

## Interim report for 1 January – 31 March 2014

### First Quarter

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- Net sales were up 10%, amounting to SEK 1,133.2 million. Previous year sales totalled SEK 1,032.4 million excluding divested operations and SEK 1,051.1 million including divested operations
- Gross margin of 14.9% compared with 14.1% previous year, excluding divested operations
- Operating profit amounted to SEK 0.1 million. Previous year operating profit was SEK -4.2 million excluding divested operations and SEK -7.8 million including divested operations
- Net income totalled SEK -4.2 (-17.3) million
- Basic earnings per share of SEK -0.04 (-0.21)
- Cash flow from operations improved by SEK 159.4 million and amounted to SEK -167.7 (-327.1) million

### CEO statement

Paul Fischbein, President and CEO, commented: “CDON Group has seen a promising start to 2014; we are delivering a growth of 10 percent, a positive operating profit in this seasonally weak first quarter and an improvement in cash flow of almost SEK 159 million year-on-year. Sports & Health continues to display a high growth rate at 30 percent, as well as stable margins. Home & Garden enjoyed strong sales during the quarter, with an increase of 26 percent.

The transformation of CDON.com into a leading online department store is continuing. Sales volumes for CDON.com Marketplace displayed good growth in the first quarter, and CDON.com’s operating profit, which is included in the Entertainment segment, was slightly above break-even.

Within Nelly.com, the previous quarter’s launch in France was followed up by launches in Belgium and Poland (after the end of the interim reporting period). NLYman.com, an online boutique devoted exclusively to the fashion-conscious man, was also launched.

After the first quarter we disclosed a pilot test of an in-house payment solution for two of the Group’s Swedish sites. Testing will start in the coming months. We see the pilot test as an important step to further improve the shopping experience while CDON Group can take a greater responsibility for the value chain.

All in all, CDON Group is in a good position to be able to gradually increase investments in 2014 to fuel growth, mainly within the Fashion and Sports & Health segments.”



### **Forward-looking statement**

The Group's strategy for 2014 is to, in a balanced way, continue to deliver sales growth and increased market shares, especially in the segments Sports & Health and Fashion. Alongside continued sales growth, the Group will continue to focus on underlying earnings improvement.

CDON.com will during 2014 continue to invest in the transformation to become the leading full-range e-commerce store which gradually will offset the continued reduction of sales of media related products.

The goal for the Fashion segment in 2014 is continued growth, particularly through investments in geographical expansion, however in a balanced way.

### **Significant events during and after the first quarter 2014**

#### *New brand*

On 10 February, CDON Group AB announced the acquisition by subsidiary Lekmer AB of the brand Carena.

#### *Launch of NLYman.com*

On 24 February, CDON Group AB announced that its subsidiary NLY Scandinavia AB had launched NLYman.com, an online fashion boutique devoted exclusively to the fashion-conscious man. NLY Man is a new concept that comes under CDON Group's fashion company Nelly, where men's fashion is given its own brand and website, NLYman.com.

#### *Launch of Nelly.com and NLYman.com in Belgium and Poland*

On 5 March, CDON Group AB announced that its subsidiary NLY Scandinavia AB had launched Nelly.com and NLYman.com in Belgium. On 9 April, CDON Group announced the launch of Nelly.com and NLYman.com in Poland as well.

#### *Bodystore changes name to Gymsector in Germany*

On 13 March, CDON Group AB announced that its subsidiary Gymgrossisten AB had changed the name of its German nutritional supplements retailer Bodystore.de to Gymsector.com, with the purpose of continuing Gymgrossisten's expansion outside the Nordic region under an integrated brand.

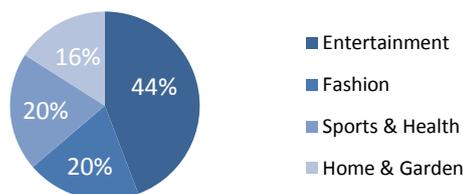
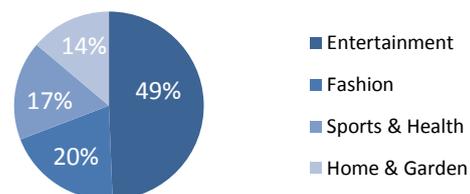
#### *CDON Group pilot tests in-house payment solution*

On 15 April, CDON Group AB announced that the Group, as part of its ambition to strengthen its customer offering, has for some time evaluated and prepared a pilot test of an in-house payment solution. The pilot test includes invoice- and instalment payments for two of the Group's Swedish sites and is intended to be launched in the coming months and then evaluated on an ongoing basis.


