

# Qliro Group

## Continued growth and successful launch of Qliro payment solution

### Year-End Report 2014

#### Fourth Quarter

---

- Net sales, excluding divested operations, increased by 15%, amounting to SEK 1,649.6 (1,438.7) million. Including divested operations, net sales increased by 12%, amounting to SEK 1,649.6 (1,470.6) million.
- Operating profit, excluding divested operations, non-recurring items and Qliro Financial Services amounted to SEK 21.9 million (25.0). Including divested operations, non-recurring items and Qliro Financial Services, the operating profit amounted to SEK -3.6 million (profit 26.6).
- Net income totalled SEK -7.0 (15.8) million.
- Earnings per share amounted to SEK -0.06 (0.13).
- Cash flow from operations, excluding Qliro Financial Services, amounted to SEK 256.4 (138.0) million. Including Qliro Financial Services, cash flow from operations amounted to SEK 86.6 million.
- During the quarter, the rights issue of approximately SEK 647 million and the early redemption of the convertible bond of SEK 250 million was carried out.

#### Full year 2014

---

- Net sales, excluding divested operations, increased by 15%, amounting to SEK 4,966.8 (4,326.8) million. Including divested operations, net sales increased by 13%, amounting to SEK 5,014.9 (4,440.5) million.
- Operating profit, excluding divested operations, non-recurring items and Qliro Financial Services, amounted to SEK 22.8 (-0.3) million. Including divested operations, non-recurring items and Qliro Financial Services, operating profit totalled SEK 33.0 (-48.0) million.
- Net income amounted to SEK 5.4 (-67.3) million.
- Earnings per share amounted to SEK 0.02 (-0.65).
- Cash flow from operations, excluding Qliro Financial Services, amounted to SEK 74.7 (-138.6) million. Including Qliro Financial Services, cash flow from operations amounted to SEK -106.5 million.

For a statement of sales of operations and non-recurring items, see page 5. For a statement showing the impact of Qliro Financial Services, see pages 4, 5 and 11.

#### CEO statement

Paul Fischbein, President & CEO comments: "Qliro Group's sales are continuing to display strong momentum. All segments showed growth in the fourth quarter and total sales in 2014 reached SEK 5 billion for the first time, while underlying operating income for the full year before depreciation and amortisation (EBITDA) amounted to SEK 49 million. The Group's cash flow from operations, excluding Qliro Financial Services's loan book, was positive and amounted to SEK 75 million for the full year.

We have entered into an extremely exciting phase in the company's history. In the fourth quarter we changed the name of the Group to Qliro Group, and this change marks the fact that we now rapidly form a new future for the business. The launch of our payment solution Qliro is a good example of a key initiative and it was introduced to the market in December, with considerable success. We are therefore looking forward to the continued roll-out of the payment solution, which is progressing at a high pace.

All our companies are showing strong growth and we are continuing to invest in our businesses. In addition to the continued investment in the Qliro payment solution, we will be relocating Lekmer's warehouse operations to a new facility, generating capacity for persistent high growth and improved efficiency. The consolidation of CDON's warehouse operations will continue in 2015 and we are also working on improving Nelly's and Tretti's logistics operations through continued investments in systems and equipment.

Nelly showed growth of 14% in the fourth quarter in a market that was sluggish as a result of the warm weather, and the rapid strengthening of the US dollar which had a negative impact of around SEK 4 million on

# Qliro Group

the fourth quarter earnings. However, underlying profit, excluding currency effects, on our home market, Sweden, remained stable. Sales for Gymgrossisten rose by 14%, displaying an EBIT margin of 7%.

The number of retailers affiliated to CDON Marketplace rose to 402, which boosts the future growth potential for CDON Marketplace. CDON increased sales by 9% in the quarter, and, despite major investments, succeeded in making a positive underlying profit of almost SEK 6 million. The total business volume for CDON including Marketplace rose by 12% in the fourth quarter.

The fourth quarter saw the completion of Qliro Group's rights issue, raising SEK 647 million for the company before transaction costs, which both strengthens us financially and creates new opportunities for the company. I would like to take this opportunity to express my thanks to the shareholders for your confidence in Qliro Group and our plans for the future."

## Forward-looking statement

Qliro Group's long-term goal for sales growth is growth that is consistent with or above that of the market for each segment. Qliro Group's long-term profitability goal is detailed in the table below. During 2015 market related investments is expected to, compared with 2014, at a higher degree be concentrated to the Nordics. No forecast is being submitted for 2015.

CDON.com's previously communicated consolidation of warehouse operations to Ljungby, Sweden, was initiated in the fourth quarter 2014 and has so far had a negative impact on earnings totalling SEK 11.6 million. This cost is expected to amount to a total of SEK 15-20 million, rather than the previously anticipated cost of SEK 10-15 million. The remaining SEK 3.4-8.4 million will be reported separately throughout 2015.

The cost of relocating Lekmer's warehouse operations from Falkenberg to Arlandastad just north of Stockholm city is expected to amount to SEK 15-20 million and will affect earnings for the first quarter 2015. The cost of moving is expected to, on an annual basis, be offset by the savings generated by the move.

Provided that the Group companies deliver sales volumes in accordance with their business plans, the objective is for Qliro Financial Services to generate positive earnings for the full year 2016 and contribute approximately SEK 100 million to consolidated earnings before tax (EBT) for the full year 2018.

Qliro Groups long-term profitability goals:

Segment	Sales growth	EBITDA-margin
Nelly		5-7%
Lekmer	<i>Growth in line with or above market for each respective segment</i>	3-5%
CDON.com		2-3%
Gymgrossisten		7-9%
Tretti		2-4%

## Significant events during and after the fourth quarter 2014

### *Lekmer moves to new warehouse*

In January, Lekmer announced that the company will relocate its warehouse operations from Falkenberg to Schenker at Arlandastad. The move gives Lekmer access to a larger warehouse area and an automated goods flow, while freeing up capacity for Nelly's continued expansion in Falkenberg. The warehouse relocation is expected to bring about significant improvements in efficiency and reduced handling costs for Lekmer. The cost of the move is expected to amount to SEK 15-20 million and will impact Lekmer's earnings for Q1 2015. As a consequence, the Group's subsidiary CDON Group Logistics intends to reorganise operations, with an initial reduction in personnel of 55 positions. The changes will be carried out in the spring and non-recurring costs

# Qliro Group

attributable to the reduction in personnel are included in the above-mentioned moving cost. The cost of moving is expected to be offset by the savings generated on an annual basis by the move.

## *CDON Group becomes Qliro Group*

Qliro Group AB (publ.), previously CDON Group AB (publ.), announced on 7 January 2015 that the Swedish Companies Registration Office has registered the new articles of association that were adopted at the Extraordinary General Meeting in Stockholm on 21 November, 2014. From now on the company's name will be Qliro Group AB (publ.). The name of the company's shares, which are traded on the NASDAQ Stockholm's MidCap list, will therefore change to Qliro Group, with the ticker symbol "QLRO".

