



21% sales growth in Q3

Interim report for 1 January – 30 September 2014

Third quarter

- Net sales, excluding divested operations, were up 21%, amounting to SEK 1,121.2 (928.8) million. Including divested operations, net sales rose by 18%, amounting to SEK 1,121.2 (949.6) million.
- Operating profit, excluding divested operations and non-recurring items, totalled SEK 1.5 (-17.2) million. Including divested operations and non-recurring items, operating profit totalled SEK 1.6 (-17.9) million
- Net income totalled SEK -4.7 (-21.1) million
- Earnings per share amounted to SEK -0.05 (-0.21)
- Cash flow from operations amounted to SEK -97.7 (14.6) million
- After end of the quarter, the board resolved on a preferential rights issue of approximately SEK 650 million

First nine months

- Net sales, excluding divested operations, increased by 15%, amounting to SEK 3,317.2 (2,888.1) million. Including divested operations, net sales rose by 13%, amounting to SEK 3,365.2 (2,969.9) million.
- Operating profit, excluding divested operations and non-recurring items, totalled SEK 0.6 (-25.3) million. Including divested operations and non-recurring items, operating profit totalled SEK 36.6 (-74.6) million
- Net income amounted to SEK 13.3 (-83.1) million
- Earnings per share amounted to SEK 0.11 (-1.03)
- Cash flow from operations was SEK -193.1 (-276.6) million

Please note that segment reporting has changed since Q2 2014, see page 6.

CEO statement

Paul Fischbein, President and CEO of CDON Group comments: "CDON Group's sales continued to display momentum in the third quarter. The Group saw total growth of 21%, with healthy sales figures in all segments, particularly within Nelly, which grew by 30%.

Group result also continued to show improvement, partly owing to the initiatives launched over the past two years. For example, the Swedish operations of Nelly reported a 5 percent operating margin for Q3 and 4 percent for the nine-month period, compared with a loss in the previous year.

Lekmer and Tretti continues to show healthy growth, with 58% and 29% respectively. The transformation of CDON.com continued as planned, with rising revenues and growth within Marketplace.

Following successful pilot tests, our in-house developed payment service, Qliro Payment Solution is now in the process of being rolled out to the Group's Swedish stores at the end of this year and in 2015. It is an important next step in the launch of Qliro Payment Solution and something we are very much looking forward to.

As part of our efforts to provide additional relevant information around the development of the individual segments, we are expanding the segment reporting from the third quarter. We are also splitting the Entertainment segment into CDON.com and Lekmer. As a result of this all our larger operating companies or sub-Groups will be reported separately. See page 6 for further details.

In order to launch Qliro Payment Solution in full scale, facilitate the expansion of subsidiaries, especially within Nelly, and to strengthen the balance sheet by early redemption of the convertible bond, the Board has resolved to execute a preferential rights issue of approximately 650 MSEK."



Forward-looking statement

The Group's strategy in 2014 is to continue to deliver sales growth and increase market share in a balanced way, particularly within Nelly and Gymgrossisten. Alongside delivering persistent sales growth, the Group will also continue to focus on securing underlying improvements in earnings.

In 2014, CDON.com will continue to invest in the transition towards becoming the Nordic region's leading comprehensive range online department store, which will gradually combat the anticipated persistent decline in sales of media-related products. During the fourth quarter a warehouse consolidation within CDON.com is initiated, which will be gradually carried out during 12 months. Investments and costs related to the warehouse consolidation will continuously be reported separately, and are expected to amount to SEK 10-15 million in total.

The objective for Nelly is to continue to grow for the full year 2014, which will be achieved in a balanced way primarily through investments in geographic expansion.

The payment service Qliro Payment Solution will be reported in the new segment Qliro Financial Services as of the fourth quarter 2014. Due to the large volumes during the fourth quarter, when Qliro Payment Solutions is launched, Qliro Financial Services is expected to report a negative operating result of SEK 10-15 million in the fourth quarter 2014.

Significant events during and after Q3 2014

Decision on preferential rights issue

CDON Group AB announced today, on 22 October, that the Board of Directors decided to execute a preferential rights issue of about SEK 650 million in order to launch Qliro Payment Solution in full scale, facilitate the expansion of subsidiaries, especially within Nelly, and to strengthen the balance sheet by early redemption of the convertible bond. The rights issue is subject to approval at an Extraordinary General Meeting to be held on 21 November 2014.

Decision on change of name

CDON Group AB announced today, on 22 October, that the Board of Directors has decided on a change of name from CDON Group to Qliro Group. The change of name is subject to approval at an Extraordinary General Meeting to be held on 21 November 2014.

CDON Group launches Gymsector.com as EU-site

On October 21, CDON Group AB announced that its subsidiary Gymgrossisten AB has launched its online store Gymsector.com for the EU-market. The launch of the EU-site makes Gymgrossisten's leading range of supplements available in 22 new markets in Europe, including Benelux, France, Poland, Italy and Spain.

CDON.com to coordinate logistics and move to new warehouse

On 10 September, CDON Group AB announced that the subsidiary CDON.com will be consolidating the majority of its warehouse operations to Ljungby, Sweden, into one of the country's largest and most modern e-commerce facilities. The move will be initiated in the fourth quarter 2014 and will be carried out in stages over a period of 12 months.

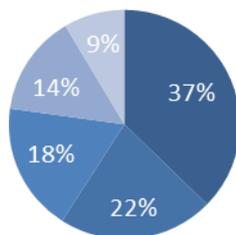
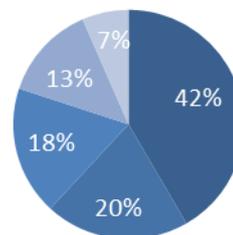
CDON Group launches Qliro payment solution on Tretti.se

On 5 September, CDON Group AB announced the launch of the payment solution Qliro for invoice payments and payment by instalments on the internet store Tretti.se. The launch was the second stage of the pilot test that was initiated on Members.com at the beginning of June.


