sports & Health segment displays a continued strong growth of 37% with stable profitability while sales within the Fashion segment increased by over 14%. Also, the Home & Garden segment continued to grow in the quarter.

The inventory reduction of computer products continued within CDON.com, which affected results negatively by approximately SEK 13 million during the quarter. Consequently, the Entertainment segment showed an underlying operating profit during the period. Our ambition is to transform CDON.com into a full range retailer online and we continue to deliver on our strategy to defend our market leading position and to continuously broaden our product offering.

The efficiency enhancing initiatives within the Fashion segment continued and a new web platform was launched. As of the end of the third quarter, the majority of the internal reinforcement and restructuring measures had been completed within Nelly.com. Despite a strong focus on these efficiency enhancing measures and a market which was weakened somewhat by the warm weather, the Fashion segment grew by over 14%.

Profitability for our fastest growing segment, the Sports & Health segment, showed continued strength with an operating margin of approximately 9% despite continued investments in new markets. Private label products accounted for 46% of total sales and an entirely new product category was launched. Total sales growth within the Sports & Health segment amounted to 37%."



Forward-looking statement

CDON Group's strategy for 2013 is to continue to deliver sales growth and increased market shares in a balanced way, particularly in Nelly.com and Gymgrossisten.com. CDON.com is expected to weaken the Group's growth as media products sales are expected to decline. The continued inventory reduction within CDON.com is expected to affect the Entertainment segment's result due to continued lower margins in the fourth quarter. The Group's logistics company CDON Group Logistics AB is expected to show breakeven figures as of the fourth quarter.

Significant events during the third quarter 2013

The acquisition of all outstanding minority shares in Nelly.com

On 8 July, CDON Group AB announced that it had acquired the 2.23% of shares outstanding in its subsidiary NLY Scandinavia AB ("Nelly.com") from the company's minority shareholders. CDON Group now holds 100.0% of shares and votes in NLY Scandinavia AB.

The Group's financial summary, excluding divested entities and non-recurring costs*

(SEK million)	2013 Jul-Sep	2012 Jul-Sep	Change (%)	2013 Jan-Sep	2012 Jan-Sep	Change (%)
Net sales	949.6	953.3	-0.4%	2,946.2	2,817.6	4.6%
Gross profit	117.0	129.5	-9.6%	413.8	413.7	0.0%
Gross margin (%)	12.3%	13.6%		14.0%	14.7%	
Operating profit	-17.9	2.6	-	-28.4	10.0	-
Operating margin (%)	-1.9%	0.3%		-1.0%	0.4%	
Ingoing inventory balance	545.0	504.3		575.7	438.8	
Closing inventory balance	569.5	642.0	-11.3%	569.5	642.0	-11.3%

*Divested entities and non-recurring costs are reported on page 4

Earnings summary

Consolidated net sales excluding divested operations decreased by 0.4% in the third quarter but increased by 4.6% for the first nine months. Excluding currency effects and divested operations Group sales increased by 0.3% in the quarter and by 5.6% for the first nine months. The Sports & Health and Fashion segments reported continued strong sales growth and increased market shares in the quarter. The Group's online stores attracted 52.3 (53.3) million visitors and generated 1.5 (1.6) million orders in the quarter.

The consolidated gross margin for the Group was 12.3% (13.6%) for the quarter excluding non-recurring items and divested operations, and 14.0% (14.7%) for the first nine months. The decreased margin in the quarter is primarily attributable to CDON.com, that performed clearance sales for computer-related products that contributed negatively with approximately SEK 13 million to earnings and the smaller portion of sales from media-related products which affected gross margin negatively.

The Group's operating result excluding non-recurring items and divested operations was SEK -17.9 (2.6) million for the quarter and -28.4 (10.0) million for the first nine months. Including non-recurring items and divested operations, operating profit totalled SEK -17.9 (-7.6) million for the quarter and SEK -74.6 (-63.2) million for the first nine months.

Consolidated net financial expenses totalled SEK -6.3 (-8.8) million for the quarter, which primarily reflected interest expenses related to the Group's convertible bond and foreign currency effects. For the first nine



months net financial expenses totalled SEK -28.0 (-19.2) million which also included interest costs for the credit and overdraft facilities.

Consolidated earnings before tax totalled SEK -24.3 (-16.4) million for the quarter and SEK -102.6 (-82.4) million for the first nine months. The Group recognized tax revenues of SEK 3.2 (5.1) million for the quarter and SEK 19.5 (21.0) million for the first nine months as a result of capitalized loss carry forwards. Group profit after tax therefore totalled SEK -21.1 (-11.3) million for the third quarter and SEK -83.1 (-61.4) million for the first nine months.

Consolidated earnings per share before and after dilution totalled SEK -0.21 (-0.16) for the third quarter and SEK -1.03 (-0.88) for the first nine months.

Cash flow and financial position

The Group showed cash flow from operations of SEK -15.2 (1.2) million in the quarter and SEK -83.6 (-81.7) million for the first nine months. The cash flow effect from changes in working capital amounted to SEK 29.8 (-93.6) million in the quarter and SEK -193.0 (-291.2) million for the first nine months. The changes compared to last year are mainly due to less working capital tied up in inventory. Consolidated cash flow from operations therefore totalled SEK 14.6 (-92.4) million in the quarter and SEK -276.6 (-372.9) million for the first nine months.