## *CDON Group's rights issue fully subscribed and completed*

On 30 December, 2014, CDON Group AB announced the final outcome of the rights issue in CDON Group AB. The issue was fully subscribed and raised approximately SEK 647 million before transaction costs. The total number of shares and votes in CDON Group subsequently amounts to 150,444,779, of which 149,269,779 are ordinary shares and 1,175,000 are Class C shares. All 1,175,000 C shares are held by the CDON Group. The increase in the number of shares totals 49,756,593 ordinary shares.

## *Qliro payment service launched in Sweden*

On 1 December, 2014, CDON Group AB announced the launch of the payment solution Qliro for invoice payments and payment by instalments on the Group's online stores Nelly, NLYman, Lekmer and CDON.com in Sweden.

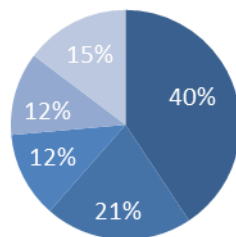
# Qliro Group

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

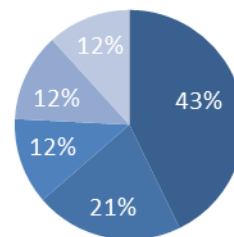
(SEK million)	2014	2013	Change	2014	2013	Change
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Net sales	1,649.6	1,438.7	15%	4,966.8	4,326.8	15%
Gross profit	218.7	206.2	6%	710.4	608.7	17%
Gross margin (%)	13.3%	14.3%		14.3%	14.1%	
EBITDA	15.2	30.8		34.6	20.3	
EBITDA margin (%)	0.9%	2.1%		0.7%	0.5%	
EBIT	8.0	25.0		8.6	-0.3	
EBIT margin (%)	0.5%	1.7%		0.2%	0.0%	
Cash flow from operations, excl. Qliro Financial Services' loan book	256.4	138.0		74.7	-138.6	
Cash flow from operations, incl. Qliro Financial Services' loan book	86.6	138.0		-106.5	-138.6	
Opening inventory balance	689.3	552.5	25%	506.4	561.7	-10%
Closing inventory balance	657.9	506.4	30%	657.9	506.4	30%

\* 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, Oct-Dec 2014



Sales per segment, Oct-Dec 2013



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

### Result summary

The Group's net sales, excluding divested operations, rose by 15% in the fourth quarter year-on-year, and by 15% for the full year 2014. The Group's sales, excluding currency effects and divested operations, rose by 13% in Q4 and by 14% for the full year. All the Group's segments displayed growth in the fourth quarter.

The Group's online retailers attracted 87.8 (72.8) million visitors in the fourth quarter and 275.3 (242.9) million visitors during the full year. The Group's online retailers generated 2.9 (2.6) million orders in the fourth quarter and 8.5 (7.8) million orders during the full year.

The Group's gross margin, excluding non-recurring items and divested operations, amounted to 13.3% (14.3%) in the fourth quarter. The gross margin for the full year totalled 14.3% (14.1%). The gross margin has been negatively affected by currency fluctuations, chiefly resulting from the appreciation of the US dollar.

The Group's operating profit (EBIT), excluding divested operations and non-recurring items, totalled SEK 8.0 (25.0) million for the quarter and SEK 8.6 (-0.3) million for the full year. Operating profit excluding divested operations, non-recurring items and Qliro Financial Services, amounted to SEK 21.9 (25.0) million for the quarter and SEK 22.8 (-0.3) million for the full year. During the quarter, a non-recurring item of approximately SEK -11.6 million was reported relating to the previously communicated warehouse consolidation in CDON.com.

# Qliro Group

Consolidated net financial expenses totalled SEK -6.6 (-6.2) million for the quarter, which primarily reflected interest expenses up until the repayment of the Group's convertible bond but also negative currency effects of SEK 2.6 million. Net financial items amounted to SEK -24.6 (-34.1) million for the full year.

The Group's income before tax amounted to SEK -10.2 (20.4) million for the quarter. In the fourth quarter the Group reported tax revenue of SEK 3.2 (cost 4.7) million, as a result of capitalised loss carry forwards. Profit before tax totalled SEK 8.3 (-82.1) million for the full year.

Net income totalled SEK -7.0 (15.8) million and earnings per share before and after dilution totalled SEK -0.06 (0.13) for the quarter. Net income for the full year totalled SEK 5.4 (-67.3) million and earnings per share before and after dilution totalled SEK 0.02 (-0.65).

## **Cash flow and financial position**

Consolidated cash flow from operating activities amounted to SEK 6.4 (29.1) million during the quarter. The cash flow effect from changes in working capital was positive, totalling SEK 80.2 (109.0) million despite a negative cash flow effect of SEK -169.7 million attributable to the development of Qliro Financial Services' loans to the public. Cash flow from operations in the fourth quarter amounted to SEK 86.6 (138.0) million, excluding the development of Qliro Financial Services' loan book of SEK 256.4 (138.0) million. Cash flow from operations for the full year improved, amounting to SEK -106.5 (-138.6) million. Excluding the build-up of Qliro Financial Services' loan book, cash flow from operations amounted to SEK 74.7 (-138.6) million.

Group cash flow from investing activities amounted to SEK -30.4 (-15.1) million in the fourth quarter and is mainly attributable to continued investments in Qliro Financial Services, along with the development of web platforms and logistics operations. The negative cash flow was offset by the third and final payment of SEK 3.3 million that the Group received during the quarter, relating to the purchase price for the divested business Rum21. Investments in non-current assets for the full year amounted to SEK -95.6 (-49.9) million, of which approximately SEK 29 million is attributable to investments in Qliro Financial Services.

Cash flow from financing activities totalled SEK 374.8 (0.7) million and is attributable to the rights issue carried out during the quarter. The issue generated a cash injection after transaction costs of approximately SEK 626.3 million. In connection with the issue, the Group carried out early redemption of its convertible bond of a nominal amount of SEK -250 million.

Group cash and cash equivalents, including translation differences, increased by SEK 431.6 million during the quarter, to SEK 534.0 (288.9) million. The Group had no liabilities at year end.

Total consolidated assets on the reporting date grew by 34.0% year-on-year to SEK 2,360.8 (1,761.6) million. Capital employed amounted to SEK 780.4 million at the end of the quarter.

Consolidated equity increased in Q4 to SEK 1,314.3 (690.9) million, compared with SEK 698.9 million at the end of the third quarter. The increase is primarily attributable to the completed rights issue.

## **Summary of sales of operations and non-recurring items\***

SUMMARY OF DIVESTED ENTITIES AND ONE OFF ITEMS (SEK million)	2014	2013	2014	2013
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
<b>Revenue</b>	<b>0.0</b>	<b>31.9</b>	<b>48.0</b>	<b>113.7</b>
Divested entity (Heppo & Rum 21)	0.0	31.9	48.0	113.7
<b>Operating Profit</b>	<b>-11.6</b>	<b>1.6</b>	<b>24.4</b>	<b>-47.8</b>
Gymgrossisten	0.0	0.0	0.0	-5.6
CDON	-11.6	0.0	-11.6	-32.0
Divested entity (Heppo & Rum 21) and other	0.0	1.6	36.0	-10.1

\* Excluded from the section "Development per segment" on pages 6-11. Please note that reporting arrangements for Rum21 have changed since Q2 2014, see also page 6.