The Group's financial summary, excluding divestments of operations and non-recurring items*

(SEK million)	2014	2013	Change	2014	2013	Change
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep	
Net sales	1,121.2	928.8	21%	3,317.2	2,888.1	15%
Gross profit	151.5	117.0	29%	502.6	413.4	22%
Gross margin (%)	13.5%	12.6%		15.2%	14.3%	
EBITDA	8.3	-12.1		19.4	-10.5	
EBITDA margin (%)	0.7%	-1.3%		0.6%	-0.4%	
EBIT	1.5	-17.2		0.6	-25.3	
EBIT margin (%)	0.1%	-1.9%		0.0%	-0.9%	
Cash flow from operations	-97.7	14.6		-193.1	-276.6	
Investments (CAPEX)	-24.2	-11.8		-62.0	-32.5	
Cash flow after investments	-121.9	2.8		-255.1	-309.1	
Opening inventory balance	546.6	531.0	3%	506.4	561.7	-10%
Closing inventory balance	689.3	552.5	25%	689.3	552.5	25%

* The effect of the sale of Heppo and Rum21 and non-recurring items that have been excluded are shown on page 5.

Sales per segment, Jul-Sep 2014

Sales per segment, Jul-Sep 2013


■ CDON.com ■ Nelly ■ Gymgrossisten ■ Tretti ■ Lekmer

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Result summary

The Group's net sales, excluding divested operations, rose by 21% in the third quarter year-on-year, and by 15% in the first nine months of the year. The Group's sales, excluding currency effects and divested operations, rose by 19% in Q3 and by 14% in the first nine months of the year. All the Group's segments displayed growth in the third quarter.

The Group's online retailers attracted 59.6 (51.2) million visitors in the third quarter and generated 1.9 (1.6) million orders during the period.

The Group's gross margin, excluding divested operations, increased, amounting to 13.5% (12.6%) in the third quarter. The gross margin for the first nine months of the year totalled 15.2% (14.3%).

The Group's operating profit (EBIT), excluding divested operations and non-recurring items, improved, amounting to SEK 1.5 (-17.2) million for the quarter and SEK 0.6 (-25.3) million for the first nine months of the year. In the third quarter, the final settlement was completed for the sale of operations in Heppo, which



resulted in a negative impact on the result of SEK 1.5 million; furthermore a positive impact on the result of SEK 1.6 million was reported from the divestment of Rum21, both reported as non-recurring items.

The Group's financial net amounted to SEK -8.1 (-6.3) million for the quarter, which primarily reflected interest expenses relating to the Group's convertible bond and negative currency effects of SEK 3.3 million. The financial net for the first nine months of the year totalled SEK -18.1 (-28.0) million.

Group income before tax totalled SEK -6.6 (-24.3) million for the quarter. In the third quarter the Group reported tax revenue of SEK 1.9 (3.2) million, as a result of capitalised loss carryforwards. Profit before tax for the first nine months of the year totalled SEK 18.5 (-102.6) million.

Net income totalled SEK -4.7 (-21.1) million and earnings per share before and after dilution totalled SEK -0.05 (-0.21) for the quarter. Net income for the first nine months of the year totalled SEK 12.3 (-83.1) million.

Cash flow and financial position

Consolidated cash flow from operating activities saw an improvement in the third quarter, amounting to SEK 4.3 (-15.2) million. The cash flow effect from changes to working capital totalled SEK -102.0 (29.8) million and is primarily attributable to a higher outflow relating to stockpiling ahead of the fourth quarter. Cash flow from operations therefore amounted to SEK -97.7 (14.6) million.

Group cash flow from investing activities amounted to SEK -24.2 (-11.4) million in the third quarter and is mainly attributable to the development of web platforms and investments in the payment solution Qliro. Cash flow from financing activities amounted to SEK -6.5 (-166.2) million and was related to the settlement of the minority holding in the divested Rum21.

Cash flow from operations improved for the first nine months of the year and totalled SEK -193.1 (-276.6) million. Investments in non-current assets amounted to SEK -62.0 (-32.5) million for the same period, of which approximately SEK 20 million is attributable to investments in the payment solution Qliro.

The Group's cash and cash equivalents declined by SEK 128.4 million in the third quarter. Including translation differences, cash and cash equivalents decreased from SEK 230.1 million to SEK 102.4 (163.8) million. At the end of the quarter, the Group had a net debt position of SEK 136.1 (65.6) million, made up of cash and cash equivalents of SEK 102.4 million and convertible bonds totalling SEK 238.5 million.

Total consolidated assets on the reporting date grew by 7% year-on-year to SEK 1,748.9 (1,627.4) million. Capital employed amounted to SEK 835.0 million at the end of the quarter.

Consolidated equity decreased during the quarter to SEK 698.9 (673.3) million, compared with SEK 709.4 million at the end of the second quarter. This decrease is primarily attributable to earnings for the period, along with the settlement of the minority holding in the divested Rum21.


Summary of sales of operations and non-recurring items*

SUMMARY OF DIVESTED ENTITIES AND ONE OFF ITEMS (SEK million)	2014 Jul-Sep	2014 Jan-Sep	2013 Jul-Sep	2013 Jan-Sep	2013 Jan-Dec
Revenue	0.0	48.0	20.8	81.8	113.7
Divested entity (Heppo)	0.0	0.0	0.0	23.6	23.6
Divested entity (Rum21)	0.0	48.0	20.8	58.1	90.1
Gross Profit	0.0	0.0	4.1	-22.3	-15.3
Gymgrossisten	0.0	0.0	0.0	-4.6	-4.6
CDON	0.0	0.0	0.0	-32.0	-32.0
Divested entity (Heppo)	0.0	0.0	0.0	3.4	3.4
Divested entity (Rum21)	0.0	0.0	4.1	10.9	17.9
Operating Profit	0.0	36.0	-0.8	-49.3	-47.8
Gymgrossisten	0.0	0.0	0.0	-5.6	-5.6
CDON	0.0	0.0	0.0	-32.0	-32.0
Divested entity (Heppo)	-1.5	-1.5	0.0	-8.6	-8.6
Divested entity (Rum21)	1.6	37.6	-0.7	-3.1	-1.5

* Excluded from the section "Development per segment" on pages 6-10. Please note that reporting arrangements for Rum21 have changed since Q2 2014, see also page 6.



Development per segment

In order to improve disclosure in the reporting, a number of new key ratios will be reported from the third quarter. Additionally the segment reporting is changed due to the new strategy, which means that CDON.com and Lekmer from now on will be reported as separate segments. CDON.com and Lekmer previously formed the Entertainment segment. Furthermore the names of the Fashion- and Sports & Health-segments are changed to Nelly and Gymgrossisten respectively. The former Home & Garden-segment is renamed to Tretti, and comprises only Tretti after the divestment of Rum21 AB's operations.