Consolidated cash flow to investing activities totalled SEK -11.4 (-6.1) million in the quarter and SEK -21.3 (-32.7) million for the first nine months. Primarily, the cash flow in the third quarter was affected by operational investments, mainly relating to the development of the Group's store platforms and logistics operations.

Consolidated cash flow to financing activities in the quarter amounted to SEK -166.2 (0.0) million and SEK 336.0 (0.0) million for the first nine months. During the quarter the Group amortized SEK 150 million on existing credit facilities and acquired all outstanding minority shares in NLY Scandinavia AB. The nine months period reflects the rights issue from the second quarter and the restructuring of the Group's long term debt.

Consolidated cash and cash equivalents declined by SEK 163.0 million in the quarter. Including translation differences, cash and cash equivalents decreased to SEK 163.8 (9.0) million from SEK 327.2 million at the end of the second quarter. For the first nine months cash and cash equivalents increased by SEK 38.2 (-405.7) million.

At the end of the period the Group had a net debt of SEK 65.6 (361.9) million compared to SEK 50.0 million at the end of the second quarter and SEK 246.8 million at the end of 2012. The increase in the quarter mainly reflected investments made in investing and financing activities, whilst the reduction year to date reflects the rights issue and the restructuring of the Group's long-term debt.

Total consolidated assets grew by 10% year on year to SEK 1,627.4 (1,482.3) million. Stock levels increased by SEK 19 million during the quarter to SEK 569.5 (682.9) million compared to an increase of SEK 150.3 million for the same period last year. Capital employed totalled SEK 738.9 million. The Group's rolling 12 months return on capital employed declined year on year and was negative, which is mainly explained by deteriorated earnings during the fourth quarter of 2012.

Consolidated equity decreased to SEK 673.3 (354.5) million in the quarter compared to SEK 707.4 million at the end of the second quarter. The decrease in the quarter is primarily attributable to the quarter's results as well as the acquisition of the remaining minority stake in NLY Scandinavia AB. Consolidated equity increased from SEK 266.4 million at the beginning of the year, primarily attributable to the second quarter rights issue which was partly offset by net income and the acquisition of the minority stake.



Summary of divested operations and non-recurring items

SUMMARY OF DIVESTED ENTITIES AND ONE OFF ITEMS	2012		2012		2012		2012		2012		2013		2013	
	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Sep	Oct-Dec	Jan-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Sep	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Sep
Revenue	15.4	26.9	29.2	71.4	31.3	102.6	18.7	4.9	0.0	23.6				
Divested entity (Heppo)	15.4	26.9	29.2	71.4	31.3	102.6	18.7	4.9	0.0	23.6				
Gross Profit	-11.6	-28.1	-0.8	-40.5	-100.3	-140.9	2.6	-35.8	0.0	-33.2				
Nelly	-14.0	-33.9	-6.6	-54.5	-106.0	-160.5	0.0	0.0	0.0	0.0				
Gymgrossisten	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-4.6	0.0	-4.6				
CDON	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-32.0	0.0	-32.0				
Divested entity (Heppo)	2.4	5.8	5.8	14.0	5.7	19.6	2.6	0.8	0.0	3.4				
Operating Profit	-19.1	-44.0	-10.1	-73.2	-117.4	-190.6	-3.6	-42.6	0.0	-46.2				
Nelly	-14.0	-37.7	-6.6	-58.3	-112.2	-170.5	0.0	0.0	0.0	0.0				
Gymgrossisten	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-5.6	0.0	-5.6				
CDON	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-32.0	0.0	-32.0				
Divested entity (Heppo)	-5.1	-6.3	-3.5	-14.9	-5.2	-20.1	-3.6	-5.0	0.0	-8.6				

Development per segment

Entertainment*

(SEK million)	2013 Jul-Sep	2012 Jul-Sep	Change (%)	2013 Jan-Sep	2012 Jan-Sep	Change (%)
Net sales	447.1	525.0	-14.8%	1,370.0	1,473.4	-7.0%
Operating profit	-13.0	19.6	-	-9.5	55.6	-
Operating margin (%)	-2.9%	3.7%		-0.7%	3.8%	
Ingoing inventory balance	252.3	208.5		287.1	218.7	
Closing inventory balance	243.5	281.1	-13.4%	243.5	281.1	-13.4%

* Excluding non-recurring costs as reported on page 4

The Entertainment segment comprises the online stores CDON.com and Lekmer.com. Segment sales decreased 15% for the quarter and 7% for the first nine months of the year. Sales excluding currency effects decreased 14% for the quarter and 6% for the first nine months of the year. The segment accounted for 47% (55%) of total Group sales in the quarter and 46% (52%) of total Group sales for the first nine months.

CDON.com is a leading Nordic online retailer with a strong market position. From initially only selling media products, the product offering has gradually been broadened and today includes a wide range from consumer electronics to sports & leisure, clothing & shoes and toys. CDON.com maintained its market position within media products during the quarter, however on a severely declining market. The inventory clearance that was initiated in the second quarter for computer-related products was intensified in the third quarter. The development of new product categories continued in the quarter and sales for each of the new areas was in line with company expectations. CDON.com launched its member program CDON+ in the quarter as an important step in strengthening customer loyalty.