**The Group's financial summary, excluding divested operations and non-recurring items\***

(SEK million)	2014	2013	Change
	Jan-Mar	Jan-Mar	(%)
Net sales	<b>1,133.2</b>	1,032.4	10%
Gross income	<b>168.5</b>	145.5	16%
Gross margin (%)	<b>14.9%</b>	14.1%	
Operating profit/loss	<b>0.1</b>	-4.2	-
Operating margin (%)	<b>0.0%</b>	-0.4%	
Opening inventory balance	<b>525.2</b>	609.7	
Closing inventory balance	<b>571.9</b>	643.9	-11%

\* The previous year's divested operations and non-recurring items are detailed on page 4

**Sales per segment, Jan-Mar 2014**

**Sales per segment, Jan-Mar 2013**

**Result summary**

The Group's net sales, excluding the previous year's divested operations, rose by 10% during the first quarter year-on-year. Excluding currency effects and the previous year's divested operations, sales rose by 10% during the quarter. The Sports & Health and Home & Garden segments displayed persistently strong growth of 30% and 26% respectively. Sales in the Fashion segment grew by 8%. The Group's online retailers attracted 67.0 (62.8) million visitors in the first quarter and generated 1.7 (1.7) million orders during the period.

The Group's gross margin, excluding divested operations, was 14.9% (14.1%) in the first quarter. The improved margin during the quarter was mainly attributable to a boost in efficiency within logistics operations. There was a negative impact on the gross margin, caused by a decline in sales of media-related products for CDON.com.

The Group's operating profit, excluding divested operations, improved, amounting to SEK 0.1 (-4.2) million for the quarter and SEK 0.1 (-7.8) million including divested operations.

Net interest and other financial items amounted to SEK -5.1 (-12.3) million for the quarter, which primarily reflected interest expenses relating to the Group's convertible bond and currency effects. The Group's loss before tax therefore totalled SEK -5.0 (-20.1) million.

In the first quarter the Group reported tax revenue of SEK 0.8 (2.8) million, as a result of capitalised loss carryforwards.



Net income totalled SEK -4.2 (-17.3) million for the first quarter, and earnings per share before and after dilution totalled SEK -0.04 (-0.21) for the quarter.

#### **Cash flow and financial position**

Consolidated cash flow from operating activities saw an improvement during the first quarter, amounting to SEK 2.7 (-62.0) million. The cash flow impact of changes in working capital was seasonally negative and amounted to SEK -170.4 (-265.1) million for the quarter. The improvement compared with the previous year is primarily attributable to a lower outflow related to changes in operating liabilities. Consolidated cash flow from operations therefore improved by SEK 159.4 million compared with the first quarter of 2013, and amounted to SEK -167.7 (-327.1) million.

The Group's net investments during the quarter totalled SEK -7.9 (-10.4) million, which mainly related to disbursements for investments in the development of the Group's retail platforms, which was reduced by the fourth payment of a total of five relating to the previous year's divestment within the Fashion segment.

Consolidated cash flow from financing activities totalled SEK 0.0 (249.7) million and cash and cash equivalents therefore decreased by SEK -175.6 (-87.8) million during the quarter. Including translation differences, cash and cash equivalents decreased to SEK 113.1 (34.5) million from SEK 288.9 million at the beginning of the quarter.

At the end of the quarter, the Group had a net debt position of SEK 120.8 (590.3) million, made up of cash and cash equivalents of SEK 113.1 million and convertible bonds totalling SEK 233.9 million.

Total consolidated assets on the reporting date grew by 3% year-on-year to SEK 1,614.5 (1,561.7) million. Inventory levels dropped by SEK 72 million compared with the previous year to SEK 571.9 (643.9) million. Capital employed amounted to SEK 808.1 million. The Group's rolling twelve month return on capital employed was negative, which is mainly due to non-recurring items arising in the second quarter 2013.

Equity declined during the quarter to SEK 687.3 (248.2) million from SEK 690.9 million at the beginning of the year. The decrease in the first quarter is mainly attributable to earnings for the period. Equity increased compared with the previous year primarily as a consequence of the issue carried out in the second quarter 2013.