CDON.com*

(SEK million)	2014	2013	Change	2014	2013	Change
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep	
Net sales	418.7	386.8	8%	1,215.2	1,222.9	-1%
EBITDA	1.3	-7.3		-3.9	4.0	
EBITDA margin (%)	0.3%	-1.9%		-0.3%	0.3%	
EBIT	-0.8	-9.3		-9.7	-1.8	
EBIT margin (%)	-0.2%	-2.4%		-0.8%	-0.1%	
Cash flow from operations	16.3	58.6		-121.1	-128.1	
Investments (CAPEX)	-4.7	-3.4		-11.6	-7.7	
Cash flow after investments	11.6	55.1		-132.7	-135.9	
Opening inventory balance	187.6	208.9	-10%	188.7	253.3	-26%
Closing inventory balance	214.2	172.6	24%	214.2	172.6	24%
Active customers (thousand)**	1,719	1,919	-10%	1,719	1,919	-10%
Visits (thousand)	17,485	19,171	-9%	54,629	60,125	-9%
Orders (thousand)***	773	848	-9%	2,333	2,699	-14%
Average shopping basket (SEK)	539	454	19%	516	441	17%

* Excluding previous year's non-recurring items, which are detailed on page 5

** Past twelve months

*** Excluding CDON.com Marketplace orders

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, featuring everything from consumer electronics to sports & leisure, clothing & shoes and toys. Sales in CDON.com rose by 8% in Q3. Sales excluding currency effects increased by 6% in the quarter and fell by 1% in the first nine months of the year.

Sales of media-related products saw a decline during the quarter to 32% (41%) of total sales, and to 33% (40%) in the first nine months of the year. During the quarter, CDON Marketplace experienced healthy growth and over 230 external merchants have joined CDON.com Marketplace since its launch in the fourth quarter 2013.

An increase in the average order value had a positive impact on operating profit, while investments in the ongoing restructuring had a negative effect.

In the third quarter, CDON.com signed an agreement related to the company's Swedish warehouse operations. CDON.com's Swedish warehouse operations will gradually be moved to a newly built warehouse facility in Ljungby. The move will be initiated in the fourth quarter 2014 and will be carried out in stages over a period of 12 months. Once fully consolidated, the warehouse will manage roughly 95% of CDON.com's delivery volume. The investment cost of the warehouse consolidation is expected to total SEK 10-15 million.

**Nelly**

(SEK million)	2014	2013	Change	2014	2013	Change
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep	
Net sales	244.2	187.8	30%	758.3	632.1	20%
EBITDA	-4.0	-6.6		-9.2	-18.6	
EBITDA margin (%)	-1.6%	-3.5%		-1.2%	-2.9%	
EBIT	-5.3	-7.1		-12.4	-19.9	
EBIT margin (%)	-2.2%	-3.8%		-1.6%	-3.2%	
Cash flow from operations	-84.4	-27.8		-45.3	-81.2	
Investments (CAPEX)	-5.4	-1.8		-15.1	-5.8	
Cash flow after investments	-89.7	-29.6		-60.3	-87.0	
Opening inventory balance	157.3	144.3	9%	124.6	159.6	-22%
Closing inventory balance	243.4	183.4	33%	243.4	183.4	33%
Active customers (thousand)*	1,101	957	15%	1,101	957	15%
Visits (thousand)	29,327	21,848	34%	94,676	79,624	19%
Orders (thousand)**	588	407	44%	1,858	1,391	34%
Average shopping basket (SEK)	598	648	-8%	590	639	-8%

* Past twelve months

** From now reported before returns

Nelly comprises the online stores Nelly.com, NLYman.com and Members.com. Nelly's sales were up 30% in the third quarter. Sales excluding currency effects rose by 27% in the quarter and by 19% in the first nine months of the year.

Nelly.com showed growth in all markets during the third quarter. Despite healthy sales growth in the third quarter, there was a negative impact on both sales and profitability towards the end of the quarter owing to the warm weather in the Nordic countries. The Netherlands continued to be the largest market outside the Nordics.

Other data	2014	2013	Change	2014	2013	Change
	Jul-Sep	Jul-Sep	%-units	Jan-Sep	Jan-Sep	%-units
Share, private label sales	30%	32%	-2%	31%	30%	1%
Return ratio	34%	33%	1%	35%	33%	2%
Product margin	47%	48%	-1%	48%	48%	0%
Fulfillment and distribution costs	27%	25%	3%	24%	23%	2%
Sweden, share of net sales	43%	47%	-4%	42%	45%	-3%
Sweden, EBIT margin	5%	-2%	7%	4%	-3%	7%
Nordics, share of net sales	88%	92%	-4%	88%	90%	-2%
Nordics, EBIT margin	2%	-3%	5%	2%	-4%	6%

Operating profit improved compared to the previous year as a result of increased sales volumes and an enhanced product mix, as well as initiatives to raise efficiency in the value chain and within logistics.

**Gymgrossisten***

(SEK million)	2014	2013	Change	2014	2013	Change
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep	
Net sales	203.6	169.0	20%	630.9	502.1	26%
EBITDA	17.0	15.9		54.1	49.0	
EBITDA margin (%)	8.3%	9.4%		8.6%	9.8%	
EBIT	16.2	14.8		51.8	46.3	
EBIT margin (%)	8.0%	8.8%		8.2%	9.2%	
Cash flow from operations	13.3	2.2		65.7	37.9	
Investments (CAPEX)	-1.1	-0.9		-5.1	-7.2	
Cash flow after investments	12.2	1.4		60.6	30.7	
Opening inventory balance	85.9	80.6	7%	85.9	63.6	35%
Closing inventory balance	85.0	74.9	14%	85.0	74.9	14%
Active customers (thousand)**	505	418	21%	505	418	21%
Visits (thousand)	4,450	3,855	15%	15,076	12,772	18%
Orders (thousand)	268	209	28%	816	661	24%
Average shopping basket (SEK)	766	799	-4%	777	754	3%

* Excluding previous year's non-recurring items, which are detailed on page 5

** Past twelve months

Gymgrossisten comprises the online stores Gymgrossisten.se in Sweden, Gymgrossisten.no in Norway, Fitnessstykke.fi in Finland, Bodystore.dk in Denmark and Gymsector.com in Germany and Austria, Bodystore.com and Milebreaker.com. Gymgrossisten saw a 20% increase in sales during the third quarter. Sales excluding currency effects rose by 18% in the quarter and by 24% in the first nine months of the year.