# Qliro Group

## Development per segment

Segment reporting was changed in the third quarter to include a number of new key ratios, as well as to report CDON.com and Lekmer as separate segments. As of the fourth quarter, Qliro Financial Services is also being reported as a separate segment.

### CDON.com\*

(SEK million)	2014	2013	Change	2014	2013	Change
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Net sales	<b>672.6</b>	616.4	9%	<b>1,887.8</b>	1,839.3	3%
EBITDA	<b>7.9</b>	5.8		<b>4.0</b>	9.8	
EBITDA margin (%)	<b>1.2%</b>	0.9%		<b>0.2%</b>	0.5%	
EBIT	<b>5.7</b>	4.0		<b>-4.0</b>	2.2	
EBIT margin (%)	<b>0.9%</b>	0.7%		<b>-0.2%</b>	0.1%	
Cash flow from operations	<b>130.3</b>	75.2		<b>9.2</b>	-65.8	
Investments (CAPEX)	<b>-6.0</b>	-4.8		<b>-17.6</b>	-12.6	
Cash flow after investments	<b>124.4</b>	70.3		<b>-8.3</b>	-78.4	
Opening inventory balance	<b>214.2</b>	172.6	24%	<b>188.7</b>	253.3	-26%
Closing inventory balance	<b>237.9</b>	188.7	26%	<b>237.9</b>	188.7	26%
Active customers (thousand)**	<b>1,733</b>	1,818	-5%	<b>1,733</b>	1,818	-5%
Visits (thousand)	<b>28,228</b>	27,762	2%	<b>82,857</b>	87,887	-6%
Orders (thousand)	<b>1,314</b>	1,345	-2%	<b>3,647</b>	4,044	-10%
Average shopping basket (SEK)	<b>556</b>	481	15%	<b>551</b>	468	18%

\* Excluding non-recurring items, which are detailed on page 5

\*\* Past twelve months

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 9% in Q4 and by 3% for the full year. Sales excluding currency effects rose by 8% in Q4 and by 2% for the full year.

During the quarter, CDON Marketplace experienced healthy growth and over 400 external retailers have joined CDON Marketplace. During the year, CDON Marketplace increased sales by around 48% to approximately SEK 145 (98) million and the number of orders increased by 57%.

Sales of media-related products saw a decline during the quarter to 38% (41%) of total sales, and to 35% (40%) for the full year. This resulted in a reduced number of active customers, visits and orders. However, during the fourth quarter the number of visits increased, mainly due to increased traffic attributable to CDON Marketplace.

An increase in the average order value had a positive impact on operating profit and despite major investments in ongoing restructuring, CDON.com achieved a positive underlying operating profit of almost SEK 6 million.

CDON.com's previously communicated consolidation of warehouse operations to Ljungby, Sweden, was initiated in the fourth quarter. The move is conducted in stages over a period of 12 months and the new warehouse is expected to be fully operational during the second half of 2015. The total costs attributable to the move are expected to amount to SEK 15-20 million, rather than the previously anticipated cost of SEK 10-15 million. Costs in the fourth quarter attributable to the warehouse consolidation totalled SEK 11.6 million and are reported as a non-recurring item.

# Qliro Group

## Nelly

(SEK million)	2014	2013	Change	2014	2013	Change
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Net sales	<b>343.7</b>	300.4	14%	<b>1,102.0</b>	932.6	18%
EBITDA	<b>-0.8</b>	4.9		<b>-10.0</b>	-13.7	
EBITDA margin (%)	<b>-0.2%</b>	1.6%		<b>-0.9%</b>	-1.5%	
EBIT	<b>-2.3</b>	3.9		<b>-14.7</b>	-16.0	
EBIT margin (%)	<b>-0.7%</b>	1.3%		<b>-1.3%</b>	-1.7%	
Cash flow from operations	<b>41.9</b>	9.3		<b>-3.4</b>	-71.9	
Investments (CAPEX)	<b>-5.5</b>	-7.8		<b>-20.6</b>	-13.6	
Cash flow after investments	<b>36.4</b>	1.5		<b>-24.0</b>	-85.6	
Opening inventory balance	<b>243.4</b>	183.4	33%	<b>124.7</b>	159.6	-22%
Closing inventory balance	<b>196.2</b>	124.7	57%	<b>196.2</b>	124.7	57%
Active customers (thousand)*	<b>1,229</b>	972	26%	<b>1,229</b>	972	26%
Visits (thousand)	<b>40,406</b>	29,705	36%	<b>135,082</b>	109,329	24%
Orders (thousand)**	<b>823</b>	687	20%	<b>2,681</b>	2,078	29%
Average shopping basket (SEK)	<b>573</b>	615	-7%	<b>585</b>	631	-7%

\* Last twelve months \*\* From now reported before returns

Nelly comprises the online stores Nelly.com, NLYman.com and Members.com. Nelly's sales were up by 14% in Q4 and by 18% for the full year. Sales excluding currency effects rose by 13% in the quarter and by 17% in the full year.

Nelly.com achieved growth in all markets in Q4, but sales growth and profitability were affected negatively by the warm weather in the Nordic countries during the quarter. Growth in the domestic Swedish market was healthy, amounting to 20%, while the operating margin reached approximately 4%. The Netherlands continued to be the largest market outside the Nordics. The fourth quarter saw the launch of a new logo and a new responsive website, providing an enhanced customer experience for tablets and smartphones. The change generates excellent opportunities for continued growth within these two key sales channels.

Currency fluctuations had a negative impact on operating profit of around SEK 4 million in the fourth quarter. The impact is primarily attributable to the appreciation of the US dollar. Apart from this effect, the underlying operating profit improved compared to the previous year as a result of increased sales volumes and initiatives to raise efficiency in the value chain and within logistics.

Other data	2014	2013	Change	2014	2013	Change
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Share, private label sales	<b>33%</b>	33%	1%	<b>31%</b>	31%	0%
Return ratio*	<b>33%</b>	33%	0%	<b>33%</b>	33%	0%
Product margin	<b>43%</b>	45%	-2%	<b>47%</b>	48%	-1%
Fulfillment and distribution costs	<b>22%</b>	25%	-3%	<b>25%</b>	26%	-1%
Sweden, share of net sales	<b>45%</b>	43%	2%	<b>43%</b>	44%	-1%
Sweden, EBIT margin	<b>4%</b>	0%	4%	<b>4%</b>	-2%	6%
Nordics, share of net sales	<b>87%</b>	87%	0%	<b>89%</b>	89%	0%
Nordics, EBIT margin	<b>3%</b>	0%	4%	<b>2%</b>	-3%	5%

\* Last twelve months

# Qliro Group

## Gymgrossisten\*

(SEK million)	2014	2013	Change	2014	2013	Change
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Net sales	200.2	175.3	14%	831.1	677.4	23%
EBITDA	14.8	15.2		68.9	64.2	
EBITDA margin (%)	7.4%	8.7%		8.3%	9.5%	
EBIT	14.0	14.2		65.9	60.5	
EBIT margin (%)	7.0%	8.1%		7.9%	8.9%	
Cash flow from operations	10.5	3.0		76.3	40.9	
Investments (CAPEX)	-1.7	-0.4		-6.9	-7.6	
Cash flow after investments	8.8	2.6		69.4	33.3	
Opening inventory balance	85.0	74.9	14%	85.9	63.6	35%
Closing inventory balance	97.1	85.9	13%	97.1	85.9	13%
Active customers (thousand)**	527	442	19%	527	442	19%
Visits (thousand)	5,014	4,212	19%	20,090	16,984	18%
Orders (thousand)	271	220	23%	1,087	880	23%
Average shopping basket (SEK)	741	786	-6%	768	762	1%

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

\*\* Last 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, Austria and the rest of the EU, Bodystore.com and Milebreaker.com. Gymgrossisten's sales grew by 14% in Q4 and by 23% for the full year. Sales excluding currency effects rose by 13% in the quarter and by 21% for the full year.

