

Financial Results for the Third Quarter and First Nine Months 2012

17 October 2012



Third quarter highlights

- Continued strong year on year sales growth of 19 %
- Launch of Tretti.com's assortment on CDON.com
- Launch of Sports & Leisure products on CDON.com
- Acquisition of logistics operations in Falkenberg, Sweden
- Changes in CDON Group's management team
- Increase of overdraft facility to SEK 320 million



Third quarter

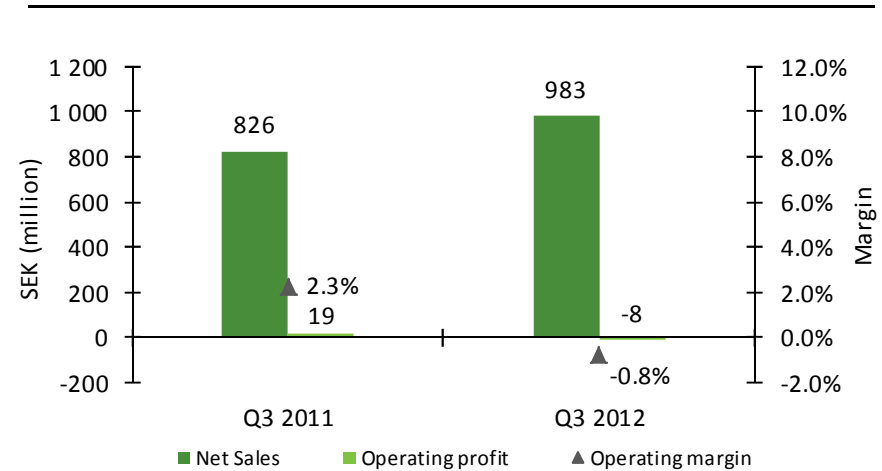


19% year on year sales growth in the third quarter

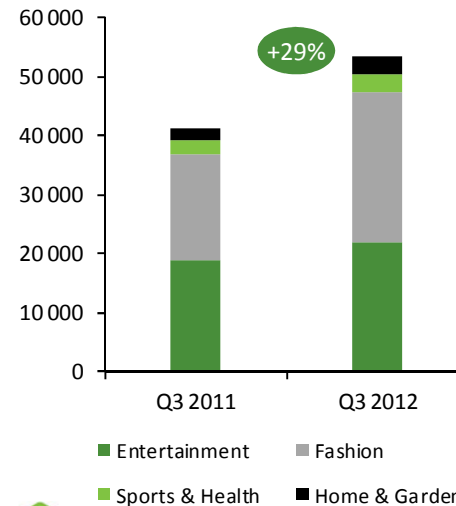
- Net sales up 19% y/y to SEK 982.5 (826.4) mn
 - Net sales up 22% at constant exchange rates
- Gross profit down 1% y/y to SEK 135.2 (136.5) mn & gross margin of 13.8% excl. non-recurring items
 - Gross profit up 6% y/y to SEK 128.6 (121.5) mn with a gross margin of 13.1%, incl. non-recurring items of SEK 6.6 mn
- Operating profit of SEK -1.0 (33.7) mn & operating margin of -0.1% excluding non recurring items
 - Operating profit of SEK -7.6 (18.7) mn & operating margin of -0.8% including non-recurring items of SEK 6.6 mn
- Pre-tax profit of SEK -16.4 (13.3) mn & net income of SEK -11.3 (11.5) mn
 - Earnings per share of SEK -0.16



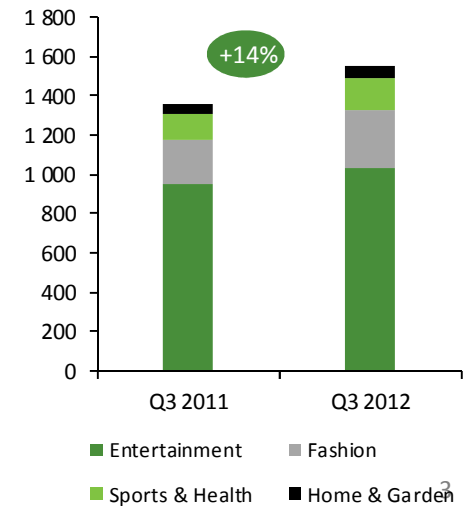
Operating development



No. of website visits ('000)