Gymgrossisten continued to display healthy sales growth despite a negative impact due to the warm summer. The expansion of the range of private label products continued via several product launches under the Star Nutrition brand.

Other data	2014	2013	Change	2014	2013	Change
	Jul-Sep	Jul-Sep	%-units	Jan-Sep	Jan-Sep	%-units
Share, private label sales	42%	46%	-4%	44%	46%	-2%
Return ratio	1%	2%	-1%	2%	3%	-1%
Product margin	35%	36%	-1%	36%	36%	0%
Fulfillment and distribution costs	13%	14%	-1%	13%	14%	-1%
Nordics, share of net sales	98%	98%	0%	98%	98%	0%
Nordics, EBIT margin	9%	10%	-2%	9%	9%	0%

Operating profit increased as a consequence of higher sales. Earnings were negatively affected by continued investments in personnel within IT and product development, combined with investments in new markets such as Austria and Germany.

**Tretti**

(SEK million)	2014	2013	Change	2014	2013	Change
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep	
Net sales	160.3	124.6	29%	475.1	389.3	22%
EBITDA	1.5	0.8		4.3	1.6	
EBITDA margin (%)	1.0%	0.6%		0.9%	0.4%	
EBIT	0.8	-0.1		1.9	-1.3	
EBIT margin (%)	0.5%	-0.1%		0.4%	-0.3%	
Cash flow from operations	-8.7	-4.4		2.7	-9.1	
Investments (CAPEX)	-0.8	0.0		-1.1	-0.5	
Cash flow after investments	-9.5	-4.4		1.5	-9.6	
Opening inventory balance	64.6	53.9	20%	64.2	51.4	25%
Closing inventory balance	61.9	50.8	22%	61.9	50.8	22%
Active customers (thousand)*	237	219	8%	237	219	8%
Visits (thousand)	2,819	2,365	19%	8,553	7,109	20%
Orders (thousand)**	73	61	20%	224	186	21%
Average shopping basket (SEK)***	2,269	2,192	3%	2,211	2,189	1%

* Past twelve months

** Incl. orders via CDON.com Marketplace

*** Incl. services sold

Tretti's sales increased by 29% in the third quarter. Sales excluding currency effects rose by 28% in the quarter and by 22% in the first nine months of the year.

In the third quarter, Tretti showed growth within all product categories and in all countries in which operations are pursued. Sales via CDON Marketplace also increased, and are an important part of Tretti's growth.

Operating profit rose in the third quarter as a result of increased sales volumes and improved gross margins, mainly within the Home & Garden product category.

**Lekmer**

(SEK million)	2014	2013	Change	2014	2013	Change
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep	
Net sales	95.6	60.6	58%	240.7	147.8	63%
EBITDA	-1.0	-3.4		-8.4	-7.1	
EBITDA margin (%)	-1.1%	-5.7%		-3.5%	-4.8%	
EBIT	-1.5	-3.7		-9.7	-7.8	
EBIT margin (%)	-1.6%	-6.1%		-4.0%	-5.3%	
Opening inventory balance	51.3	43.4	18%	42.9	33.7	27%
Closing inventory balance	84.7	71.0	19%	84.7	71.0	19%
Active customers (thousand)*	357	260	37%	357	260	37%
Visits (thousand)	5,564	3,996	39%	14,540	10,472	39%
Orders (thousand)	153	105	46%	393	264	49%
Average shopping basket (SEK)	640	575	11%	623	554	12%

* Past twelve months

Lekmer displayed persistently healthy growth and sales were up 58% during the third quarter. Sales excluding currency effects rose by 56% in the quarter and by 63% in the first nine months of the year.

The third quarter saw strong growth in sales of strollers and car seats, along with children's clothing and furnishings for children's rooms.

Lekmer's operating profit improved in the quarter both year-on-year and compared with the second quarter 2014. Meanwhile the company continued to invest in growth and increasing market shares.

Lekmer's brick and mortar store, which opened at Barkarby outlet centre outside Stockholm in April, continued to perform well.



Parent company

The CDON Group parent company reported sales of SEK 6.3 (13.8) million in the third quarter and SEK 23.1 (27.1) million in the first nine months of the year. Cash and cash equivalents in the parent company amounted to SEK 74.4 (304.5) million at the end of the quarter.

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 2013 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 2013 annual report contains a more comprehensive description of the risks and uncertainties affecting the Group in the Management Report and under Note 21.

Transactions with related parties

Related party transactions for the parent company and the Group are presently of the same character as described in the 2013 annual report.

Other information

2015 Annual General Meeting of Shareholders

CDON Group's Annual General Meeting of Shareholders will be held on 18 May 2015, in Stockholm, Sweden. Shareholders wishing to have a matter addressed at the AGM should send a written request to ir@cdongroup.com or to CDON Group AB (publ), attn: Company Secretary, Box 195 25, 104 32 Stockholm, Sweden. To be certain that a matter can be included in the notice of the AGM, the request must be received no later than seven weeks prior to the AGM. Further details on how and when to give notice to attend will be published in advance of the AGM.

Nomination Committee for the 2015 AGM

In accordance with the resolution of the 2014 Annual General Meeting, Cristina Stenbeck, as the representative of the largest shareholder Investment AB Kinnevik, has convened a Nomination Committee consisting of members who represent the largest shareholders in CDON Group. The Nomination Committee comprises Cristina Stenbeck appointed by Investment AB Kinnevik; Annika Andersson appointed by Swedbank Robur Funds and Rezo Kanovich appointed by Oppenheimer Funds. The members of the Nomination 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 www.cdongroup.com.

CDON Alandia

Finnish customs authorities are investigating a subsidiary of CDON AB, Åland-based CDON Alandia, on suspicion of tax fraud. Like other companies in the industry, 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 the relevant authorities, who have routinely reviewed it, most recently as part of a customs audit in 2010 and a tax audit 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.



Financial results for the fourth quarter and full year 2014

CDON Group's results for the fourth quarter and full year ending 31 December 2014 will be published on 28 January 2015.

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The company will host a conference call today at 10:00 CET.

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About CDON Group

CDON Group is the leading e-commerce group in the Nordic region. Since the start in 1999, the Group has expanded and broadened its product portfolio and is now a leading e-commerce player in consumer goods and lifestyle products through CDON.com, Lekmer, Nelly (Nelly.com, NLYman.com, Members.com), Gymgrossisten (Gymgrossisten.com/Gymsector.com, Bodystore.com, Milebreaker.com) and Tretti. The group also comprises the payment solution Qliro. In 2013, the group generated SEK 4.5 billion in revenue. CDON Group's shares are listed on Stockholm's Nasdaq Mid-cap list under short name "CDON".