Gymgrossisten continued to display healthy sales growth, although growth did slow compared with previous quarters. The number of customers, orders and visits displayed a solid increase during the quarter, but the average order value was lower compared to the same quarter last year. The expansion of the range of private label products persisted via several product launches under the Star Nutrition brand and Chained Nutrition.

Increased sales had a positive impact on operating profit, however profit was negatively affected by higher marketing costs resulting from increased competition and continued investments in IT and product development.

Other data	2014	2013	Change	2014	2013	Change
	Oct-Dec	Oct-Dec	%-units	Jan-Dec	Jan-Dec	%-units
Share, private label sales	40%	42%	-2%	43%	42%	1%
Return ratio*	2%	1%	0%	2%	1%	0%
Product margin	37%	38%	-1%	36%	38%	-2%
Fulfillment and distribution costs	13%	13%	-1%	13%	13%	0%
Nordics, share of net sales	98%	98%	0%	98%	98%	0%
Nordics, EBIT margin	7%	9%	-2%	9%	9%	0%

\* Last twelve months



# Qliro Group

## Tretti

(SEK million)	2014	2013	Change	2014	2013	Change
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Net sales	193.6	179.4	8%	668.7	568.8	18%
EBITDA	2.2	4.5		6.5	6.1	
EBITDA margin (%)	1.1%	2.5%		1.0%	1.1%	
EBIT	1.5	3.7		3.4	2.4	
EBIT margin (%)	0.8%	2.1%		0.5%	0.4%	
Cash flow from operations	4.1	6.7		6.7	-2.4	
Investments (CAPEX)	-0.2	-0.5		-1.3	-1.0	
Cash flow after investments	3.8	6.1		5.4	-3.4	
Opening inventory balance	61.9	50.8	22%	64.2	51.4	25%
Closing inventory balance	61.5	64.2	-4%	61.5	64.2	-4%
Active customers (thousand)*	282	222	27%	282	222	27%
Visits (thousand)	3,392	3,027	12%	11,946	10,136	18%
Orders (thousand)**	113	109	3%	336	295	14%
Average shopping basket (SEK)***	1,754	1,709	3%	2,058	2,011	2%

\* Last twelve months

\*\* Incl. orders via CDON.com Marketplace

\*\*\* Incl. services sold

Tretti's sales increased by 8% in Q4 and by 18% for the full year. Sales excluding currency effects rose by 8% in the quarter and by 18% in the full year.

In the fourth quarter, Tretti showed growth within all product categories despite the product category Home and Garden being affected by the lack of snow and cold weather, which resulted in lower sales of winter products such as snow blowers. Tretti celebrated its tenth anniversary as a company in Q4 2014.

Increased costs attributable to investments in personnel had a negative impact on operating profit for the fourth quarter. Since the end of the quarter, work has begun on coordinating Tretti's operations at the company's offices in Stockholm. The move is expected to be completed during the first half of 2015.

# Qliro Group

## Lekmer

(SEK million)	2014	2013	Change	2014	2013	Change
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Net sales	<b>243.2</b>	169.2	44%	<b>484.0</b>	317.0	53%
EBITDA	<b>10.7</b>	5.5		<b>2.2</b>	-1.5	
EBITDA margin (%)	<b>4.4%</b>	3.3%		<b>0.5%</b>	-0.5%	
EBIT	<b>10.2</b>	5.2		<b>0.5</b>	-2.6	
EBIT margin (%)	<b>4.2%</b>	3.0%		<b>0.1%</b>	-0.8%	
Opening inventory balance	<b>84.7</b>	71.0	19%	<b>42.9</b>	33.7	27%
Closing inventory balance	<b>65.0</b>	42.9	52%	<b>65.0</b>	42.9	52%
Active customers (thousand)*	<b>408</b>	299	37%	<b>408</b>	299	37%
Visits (thousand)	<b>10,808</b>	8,070	34%	<b>25,348</b>	18,542	37%
Orders (thousand)	<b>389</b>	270	44%	<b>782</b>	534	46%
Average shopping basket (SEK)	<b>637</b>	629	1%	<b>630</b>	592	6%

\* Last twelve months

Lekmer displayed continued strong growth and sales were up 44% in Q4 and 53% for the full year. Sales excluding currency effects rose by 42% in the quarter and by 52% in the full year.

During the quarter the company continued to invest in growth and increasing market share. Lekmer's brick and mortar store, which opened at Barkaby outlet centre outside Stockholm in April 2014, continued to perform well.

Lekmer's operating profit saw an improvement in Q4 year-on-year, mainly driven by increased sales.

In January, Lekmer announced that the company will relocate its warehouse operations from Falkenberg to Arlandastad. The move gives Lekmer access to a larger warehouse area and an automated goods flow. The warehouse relocation is expected to bring about significant improvements in efficiency and reduced fulfillment costs for Lekmer. The cost of the move is expected to amount to SEK 15-20 million and will impact Lekmer's earnings for Q1 2015. The cost of moving is expected to be offset by the savings generated on an annual basis by the move.

# Qliro Group

## Qliro Financial Services

(Mkr)	2014	2013	Change	2014	2013	Change
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Interest income	0.2			0.1		
Other income	2.0			2.2		
Total operating income	2.2			2.3		
Administrative expenses	-11.6			-12.0		
Other operating expenses	-4.6			-4.6		
EBIT	-13.9			-14.2		
Loans to the public	181.2			181.2		
of which externally financed	0.0			0.0		
Business volume	323.5			343.6		
Orders (thousand)	407			428		
Average shopping basket (SEK)	794			802		

Qliro Group's payment and consumer financing solution, Qliro Payment Solution, was piloted during the year on Members and Tretti's Swedish sites. The payment solution was launched on CDON.com, Nelly and Lekmer's Swedish sites on 1 December. During the fourth quarter, the payment solution processed 407,000 orders. Both the organisation and the technical systems coped well with the volumes and Qliro Financial Services' underlying business volumes were consistent with the plan. By the end of the year, lending to the public totalled SEK 181.2 million.