No. of orders ('000)



First Nine Months

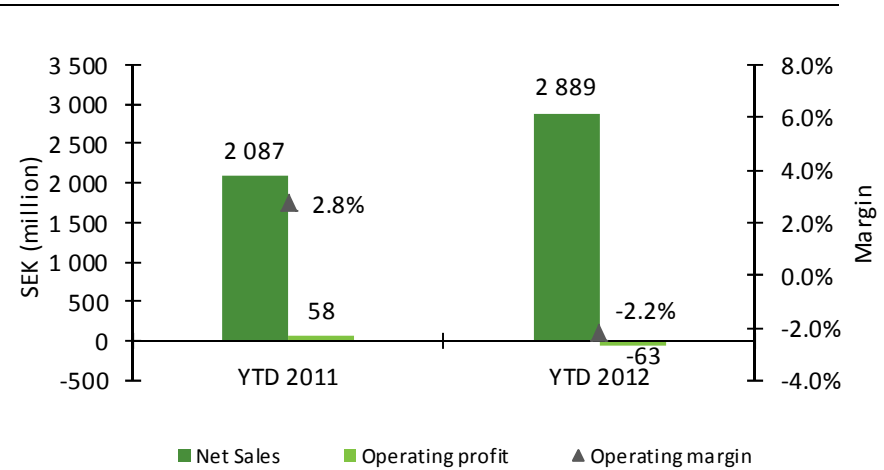


Sales growth of 38% YTD

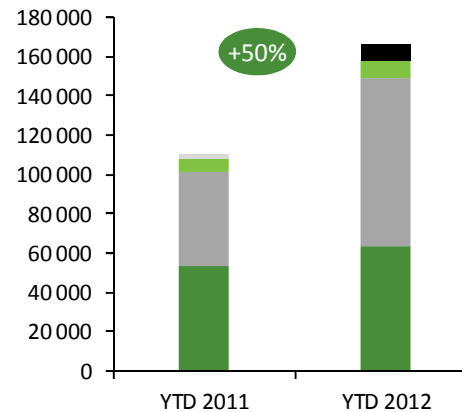
- Net sales up 38% y/y to SEK 2,888 (2,087) mn
 - Net sales up 39% at constant exchange rates
- Gross profit up 15% y/y to SEK 427.7 (372.8) mn & gross margin of 14.8% excl. non-recurring items
 - Gross profit up 4.3% y/y to SEK 373.2 (357.8) mn & gross margin of 12.9% incl. non-recurring items of SEK 54.5 mn
- Operating profit of SEK -4.9 (77.7) mn & operating margin of -0.2% excl. non-recurring items
 - Operating profit of SEK -63.2 (57.9) mn & -2.2% operating margin incl. non-recurring items of SEK 58.3 mn mainly related to Nelly.com's warehouse relocation
- Pre-tax profit of SEK -82.4 (45.1) mn & net income of SEK -61.4 (34.6) mn
- Basic earnings per share of SEK -0.88 (0.53) and diluted earnings per share of SEK -0.88 (0.53)*

*Basic earnings per share for all periods has been calculated on the average number of outstanding shares for the periods, amounting to 66,342,124. Diluted earnings per share for all periods has been calculated on the average number outstanding shares after dilution for the periods, amounting to 72,921,071.