The information in this interim report 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 on 22 October 2014.



Review report

CDON Group AB (publ)
Corp. id. 556035-6940

Introduction

We have reviewed the summary interim financial information (interim report) of CDON Group AB (publ) as of 30 September 2014 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Stockholm 22 October 2014
KPMG AB

Cronie Wallquist
Authorized Public Accountant



CONDENSED CONSOLIDATED INCOME STATEMENT (SEK million)	2014 Jul-Sept	2013 Jul-Sept	2014 Jan-Sept	2013 Jan-Sept	2013 Jan-Dec
Net sales	1,121.2	949.6	3,365.2	2,969.9	4,440.5
Cost of goods and services	-969.7	-832.6	-2,863.0	-2,589.2	-3,846.6
Gross profit	151.5	117.0	502.6	380.6	593.8
Sales and administration expenses	-151.5	-135.7	-505.0	-451.4	-637.3
Other operating income and expenses, net	1.5	0.7	39.0	-3.8	-4.6
Operating profit	1.6	-17.9	36.6	-74.6	-48.0
Net interest & other financial items	-8.1	-6.3	-18.1	-28.0	-34.1
Profit before tax	-6.6	-24.3	18.5	-102.6	-82.1
Tax	1.9	3.2	-6.2	19.5	14.8
Net income for the period	-4.7	-21.1	12.3	-83.1	-67.3
EBITDA	8.3	-12.7	55.6	-59.1	-26.6
Attributable to:					
Equity holders of the parent	-4.6	-21.0	10.5	-82.2	-66.9
Non-controlling interests	-0.1	0.0	1.9	-0.9	-0.4
Net income for the period	-4.7	-21.1	12.3	-83.1	-67.3
Basic earnings per share (SEK)*	-0.05	-0.21	0.11	-1.03	-0.74
Diluted earnings per share (SEK)*	-0.05	-0.21	0.11	-1.03	-0.74

* Basic earnings per share for 2013 have been calculated to reflect completed new share issue by which the number of outstanding shares increased from 66,342,124 to 99,513,186 before dilution and from 72,921,071 to 107,577,702 after dilution.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME CONDENSED (SEK million)	2014 Jul-Sept	2013 Jul-Sept	2014 Jan-Sept	2013 Jan-Sept	2013 Jan-Dec
Profit for the period	-4.7	-21.1	12.3	-83.1	-67.3
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Translation difference for the period	0.2	1.6	1.3	0.5	0.9
Other comprehensive income for the period	0.2	1.6	1.3	0.5	0.9
Total comprehensive income for period	-4.5	-19.5	13.6	-82.7	-66.4
Total comprehensive income attributable to:					
Parent company shareholders	-4.4	-42.8	11.8	-60.7	-66.0
Non-controlling interests	-0.1	-0.3	1.9	-0.9	-0.4
Total comprehensive income for the period	-4.5	-43.1	13.6	-61.6	-66.4

Shares outstanding at period's end	99,513,186	99,513,186	99,513,186	99,513,186	99,513,186
Shares outstanding at period's end, incl convertible	107,577,702	107,577,702	107,577,702	107,577,702	107,577,702
Average number of shares, basic	99,513,186	72,147,992	99,513,186	69,261,096	90,519,451
Average number of shares, incl convertible	107,577,702	78,988,138	107,577,702	75,971,364	97,944,969



CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONDENSED (SEK million)	2014 30-Sept	2013 30-Sept	2013 31-Dec
Non-current assets			
Goodwill	454.7	462.0	462.6
Other intangible assets	210.1	166.8	175.5
Total intangible assets	664.8	628.8	638.1
Financial non-current assets	1.6	1.6	1.6
Tangible non-current assets	21.9	19.3	21.0
Deferred tax asset	79.5	73.6	64.0
Total non-current assets	767.8	723.2	724.6
Current assets			
Inventories	689.3	569.5	525.2
Current non-interest bearing receivables	189.4	170.9	222.9
Cash and cash equivalents	102.4	163.8	288.9
Total current assets	981.1	904.1	1,037.0
Total assets	1,748.9	1,627.4	1,761.6
Equity			
Equity attributable to owners of the parent	698.9	672.0	688.7
Non-controlling interest	0.0	1.4	2.2
Total equity	698.9	673.3	690.9
Non-current liabilities			
<i>Non interest bearing</i>			
Deferred tax liability	25.5	29.2	28.6
Other provisions	3.5	1.4	3.3
<i>Interest bearing</i>			
Convertible bond	238.5	229.4	231.7
Total non-current liabilities	267.5	260.0	263.6
Current liabilities			
Current interest-bearing liabilities	0.0	15.0	0.0
Current non-interest bearing liabilities	782.5	679.0	807.1
Total current liabilities	782.5	694.0	807.1
Total equity and liabilities	1,748.9	1,627.4	1,761.6

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 250.3 million as of September 30, 2014. Fair value of the convertible debt was estimated to be SEK 247.2 million as of 31 December 2013.



CONSOLIDATED STATEMENT OF CASH FLOWS CONDENSED (SEK million)	2014 Jul-Sept	2013 Jul-Sept	2014 Jan-Sept	2013 Jan-Sept	2013 Jan-Dec
Cash flow from operating activities	4.3	-15.2	9.6	-83.6	-54.5
Changes in working capital	-102.0	29.8	-202.7	-193.0	-84.0
Cash flow from operations	-97.7	14.6	-193.1	-276.6	-138.6
Investments in subsidiaries*	0.0	-5.0	-0.6	-15.6	-18.6
Investments in other non-current assets	-24.2	-11.8	-62.0	-32.5	-49.9
Divested operations**	0.0	5.4	74.0	26.8	32.1
Other cash flow from investing activities	0.0	0.0	0.0	0.0	0.0
Cash flow to/from investing activities	-24.2	-11.4	11.4	-21.3	-36.4
Share buy-backs	0.0	-1.4	0.0	-1.4	-1.4
Acquisition of shares from non controlling interest***	-6.5	-13.9	-6.5	-13.9	-13.9
New share issue	0.0	-0.8	0.0	501.4	502.1
Issue of credit facilities	0.0	0.0	0.0	150.0	150.0
Amortisation of credit facilities	0.0	-150.0	0.0	-300.0	-300.0
Cash flow to/from financing activities	-6.5	-166.2	-6.5	336.0	336.7
Change in cash and cash equivalents for the period	-128.4	-163.0	-188.2	38.2	161.8
Cash and cash equivalents at period's start	230.1	327.2	288.9	126.1	126.1
Translation difference, cash and cash equivalents	0.7	-0.5	1.8	-0.5	0.9
Cash and cash equivalents at period's end	102.4	163.8	102.4	163.8	288.9

* Investments in subsidiaries Jan-Sept 2014 comprises SEK 0.6 million acquisition of Rum21 AB.