At the end of 2014, the segment had 42 employees and the organisation is expected to grow further, primarily within technology, credit management and customer service, as the segment develops and expands into new markets. During the first half of 2015, Qliro Payment Solution will be launched on Gymgrossisten's Swedish site. Furthermore, improvements to the offering are planned, along with preparations for a launch on the Finnish market during the first half of 2015.

# Qliro Group

## Parent company

The Qliro Group AB parent company reported sales of SEK 8.0 (14.1) million in the fourth quarter and SEK 31.0 (52.1) million for the full year. Cash and cash equivalents in the parent company amounted to SEK 495.3 (267.7) million at year end.

## 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 Qliro 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, with the exception due to the early redemption of the convertible bond, which was fully subscribed by MTG.

## Other information

### *2015 Annual General Meeting of Shareholders*

Qliro 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@qlirogroup.com](mailto:ir@qlirogroup.com) or to Qliro 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.

### *Dividend*

The Board of Directors will propose to the 2015 AGM that no dividend is paid to shareholders for the fiscal year ending 31 December 2014, and that retained earnings are carried forward into the 2015 accounts.

### *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 Qliro Group. The Nomination Committee comprises Cristina Stenbeck appointed by Investment AB Kinnevik; Annika Andersson appointed by Swedbank Robur Fonder and Rezo Kanovich appointed by Oppenheimer Funds. At their first meeting the Nomination Committee appointed Cristina Stenbeck as Chair of the Committee. Information about the work of the Nomination Committee can be found on Qliro Group's website [www.qlirogroup.com](http://www.qlirogroup.com).

### *Annual Report 2014*

The 2014 Annual Report will be made available at [www.qlirogroup.com](http://www.qlirogroup.com) and can be obtained from the company's head offices at Sveavägen 151, Stockholm, Sweden, at least three weeks prior to the 2015 AGM.

### *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

# Qliro Group

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 first quarter 2015*

CDON Group's results for the first quarter 2015 will be published on 21 April 2015.

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

28 January, 2015

---

Lars-Johan Jarnheimer  
*Chairman of the Board*

Mia Brunell Livfors  
*Board member*

Mengmeng Du  
*Board member*

Lars Nilsson  
*Board member*

David Kelly  
*Board member*

Patrick Andersen  
*Board member*

Lorenzo Grabau  
*Board member*

Daniel Mytnik  
*Board member*

Paul Fischbein  
*President & CEO*

Qliro Group AB (publ.)  
Sveavägen 151  
Box 195 25  
SE-104 32 Stockholm  
Corporate ID number: 556035-6940

---

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

To participate in the conference call, please dial:

Sweden:	+46(0)8 5033 6539
International:	+44(0)20 3427 1915
US:	+1646 254 3362

The pin code to access this call is 2132811.

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

\*\*\*

**For further information, please visit [www.qlirogroup.com](http://www.qlirogroup.com), or contact:**

Paul Fischbein, President and Chief Executive Officer  
Phone: +46 (0) 10 703 20 00

*Investor and analyst enquiries:*  
Nicolas Adlercreutz, CFO  
Phone: +46 (0) 70 587 44 88

*Press enquiries:*  
Fredrik Bengtsson, Head of Communications  
Phone: +46 (0) 70 080 75 04  
E-mail: [press@qlirogroup.com](mailto:press@qlirogroup.com), [ir@qlirogroup.com](mailto:ir@qlirogroup.com)

---

# Qliro Group

## **About Qliro Group**

*Qliro Group is a 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 Qliro payment solution. In 2014, the group generated 5.0 billion SEK in revenue. Qliro Group's shares are listed on Nasdaq Stockholm's Mid-cap list under short name "QLRO".*

*The information in this interim report is that which Qliro Group AB is required to disclose under the Securities Markets Act. This information was released for publication at 08.00 CET on 28 January 2015.*

# Qliro Group

CONDENSED CONSOLIDATED INCOME STATEMENT (SEK million)	2014 Oct-Dec	2013 Oct-Dec	2014 Jan-Dec	2013 Jan-Dec
Net sales	1,649.7	1,470.6	5,014.9	4,440.5
Cost of goods and services	-1,440.9	-1,257.4	-4,303.9	-3,846.6
<b>Gross profit</b>	<b>208.7</b>	<b>213.2</b>	<b>710.9</b>	<b>593.8</b>
Sales and administration expenses	-212.6	-185.9	-717.6	-637.3
Other operating income and expenses, net	0.3	-0.7	39.3	-4.6
<b>Operating profit</b>	<b>-3.6</b>	<b>26.6</b>	<b>33.0</b>	<b>-48.0</b>
Net interest & other financial items	-6.6	-6.2	-24.6	-34.1
<b>Profit before tax</b>	<b>-10.2</b>	<b>20.4</b>	<b>8.3</b>	<b>-82.1</b>
Tax	3.2	-4.7	-3.0	14.8
<b>Net income for the period</b>	<b>-7.0</b>	<b>15.8</b>	<b>5.4</b>	<b>-67.3</b>
<b>EBITDA</b>	<b>3.5</b>	<b>32.5</b>	<b>59.2</b>	<b>-26.6</b>
<i>Attributable to:</i>				
Equity holders of the parent	-7.6	15.2	2.8	-66.9
Non-controlling interests	0.7	0.5	2.5	-0.4
<b>Net income for the period</b>	<b>-7.0</b>	<b>15.8</b>	<b>5.4</b>	<b>-67.3</b>
Basic earnings per share (SEK)*	-0.06	0.13	0.02	-0.65
Diluted earnings per share (SEK)*	-0.06	0.13	0.02	-0.65

\* Basic earnings per share for Oct-Dec 2014 and Jan-Dec 2014 have been calculated to reflect completed new share issue by which the number of outstanding shares increased from 99,513,183 to 149,269,779 before dilution and from 107,577,702 to 149,269,779 after dilution. Basic earnings per share for Oct-Dec 2013 and Jan-Dec 2013 have been recalculated to reflect completed new share issue.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME CONDENSED (SEK million)	2014 Oct-Dec	2013 Oct-Dec	2014 Jan-Dec	2013 Jan-Dec
<b>Profit for the period</b>	<b>-7.0</b>	<b>15.8</b>	<b>5.4</b>	<b>-67.3</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Translation difference for the period	-0.1	0.9	1.2	0.9
<b>Other comprehensive income for the period</b>	<b>-0.1</b>	<b>0.9</b>	<b>1.2</b>	<b>0.9</b>
<b>Total comprehensive income for period</b>	<b>-7.1</b>	<b>16.7</b>	<b>6.5</b>	<b>-66.4</b>
<i>Total comprehensive income attributable to:</i>				
Parent company shareholders	-7.8	16.1	4.0	-66.0
Non-controlling interests	0.7	0.5	2.5	-0.4
<b>Total comprehensive income for the period</b>	<b>-7.1</b>	<b>16.7</b>	<b>6.5</b>	<b>-66.4</b>

Shares outstanding at period's end	149,269,779	99,513,186	149,269,779	99,513,186
Shares outstanding at period's end, incl convertible	149,269,779	107,577,702	149,269,779	107,577,702
Average number of shares, basic	119,584,082	113,334,462	114,909,709	103,091,597
Average number of shares, incl convertible	127,570,680	121,321,060	123,792,337	111,974,226