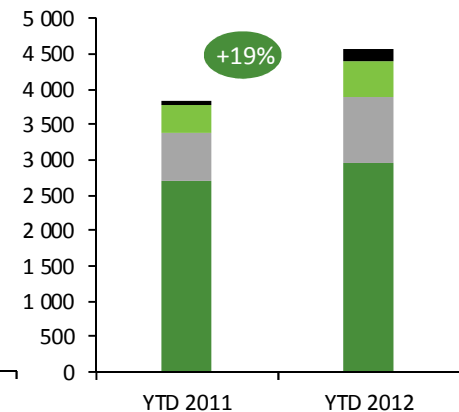
Operating development



No. of website visits ('000)



No. of orders ('000)



Legend for website visits and orders: Entertainment (dark green), Fashion (grey), Sports & Health (light green), Home & Garden (black).



Group Summary



	Entertainment		Fashion		Sports & Health		Home & Garden		cdongroup	
	Q3	YTD	Q3	YTD	Q3	YTD	Q3	YTD	Q3	YTD
Net sales	525.0	1473.4	193.3	615.6	123.5	367.5	141.6	434.0	982.5	2,888.9
Growth yoy	22%	27%	23%	36%	32%	31%	-3.0%	120%	19%	38%
Sales share	53%	51%	20%	21%	13%	13%	14%	15%	100%	100%
EBIT	19.6	55.6	-30.3	-126.3	10.6	34.9	-1.3	-10.6	-7.6	-63.2
EBIT margin	3.7%	3.8%	-15.7%	-20.5%	8.6%	9.5%	-0.9%	-2.4%	-0.8%	-2.2%
Visits	21.8	63.7	25.7	85.3	3.0	9.5	2.8	8.1	53.3	166.5
Orders	1.0	3.0	0.3	0.9	0.2	0.5	0.1	0.2	1.6	4.6



Business Profile & Performance



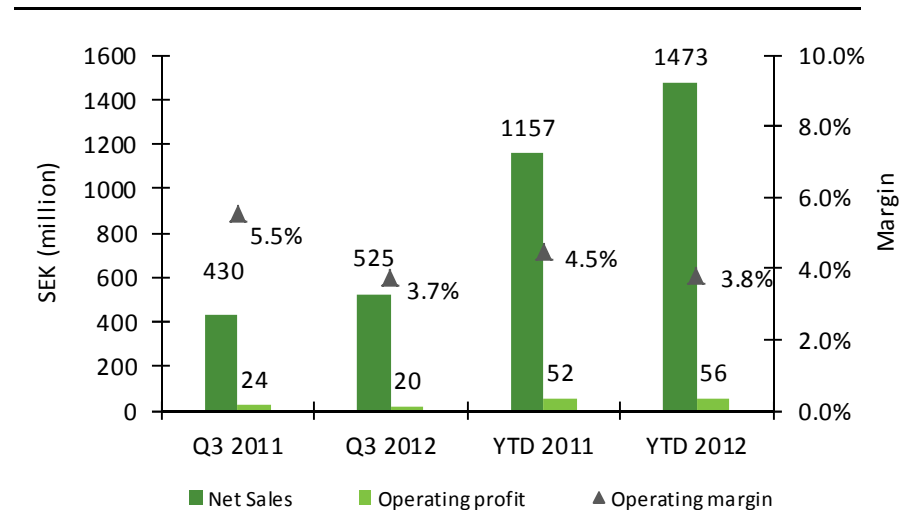
Entertainment



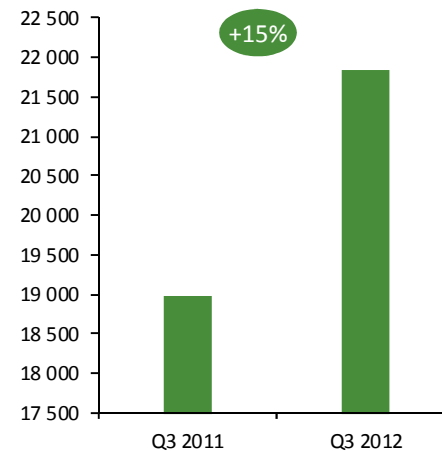
Continued strong growth within the Electronics category and Toys category