** Divested operations Jan-Sept 2014 comprises the fourth and fifth installment out of five of SEK 9.2 million on disposal of Heppo AB's operations and the two first installments out of three of SEK 64.8 million SEK on disposal of Rum21 AB's operations.

*** The cash flow of SEK -6.5 million during Jul-Sep 2014 relates to the settlement of the minority in Rum21 AB in connection with the divestment of Rum21's operations.

STATEMENT OF CHANGES IN EQUITY CONDENSED (SEK million)	2014 30-Sept	2013 30-Sept	2013 31-Dec
Opening balance	690.9	266.4	266.4
Comprehensive income for the period	13.6	-83.1	-66.4
Effects of long term incentive program	0.9	0.8	1.2
New share issue	0.0	504.5	505.0
Repurchased own shares	0.0	-1.4	-1.4
Acquisition of shares from non-controlling interests without a change in control	-6.5	-13.9	-13.9
Closing balance	698.9	673.3	690.9



NET SALES (SEK million)	2014 Jul-Sept	2014 Apr-Jun	2014 Jan-Mar	2014 Jan-Sept	2013 Oct-Dec	2013 Jul-Sep	2013 Apr-Jun	2013 Jan-Mar	2013 Jan-Sept	2013 Full year
CDON	418.7	360.1	436.5	1,215.2	616.4	386.8	360.5	475.7	1,222.9	1,839.3
Lekmer	95.6	79.6	65.5	240.7	169.2	60.6	50.3	36.9	147.8	317.0
Nelly	244.2	293.4	220.7	758.3	300.4	187.8	239.2	205.1	632.1	932.6
Gymgrossisten	203.6	196.6	230.7	630.9	175.3	169.0	156.3	176.8	502.1	677.4
Tretti	160.3	162.2	152.6	475.1	179.4	124.6	139.2	125.5	389.3	568.8
Total operational business areas	1,122.4	1,092.0	1,105.9	3,320.3	1,440.8	928.9	945.4	1,020.0	2,894.3	4,335.0
Group central operations	39.8	64.3	71.6	175.7	84.0	61.4	71.4	79.1	211.9	295.9
Of which CDON Group Logistics AB	33.4	36.9	34.2	104.5	38.0	29.7	33.1	29.3	92.1	130.1
Of which divested operations	0.0	19.9	28.1	48.0	31.9	20.8	24.5	36.4	81.8	113.7
Eliminations	-41.1	-45.4	-44.3	-130.8	-54.2	-40.7	-47.6	-48.0	-136.3	-190.5
CONSOLIDATED TOTAL	1,121.2	1,110.8	1,133.2	3,365.2	1,470.6	949.6	969.2	1,051.1	2,969.9	4,440.5
Intersegment sales										
CDON	1.0	0.9	0.9	2.8	2.2	0.4	1.1	8.7	10.2	12.4
Lekmer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nelly	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Gymgrossisten	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tretti	0.2	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Group central operations	39.7	44.4	43.4	127.6	52.0	40.3	46.6	39.2	126.1	178.1
Total	41.1	45.4	44.3	130.8	54.2	40.7	47.6	48.0	136.3	190.5
OPERATING PROFIT (SEK million)										
CDON	-0.8	-9.0	0.1	-9.7	4.0	-9.3	-39.4	14.9	-33.8	-29.8
Lekmer	-1.5	-3.0	-5.2	-9.7	5.2	-3.7	-2.5	-1.6	-7.8	-2.6
Nelly	-5.3	3.7	-10.8	-12.4	3.9	-7.1	1.0	-13.9	-19.9	-16.0
Gymgrossisten	16.2	14.0	21.6	51.8	14.2	14.8	8.0	17.9	40.7	54.9
Tretti	0.8	0.9	0.3	1.9	3.7	-0.1	0.8	-2.0	-1.3	2.4
Total operational business areas	9.3	6.6	5.9	21.9	31.0	-5.3	-32.1	15.3	-22.1	9.0
Group central operations	-7.8	28.3	-5.8	14.7	-4.5	-12.7	-16.8	-23.1	-52.5	-57.0
Of which CDON Group Logistics AB	0.0	0.0	0.0	0.0	0.0	-4.9	-4.3	-12.1	-21.2	-21.2
Of which divested operations	0.0	35.5	0.6	36.0	1.6	-0.7	-6.0	-5.0	-11.7	-10.1
CONSOLIDATED TOTAL	1.6	35.0	0.1	36.6	26.6	-17.9	-48.9	-7.8	-74.6	-48.0
PROFIT BEFORE TAX (SEK million)										
CDON	-2.2	-9.2	-1.3	-12.7	3.5	-12.0	-40.7	12.9	-39.9	-36.4
Lekmer	-1.4	-2.6	-5.2	-9.3	4.7	-3.9	-2.5	-2.0	-8.4	-3.7
Nelly	-6.7	3.6	-11.7	-14.7	2.3	-9.3	-0.3	-18.6	-28.2	-25.9
Gymgrossisten	16.5	15.1	21.8	53.4	14.0	14.4	8.7	17.2	40.2	54.2
Tretti	0.8	0.9	0.2	1.9	3.7	-0.3	0.4	-2.1	-2.0	1.7
Total operational business areas	7.1	7.7	3.8	18.6	28.2	-11.1	-34.5	7.4	-38.2	-10.0
Group central operations	-13.7	22.4	-8.8	-0.1	-7.7	-13.2	-23.8	-27.4	-64.4	-72.1
Of which CDON Group Logistics AB	-0.4	-0.3	-0.4	-1.1	-0.5	-5.4	-4.8	-12.5	-22.6	-23.1
Of which divested operations	0.3	35.5	0.6	36.1	1.2	-1.2	-6.4	-6.0	-13.6	-12.4
CONSOLIDATED TOTAL	-6.6	30.1	-5.0	18.5	20.4	-24.3	-58.2	-20.1	-102.6	-82.1
INVENTORIES (SEK million)										
CDON	214.2	187.6	195.3		188.7	172.6	208.9	215.1		
Lekmer	84.7	51.3	48.5		42.9	71.0	43.4	43.9		
Nelly	243.4	179.0	165.0		124.7	183.4	144.3	190.7		
Gymgrossisten	85.0	85.9	83.2		85.9	74.9	80.6	57.9		
Tretti	61.9	64.6	61.5		64.2	50.8	53.9	75.0		
Total operational business areas	689.2	568.3	553.5		506.4	552.5	531.0	582.6		
Group central operations	0.1	0.0	18.4		18.8	17.0	19.0	61.3		
Of which CDON Group Logistics AB	0.0	0.0	0.0		0.0	0.0	0.0	0.0		
Of which divested operations	0.0	0.0	18.4		18.8	17.0	19.0	61.3		
CONSOLIDATED TOTAL	689.3	568.3	571.9		525.2	569.5	550.1	643.9		