# Qliro Group

CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONDENSED (SEK million)	2014 31-Dec	2013 31-Dec
<b>Non-current assets</b>		
Goodwill	455.5	462.6
Other intangible assets	230.4	175.5
<b>Total intangible assets</b>	<b>685.9</b>	<b>638.1</b>
Financial non-current assets	1.6	1.6
Tangible non-current assets	28.1	21.0
Deferred tax asset	64.6	64.0
<b>Total non-current assets</b>	<b>780.2</b>	<b>724.6</b>
<b>Current assets</b>		
Inventories	657.9	525.2
Loans to the public	181.2	0.0
Current non-interest bearing receivables	207.7	222.9
Cash and cash equivalents	534.0	288.9
<b>Total current assets</b>	<b>1,580.7</b>	<b>1,037.0</b>
<b>Total assets</b>	<b>2,360.8</b>	<b>1,761.6</b>
<b>Equity</b>		
Equity attributable to owners of the parent	1,313.6	688.7
Non-controlling interest	0.7	2.2
<b>Total equity</b>	<b>1,314.3</b>	<b>690.9</b>
<b>Non-current liabilities</b>		
<i>Non interest bearing</i>		
Deferred tax liability	22.9	28.6
Other provisions	3.8	3.3
<i>Interest bearing</i>		
Convertible bond	0.0	231.7
<b>Total non-current liabilities</b>	<b>26.7</b>	<b>263.6</b>
<b>Current liabilities</b>		
Current interest-bearing liabilities	0.0	0.0
Current non-interest bearing liabilities	1,019.8	807.1
<b>Total current liabilities</b>	<b>1,019.8</b>	<b>807.1</b>
<b>Total equity and liabilities</b>	<b>2,360.8</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. The convertible debt prematurely was redeemed as of December 19, 2014.



# Qliro Group

CONSOLIDATED STATEMENT OF CASH FLOWS CONDENSED (SEK million)	2014 Oct-Dec	2013 Oct-Dec	2014 Jan-Dec	2013 Jan-Dec
Cash flow from operating activities	6.4	29.1	16.0	-54.5
Changes in working capital	80.2	109.0	-122.5	-84.0
<b>Cash flow from operations</b>	<b>86.6</b>	<b>138.0</b>	<b>-106.5</b>	<b>-138.6</b>
Investments in subsidiaries*	0.0	-3.0	-0.6	-18.6
Investments in other non-current assets	-33.6	-17.4	-95.6	-49.9
Divested operations**	3.3	5.3	77.2	32.1
Other cash flow from investing activities	0.0	0.0	0.0	0.0
<b>Cash flow to/from investing activities</b>	<b>-30.4</b>	<b>-15.1</b>	<b>-19.0</b>	<b>-36.4</b>
Share buy-backs	0.0	0.0	0.0	-1.4
Acquisition of shares from non controlling interest***	0.0	0.0	-6.5	-13.9
New share issue	626.3	0.7	626.3	502.1
Issue of credit facilities	0.0	0.0	0.0	150.0
Amortisation of credit facilities	-251.6	0.0	-251.6	-300.0
<b>Cash flow to/from financing activities</b>	<b>374.8</b>	<b>0.7</b>	<b>368.3</b>	<b>336.7</b>
<b>Change in cash and cash equivalents for the period</b>	<b>431.0</b>	<b>123.7</b>	<b>242.8</b>	<b>161.8</b>
<b>Cash and cash equivalents at period's start</b>	<b>102.4</b>	<b>163.8</b>	<b>288.9</b>	<b>126.1</b>
<b>Translation difference, cash and cash equivalents</b>	<b>0.5</b>	<b>1.4</b>	<b>2.3</b>	<b>0.9</b>
<b>Cash and cash equivalents at period's end</b>	<b>534.0</b>	<b>288.9</b>	<b>534.0</b>	<b>288.9</b>

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

\*\* Divested operations Jan-Dec 2014 comprises the fourth and fifth installment out of five of SEK 9.2 million on disposal of Heppo AB's operations and three installments out of three of SEK 68.0 million SEK on disposal of Rum21 AB's operations.

\*\*\* The cash flow of SEK -6.5 million during Jan-Dec 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 31-Dec	2013 31-Dec
<b>Opening balance</b>	<b>690.9</b>	<b>266.4</b>
Comprehensive income for the period	6.5	-66.4
Effects of long term incentive program	1.4	1.2
New share issue*	630.8	505.0
Repurchased own shares	0.0	-1.4
Redemption of convertible	-8.9	0.0
Acquisition of shares from non-controlling interests without a change in control	-6.5	-13.9
<b>Closing balance</b>	<b>1,314.3</b>	<b>690.9</b>

\* Transaction costs of approximately SEK 20.5 million (SEK 16.0 million net of tax) directly attributable to the issue of new ordinary shares are recognized, net of tax, in equity as a deduction from the proceeds.