#### **Summary of divested operations and non-recurring items**

SUMMARY OF DIVESTED ENTITIES AND ONE OFF ITEMS	2014 Jan-Mar	2013 Jan-Mar	2013 Apr-Jun	2013 Jul-Sep	2013 Oct-Dec	2013 Jan-Dec
<b>Revenue</b>	<b>0.0</b>	<b>18.7</b>	<b>4.9</b>	<b>0.0</b>	<b>0.0</b>	<b>23.6</b>
Divested entity (Heppo)	0.0	18.7	4.9	0.0	0.0	23.6
<b>Gross Profit</b>	<b>0.0</b>	<b>2.6</b>	<b>-35.8</b>	<b>0.0</b>	<b>0.0</b>	<b>-33.2</b>
Gymgrossisten	0.0	0.0	-4.6	0.0	0.0	-4.6
CDON	0.0	0.0	-32.0	0.0	0.0	-32.0
Divested entity (Heppo)	0.0	2.6	0.8	0.0	0.0	3.4
<b>Operating Profit</b>	<b>0.0</b>	<b>-3.6</b>	<b>-42.6</b>	<b>0.0</b>	<b>0.0</b>	<b>-46.2</b>
Gymgrossisten	0.0	0.0	-5.6	0.0	0.0	-5.6
CDON	0.0	0.0	-32.0	0.0	0.0	-32.0
Divested entity (Heppo)	0.0	-3.6	-5.0	0.0	0.0	-8.6



## Development per segment

### Entertainment

(SEK million)	2014	2013	Change
	Jan-Mar	Jan-Mar	(%)
Net sales	501.7	512.4	-2%
Operating profit/loss	-5.2	13.3	-
Operating margin (%)	-1.0%	2.6%	
Opening inventory balance	231.5	287.1	
Closing inventory balance	243.8	259.0	-6%

The Entertainment segment comprises the online stores CDON.com and Lekmer.com. Segment sales dropped by 2% in the first quarter. The segment accounted for 44% (49%) of total Group sales in the quarter.

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. During the first quarter CDON.com continued to experience a decline in sales of media products, which was partly compensated for by a positive trend within new categories, which are showing persistent rapid growth. CDON.com Marketplace displayed good growth during the quarter, and new retailers are continually coming on board. Since its launch in Q4 2013, a total of 90 merchants have signed up to CDON.com Marketplace. Sales of other products besides media comprised 67% of the segment's total sales in the first quarter.

Lekmer.com continued to show solid growth with increased market share, thanks in part to product range improvements and the ongoing transition from bricks-and-mortar retail to e-commerce within the children's goods and toy sector. In the first quarter, sales of children's clothes and prams/car seats displayed the strongest growth, together with the children's room category. However, toys remain the largest product category. During the period Lekmer acquired Carena, which is a well-known prams and accessories brand in the Nordic region. Carena complements Lekmer's growing product range within the children and baby market in the Nordic countries, and is a step towards boosting sales of private label products.

Operating profit continued to be negatively affected as a result of falling volumes within the media-related product categories, which have a higher product margin compared with other categories within CDON.com. However, CDON.com reported an operating profit slightly above break-even.

**Fashion\***

(SEK million)	2014	2013	Change
	Jan-Mar	Jan-Mar	(%)
Net sales	<b>220.7</b>	205.1	8%
Operating profit/loss	<b>-10.8</b>	-13.9	-
Operating margin (%)	<b>-4.9%</b>	-6.8%	
Opening inventory balance	<b>124.7</b>	193.6	
Closing inventory balance	<b>165.0</b>	238.4	-31%

\* Excluding divested operations and non-recurring items, which are detailed on page 4

The Fashion segment comprises the online stores Nelly.com, NLYman.com and Members.com. Segment sales rose by 8% in the first quarter, excluding the divested operation in 2013. The segment accounted for 20% (20%) of total Group sales in the quarter.

Nelly.com continued to display growth during the quarter. The Swedish market accounted for 41% of the segment's total sales volume in the first quarter, and sales outside the Nordic region accounted for 13%. The Netherlands continued to be the largest market outside the Nordics and was the fourth largest market in the first quarter. Sales of private label products accounted for 33% of total sales.

During the quarter, Nelly launched a new site for men in the form of NLYman.com and locally adapted beta versions of both Nelly.com and NLYman.com in Belgium and, at the beginning of April, in Poland as well. Nelly.com celebrates ten years during the first half of 2014, an anniversary that was marked in the first quarter with a marketing campaign fronted by Hollywood actress Leighton Meester.

The product margin was 48% in the first quarter. Despite a seasonally weak quarter, the operating margin increased year-on-year as a consequence of improved logistics and purchase prices, but also an increased share of sales for private label products. During the quarter, restructuring began on Nelly.com's returns management process relating to the Nordic returns, which were outsourced to Tallinn, Estonia.