- Sales up 22% y/y in Q3 and 27% y/y YTD
 - The Electronics category and Toys category showed a continued strong growth rate and increased their share of segment sales
 - The assortment in the Electronics category was further broadened, the new product category Sports & Leisure was launched and the product range from the Tretti.com store was added
- Represented 53% (52%) of total Group sales in Q3 and 51% (55%) YTD
- Operating profits of SEK 19.6 (23.7) mn in Q3 and SEK 55.6 (51.8) mn YTD
 - Operating margin of 3.7% (5.5%) in Q3 and 3.8% (4.5%) YTD

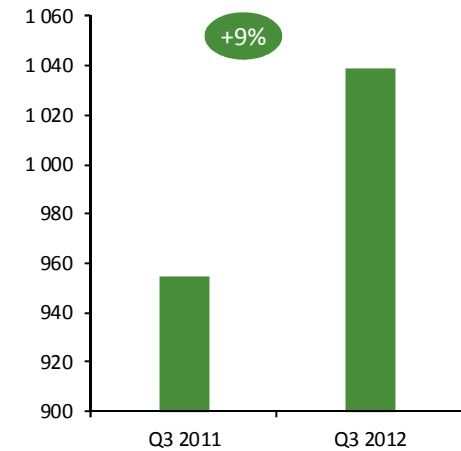
Operating development



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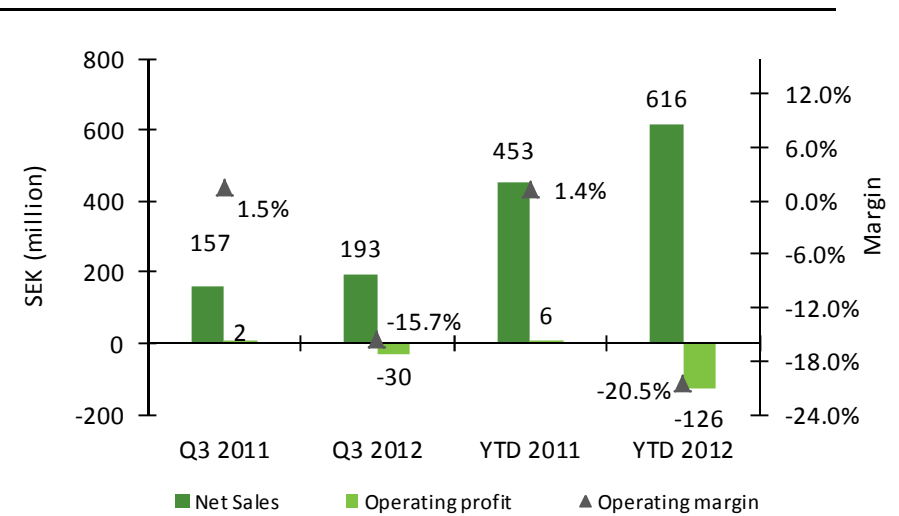


Fashion

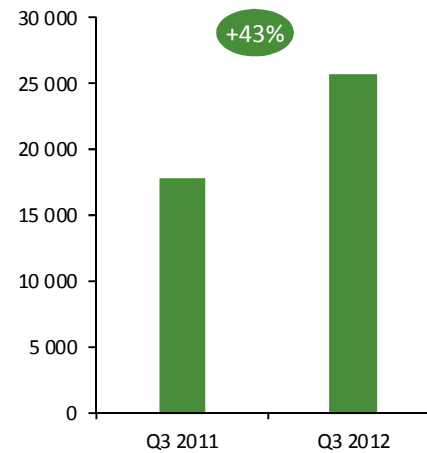
23% year on year revenue growth in Q3 following increased market shares for Nelly.com in the Nordic region and the growth of Members.com and Heppo.com

- Sales increased by 23% y/y in Q3 and by 36% y/y YTD
 - Segment growth in the third quarter was mainly due to an increase in market shares for Nelly.com in the Nordic region and growth of Member.com and Heppo.com
 - Growth was reduced in the period as finetuning processes and systems were adapted following Nelly.com’s warehouse relocation
- Represented 20% (19%) of total Group sales in Q3 and 21% (22%) of total Group sales YTD
- Operating profits of SEK -30.3(2.3) mn including non-recurring items of SEK 6.6 mn
 - Operating margin of -15.7% (1.5%) in Q3 and -20.5% (1.4%) YTD
 - Nelly’s warehouse relocation resulted in non-recurring items of SEK 6.6 mn in the quarter