# Qliro Group

NET SALES (SEK million)	2014 Oct-Dec	2014 Jul-Sept	2014 Apr-Jun	2014 Jan-Mar	2014 Full year	2013 Oct-Dec	2013 Jul-Sep	2013 Apr-Jun	2013 Jan-Mar	2013 Full year
CDON	672.6	418.7	360.1	436.5	1,887.8	616.4	386.8	360.5	475.7	1,839.3
Lekmer	243.2	95.6	79.6	65.5	484.0	169.2	60.6	50.3	36.9	317.0
Nelly	343.7	244.2	293.4	220.7	1,102.0	300.4	187.8	239.2	205.1	932.6
Gymgrossisten	200.2	203.6	196.6	230.7	831.1	175.3	169.0	156.3	176.8	677.4
Tretti	193.6	160.3	162.2	152.6	668.7	179.4	124.6	139.2	125.5	568.8
<b>Total operational business areas</b>	<b>1,653.3</b>	<b>1,122.4</b>	<b>1,092.0</b>	<b>1,105.9</b>	<b>4,973.6</b>	<b>1,440.8</b>	<b>928.9</b>	<b>945.4</b>	<b>1,020.0</b>	<b>4,335.0</b>
Group central operations	50.8	39.8	64.3	71.6	226.5	84.0	61.4	71.4	79.1	295.9
Of which CDON Group Logistics AB	39.7	33.4	36.9	34.2	144.2	38.0	29.7	33.1	29.3	130.1
Of which divested operations	0.0	0.0	19.9	28.1	48.0	31.9	20.8	24.5	36.4	113.7
Eliminations	-54.5	-41.1	-45.4	-44.3	-185.3	-54.2	-40.7	-47.6	-48.0	-190.5
<b>CONSOLIDATED TOTAL</b>	<b>1,649.7</b>	<b>1,121.2</b>	<b>1,110.8</b>	<b>1,133.2</b>	<b>5,014.9</b>	<b>1,470.6</b>	<b>949.6</b>	<b>969.2</b>	<b>1,051.1</b>	<b>4,440.5</b>
<b>Intersegment sales</b>										
CDON	4.0	1.0	0.9	0.9	6.8	2.2	0.4	1.1	8.7	12.4
Lekmer	0.4	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0
Nelly	1.0	0.2	0.0	0.0	1.2	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	0.7	0.2	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.0
Group central operations	48.4	39.7	44.4	43.4	176.0	52.0	40.3	46.6	39.2	178.1
<b>Total</b>	<b>54.5</b>	<b>41.1</b>	<b>45.4</b>	<b>44.3</b>	<b>185.3</b>	<b>54.2</b>	<b>40.7</b>	<b>47.6</b>	<b>48.0</b>	<b>190.5</b>
<b>OPERATING PROFIT (SEK million)</b>										
	2014 Oct-Dec	2014 Jul-Sept	2014 Apr-Jun	2014 Jan-Mar	2014 Full year	2013 Oct-Dec	2013 Jul-Sep	2013 Apr-Jun	2013 Jan-Mar	2013 Full year
CDON	-5.9	-0.8	-9.0	0.1	-15.6	4.0	-9.3	-39.4	14.9	-29.8
Lekmer	10.2	-1.5	-3.0	-5.2	0.5	5.2	-3.7	-2.5	-1.6	-2.6
Nelly	-2.3	-5.3	3.7	-10.8	-14.7	3.9	-7.1	1.0	-13.9	-16.0
Gymgrossisten	14.0	16.2	14.0	21.6	65.9	14.2	14.8	8.0	17.9	54.9
Tretti	1.5	0.8	0.9	0.3	3.4	3.7	-0.1	0.8	-2.0	2.4
<b>Total operational business areas</b>	<b>17.5</b>	<b>9.3</b>	<b>6.6</b>	<b>5.9</b>	<b>39.4</b>	<b>31.0</b>	<b>-5.3</b>	<b>-32.1</b>	<b>15.3</b>	<b>9.0</b>
Qliro Financial Services	-13.9	-0.3			-14.2					
Group central operations	-7.2	-7.5	28.3	-5.8	7.8	-4.5	-12.7	-16.8	-23.1	-57.0
Of which CDON Group Logistics AB	0.0	0.0	0.0	0.0	0.0	0.0	-4.9	-4.3	-12.1	-21.2
Of which divested operations	3.0	0.0	35.5	0.6	39.0	1.6	-0.7	-6.0	-5.0	-10.1
<b>CONSOLIDATED TOTAL</b>	<b>-3.6</b>	<b>1.6</b>	<b>35.0</b>	<b>0.1</b>	<b>33.0</b>	<b>26.6</b>	<b>-17.9</b>	<b>-48.9</b>	<b>-7.8</b>	<b>-48.0</b>
<b>INVENTORIES (SEK million)</b>										
	2014 31-Dec	2014 30-Sept	2014 30-Jun	2014 31-Mar		2013 31-Dec	2013 30-Sep	2013 30-Jun	2013 31-Mar	
CDON	237.9	214.2	187.6	195.3		188.7	172.6	208.9	215.1	
Lekmer	65.0	84.7	51.3	48.5		42.9	71.0	43.4	43.9	
Nelly	196.2	243.4	179.0	165.0		124.7	183.4	144.3	190.7	
Gymgrossisten	97.1	85.0	85.9	83.2		85.9	74.9	80.6	57.9	
Tretti	61.5	61.9	64.6	61.5		64.2	50.8	53.9	75.0	
<b>Total operational business areas</b>	<b>657.7</b>	<b>689.2</b>	<b>568.3</b>	<b>553.5</b>		<b>506.4</b>	<b>552.5</b>	<b>531.0</b>	<b>582.6</b>	
Group central operations	0.1	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	0.0	
Of which divested operations	0.0	0.0	0.0	18.4		18.8	17.0	19.0	61.3	
<b>CONSOLIDATED TOTAL</b>	<b>657.9</b>	<b>689.3</b>	<b>568.3</b>	<b>571.9</b>		<b>525.2</b>	<b>569.5</b>	<b>550.1</b>	<b>643.9</b>	

# Qliro Group

PARENT COMPANY INCOME STATEMENT CONDENSED (SEK million)				
	2014 Oct-Dec	2013 Oct-Dec	2014 Jan-Dec	2013 Jan-Dec
Net Sales	8.0	14.1	31.0	52.1
<b>Gross profit</b>	<b>8.0</b>	<b>14.1</b>	<b>31.0</b>	<b>52.1</b>
Administration expenses	-15.2	-20.1	-59.7	-77.7
<b>Operating profit</b>	<b>-7.2</b>	<b>-6.0</b>	<b>-28.7</b>	<b>-25.6</b>
Net interest & other financial items	-3.4	-2.5	-17.2	-11.0
Group contribution received	17.7	56.6	17.7	56.6
Group contribution paid	0.0	-263.2	0.0	-263.2
Change in excess depreciation	0.0	0.0	0.0	0.0
<b>Profit before tax</b>	<b>7.1</b>	<b>-215.1</b>	<b>-28.1</b>	<b>-243.2</b>
Tax	-1.1	47.2	6.7	53.4
<b>Net income for the period</b>	<b>6.1</b>	<b>-167.9</b>	<b>-21.4</b>	<b>-189.9</b>
PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME CONDENSED (SEK million)				
<b>Profit for period</b>	<b>6.1</b>	<b>-167.9</b>	<b>-21.4</b>	<b>-189.9</b>
<b>Other comprehensive income</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total comprehensive income for period</b>	<b>6.1</b>	<b>-167.9</b>	<b>-21.4</b>	<b>-189.9</b>

# Qliro Group

PARENT COMPANY STATEMENT OF FINANCIAL POSITION CONDENSED (SEK million)	2014 31-Dec	2013 31-Dec
<b>Non-current assets</b>		
Other intangible assets	1.3	2.1
Shares and participating interests	848.6	832.6
Equipment	2.2	0.3
Deferred tax asset	63.6	54.4
<b>Total non-current assets</b>	<b>915.8</b>	<b>889.4</b>
<b>Current assets</b>		
Current interest-bearing receivables	249.0	208.2
Current non-interest-bearing receivables	7.0	3.7
Receivables in Group companies	0.0	61.7
Cash and cash equivalents	495.3	267.7
<b>Total current assets</b>	<b>751.3</b>	<b>541.4</b>
<b>Total assets</b>	<b>1,667.1</b>	<b>1,430.8</b>
<b>Equity</b>		
Restricted equity	301.7	202.2
Unrestricted equity	1,016.5	514.1
<b>Total equity</b>	<b>1,318.2</b>	<b>716.2</b>
<b>Non-current liabilities</b>		
Convertible bonds	0.0	231.7
Interest-bearing liabilities	0.0	0.0
Deferred tax liability	0.0	4.0
Provisions	1.4	0.9
<b>Total non-current liabilities</b>	<b>1.4</b>	<b>236.6</b>
<b>Current liabilities</b>		
Short term interest bearing loans	90.0	68.0
Other interest-bearing liabilities	254.8	138.7
Liabilities to Group companies	-25.0	257.1
Non-interest-bearing liabilities	27.7	14.1
<b>Total current liabilities</b>	<b>347.5</b>	<b>477.9</b>
<b>Total equity and liabilities</b>	<b>1,667.1</b>	<b>1,430.8</b>