**Sports & Health**

(SEK million)	2014	2013	Change
	Jan-Mar	Jan-Mar	(%)
Net sales	<b>230.7</b>	176.8	30%
Operating profit/loss	<b>21.6</b>	17.9	21%
Operating margin (%)	<b>9.4%</b>	10.1%	
Opening inventory balance	<b>85.9</b>	63.6	
Closing inventory balance	<b>83.2</b>	57.9	44%

The Sports & Health segment comprises the online stores Gymgrossisten.com (Finesstukku.fi in Finland, Bodystore.dk in Denmark and Gymsector.com in Germany), Bodystore.com and Milebreaker.com. Segment sales were up 30% in the first quarter. The segment accounted for 20% (17%) of total Group sales in the quarter.

Sales growth in the segment remained strong. Demand for protein products and nutritional supplements continued to increase during the quarter and the broadening of private label products persisted via several



product launches. Sales of private label products such as Star Nutrition, Chained Nutrition and SmartSupps accounted for 44% of total sales in the first quarter.

The German online store changed its name from Bodystore.de to Gymsector.com during the quarter. The new brand was a significant step towards effective establishment on new markets outside the Nordics, and at the same time resolved a brand dispute on the German market.

The segment's gross margin remained stable during the quarter, while operating profit rose by 21%. The operating margin dropped slightly as a result of increased investments in personnel, mainly within IT, and investments in new markets such as Germany.

#### Home & Garden

(SEK million)	2014	2013	Change
	Jan-Mar	Jan-Mar	(%)
Net sales	<b>180.7</b>	143.2	26%
Operating profit/loss	<b>0.8</b>	-3.4	-
Operating margin (%)	<b>0.5%</b>	-2.4%	
Opening inventory balance	<b>83.0</b>	65.4	
Closing inventory balance	<b>79.9</b>	88.6	-10%

The Home & Garden segment comprises the online retailers Tretti.com and Rum21.se. Sales in this segment grew 26% in the first quarter and accounted for 16% (14%) of total Group sales.

White goods store Tretti reported growth within all product categories in the first quarter. Furniture and interior design store Rum21 also continued to display healthy growth in sales, in part by offering a combination of traditional designer furniture items, furniture designed in-house and more trend-focused furniture and interior decor items.

Operating profit increased in the first quarter as a result of improved gross margins via better purchase prices and a broader product mix.

#### Parent company

The CDON Group parent company reported sales of SEK 9.2 (13.3) million in the first quarter. Cash and cash equivalents in the parent company amounted to SEK 94.9 (9.6) 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 uncertainty factors 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**

*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.

*Results for the second quarter 2014*

CDON Group's result for the second quarter and first six months ending on 30 June 2014 will be published on 16 July 2014.

This report has not been subject to review by the Group's auditors.

24 April 2014

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Paul Fischbein  
*President & CEO*

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Corporate ID number: 556035-6940

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

To participate in the conference call, please dial:

Sweden:	+46(0)8 5065 3937
International:	+44(0)20 3427 1901
US:	+1646 254 3365

The pin code to access this call is 8062338.

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

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**For further information, please visit [www.cdongroup.com](http://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 expanded its product portfolio and is now a leading e-commerce player in the Entertainment (CDON.com, Lekmer.com), Fashion (Nelly.com, NLYman.com, Members.com), Sports & Health (Gymgrossisten.com, Bodystore.com, Milebreaker.com) and Home & Garden (Tretti.com and Room21.se) segments. In 2013, the Group generated earnings of SEK 4.5 billion. CDON Group's share is traded on the NASDAQ OMX Stockholm MidCap list under the CDON ticker symbol.*

