

Rights Issue & First Quarter Financial Results 2013

17 April 2013



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For further information, please see the final page of this presentation.

CDON Group AB carries out a rights issue of c. SEK 500 million and announces a target of doubled sales

- The Board of Directors has resolved upon a rights issue of SEK 500 million in order to strengthen the capital structure. The Board of Directors' resolution is subject to approval by the shareholders
- The rights issue will facilitate the implementation of the Group's growth strategy
- Goal to double net sales from c. SEK 4.5bn in 2012 to more than SEK 9bn in 2017 and achieve a long term EBIT-margin of 3-5%
- Currently a strong shift from traditional retail commerce to e-commerce
- Through our market leading positions and scalable business models, we are well positioned to capitalise on the strong market growth



Commitment and guarantee

- The rights issue is subject to approval at the EGM on 14 May 2013 (same day as the AGM)
- 100% of rights issue secured by subscription undertaking and guarantee commitment from Kinnevik
- Subscription undertaking by Kinnevik for c. 25% of the rights issue
- In addition, Investment AB Kinnevik has committed to guarantee the remainder of the rights issue
 - Granted exemption from the obligation to launch a mandatory public offer by the Swedish Securities Council's (Sv. Aktiemarknadsnämnden)
 - Subject to approval with qualified majority at the EGM (excluding Kinnevik's shares)
- Final terms of rights issue to be announced around 10 May 2013
- Existing loans renegotiated and long-term credit facilities secured of SEK 275m in total



Preliminary timetable

Key dates

Date	Event
10 May 2013	The complete terms and conditions of the rights issue are announced
14 May 2013	EGM resolves on approval of the Board of Directors' rights issue resolution (AGM held on the same day)
15 May 2013	First day of trading excluding subscription rights
17 May 2013	Record date for allotment of subscription rights Estimated date for publication of prospectus
21 May – 31 May 2013	Trading in subscription rights
21 May – 5 June 2013	Subscription period
10 June 2013	Announcement of the preliminary outcome of the rights issue
13 June 2013	Estimated date for announcement of the final outcome of the rights issue



First Quarter Financial Results

Highlights

- Continued year on year sales growth of 10 % in the first quarter to SEK 1,051 mn
- Accelerated growth in Gymgrossisten.com combined with strong operating profit
- CDON.com keeps broadening its range and shows continued growth in tough market
- Nelly.com keeps growing sales

Significant events after the end of the quarter:

- Rights issue
- Launch of Milebreaker.com
- Sale of Heppo.com



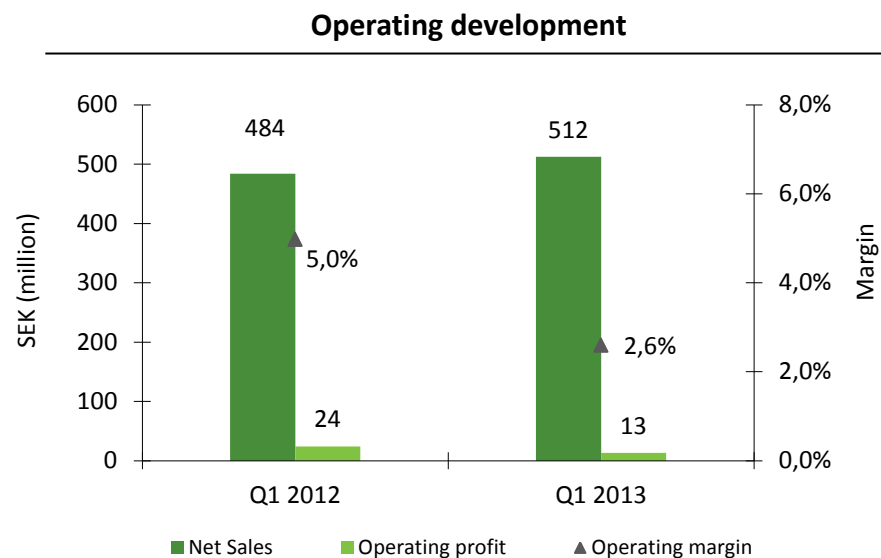
Financial Summary

	Entertainment		Fashion		Sports & Health		Home & Garden		cdongroup	
	Q1	FY12	Q1	FY12	Q1	FY12	Q1	FY12	Q1	FY12
Net sales (mn)	512.4	2,386.0	223.8	942.9	176.8	496.4	143.2	631.6	1,051.1	4,461.7
Growth yoy	5.8%	24%	14%	29%	39%	32%	-2%	71%	10%	31%
Sales share	49%	53%	21%	21%	17%	11%	14%	14%	100%	100%
EBIT (mn)	13.3	102.3	-17.4	-267.6	17.9	47.3	-3.4	-13.7	-7.8	-173.9
EBIT margin	2.6%	4.3%	-7.8%	-28.4%	10.1%	9.5%	-2.4%	-2.2%	-0.7%	-3.9%
Visits (mn)	25.9	99.2	30.3	120.3	4.8	13.0	3.3	11.9	64.4	244.3
Orders (mn)	1.1	4.7	0.3	1.5	0.2	0.7	0.1	0.3	1.7	7.1