Lekmer.com continued to show solid growth and gained market shares, primarily within the children's clothing and prams/car seats categories.

The segment's result was affected by the on-going clearances intended to reduce capital tied up in stock. The clearance impacted the third quarter's operating result negatively by approximately SEK 13 million, resulting in a slightly positive underlying result.

**Fashion***

(SEK million)	2013 Jul-Sep	2012 Jul-Sep	Change (%)	2013 Jan-Sep	2012 Jan-Sep	Change (%)
Net sales	187.9	164.2	14.4%	632.2	544.2	16.2%
Operating profit	-7.1	-20.2	-	-19.9	-53.1	-
Operating margin (%)	-3.8%	-12.3%		-3.1	-9.8%	
Ingoing inventory balance	144.3	177.0		159.6	111.7	
Closing inventory balance	183.4	235.3	-22.1%	183.2	235.3	-22.1%

* Excluding divested entities and non-recurring costs as reported on page 4

The Fashion segment comprises the online stores Nelly.com and Members.com. Excluding divested businesses, segment sales grew by 14% in the quarter and 16% for the first nine months. Sales excluding currency effects grew by 16% in the quarter and 18% for the first nine months. The segment accounted for 20% (17%) of total Group sales in the quarter and 21% (19%) of total Group sales for the first nine months.

The Fashion segment's continued growth in the third quarter was mainly driven by the Nordic markets and the Netherlands. The growth was somewhat restrained as the summer sale had a larger share of total sales in the period, as well as a delay in the start of autumn season sales due to warm weather.

The Swedish market accounted for 46% of total segment sales in the quarter. Segment sales outside the Nordic countries accounted for 8%; the Netherlands was the largest market outside the Nordics. The segment's product margin was 48% during the quarter, sales of private label products accounted for 32% of total sales.

Nelly.com launched a newly developed web platform and a new graphical interface in the third quarter. The launch provides improved conditions for handling larger sales volumes, simplifying future technical development and opens potential for localized shops, which will strengthen the consumer offering.

The continued stable product margins, in combination with the continued focus on operational streamlining, contributed to improving the operating profit compared with the same period last year.

Sports & Health*

(SEK million)	2013 Jul-Sep	2012 Jul-Sep	Change (%)	2013 Jan-Sep	2012 Jan-Sep	Change (%)
Net sales	169.0	123.5	36.9%	502.1	367.5	36.6%
Operating profit	14.8	10.6	39.6%	46.3	34.9	32.7%
Operating margin (%)	8.8%	8.6%		9.2%	9.5%	
Ingoing inventory balance	80.6	59.8		63.6	47.5	
Closing inventory balance	74.9	57.9	29.3%	74.9	57.9	29.3%

* Excluding non-recurring costs as reported on page 4

The Sports & Health segment comprises the online stores Gymgrossisten.com, Bodystore.com and Milebreaker.com. Segment sales grew by 37% in the quarter and for the first nine months. Sales excluding currency effects grew by 36% in the quarter and 37% in the first nine months. The segment accounted for 18% (13%) of total Group sales in the quarter and 17% (13%) of total Group sales in the first nine months.

The segment strengthened its market share in all markets in the period through local marketing activities, such as the production of Gymgrossisten Magazine in Sweden.

The broadening of private label products continued in the period, and an entirely new product line, the premium brand Chained Nutrition, was introduced. Sales of private label products, mainly Star Nutrition, accounted for 46% of total sales. Gymgrossisten.com launched a mobile version of its online store during the



period. The launch was a step forward in the company's strategy to offer customers the best possible service and experience, regardless if they visit a physical store, an e-commerce store or the new mobile-compatible store.

The segment continued to show strong profitability in the quarter. The operating margin was up slightly compared to last year as a result of an increased share of sales from private label products, despite aggressive investments in the new markets.

Home & Garden

(SEK million)	2013 Jul-Sep	2012 Jul-Sep	Change (%)	2013 Jan-Sep	2012 Jan-Sep	Change (%)
Net sales	145.5	141.6	2.7%	447.5	434.0	3.1%
Operating profit	-0.8	-1.3	-	-4.4	-10.6	-
Operating margin (%)	-0.5%	-0.9%		-1.0%	-2.4%	
Ingoing inventory balance	67.8	59.0		65.4	60.9	
Closing inventory balance	67.7	67.7	0.0%	67.7	67.7	0.0%

The Home & Garden segment comprises the online stores Tretti and Room21. Segment sales increased 3% both in the quarter and in the first nine months. Sales excluding currency effects grew by 3% in the quarter and 4% in the first nine months. The segment accounted for 15% (15%) of total Group sales in the quarter and 15% (15%) of total Group sales in the first nine months.

The share of sales coming from household and home & garden products at Tretti grew in the quarter. The focus on these products is an important step toward a long-term improvement of product margins and a prerequisite for a profitable growth in a market characterised by hard competition within white goods.

Furniture and interior design store Room21 continued to show solid growth, driven partly by successful sales of private label furniture as a complement to design classics, as well as increased brand awareness.

The operating result improved to SEK -0.8 (-1.3) million year-on-year in the quarter, mainly driven by an improved result for Room21.