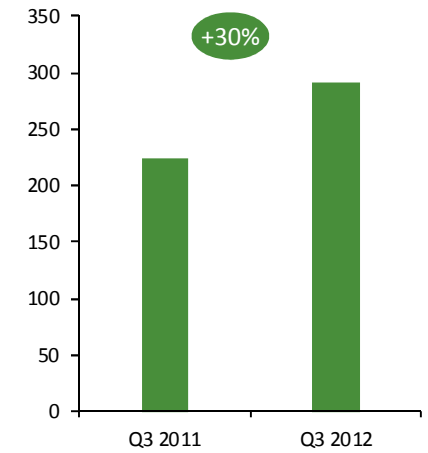
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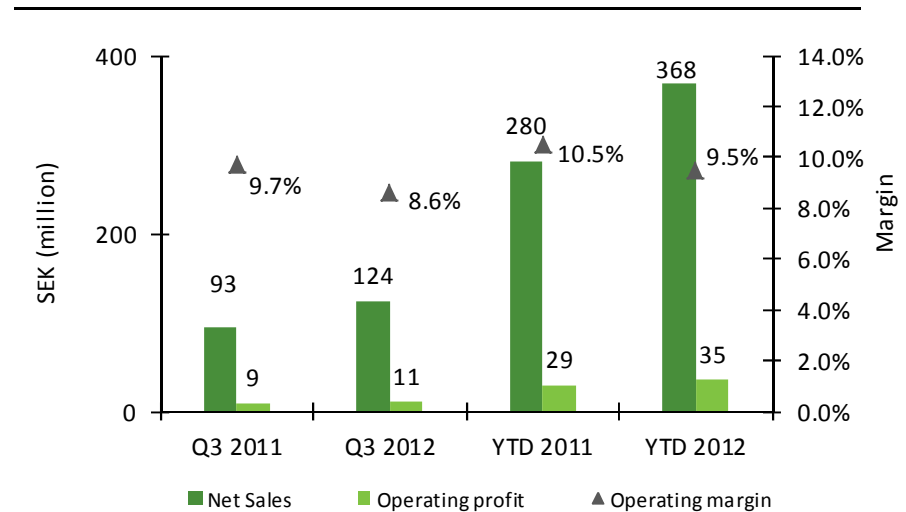


Sports & Health

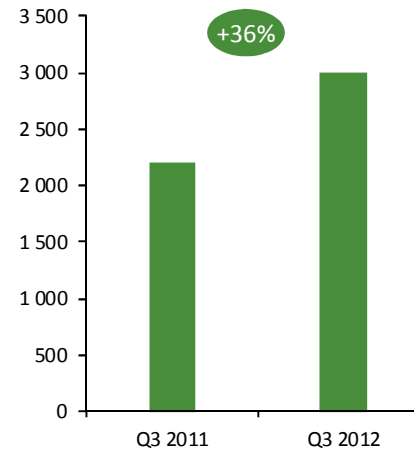
32% year on year revenue growth in Q3

- Sales up 32% y/y in Q3 and 31% y/y YTD
 - Gymgrossisten/Bodystore has taken market shares in each country
 - The strategy of focusing on growth in Germany remains
- Sports & Health segment represented 13% (11%) of Group sales in Q3 and 13% (13%) YTD
- Operating profits of SEK 10.6 (9.0) mn in Q3 and SEK 34.9 (29.5) mn YTD
 - Operating margins of 8.6% (9.7%) in Q3 and margins of 9.5% (10.5%) YTD