Continued sales growth despite market decline for media products

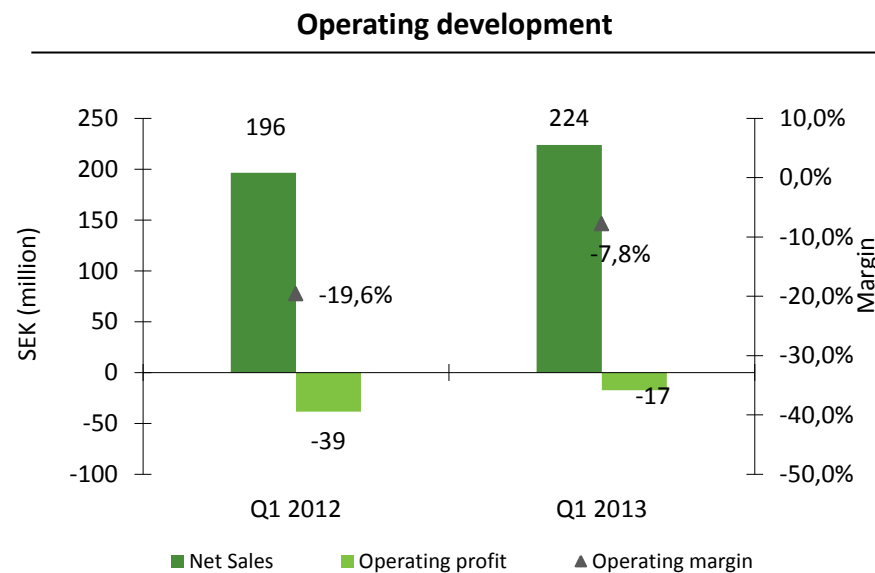
- Segment sales up 6% y/y in Q1
- Continued growth in consumer electronics & strong revenue growth in toys, baby clothes and other baby products
- Integration of Bookplus.fi into CDON.com finalized during the quarter
- CDON.com's development towards becoming a store with an even-wider assortment of consumer goods proceeded according to plan
- Operating profits of SEK 13.3 (24.1) mn in Q1
 - Operating margin of 2.6% (5.0%) in Q1



Fashion

Sales growth with improved operating result

- Sales increased by 14% y/y in Q1
- Continued positive sales development trend
- Sale of Heppo.com after the end of the quarter
- Operating profits of SEK -17.4 (-38.5) mn in Q1
- Operating margin of -7.8% (-19.6%) in Q1