CDON Group Logistics AB

(SEK million)	2013 Jul-Sep	2012 Jul-Sep	Change (%)	2013 Jan-Sep	2012 Jan-Sep	Change (%)
Operating profit	-4.9	-	-	-21.2	-	-

CDON Group Logistics AB was founded in the autumn of 2012 when the net assets of the logistics business that operated warehousing for Nelly.com and Lekmer.com at the time were acquired. After the acquisition, the company acted as an independent internal supplier for the Group. As of the third quarter 2013 the logistics company has become an integrated part of each entity where the operational responsibility now lies with each company. During the third quarter, Birgitta Elfversson's position as Head of Logistics for CDON Group was terminated.

The operating loss in the third quarter amounted to SEK -4.9 million. In September the company achieved its goal of a break-even operating result and the logistics company is expected to maintain this going forward. The company is consolidated into the accounts of the Group's central functions.



Parent Company

The parent company CDON Group AB reported sales of SEK 10.9 (12.4) million for the quarter. Cash and cash equivalents in the parent company amounted to SEK 157.0 (-10.3) million at the end of the period. The parent company's investments in non-current assets during the quarter correspond to the acquisition of outstanding minority shares in NLY Scandinavia AB.

Accounting policies

This report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish 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 2012 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 interest rate risks. The 2012 annual report contains a more comprehensive description of the risks and uncertainty factors affecting the Group in the management report and in Note 20.

Transactions with related parties

Related party transactions for the parent company and the Group are presently of the same character, but less extensive, than described in the 2012 annual report and in the 2013 prospectus for the rights issue.

Other information

2014 Annual General Meeting of shareholders

CDON Group's 2014 annual general meeting of shareholders will be held on 13 May 2014 in Stockholm. Shareholders that would like to have a matter 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 2014 Annual General Meeting of shareholders

In accordance with the resolution of the 2013 Annual General Meeting, Cristina Stenbeck, as the representative of the largest shareholder Investment AB Kinnevik, has convened a Nomination Committee consisting of members appointed by the largest shareholders in CDON Group. The Nomination Committee is comprised of Cristina Stenbeck appointed by Investment AB Kinnevik, Annika Andersson appointed by Swedbank Robur funds and Frank Larsson appointed by Handelsbanken Fonder AB. The members of the Committee shall 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.



CDON Alandia

Finnish customs authorities are investigating a subsidiary of CDON AB, Åland-based CDON Alandia, for suspicion of tax fraud. Like other companies, CDON.com has chosen to serve its Finnish customers from Åland. The company has been in operation since 2007 and has been fully transparent for relevant authorities, who have routinely reviewed it, most recently as part of a customs reviewing 2010 and a tax review in 2012. CDON AB is fully assisting in the investigation, and is still of the opinion that the company acts in accordance with relevant laws and regulations.

Fourth Quarter and Full Year 2013 Financial Results

CDON Group's results for the fourth quarter and full year ending 31 December 2013 will be published on 4 February 2014.

21 October 2013

Paul Fischbein
President & CEO

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

The company will host a conference call today at 13.00 Stockholm time, 12.00 London time and 7.00 New York time.

To participate in a conference call, please dial:

Sweden:	+46(0)8 5853 6965
International:	+44(0)20 7136 2054
US:	+1 212 444 0481

The pin code to access this call is **6930192**.

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 and Lekmer.com), Fashion (Nelly.com and Members.com), Sports & Health (Gymgrossisten.com, Bodystore.com and Milebreaker.com) and Home & Garden (Tretti.com and Room21.com) segments. CDON Group's online stores attracted approximately 244 million site visits and two million unique customers in 2012.

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 08.00 CET 21 October 2013.



Auditors' Review Report concerning this interim report

To the Board of Directors of CDON Group AB (publ) Org nr 556035-6940

Introduction

We have reviewed the interim report for CDON Group AB (publ) as of September 30, 2013 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. This interim report has been published in Swedish and English. In the event of any discrepancy in content between the Swedish original text and the English translation, the Swedish original shall prevail.

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, 21 October 2013

KPMG AB

Cronie Wallquist
Authorized Public Accountant



CONDENSED CONSOLIDATED INCOME STATEMENT (SEK million)	2013 Jul-Sep	2012 Jul-Sep	2013 Jan-Sep	2012 Jan-Sep	2012 Jan-Dec
Net sales	949.6	982.5	2,969.9	2,888.9	4,461.7
Cost of goods and services	-832.6	-853.8	-2,589.2	-2,515.7	-3,990.5
Gross profit	117.0	128.6	380.6	373.2	471.2
Sales and administration expenses	-135.7	-137.7	-451.4	-435.7	-638.0
Other operating income and expenses, net	0.7	1.5	-3.8	-0.7	-7.2
Operating profit	-17.9	-7.6	-74.6	-63.2	-173.9
Net interest & other financial items	-6.3	-8.8	-28.0	-19.2	-27.3
Profit before tax	-24.3	-16.4	-102.6	-82.4	-201.2
Tax	3.2	5.1	19.5	21.0	49.4
Net income for the period	-21.1	-11.3	-83.1	-61.4	-151.7
EBITDA	-12.7	-3.4	-59.1	-52.2	-158.2
<i>Attributable to:</i>					
Equity holders of the parent	-21.0	-10.4	-82.2	-58.1	-149.6
Non-controlling interests	0.0	-0.8	-0.9	-3.3	-2.2
Net income for the period	-21.1	-11.3	-83.1	-61.4	-151.7
Basic earnings per share (SEK)*	-0.21	-0.16	-1.03	-0.88	-2.25
Diluted earnings per share (SEK)*	-0.21	-0.16	-1.03	-0.88	-2.25