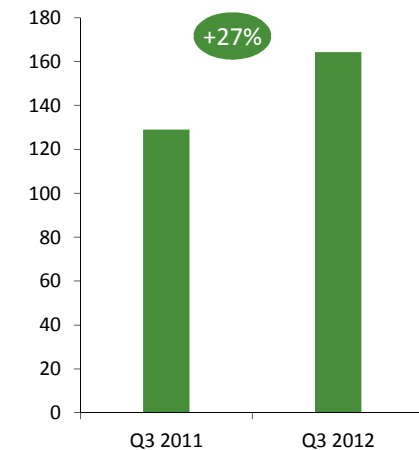
Operating development



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Home & Garden

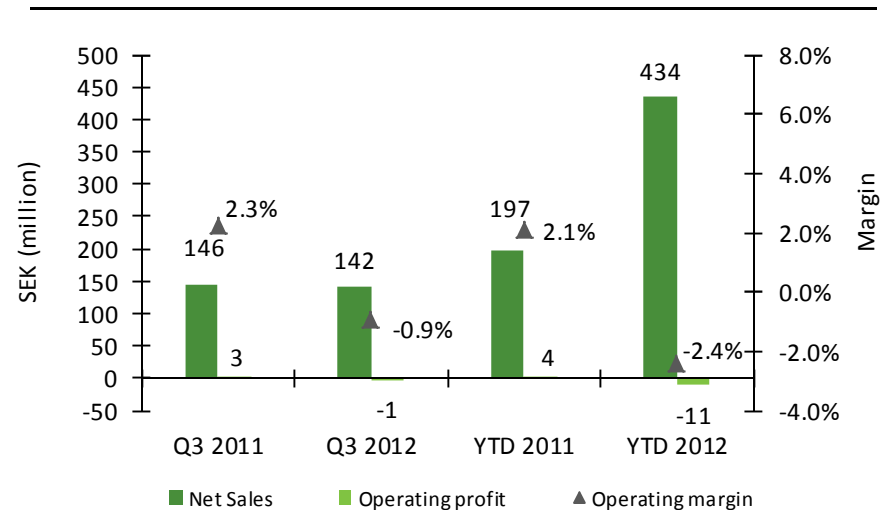


Tretti.com's product assortment was added to Cdon.com

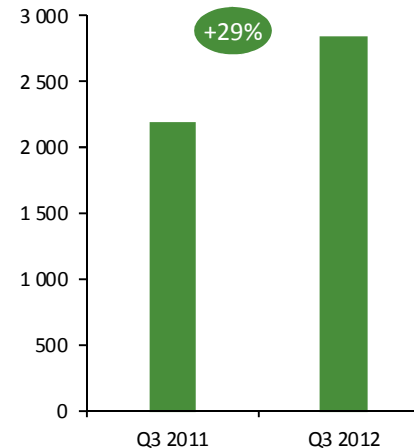
- The YTD 2011 figures for the Home & Garden segment includes Rum21 from Feb 2011 and Tretti.com from June 2011
- The segment's sales amounted to SEK 141.6 (146.0) mn in Q3 and to SEK 434.0 (197.4) mn YTD
 - Sales in the quarter have been slow, as has the overall Swedish market for white goods
 - The Room21.com online store has grown according to plan
- Home & Garden accounted for 14% (18%) of total Group sales in Q3 and 15% (9%) YTD
- Operating profit of SEK -1.3 (3.3) mn in Q3 and of SEK -10.6 (4.0) mn YTD
 - Operating margins of -0.9% (2.3%) in Q3 and of -2.4% (2.1%) YTD
 - Operating profit in the segment is weighted down by the expansion of Room21.com, as well as by the price pressure we see in white goods



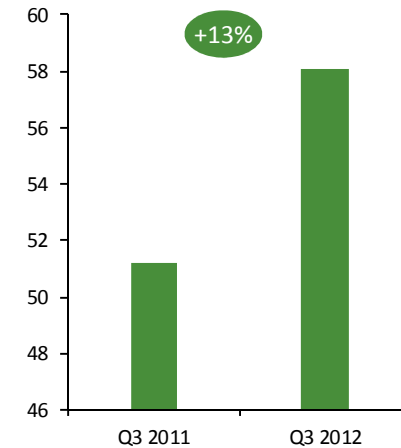
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Financial Performance & Position