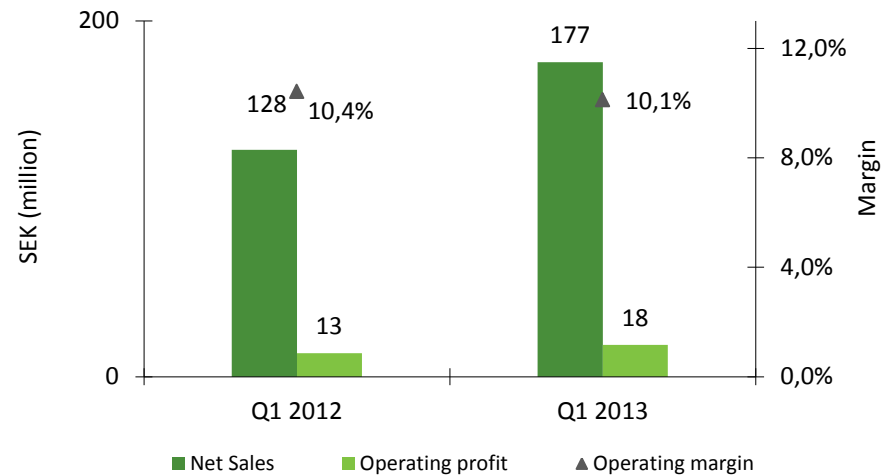


Sports & Health

39% year on year revenue growth in Q1

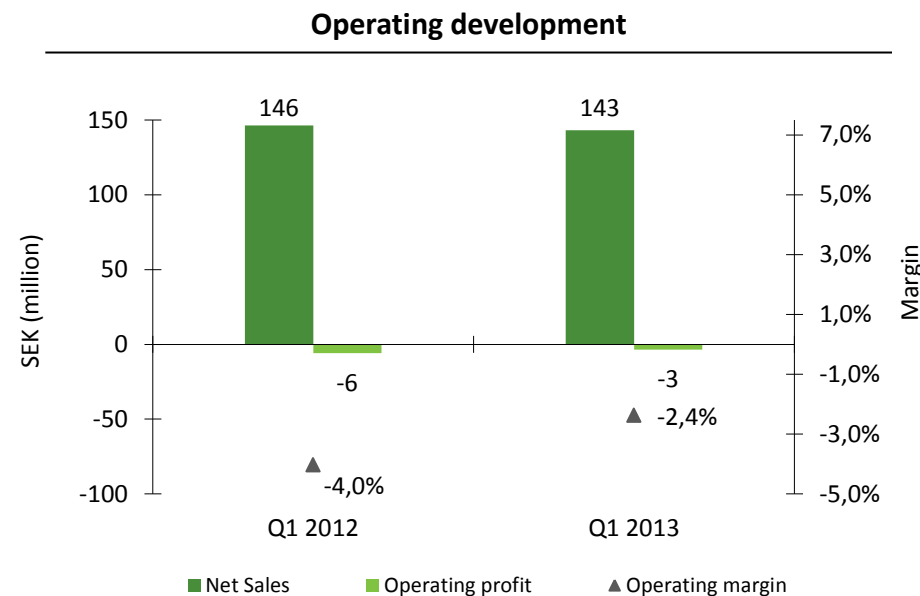
- Sales up 39% y/y in Q1
- Strong growth in all markets resulting in increased market shares and strengthened position
- Launch of Milebreaker.com after the end of the quarter
- Operating profits of SEK 17.9 (13.3) mn in Q1
- Operating margins of 10.1% (10.4%) in Q1

Operating development



Relocation of Tretti's operations from Stockholm to Malmö finalized

- The segment's sales amounted to SEK 143.2 (146.3) mn in Q1
- Sales growth in Room21 according to plan
- Operating profit of SEK -3.4 (-5.9) mn in Q1
- Operating margins of -2.4% (-4.0%) in Q1
- Room21 expected to reach positive result by the end of 2013



- On 1 October 2012 CDON Group acquired the logistics operations of the Business Linc BL AB in Falkenberg, which was integrated into the formed company CDON Group Logistics AB
- The operating profit of CDON Group Logistics AB improved from SEK -19.4 mn in Q4 2012 to SEK -12.1 mn in Q1 2013
- Break-even is expected in second half of 2013



Financial Performance & Position



Income Statement

- Net interest & other financial items of SEK -12.3 (-5.4) mn in Q4 mainly reflected interest costs from:
 - The Group's revolving credit facility
 - The Groups overdraft facility
 - The Group's convertible bond issued in December 2010
 - Currency variances
- Positive income tax effect of SEK 2.8 (4.5) mn in the quarter

(SEK million)	2013 Jan-Mar	2012 Jan-Mar
Net Sales	1,051.1	954.3
Gross profit	148.1	135.6
<i>Gross margin (%)</i>	<i>14.1%</i>	<i>14.2%</i>
Operating profit	-7.8	-12.1
<i>Operating margin%</i>	<i>-0,7%</i>	<i>-1.3%</i>
Income before tax	-20.1	-17.5
Net income	-17.3	-13.1
Basic earnings per share (SEK)	-0.26	-0.18
Diluted earnings per share	-0.26	-0.18

Financial Position

- Capital employed increased y/y to SEK 873.0 mn in Q1
- Return on capital employed declined y/y to -22.4% (13.1%) in Q1, which is due to the one off items in 2012
- Total interest bearing loans of SEK 256.5 (411.9) mn at the end of Q1
- Net debt position of SEK 590.3 (196.1) mn at the end of Q1, compared to SEK 246.8 at the end of Q4
- Cash and cash equivalents decreased to SEK 34.5 (170.7) mn at the end of Q1, compared to SEK 126.1 mn at the end of Q4

(SEK million)	2013 31-Mar	2012 31-Mar
Total non-current assets	680.0	611.8
Inventories	643.9	509.6
Total receivables	203.2	143.5
Cash and cash equivalents	34.5	170.7
Total assets	1,561.7	1,435.6
Total equity	248.2	404.0
Interest bearing liabilities	256.5	411.9
Non-interest bearing liabilities	1,057.0	619.7
Total equity and liabilities	1,561.7	1,435.6

Cash Flow

- Cash flow from operating activities before changes in working capital of SEK -62.0 (-32.8) mn in Q1
- SEK -265.1 (201.7) million change in working capital in Q1
- Cash flow to investing activities of SEK -10.4 (-12.0) mn in Q1

(SEK million)	2013 Jan-Mar	2012 Jan-Mar
Cash flow from operating activities	-62.0	-32.8
Changes in working capital	-265.1	-201.7
Cash flow from operations	-327.1	-234.5
Cash flow from/to investing activities	-10.4	-12.0
Cash flow from/to financing activities	249.7	0.0
Change in cash equivalents for the period	-87.8	-246.6
Cash and cash equivalents at the period's start	126.1	417.4
Translation difference	-3.9	-0.2
Cash and cash equivalents at the period's end	34.5	170.7



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