* Basic earnings per share for Jul-Sep 2013 and Jan-Sep 2013 have been calculated to reflect completed new share issue by which the number of outstanding shares increased from 66,342,124 to 99,513,183 before dilution and from 72,921,071 to 107,577,702 after dilution.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME CONDENSED (SEK million)	2013 Jul-Sep	2012 Jul-Sep	2013 Jan-Sep	2012 Jan-Sep	2012 Jan-Dec
Profit for the period	-21.1	-11.3	-83.1	-61.4	-151.7
Other comprehensive income					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Translation difference for the period	-0.5	-1.7	0.0	-2.0	-1.2
Other comprehensive income for the period	-0.5	-1.7	0.0	-2.0	-1.2
Total comprehensive income for period	-21.5	-12.9	-83.1	-63.3	-152.9
<i>Total comprehensive income attributable to:</i>					
Parent company shareholders	-21.5	-12.1	-82.1	-60.0	-150.7
Non-controlling interests	0.0	-0.8	-0.9	-3.3	-2.2
Total comprehensive income for the period	-21.5	-12.9	-83.1	-63.3	-152.9

Shares outstanding at period's end	99,513,186	66,342,124	99,513,186	66,342,124	66,342,124
Shares outstanding at period's end, incl convertible	107,577,702	72,921,071	107,577,702	72,921,071	72,921,071
Average number of shares, basic	99,513,186	66,342,124	79,455,940	66,342,124	66,342,124
Average number of shares, incl convertible	107,577,702	72,921,071	86,622,584	72,921,071	72,921,071



CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONDENSED (SEK million)	2013 30-Sep	2012 30-Sep	2012 31-Dec
Non-current assets			
Goodwill	462.0	445.8	461.8
Other intangible assets	166.8	155.9	156.5
Total intangible assets	628.8	601.6	618.3
Financial non-current assets	1.6	1.6	1.6
Tangible non-current assets	19.3	8.0	14.3
Deferred tax asset	73.6	6.0	44.4
Total non-current assets	723.2	617.2	678.5
Current assets			
Inventories	569.5	682.9	609.7
Current non-interest-bearing receivables	170.9	173.2	268.5
Total receivables	170.9	173.2	268.5
Cash and cash equivalents	163.8	9.0	126.1
Total current assets	904.1	865.1	1,004.3
Total assets	1,627.4	1,482.3	1,682.8
Equity			
Equity attributable to owners of the parent	672.0	356.4	267.1
Non-controlling interest	1.4	-1.9	-0.7
Total equity	673.3	354.5	266.4
Non-current liabilities			
<i>Non interest bearing</i>			
Deferred tax liability	29.2	38.9	30.9
Other provisions	1.4	5.1	6.0
<i>Interest bearing</i>			
Long term loans	0.0	150.0	0.0
Convertible bond	229.4	220.9	223.0
Total non-current liabilities	260.0	414.9	259.8
Current liabilities			
Short term interest bearing loans	0.0	0.0	150.0
Current interest-bearing liabilities	15.0	15.0	15.0
Current non-interest-bearing liabilities	679.0	697.9	991.6
Total current liabilities	694.0	712.9	1,156.6
Total equity and liabilities	1,627.4	1,482.3	1,682.8

The carrying amounts are considered to be reasonable approximations of fair value for all financial assets and financial liabilities, except for the convertible debt. Fair value of the convertible debt is estimated to be SEK 245.1 million as of September 30, 2013. Fair value of the convertible debt was estimated to be SEK 245.5 million as of 31 December 2012.



CONSOLIDATED STATEMENT OF CASH FLOWS CONDENSED (SEK million)	2013 Jul-Sep	2012 Jul-Sep	2013 Jan-Sep	2012 Jan-Sep	2012 Jan-Dec
Cash flow from operating activities	-15.2	1.2	-83.6	-81.7	-97.5
Changes in working capital	29.8	-93.6	-193.0	-291.2	-135.1
Cash flow from operations	14.6	-92.4	-276.6	-372.9	-232.6
Investments in subsidiaries*	-5.0	0.0	-15.6	-4.9	-14.9
Investments in other non-current assets	-11.8	-6.1	-32.5	-27.9	-42.5
Divested operations**	5.4	0.0	26.8	0.0	0.0
Other cash flow from investing activities	0.0	0.0	0.0	0.0	0.0
Cash flow to/from investing activities	-11.4	-6.1	-21.3	-32.7	-57.3
Shareholder dividends and share buy-backs	-1.4	0.0	-1.4	0.0	0.0
Acquisition of shares from non controlling interest	-13.9	0.0	-13.9	0.0	0.0
New share issue	-0.8	0.0	501.4	0.0	0.0
Issue of credit facilities	0.0	0.0	150.0	0.0	0.0
Amortisation of credit facilities	-150.0	0.0	-300.0	0.0	0.0
Cash flow to/from financing activities	-166.2	0.0	336.0	0.0	0.0
Change in cash and cash equivalents for the period	-163.0	-98.5	38.2	-405.7	-289.9
Cash and cash equivalents at period's start	327.2	110.4	126.1	417.4	417.4
Translation difference, cash and cash equivalents	-0.5	-2.9	-0.5	-2.7	-1.4
Cash and cash equivalents at period's end	163.8	9.0	163.8	9.0	126.1

* Investments in subsidiaries Jan-Sep 2013 comprises SEK 9.0 million acquisition of Business Linc BL AB's operations, SEK 4.6 million acquisition of Lekmer AB and SEK 2.0 million acquisition of Rum21 AB.