*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 24 April 2014.*



CONDENSED CONSOLIDATED INCOME STATEMENT (SEK million)	2014 Jan-Mar	2013 Jan-Mar	2013 Jan-Dec
Net sales	1,133.2	1,051.1	4,440.5
Cost of goods and services	-964.6	-903.0	-3,846.6
<b>Gross profit</b>	<b>168.5</b>	<b>148.1</b>	<b>593.8</b>
Sales and administration expenses	-169.2	-155.7	-637.3
Other operating income and expenses, net	0.7	-0.2	-4.6
<b>Operating profit</b>	<b>0.1</b>	<b>-7.8</b>	<b>-48.0</b>
Net interest & other financial items	-5.1	-12.3	-34.1
<b>Profit before tax</b>	<b>-5.0</b>	<b>-20.1</b>	<b>-82.1</b>
Tax	0.8	2.8	14.8
<b>Net income for the period</b>	<b>-4.2</b>	<b>-17.3</b>	<b>-67.3</b>
<b>EBITDA</b>	<b>6.2</b>	<b>-2.7</b>	<b>-26.6</b>
<b>Attributable to:</b>			
Equity holders of the parent	-3.8	-16.7	-66.9
Non-controlling interests	-0.4	-0.6	-0.4
<b>Net income for the period</b>	<b>-4.2</b>	<b>-17.3</b>	<b>-67.3</b>
Basic earnings per share (SEK)*	-0.04	-0.21	-0.74
Diluted earnings per share (SEK)*	-0.04	-0.21	-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 99,513,183 before dilution and from 72,921,071 to 107,577,702 after dilution.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME CONDENSED (SEK million)	2014 Jan-Mar	2013 Jan-Mar	2013 Jan-Dec
<b>Profit for the period</b>	<b>-4.2</b>	<b>-17.3</b>	<b>-67.3</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Translation difference for the period	0.2	-1.1	0.9
<b>Other comprehensive income for the period</b>	<b>0.2</b>	<b>-1.1</b>	<b>0.9</b>
<b>Total comprehensive income for period</b>	<b>-4.0</b>	<b>-18.4</b>	<b>-66.4</b>
<b>Total comprehensive income attributable to:</b>			
Parent company shareholders	-3.6	-17.8	-66.0
Non-controlling interests	-0.4	-0.6	-0.4
<b>Total comprehensive income for the period</b>	<b>-4.0</b>	<b>-18.4</b>	<b>-66.4</b>

Shares outstanding at period's end	99,513,186	66,342,124	99,513,186
Shares outstanding at period's end, incl convertible	107,577,702	72,921,071	107,577,702
Average number of shares, basic	99,513,186	66,342,124	90,519,451
Average number of shares, incl convertible	107,577,702	72,921,071	97,944,969



CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONDENSED (SEK million)	2014 31-Mar	2013 31-Mar	2013 31-Dec
<b>Non-current assets</b>			
Goodwill	462.6	461.2	462.6
Other intangible assets	183.5	157.2	175.5
<b>Total intangible assets</b>	<b>646.2</b>	<b>618.4</b>	<b>638.1</b>
Financial non-current assets	1.6	1.6	1.6
Tangible non-current assets	20.1	15.7	21.0
Deferred tax asset	69.1	44.4	64.0
<b>Total non-current assets</b>	<b>737.0</b>	<b>680.0</b>	<b>724.6</b>
<b>Current assets</b>			
Inventories	571.9	643.9	525.2
Current non-interest bearing receivables	192.5	203.2	222.9
<b>Total receivables</b>	<b>192.5</b>	<b>203.2</b>	<b>222.9</b>
Cash and cash equivalents	113.1	34.5	288.9
<b>Total current assets</b>	<b>877.5</b>	<b>881.6</b>	<b>1,037.0</b>
<b>Total assets</b>	<b>1,614.5</b>	<b>1,561.7</b>	<b>1,761.6</b>
<b>Equity</b>			
Equity attributable to owners of the parent	685.5	249.5	688.7
Non-controlling interest	1.8	-1.3	2.2
<b>Total equity</b>	<b>687.3</b>	<b>248.2</b>	<b>690.9</b>
<b>Non-current liabilities</b>			
<i>Non interest bearing</i>			
Deferred tax liability	28.1	30.3	28.6
Other provisions	3.4	1.1	3.3
<i>Interest bearing</i>			
Convertible bond	233.9	225.1	231.7
<b>Total non-current liabilities</b>	<b>265.4</b>	<b>256.5</b>	<b>263.6</b>
<b>Current liabilities</b>			
Short term interest bearing loans	0.0	150.0	0.0
Current interest-bearing liabilities	0.0	264.7	0.0
Current non-interest bearing liabilities	661.8	642.3	807.1
<b>Total current liabilities</b>	<b>661.8</b>	<b>1,057.0</b>	<b>807.1</b>
<b>Total equity and liabilities</b>	<b>1,614.5</b>	<b>1,561.7</b>	<b>1,761.6</b>