Income Statement

- Net interest & other financial items of SEK -8.8 (-5.4) mn in Q3 reflected:
 - The Group's revolving credit facility
 - Interest costs related to the convertible bond issued in December 2010
- Positive income tax effect of SEK 5.1 (-1.8) mn in the quarter as a result of activated capitalized loss carryforwards

(SEK million)	2012 Jul-Sep	2011 Jul-Sep	2012 Jan-Sep	2011 Jan-Sep
Net Sales	982.5	826.4	2 888.9	2 087.3
Gross profit	128.6	121.5	373.2	357.8
<i>Gross margin (%)</i>	<i>13.1%</i>	<i>14.7%</i>	<i>12.9%</i>	<i>17.1%</i>
Operating profit excl non-recurring items	-1.0	33.7	-4.9	77.6
<i>Operating margin%</i>	<i>-0.1%</i>	<i>4.1%</i>	<i>-0.2%</i>	<i>3.7%</i>
Operating profit incl non-recurring items	-7.6	18.7	-63.2	57.9
<i>Operating margin%</i>	<i>-0.8%</i>	<i>2.3%</i>	<i>-2.2%</i>	<i>2.8%</i>
Income before tax	-16.4	13.3	-82.4	45.1
Net income	-11.3	11.5	-61.4	34.6
Basic earnings per share (SEK)	-0.16	0.18	-0.88	0.53
Diluted earnings per share	-0.16	0.18	-0.88	0.53



Cash Flow

- Cash flow from operating activities before changes in working capital of SEK 1.2 (30.9) mn in Q3
- SEK -93.6 (-59.4) million change in working capital in Q3
- Cash flow to investing activities of SEK -6.1 (-10.3) mn in Q3
 - Primarily reflected investments in the Group's web platforms

(SEK million)	2012 Jul-Sep	2011 Jul-Sep	2012 Jan-Sep	2011 Jan-Sep
Cash flow from operating activities	1.2	30.9	-81.7	51.1
Changes in working capital	-93.6	-59.4	-291.2	-161.1
Cash flow from operations	-92.4	-28.4	-372.9	-110.0
Cash flow from/to investing activities	-6.1	-10.3	-32.7	336.3
Cash flow from/to financing activities	0.0	-35.5	0.0	150.0
Change and cash equivalents for the period	-98.5	-74.2	-405.7	-296.3
Cash and cash equivalents at the period's start	110.4	209.3	417.4	431.3
Translation difference	-2.9	0.4	-2.7	0.4
Cash and cash equivalents at the period's end	9.0	135.5	9.0	135.5



Financial Position

- Capital employed decreased by SEK 10.2 mn y/y to SEK 740.4 mn in Q3
- Return on capital employed declined y/y to 1.1% (15.8%) in Q3, which mainly is explained by the lower operating profit compared to last year, acquisition of Tretti AB in June 2011 as well as higher inventory
- Total interest bearing loans of SEK 370.9 (362.8) mn at the end of Q3
- Net debt position of SEK 361.8 (227.3) mn at the end of Q3, compared to SEK 258.4 at the end of Q2
- Cash and cash equivalents decreased to SEK 9.0 (135.5) mn at the end of Q3, compared to SEK 110.4 mn at the end of Q2

(SEK million)	2012 30-sep	2011 30-sep	2011 31-Dec
Total non-current assets	617.2	592.9	603.3
Inventories	682.9	474.9	459.1
Total receivables	173.2	143.4	145.6
Cash and cash equivalents	9.0	135.5	417.4
Total assets	1 482.3	1 346.8	1 625.3
Total equity	354.5	389.1	417.3
Interest bearing liabilities	385.9	377.8	410.4
Non-interest bearing liabilities	741.9	579.9	797.6
Total equity and liabilities	1 482.3	1 346.8	1 625.3





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CDON Group Investor Relations

+ 46 (0) 70 080 75 04

ir@cdongroup.com



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