** Divested operations Jan-Sep 2013 comprises the two first installments of SEK 26.8 million on disposal of Heppo AB's operations.

STATEMENT OF CHANGES IN EQUITY CONDENSED (SEK million)	2013 30-Sep	2012 30-Sep	2012 31-Dec
Opening balance	266.4	417.3	417.3
Comprehensive income for the period	-83.1	-63.3	-152.9
Effects of long term incentive program	0.8	0.6	0.9
New share issue*	504.5	0.6	0.6
Repurchased own shares	-1.4	-0.6	-0.6
Acquisition of shares from non-controlling interests without a change in control	-13.9	-	-
Effect of change in tax rate on convertible	-	-	1.2
Closing balance	673.3	354.5	266.4

* Transaction costs of approximately SEK 14.2 million (SEK 11.1 million net of tax) directly attributable to the issue of new ordinary shares are recognized, net of tax, in equity as a deduction from the proceeds.



NET SALES (SEK million)	2012 Jan-Mar	2012 Apr-Jun	2012 Jul-Sep	2012 Jan-Sep	2012 Oct-Dec	2012 Full year	2013 Jan-Mar	2013 Apr-Jun	2013 Jul-Sep	2013 Jan-Sep
Entertainment	484.3	464.1	525.0	1,473.4	912.7	2,386.0	512.4	410.5	447.1	1,370.0
Fashion	196.4	225.9	193.3	615.6	327.3	942.9	223.8	244.1	187.9	655.8
Sport & Health	127.6	116.4	123.5	367.5	128.9	496.4	176.8	156.3	169.0	502.1
Home & Garden	146.3	146.1	141.6	434.0	197.5	631.6	143.2	158.8	145.5	447.5
Total operational business areas	954.6	952.5	983.4	2,890.5	1,566.4	4,456.9	1,056.1	969.7	949.5	2,975.4
Group central operations	13.4	14.5	12.4	40.4	60.7	101.1	42.7	46.9	40.5	130.1
Eliminations	-13.7	-14.9	-13.4	-41.9	-54.3	-96.2	-47.8	-47.4	-40.4	-135.6
CONSOLIDATED TOTAL	954.3	952.1	982.5	2,888.9	1,572.8	4,461.7	1,051.1	969.2	949.6	2,969.9
Intersegment sales										
Entertainment	-	-	0.0	0.0	0.5	0.5	8.5	0.8	0.1	9.5
Fashion	-	-	-	-	-	-	-	0.0	0.0	0.0
Sport & Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Home & Garden	0.2	0.4	0.9	1.5	0.6	2.1	0.0	0.0	0.0	0.0
Group central operations	13.4	14.5	12.4	40.4	53.2	93.6	39.2	46.6	40.3	126.1
Total	13.7	14.9	13.4	41.9	54.3	96.2	47.8	47.4	40.4	135.6
OPERATING PROFIT (SEK million)										
Entertainment	24.1	11.8	19.6	55.6	46.8	102.3	13.3	-41.9	-13.0	-41.5
Fashion	-38.5	-57.5	-30.3	-126.3	-141.3	-267.6	-17.4	-4.0	-7.1	-28.5
Sport & Health	13.3	10.9	10.6	34.9	12.4	47.3	17.9	8.0	14.8	40.7
Home & Garden	-5.9	-3.4	-1.3	-10.6	-3.1	-13.7	-3.4	-0.2	-0.8	-4.4
Total operational business areas	-7.0	-38.2	-1.3	-46.5	-85.2	-131.6	10.3	-38.1	-6.0	-33.8
Group central operations	-5.1	-5.3	-6.3	-16.7	-25.5	-42.2	-18.1	-10.8	-11.9	-40.8
<i>Of which CDON Group Logistics AB</i>	-	-	-	-	-19.4	-19.4	-12.1	-4.3	-4.9	-21.2
CONSOLIDATED TOTAL	-12.1	-43.5	-7.6	-63.2	-110.7	-173.9	-7.8	-48.9	-17.9	-74.6
PROFIT BEFORE TAX (SEK million)										
Entertainment	23.6	11.7	17.9	53.2	46.1	99.3	10.8	-43.2	-15.9	-48.3
Fashion	-40.5	-58.8	-33.8	-133.0	-144.1	-277.1	-22.9	-5.8	-9.7	-38.3
Sport & Health	13.4	11.0	9.1	33.5	13.2	46.7	17.2	8.7	14.4	40.2
Home & Garden	-6.0	-3.4	-1.4	-10.8	-3.2	-14.1	-3.8	-0.6	-1.1	-5.5
Total operational business areas	-9.4	-39.5	-8.1	-57.1	-88.0	-145.1	1.4	-40.9	-12.3	-51.8
Group central operations	-8.1	-8.9	-8.3	-25.3	-30.8	-56.0	-21.4	-17.3	-12.0	-50.7
<i>Of which CDON Group Logistics AB</i>	-	-	-	-	-19.5	-19.5	-12.5	-4.8	-5.4	-22.6
CONSOLIDATED TOTAL	-17.5	-48.5	-16.4	-82.4	-118.8	-201.2	-20.1	-58.2	-24.3	-102.6
INVENTORIES (SEK million)										
Entertainment	221.2	208.5	281.1		287.1		259.0	252.3	243.5	
Fashion	175.2	205.3	276.2		193.6		238.4	149.3	183.4	
Sport & Health	48.6	59.8	57.9		63.6		57.9	80.6	74.9	
Home & Garden	64.6	59.0	67.7		65.4		88.6	67.8	67.7	
Total operational business areas	509.6	532.6	682.9		609.7		643.9	550.1	569.5	
Group central operations	0.0	0.0	0.0		0.0		0.0	0.0	0.0	
CONSOLIDATED TOTAL	509.6	532.6	682.9		609.7		643.9	550.1	569.5	