# Qliro Group

KEY RATIOS	2014	2014	2014	2014	2014	2013	2013	2013	2013	2013
	Oct-Dec	Jul-Sept	Apr-Jun	Jan-Mar	Full year	Oct-Dec	Jul-Sept	Apr-Jun	Jan-Mar	Full year
<b>GROUP</b>										
Sales growth (%)	12.2	18.1	14.6	7.8	12.9	-6.5	-3.3	1.8	10.1	-0.5
Change in operating expenses (%)	14.4	11.6	15.2	8.7	12.6	-8.1	-1.5	6.2	5.7	-0.1
Operating margin (%)	-0.2	0.1	3.1	0.0	0.7	1.8	-1.9	-5.0	-0.7	-1.1
Gross profit margin (%)	12.7	13.5	16.4	14.9	14.2	14.5	12.3	11.9	14.1	13.4
Return on capital employed (%)	4.4	8.4	5.9	neg	4.4	neg	neg	neg	neg	neg
Return on equity (%)	0.3	3.7	1.3	neg	0.3	neg	neg	neg	neg	neg
Equity/assets ratio (%)	55.7	40.0	41.3	42.6	55.7	39.2	41.4	40.5	15.9	39.2
Net debt (SEK million)	-534.0	136.1	6.1	120.8	-534.0	-57.2	65.7	50.0	590.3	-57.2
Cash flows from operations (SEK million)	86.6	-97.7	72.2	-167.7	86.6	138.0	14.6	36.0	-327.1	-138.6
Earnings per share (SEK)*	-0.06	-0.04	0.17	-0.03	0.02	0.13	-0.26	-0.54	-0.22	-0.65
Equity per share (SEK)**	8.81	7.02	7.13	6.91	8.81	6.94	6.78	7.12	3.74	6.94
Depreciation/Net sales (%)	0.4	0.6	0.6	0.5	0.5	0.4	0.5	0.5	0.5	0.5
Capital Expenditure/Net sales (%)	2.0	2.2	2.2	1.2	1.9	1.2	1.2	1.4	0.7	1.1
No. of active customers (thousand)	4,179	3,919	3,821	3,777	4,179	3,752	3,774	3,776	3,732	3,752
No. of visits (thousand)	87,848	59,643	62,563	65,267	275,322	72,777	51,234	57,889	60,978	242,878
No. of orders (thousand)	2,909	1,854	1,871	1,900	8,534	2,631	1,630	1,709	1,861	7,831
Average shopping basket (SEK)	635	683	676	643	656	608	631	629	580	611
<b>CDON</b>										
No. of active customers (thousand)	1,733	1,719	1,730	1,764	1,733	1,818	1,919	1,972	2,002	1,818
No. of visits (thousand)	28,228	17,485	16,603	20,541	82,857	27,762	19,171	18,693	22,261	87,887
No. of orders (thousand)	1,314	773	692	869	3,647	1,345	848	815	1,036	4,044
Average shopping basket (SEK)	556	576	551	523	551	481	475	460	450	468
<b>Lekmer</b>										
No. of active customers (thousand)	408	357	337	319	408	299	260	234	214	299
No. of visits (thousand)	10,808	5,564	4,484	4,492	25,348	8,070	3,996	3,390	3,085	18,542
No. of orders (thousand)	389	153	130	110	782	270	105	88	71	534
Average shopping basket (SEK)	637	640	620	603	630	629	575	561	516	592
<b>Nelly</b>										
No. of active customers (thousand)	1,229	1,101	1,037	991	1,229	972	957	949	920	972
No. of visits (thousand)	40,406	29,327	34,108	31,241	135,082	29,705	21,848	29,188	28,589	109,329
No. of orders (thousand)	823	588	724	546	2,681	687	407	523	461	2,078
Average shopping basket (SEK)	573	598	602	564	585	615	648	670	595	631
<b>Gymgrossisten</b>										
No. of active customers (thousand)	527	505	488	476	527	442	418	397	375	442
No. of visits (thousand)	5,014	4,450	4,446	6,180	20,090	4,212	3,855	4,112	4,805	16,984
No. of orders (thousand)	271	268	249	300	1,087	220	209	214	237	880
Average shopping basket (SEK)	741	766	793	775	768	786	799	725	739	762
<b>Tretti</b>										
No. of active customers (thousand)	282	237	230	227	282	222	219	224	221	222
No. of visits (thousand)	3,392	2,819	2,922	2,813	11,946	3,027	2,365	2,506	2,238	10,136
No. of orders (thousand)	113	73	75	75	336	109	61	68	56	295
Average shopping basket (SEK)	1,754	2,269	2,244	2,122	2,058	1,709	2,192	2,111	2,281	2,011

\* Earnings per share for the periods Jan-Dec 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 period Jan-Dec 2014 is 114,909,709 and for the period Jan-Dec 2013 the weighted average number of shares amounted to 103,091,597.

\*\* Calculated on present number of shares, which per December 2014 amounts to 149,269,779.

## 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
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.
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 capital employed for the last four quarters.
Earnings per share	Earnings for the period attributable to the parent company's shareholders divided by average number of shares for the period.
Equity per share	Equity attributable to the parent company's shareholders divided by the number of shares at the end of the period.
Capital Expenditure/Net Sales	Investments in tangible non-current assets divided by Net sales for the period.
No. of active customers	Number of customers that have shopped at least once during the past 12 months.
No. of visits	Gross number of visits to the Groups online stores.
Average shopping basket	(Internet sales + postage income) / No. Incoming orders
Average shopping basket - Tretti	(Internet sales + postage income + sold services) / No. Incoming orders

# Qliro Group

## 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 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. The capital gain amounted to SEK 1.5 million during the third quarter and 3 million during the fourth quarter, which has impacted on total earnings with SEK 39.5 million. 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 Full year	2013 Full year
Net sales	48.0	90.1
Expenses	-47.5	-92.1
Profit before tax	<b>0.5</b>	<b>-2.1</b>
Tax	-0.1	0.0
Profit after tax but before capital gain/loss from divested operations	<b>0.4</b>	<b>-2.1</b>
Capital gain/loss from divested operations	39.5	0.0
Tax attributable to the above capital gain/loss	-10.5	0.0
Capital gain/loss after tax	29.0	0.0
<b>Total income for the period</b>	<b>29.4</b>	<b>-2.1</b>
<i>Net cash flow from divested operations</i>		
Cash flow from operations	-1.7	11.0
Cash flow to/from investing activities	68.0	-0.4
Cash flow to/from financing activities	0.0	-
<b>Net cash flow from divested operations</b>	<b>66.3</b>	<b>10.6</b>

SUMMARY DEVELOPMENT OF DIVESTED OPERATIONS (SEK million)	2014 Oct-Dec	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	0.0	19.9	28.1	31.9	20.8	19.6	17.7
Operating profit	3.0	1.6	35.5	0.6	1.6	-0.7	-0.9	-1.4
Closing inventory balance	0.0	0.0	0.0	18.4	18.8	17.0	14.0	13.6