PARENT COMPANY INCOME STATEMENT CONDENSED (SEK million)					
	2014 Jul-Sept	2013 Jul-Sept	2014 Jan-Sept	2013 Jan-Sept	2013 Jan-Dec
Net Sales	6.3	10.9	23.1	38.0	52.1
Gross profit	6.3	10.9	23.1	38.0	52.1
Administration expenses	-14.2	-17.9	-44.5	-57.6	-77.7
Operating profit	-7.9	-7.0	-21.4	-19.6	-25.6
Net interest & other financial items	-5.8	0.4	-13.8	-8.5	-11.0
Group contribution received	0.0	0.0	0.0	0.0	56.6
Group contribution paid	0.0	0.0	0.0	0.0	-263.2
Change in excess depreciation	0.0	0.0	0.0	0.0	0.0
Profit before tax	-13.7	-6.6	-35.2	-28.1	-243.2
Tax	3.0	1.5	7.7	6.1	53.4
Net income for the period	-10.7	-5.1	-27.5	-22.0	-189.9
PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME CONDENSED (SEK million)					
Profit for period	-10.7	-5.1	-27.5	-22.0	-189.9
Other comprehensive income	0.0	0.0	0.0	0.0	0.0
Total comprehensive income for period	-10.7	-5.1	-27.5	-22.0	-189.9



PARENT COMPANY STATEMENT OF FINANCIAL POSITION CONDENSED (SEK million)	2014 30-Sept	2013 30-Sept	2013 31-Dec
Non-current assets			
Other intangible assets	9.5	0.1	2.1
Shares and participating interests	839.1	832.6	832.6
Equipment	2.2	0.2	0.3
Deferred tax asset	60.7	4.7	54.4
Total non-current assets	911.4	837.6	889.4
Current assets			
Current interest-bearing receivables	387.0	254.3	208.2
Current non-interest-bearing receivables	6.4	5.9	3.7
Receivables in Group companies	60.0	0.0	61.7
Cash and cash equivalents	74.4	157.0	267.7
Total current assets	527.8	417.2	541.4
Total assets	1,439.2	1,254.8	1,430.8
Equity			
Restricted equity	202.2	202.2	202.2
Unrestricted equity	487.4	681.1	514.1
Total equity	689.6	883.2	716.2
Non-current liabilities			
Convertible bonds	238.5	229.4	231.7
Interest-bearing liabilities	0.0	0.0	0.0
Deferred tax liability	2.5	4.5	4.0
Provisions	1.2	1.4	0.9
Total non-current liabilities	242.2	235.3	236.6
Current liabilities			
Short term interest bearing loans	58.0	-	68.0
Other interest-bearing liabilities	174.9	89.7	138.7
Liabilities to Group companies	258.1		257.1
Non-interest-bearing liabilities	16.5	46.5	14.1
Total current liabilities	507.4	136.2	477.9
Total equity and liabilities	1,439.2	1,254.8	1,430.8



KEY RATIOS	2014 Jul-Sept	2014 Apr-Jun	2014 Jan-Mar	2014 Jan-Sept	2013 Oct-Dec	2013 Jul-Sep	2013 Apr-Jun	2013 Jan-Mar	2013 Jan-Sept	2013 Full year
GROUP										
Sales growth (%)	18.1	14.6	7.8	13.3	-6.5	-3.3	1.8	10.1	2.8	-0.5
Change in operating expenses (%)	11.6	15.2	8.7	11.9	-8.1	-1.5	6.2	5.7	3.6	-0.1
Operating margin (%)	0.1	3.1	0.0	1.1	1.8	-1.9	-5.0	-0.7	-2.5	-1.1
Gross profit margin (%)	13.5	16.4	14.9	14.9	14.5	12.3	11.9	14.1	12.8	13.4
Return on capital employed (%)	8.7	6.0	neg	8.7	neg	neg	neg	neg	neg	neg
Return on equity (%)	3.9	1.3	neg	0.0	neg	neg	neg	neg	neg	neg
Equity/assets ratio (%)	40.0	41.3	42.6	40.0	39.2	41.4	40.5	15.9	41.4	39.2
Net debt (SEK million)	136.1	6.1	120.8	136.1	-57.2	65.7	50.0	590.3	65.7	-57.2
Cash flows from operations (SEK million)	-97.7	72.2	-167.7	-193.1	138.0	14.6	36.0	-327.1	-276.6	-138.6
Earnings per share (SEK)*	-0.05	0.19	-0.04	0.11	0.20	-0.19	-0.54	-0.21	-1.03	-0.79
Equity per share (SEK)**	7.02	7.13	6.91	7.02	6.94	6.78	7.12	3.74	6.78	6.96
Depreciation/Net sales (%)	0.6	0.6	0.5	0.6	0.4	0.5	0.5	0.5	0.5	0.5
Capital Expenditure/Net sales (%)	2.2	2.2	1.2	1.8	1.2	1.2	1.4	0.7	1.1	1.1
No. of active customers (thousand)	3,919	3,821	3,777	3,919	3,752	3,774	3,776	3,732	3,774	3,752
No. of visits (thousand)	59,643	62,563	65,267	187,474	72,777	51,234	57,889	60,978	170,101	242,878
No. of orders (thousand)	1,854	1,871	1,900	5,625	2,631	1,630	1,709	1,861	5,200	7,831
Average shopping basket (SEK)	667	662	630	653	591	620	616	573	602	598
CDON										
No. of active customers (thousand)	1,719	1,730	1,764	1,719	1,818	1,919	1,972	2,002	1,919	1,818
No. of visits (thousand)	17,485	16,603	20,541	54,629	27,762	19,171	18,693	22,261	60,125	87,887
No. of orders (thousand)	773	692	869	2,333	1,345	848	815	1,036	2,699	4,044
Average shopping basket (SEK)	539	515	496	516	447	454	434	437	441	443
Lekmer										
No. of active customers (thousand)	357	337	319	357	299	260	234	214	260	299
No. of visits (thousand)	5,564	4,484	4,492	14,540	8,070	3,996	3,390	3,085	10,472	18,542
No. of orders (thousand)	153	130	110	393	270	105	88	71	264	534
Average shopping basket (SEK)	640	620	603	623	629	575	561	516	554	592
Nelly										
No. of active customers (thousand)	1,101	1,037	991	1,101	972	957	949	920	957	972
No. of visits (thousand)	29,327	34,108	31,241	94,676	29,705	21,848	29,188	28,589	79,624	109,329
No. of orders (thousand)	588	724	546	1,858	687	407	523	461	1,391	2,078
Average shopping basket (SEK)	598	602	564	590	615	648	670	595	639	631
Gymgrossisten										
No. of active customers (thousand)	505	488	476	505	442	418	397	375	418	442
No. of visits (thousand)	4,450	4,446	6,180	15,076	4,212	3,855	4,112	4,805	12,772	16,984
No. of orders (thousand)	268	249	300	816	220	209	214	237	661	880
Average shopping basket (SEK)	766	793	775	777	786	799	725	739	754	762
Tretti										
No. of active customers (thousand)	237	230	227	237	222	219	224	221	219	222
No. of visits (thousand)	2,819	2,922	2,813	8,553	3,027	2,365	2,506	2,238	7,109	10,136
No. of orders (thousand)	73	75	75	224	109	61	68	56	186	295
Average shopping basket (SEK)	2,269	2,244	2,122	2,211	1,709	2,192	2,111	2,281	2,189	2,011