PARENT COMPANY INCOME STATEMENT CONDENSED (SEK million)					
	2013 Jul-Sep	2012 Jul-Sep	2013 Jan-Sep	2012 Jan-Sep	2012 Jan-Dec
Net Sales	10.9	12.4	38.0	40.4	54.0
Gross profit	10.9	12.4	38.0	40.4	54.0
Administration expenses	-17.9	-18.7	-57.6	-57.0	-76.9
Operating profit	-7.0	-6.3	-19.6	-16.7	-22.8
Net interest & other financial items	0.4	-2.0	-8.5	-8.6	-13.7
Group contribution received	0.0	0.0	0.0	0.0	148.2
Group contribution paid	0.0	0.0	0.0	0.0	-120.4
Change in excess depreciation	0.0	0.0	0.0	0.0	0.0
Profit before tax	-6.6	-8.3	-28.1	-25.3	-8.7
Tax	1.5	2.2	6.1	6.7	2.3
Net income for the period	-5.1	-6.1	-22.0	-18.6	-6.4
PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME CONDENSED (SEK million)					
Profit for period	-5.1	-6.1	-22.0	-18.6	-6.4
Other comprehensive income	0.0	0.0	0.0	0.0	0.0
Total comprehensive income for period	-5.1	-6.1	-22.0	-18.6	-6.4



PARENT COMPANY STATEMENT OF FINANCIAL POSITION CONDENSED (SEK million)	2013 30-Sep	2012 30-Sep	2012 31-Dec
Non-current assets			
Other intangible assets	0.1	0.0	0.0
Shares and participating interests	832.6	684.3	818.2
Equipment	0.2	0.0	0.0
Deferred tax asset	4.7	0.0	0.0
Total non-current assets	837.6	684.3	818.3
Current assets			
Current interest-bearing receivables	254.3	316.1	370.0
Current non-interest-bearing receivables	5.9	142.9	156.1
Cash and cash equivalents	157.0	-10.3	87.7
Total current assets	417.2	448.7	613.8
Total assets	1,254.8	1,133.1	1,432.0
Equity			
Restricted equity	202.2	134.4	134.4
Unrestricted equity	681.1	253.3	266.9
Total equity	883.2	387.7	401.3
Non-current liabilities			
Convertible bonds	229.4	220.9	223.0
Interest-bearing liabilities	0.0	150.0	0.0
Deferred tax liability	4.5	7.7	6.0
Provisions	1.4	5.1	1.0
Total non-current liabilities	235.3	383.6	229.9
Current liabilities			
Short term interest bearing loans	0.0	0.0	150.0
Other interest-bearing liabilities	89.7	329.0	360.3
Non-interest-bearing liabilities	46.5	32.7	290.6
Total current liabilities	136.2	361.7	800.8
Total equity and liabilities	1,254.8	1,133.1	1,432.0