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 248.2 million as of March 31, 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	2013	2013
	Jan-Mar	Jan-Mar	Jan-Dec
Cash flow from operating activities	2.7	-62.0	-54.5
Changes in working capital	-170.4	-265.1	-84.0
<b>Cash flow from operations</b>	<b>-167.7</b>	<b>-327.1</b>	<b>-138.6</b>
Investments in subsidiaries	0.0	-3.0	-18.6
Investments in other non-current assets	-13.3	-7.4	-49.9
Divested operations*	5.4	0.0	32.1
<b>Cash flow to/from investing activities</b>	<b>-7.9</b>	<b>-10.4</b>	<b>-36.4</b>
Share buy-backs	0.0	0.0	-1.4
Acquisition of shares from non controlling interest	0.0	0.0	-13.9
Utilized overdraft facility	0.0	249.7	0.0
New share issue	0.0	0.0	502.1
Issue of credit facilities	0.0	0.0	150.0
Amortisation of credit facilities	0.0	0.0	-300.0
<b>Cash flow to/from financing activities</b>	<b>0.0</b>	<b>249.7</b>	<b>336.7</b>
<b>Change in cash and cash equivalents for the period</b>	<b>-175.6</b>	<b>-87.8</b>	<b>161.8</b>
<b>Cash and cash equivalents at period's start</b>	<b>288.9</b>	<b>126.1</b>	<b>126.1</b>
<b>Translation difference, cash and cash equivalents</b>	<b>-0.1</b>	<b>-3.9</b>	<b>0.9</b>
<b>Cash and cash equivalents at period's end</b>	<b>113.1</b>	<b>34.5</b>	<b>288.9</b>

\* Divested operations Jan-Mar 2014 comprises the fourth installment out of five of SEK 5.4 million on disposal of Heppo AB's operations.

STATEMENT OF CHANGES IN EQUITY			
CONDENSED (SEK million)			
	2014	2013	2013
	31-Mar	31-Mar	31-Dec
<b>Opening balance</b>	<b>690.9</b>	<b>266.4</b>	<b>266.4</b>
Comprehensive income for the period	-4.0	-18.4	-66.4
Effects of long term incentive program	0.4	0.2	1.2
New share issue	0.0	-	505.0
Repurchased own shares	0.0	-	-1.4
Acquisition of shares from non-controlling interests without a change in control	0.0	-	-13.9
<b>Closing balance</b>	<b>687.3</b>	<b>248.2</b>	<b>690.9</b>