* Earnings per share for the periods Jan-Sept 2014 and Jan-Dec 2013 have been calculated on the average number of outstanding shares for the respective periods. The weighted average number of shares for the period Jan-Sept 2014 is 99,513,186 and for the full year 2013 the weighted average number of shares amounted to 90,519,451.

** Calculated on present number of shares, as per September 2014, amounting to 99,513,186.

Definitions

Gross profit margin
Equity/assets ratio
Net debt (+) / Net cash (-)
Return on equity
Return on capital employed
Earnings per share
Equity per share
Capital Expenditure/Net Sales
No. of active customers
No. of visits
Average shopping basket
Average shopping basket - Tretti

Gross profit as a percentage of net sales. Gross profit includes costs directly attributable to the goods sold, fulfillment costs, and shipping
Equity plus non-controlling interests as a percentage of total assets.
Interest-bearing liabilities less interest-bearing current and non-current assets and cash and cash equivalents.
Net income for the last four quarters as a percentage of average equity for the last four quarters.
Operating income for the last four quarters as a percentage of average capital employed for the last four quarters.
Earnings for the year attributable to the parent company's shareholders divided by average number of shares.
Equity attributable to the parent company's shareholders divided by average number of shares.
Investments in tangible non-current assets divided by Net sales for the period.
Number of customers that have shopped at least once during the past 12 months.
Gross number of visits to the Groups online stores.
(Internet sales + postage income) / No. Incoming orders
(Internet sales + postage income + sold services) / No. Incoming orders



Note 1

On 22 May, CDON Group AB announced that the company had entered into an agreement on the sale of operations in Rum21 AB to Royal Design Group AB.

The agreed consideration for 100% of the business amounted to SEK 68.0 million, of which SEK 61.5 million was paid at the point of takeover on 27 May 2014, SEK 3.25 million in June 2014 and SEK 3.25 million is to be paid in December 2014. In 2013, Rum21 reported sales of approximately SEK 90 million and operating income of SEK -1.5 million. The preliminary capital gain amounted to SEK 35 million, which has impacted on earnings for the second quarter. As of July 2014 CDON Group owns 100% of the shares in CDON Online Retailing AB (formerly Rum21 AB). All operational activities in former Rum21 AB have ceased.

RESULT FROM DIVESTED OPERATIONS (SEK million)	2014 Jan-Sep	2013 Jan-Sep
Net sales	48.0	58.1
Expenses	-45.0	-61.7
Profit before tax	3.0	-3.6
Tax	-0.6	0.8
Profit after tax but before capital gain/loss from divested operations	2.3	-2.8
Capital gain/loss from divested operations	35.0	-
Tax attributable to the above capital gain/loss	-9.6	-
Capital gain/loss after tax	25.4	-
Total income for the period	27.8	-
<i>Net cash flow from divested operations</i>		
Cash flow from operations	-2.4	12.0
Cash flow to/from investing activities	64.7	-0.1
Cash flow to/from financing activities	0.0	0.0
Net cash flow from divested operations	62.4	11.9

Deferred purchase price

The purchase price amounts to SEK 68 million of which SEK 64.75 million has been received. Remainder installment of SEK 3.25 million will be received in December 2014.

SUMMARY DEVELOPMENT OF DIVESTED OPERATIONS (SEK million)	2014 Jul-Sep	2014 Apr-Jun	2014 Jan-Mar	2013 Oct-Dec	2013 Jul-Sep	2013 Apr-Jun	2013 Jan-Mar
Net sales	0.0	19.9	28.1	31.9	20.8	19.6	17.7
Operating profit	1.6	35.5	0.6	1.6	-0.7	-0.9	-1.4
Closing inventory balance	0.0	0.0	18.4	18.8	17.0	14.0	13.6



Note 2

In order to improve disclosure in the reporting, a number of new key ratios will be reported from the third quarter. Additionally the segment reporting is changed due to the new strategy, which means that CDON.com and Lekmer from now on will be reported as separate segments. CDON.com and Lekmer previously formed the Entertainment segment. Furthermore the names of the Fashion- and Sports & Health-segments are changed to Nelly and Gymgrossisten respectively. The former Home & Garden-segment is renamed to Tretti, and comprises only Tretti after the divestment of Rum21 AB's operations.