KEY RATIOS	2012	2012	2012	2012	2012	2012	2013	2013	2013	2013
	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Sep	Oct-Dec	Full year	Jan-Mar	Apr-Jun	Jul-Sep	Jan-Sep
GROUP										
Sales growth (%)	66.9	38.2	18.9	38.4	19.5	31.1	10.1	1.8	-3.3	2.8
Change in operating expenses (%)	63.4	39.3	31.0	43.6	30.3	39.1	5.7	6.2	-1.5	3.6
Operating margin (%)	-1.3	-4.6	-0.8	-2.2	-7.0	-3.9	-0.7	-5.0	-1.9	-2.5
Gross profit margin (%)	14.2	11.4	13.1	12.9	6.2	10.6	14.1	11.9	12.3	12.8
Return on capital employed (%)	13.1	4.4	1.1	1.1	neg	neg	neg	neg	neg	neg
Return on equity (%)	15.0	3.2	neg	neg	neg	neg	neg	neg	neg	neg
Equity/assets ratio (%)	28.1	25.9	23.9	23.9	15.8	15.8	15.9	40.5	41.4	41.4
Net debt (SEK million)	196.1	258.4	361.8	361.8	246.8	246.8	590.3	50.0	65.7	65.7
Cash flows from operations (SEK million)	-234.5	-46.0	-92.4	-372.9	133.4	-239.6	-327.1	36.0	14.6	-276.6
Earnings per share (SEK)*	-0.18	-0.54	-0.16	-0.88	-1.38	-2.25	-0.25	-0.62	-0.21	-1.03
Equity per share (SEK)**	6.09	5.53	5.34	5.34	4.02	4.02	3.74	7.12	6.78	6.78
Depreciation/Net sales (%)	0.3	0.4	0.4	0.4	0.3	0.4	0.5	0.5	0.5	0.5
Capital Expenditure/Net sales (%)	1.3	1.0	0.6	1.0	0.9	1.0	0.7	1.4	1.2	1.1
No. of visits (thousand)	58,679	54,532	53,332	166,542	77,802	244,344	64,394	58,926	52,294	175,615
No. of orders (thousand)	1,579	1,437	1,553	4,570	2,527	7,096	1,710	1,533	1,482	4,726
Average shopping basket (SEK)	581	643	611	611	590	603	618	633	640	630
Entertainment										
No. of visits (thousand)	22,305	19,565	21,830	63,699	35,472	99,172	25,938	22,083	23,167	71,188
No. of orders (thousand)	1,048	868	1,039	2,955	1,748	4,702	1,089	904	954	2,948
Average shopping basket (SEK)	436	508	482	474	491	480	470	454	469	465
Fashion										
No. of visits (thousand)	30,292	29,292	25,663	85,247	35,077	120,324	30,361	29,280	21,848	81,488
No. of orders (thousand)	296	356	292	944	514	1,459	323	352	262	938
Average shopping basket (SEK)	644	628	641	637	606	626	692	693	716	699
Sport & Health										
No. of visits (thousand)	3,497	2,979	3,000	9,475	3,477	12,953	4,805	4,112	3,854	12,772
No. of orders (thousand)	180	158	164	502	173	676	237	214	209	661
Average shopping basket (SEK)	703	733	745	726	737	729	745	731	807	760
Home & Garden										
No. of visits (thousand)	2,585	2,696	2,839	8,121	3,775	11,896	3,291	3,451	3,425	10,167
No. of orders (thousand)	56	55	58	169	91	259	60	63	57	179
Average shopping basket (SEK)	2,574	2,625	2,380	2,424	2,120	2,383	2,385	2,528	2,568	2,493

* Earnings per share for the periods Jan-Dec 2012 and Jan-Sep 2013 have been calculated on the average number of outstanding shares for the periods. The weighted average number of shares for the full year 2012 is 66,342,124. For the period Jul-Sep 2013 weighted average number of shares amounts to 99,513,186 and for the period Jan-Sep 2013 weighted average number of shares amounts to 79,455,940.

** Calculated on present number of shares, as per September 2013, amounting to 99,513,186.

Definitions

Gross profit margin	Gross profit as a percentage of net sales. Gross profit includes costs directly attributable to the goods sold, fulfillment costs, and shipping costs.
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.



Note 1

CDON Group AB announced that the company has entered into an agreement to sell the operations of subsidiary Heppo AB to Footway Group AB.

The transaction was made through an asset deal and included the majority of Heppo AB's assets, as well as the liabilities attributable thereto. Heppo AB was part of the Group's fashion segment and reported total net sales of approximately SEK 103 million and an operating result of approximately SEK -20 million in 2012. The purchase price amounted to SEK 42.9 million, of which SEK 26.8 million has been received as per 30 September 2013, and the remainder will be received as three instalments between December 2013 and June 2014. The transaction was closed on 18 April and affected second quarter earnings with approximately SEK -3 million.

RESULT FROM DIVESTED OPERATIONS (SEK million)	2013 Jan-Sep	2012 Jan-Sep
Net sales	23.6	71.4
Expenses	-31.2	-86.9
Profit before tax	-7.6	-15.6
Tax	2.0	4.1
Profit after tax but before capital gain/loss from divested operations	-5.5	-11.5
Capital gain/loss from divested operations	-2.5	-
Tax attributable to the above capital gain/loss	0.5	-
Capital gain/loss after tax	-1.9	-
Total income for the period	-7.5	-
<i>Net cash flow from divested operations</i>		
Cash flow from operations	-15.3	-1.0
Cash flow to/from investing activities	26.8	-0.4
Cash flow to/from financing activities	0.0	1.0
Net cash flow from divested operations	11.4	-0.4

DIVESTED ASSETS AND LIABILITIES FROM HEPPA AB'S OPERATIONS (SEK million)	Recognised values
Tangible non-current assets	-0.3
Inventories	-42.2
Net identifiable assets and liabilities	-42.6
Purchase price	42.9
Deferred purchase price	-16.1
Net cash flow	26.8

Deferred purchase price

The purchase price amounts to SEK 42.9 million, half of which was received as a cash consideration at closing, and the remainder received as four instalments between September 2013 and June 2014.

SUMMARY DEVELOPMENT OF DIVESTED OPERATIONS (SEK million)	2012 Jan-Mar	2012 Apr-Jun	2012 Jul-Sep	2012 Oct-Dec	2013 Jan-Mar	2013 Apr-Jun	2013 Jul-Sep
Net sales	15.4	26.9	29.2	31.3	18.7	4.9	0.0
Operating profit	-5.1	-6.3	-3.5	-5.2	-3.6	-5.0	0.0
Closing inventory balance	29.0	28.3	40.9	34.0	47.7	5.0	0.0