

## Interim Report January–March 2015

# A quarter focused on integration and rationalisation

### JANUARY-MARCH 2015 (FIRST QUARTER)

- Net sales amounted to SEK 232 million (241).
- The gross margin was 42.7 percent (44.8).
- Operating profit amounted to SEK 1 million (16).
- The loss for the period was SEK 1 million (profit 12).
- Earnings per share before and after dilution amounted to a negative SEK 0.04 (positive 0.53).
- Cash flow from continuing operations amounted to SEK 14 million (7).
- Restructuring expenses of SEK 10 million were charged against profit for the period.

### Comment by the CEO

A number of important measures were undertaken in the first quarter and although these held back earnings in the short term, they strengthen the Group for the future. The production unit where certain Dalblads brand products have been produced is being closed, which is in line with our strategy to focus on developing strong brands that need not be produced in-house. The total cost of restructuring amounted to SEK 10 million and was charged against earnings in the first quarter. The restructuring process is ahead of schedule and the anticipated annual savings of SEK 7 million are therefore expected to gain full effect from the beginning of the fourth quarter of 2015. The integration of Soma, acquired in Norway, commenced in the first quarter and the company will be gradually integrated into the Group over 2015.

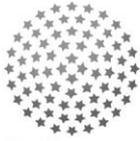
The sales trend weakened despite several of our major brands having maintained or increased their market share in a market that is currently weak. In general, sales were weak in all of our principal geographic markets. In February and March, we also saw a decline in sales volumes for Friggs' rice cakes following media alerts that rice products may contain elevated levels of arsenic. The rice in the Friggs' rice cakes comes mainly from Italy and is a whole grain rice, also known as brown rice.



#### About Midsona

Midsona holds a strong position in the Nordic market with own strong brands within healthfoods, personal care and hygiene. Midsona also sells a number of licensed internationally established brands. Our products are sold through grocery and convenience stores, pharmacies, health stores and internet. Midsona's priority trademarks are: DALBLADS, FRIGGS, MIWANA, MYGGA, NATURDIET, SUPERNATURE and TRI TOLONEN. Midsona has annual sales of about MSEK 920 (2014). The Midsona share (MSON) is listed on NASDAQ OMX Stockholm, Small Cap. For further information: [www.midsona.com](http://www.midsona.com)

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The rice used in the Friggs' rice cakes is continuously analysed. All analyses show Friggs' rice cakes to be well below proposed levels. Sales have also begun to recover as consumers have received adequate information. Despite lower sales volumes in the rice cakes category, the Friggs brand exhibited good sales growth during the period.

The first quarter was therefore challenging, although most of the effects on the Group were of a transient nature, while interest in the health and well-being category is permanent. We are continuing along our chartered course, building strong brands in the area of health and well-being. A new series of superfoods was launched in supermarkets under the Friggs brand. In addition, several other important launches were made under the Catzy, Dalblads, Friggs, Naturdiet, Soma and Supernature brands.

We will gradually derive positive effects from the measures that have been implemented. We have a strong financial position with capacity enabling investments in our prioritised brands, and for acquisitions if the opportunity arises. With this, we can approach the fulfilment of our vision of being the Nordic leader in health and well-being.

Peter Åsberg, President and CEO

This is information of the type that Midsona AB is obligated to disclose in accordance with the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was published on April 28, 2015, 8 am.



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