NET SALES (SEK million)	2014 Jan-Mar	2013 Jan-Mar	2013 Apr-Jun	2013 Jul-Sep	2013 Oct-Dec	2013 Full year
Entertainment	501.7	512.4	410.5	447.1	784.5	2,154.5
Fashion	220.7	223.8	244.1	187.9	300.4	956.2
Sport & Health	230.7	176.8	156.3	169.0	175.3	677.4
Home & Garden	180.7	143.2	158.8	145.5	211.3	658.8
<b>Total operational business areas</b>	<b>1,133.8</b>	<b>1,056.1</b>	<b>969.7</b>	<b>949.5</b>	<b>1,471.5</b>	<b>4,446.9</b>
Group central operations	43.4	42.7	46.9	40.5	52.1	182.2
Eliminations	-44.0	-47.8	-47.4	-40.4	-53.0	-188.7
<b>CONSOLIDATED TOTAL</b>	<b>1,133.2</b>	<b>1,051.1</b>	<b>969.2</b>	<b>949.6</b>	<b>1,470.6</b>	<b>4,440.5</b>
<b>Intersegment sales</b>						
Entertainment	0.6	8.5	0.8	0.1	1.1	10.6
Fashion	0.0	-	0.0	0.0	0.0	0.0
Sport & Health	0.0	0.0	0.0	0.0	0.0	0.0
Home & Garden	0.0	0.0	0.0	0.0	0.0	0.0
Group central operations	43.4	39.2	46.6	40.3	52.0	178.1
<b>Total</b>	<b>44.0</b>	<b>47.8</b>	<b>47.4</b>	<b>40.4</b>	<b>53.0</b>	<b>188.7</b>
<b>OPERATING PROFIT (SEK million)</b>						
	2014 Jan-Mar	2013 Jan-Mar	2013 Apr-Jun	2013 Jul-Sep	2013 Oct-Dec	2013 Full year
Entertainment	-5.2	13.3	-41.9	-13.0	9.2	-32.4
Fashion	-10.8	-17.4	-4.0	-7.1	4.0	-24.6
Sport & Health	21.6	17.9	8.0	14.8	14.2	54.9
Home & Garden	0.8	-3.4	-0.2	-0.8	5.3	0.9
<b>Total operational business areas</b>	<b>6.5</b>	<b>10.3</b>	<b>-38.1</b>	<b>-6.0</b>	<b>32.6</b>	<b>-1.2</b>
Group central operations	-6.4	-18.1	-10.8	-11.9	-6.0	-46.8
<i>Of which CDON Group Logistics AB</i>	<i>0.0</i>	<i>-12.1</i>	<i>-4.3</i>	<i>-4.9</i>	<i>0.0</i>	<i>-21.2</i>
<b>CONSOLIDATED TOTAL</b>	<b>0.1</b>	<b>-7.8</b>	<b>-48.9</b>	<b>-17.9</b>	<b>26.6</b>	<b>-48.0</b>
<b>PROFIT BEFORE TAX (SEK million)</b>						
	2014 Jan-Mar	2013 Jan-Mar	2013 Apr-Jun	2013 Jul-Sep	2013 Oct-Dec	2013 Full year
Entertainment	-6.6	10.8	-43.2	-15.9	8.2	-40.1
Fashion	-11.8	-22.9	-5.8	-9.7	2.1	-36.2
Sport & Health	21.8	17.2	8.7	14.4	14.0	54.2
Home & Garden	0.8	-3.8	-0.6	-1.1	5.1	-0.4
<b>Total operational business areas</b>	<b>4.3</b>	<b>1.4</b>	<b>-40.9</b>	<b>-12.3</b>	<b>29.4</b>	<b>-22.4</b>
Group central operations	-9.3	-21.4	-17.3	-12.0	-9.0	-59.7
<i>Of which CDON Group Logistics AB</i>	<i>-0.4</i>	<i>-12.5</i>	<i>-4.8</i>	<i>-5.4</i>	<i>-0.5</i>	<i>-23.1</i>
<b>CONSOLIDATED TOTAL</b>	<b>-5.0</b>	<b>-20.1</b>	<b>-58.2</b>	<b>-24.3</b>	<b>20.4</b>	<b>-82.1</b>
<b>INVENTORIES (SEK million)</b>						
	2014 31-Dec	2013 31-Mar	2013 30-Jun	2013 30-Sep	2013 31-Dec	
Entertainment	243.8	259.0	252.3	243.5	231.5	
Fashion	165.0	238.4	149.3	183.4	124.7	
Sport & Health	83.2	57.9	80.6	74.9	85.9	
Home & Garden	79.9	88.6	67.8	67.7	83.0	
<b>Total operational business areas</b>	<b>571.9</b>	<b>643.9</b>	<b>550.1</b>	<b>569.5</b>	<b>525.2</b>	
Group central operations	0.0	0.0	0.0	0.0	0.0	
<b>CONSOLIDATED TOTAL</b>	<b>571.9</b>	<b>643.9</b>	<b>550.1</b>	<b>569.5</b>	<b>525.2</b>	



PARENT COMPANY INCOME STATEMENT CONDENSED (SEK million)			
	2014 Jan-Mar	2013 Jan-Mar	2013 Jan-Dec
Net Sales	9.2	13.3	52.1
<b>Gross profit</b>	<b>9.2</b>	<b>13.3</b>	<b>52.1</b>
Administration expenses	-15.6	-19.3	-77.7
<b>Operating profit</b>	<b>-6.4</b>	<b>-6.0</b>	<b>-25.6</b>
Net interest & other financial items	-2.4	-2.9	-11.0
Group contribution received	0.0	0.0	56.6
Group contribution paid	0.0	0.0	-263.2
Change in excess depreciation	0.0	0.0	0.0
<b>Profit before tax</b>	<b>-8.8</b>	<b>-8.9</b>	<b>-243.2</b>
Tax	1.9	2.0	53.4
<b>Net income for the period</b>	<b>-6.9</b>	<b>-7.0</b>	<b>-189.9</b>
PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME CONDENSED (SEK million)			
<b>Profit for period</b>	<b>-6.9</b>	<b>-7.0</b>	<b>-189.9</b>
<b>Other comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total comprehensive income for period</b>	<b>-6.9</b>	<b>-7.0</b>	<b>-189.9</b>



PARENT COMPANY STATEMENT OF FINANCIAL POSITION CONDENSED (SEK million)	2014 31-Mar	2013 31-Mar	2013 31-Dec
<b>Non-current assets</b>			
Other intangible assets	6.1	0.0	2.1
Shares and participating interests	832.5	818.3	832.6
Equipment	0.5	0.0	0.3
Deferred tax asset	55.9	0.0	54.4
<b>Total non-current assets</b>	<b>895.0</b>	<b>818.4</b>	<b>889.4</b>
<b>Current assets</b>			
Current interest-bearing receivables	331.7	515.8	208.2
Current non-interest-bearing receivables	4.6	5.3	3.7
Receivables in Group companies	0.0	154.6	61.7
Cash and cash equivalents	94.9	9.6	267.7
<b>Total current assets</b>	<b>431.2</b>	<b>685.3</b>	<b>541.4</b>
<b>Total assets</b>	<b>1,326.2</b>	<b>1,503.7</b>	<b>1,430.8</b>
<b>Equity</b>			
Restricted equity	202.2	134.4	202.2
Unrestricted equity	507.6	260.1	514.1
<b>Total equity</b>	<b>709.7</b>	<b>394.5</b>	<b>716.2</b>
<b>Non-current liabilities</b>			
Convertible bonds	233.9	225.1	231.7
Deferred tax liability	3.5	5.5	4.0
Provisions	1.1	1.1	0.9
<b>Total non-current liabilities</b>	<b>238.5</b>	<b>231.6</b>	<b>236.6</b>
<b>Current liabilities</b>			
Short term interest bearing loans	58.0	150.0	68.0
Other interest-bearing liabilities	107.3	460.2	138.7
Liabilities to Group companies	197.7	246.9	257.1
Non-interest-bearing liabilities	14.9	20.4	14.1
<b>Total current liabilities</b>	<b>377.9</b>	<b>877.5</b>	<b>477.9</b>
<b>Total equity and liabilities</b>	<b>1,326.2</b>	<b>1,503.7</b>	<b>1,430.8</b>



KEY RATIOS	2014	2013	2013	2013	2013	2013
	Jan-Mar	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Full year
<b>GROUP</b>						
Sales growth (%)	7.8	10.1	1.8	-3.3	-6.5	-0.5
Change in operating expenses (%)	8.7	5.7	6.2	-1.5	-8.1	-0.1
Operating margin (%)	0.0	-0.7	-5.0	-1.9	1.8	-1.1
Gross profit margin (%)	14.9	14.1	11.9	12.3	14.5	13.4
Return on capital employed (%)	neg	neg	neg	neg	neg	neg
Return on equity (%)	neg	neg	neg	neg	neg	neg
Equity/assets ratio (%)	42.6	15.9	40.5	41.4	39.2	39.2
Net debt (SEK million)	120.8	590.3	50.0	65.7	-57.2	-57.2
Cash flows from operations (SEK million)	-167.7	-327.1	36.0	14.6	138.0	-138.6
Earnings per share (SEK)*	-0.04	-0.21	-0.54	-0.19	0.20	-0.74
Equity per share (SEK)**	6.91	3.74	7.12	6.78	6.94	6.94
Depreciation/Net sales (%)	0.5	0.5	0.5	0.5	0.4	0.5
Capital Expenditure/Net sales (%)	1.2	0.7	1.4	1.2	1.2	1.1
No. of visits (thousand)***	67,031	62,812	59,091	52,458	74,399	248,761
No. of orders (thousand)***	1,693	1,684	1,528	1,483	2,436	7,131
Average shopping basket (SEK)***	670	616	631	640	605	621
<b>Entertainment</b>						
No. of visits (thousand)	25,032	25,938	22,083	23,167	35,832	107,021
No. of orders (thousand)	980	1,089	904	954	1,616	4,564
Average shopping basket (SEK)	512	470	454	469	486	472
<b>Fashion***</b>						
No. of visits (thousand)	31,241	28,589	29,188	21,848	29,705	109,329
No. of orders (thousand)	343	297	348	262	508	1,416
Average shopping basket (SEK)	643	691	688	716	591	659
<b>Sport &amp; Health</b>						
No. of visits (thousand)	6,180	4,805	4,112	3,854	4,212	16,984
No. of orders (thousand)	300	237	214	209	220	880
Average shopping basket (SEK)	770	745	731	807	798	770
<b>Home &amp; Garden</b>						
No. of visits (thousand)	4,577	3,480	3,708	3,589	4,650	15,427
No. of orders (thousand)	71	60	63	57	92	272
Average shopping basket (SEK)	2,546	2,385	2,528	2,568	2,292	2,425

\* Earnings per share for the periods Jan-Mar 2014 and Jan-Dec 2013 have been calculated on the average number of outstanding shares for the periods. The weighted average number of shares for the first quarter 2014 is 99,513,186. For the period Jan-Mar 2013 weighted average number of shares amounts to 78,470,152 and for the full year 2013 weighted average number of shares amounts to 90,519,451.

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

\*\*\* Excluding divested operations

#### 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.