



Odd Molly International AB (publ)

Stockholm, Sweden, August 17, 2012

Interim report January 1 – June 30, 2012



Current changes pave the way for long-term growth

January 1 – June 30, 2012

- Net sales amounted to SEK 117.9 million (149.7)
- The gross profit margin was 55.3 percent (57.0)
- The operating loss was SEK -3.3 million (16.0)
- The net loss was SEK -3.0 million (10.6)
- Earnings per share amounted to SEK -0.52 (1.85) (based on average number of shares)

April 1 – June 30, 2012

- Net sales amounted to SEK 22.2 million (28.6)
- The gross profit margin was 53.0 percent (59.3)
- The operating loss was SEK -15.8 million (-7.4)
- The net loss was SEK -11.9 million (-5.4)
- Earnings per share amounted to SEK -2.07 (-0.94)

Events during the quarter

Organizational changes have been implemented to strengthen the company's prospects of profitable growth. Expenses of about SEK 2.2 million related to the reorganization were charged against the quarterly result.

Key financial ratios	April-June 2012	April-June 2011	Change, %	Jan-June 2012	Jan-June 2011	Change, %	Full-year 2011	July 2011-June 2012
Net sales, SEK million	22.2	28.6	-22	117,9	149,7	-21	292,3	260,5
Gross profit margin, %	53,0	59,3		55,3	57,0		56,0	55,1
Operating profit/loss, SEK million	-15,8	-7,4	neg.	-3,3	16,0	neg.	20,1	0,7
Operating margin, %	neg.	neg.		neg.	10,7		6,9	0,3
Profit/loss after tax, SEK million	-11,9	-5,4	neg.	-3,0	10,6	neg.	14,2	0,6
Earnings per share before and after dilution, SEK	-2,07	-0,94	neg.	-0,52	1,85	neg.	2,48	0,1
Number of shares at end of period	5 752 000	5 752 000		5 752 000	5 752 000		5 752 000	5 752 000
Number of shares before and after dilution	5 752 000	5 752 000		5 752 000	5 752 000		5 752 000	5 752 000

Comment from the CEO

With Odd Molly's business model, the large majority of sales are generated in the first and third quarters. The significantly lower revenues typical of the second quarter therefore generally mean a weak result. This year is no exception, and it also includes expenses related to the current changes we are making. At the same time a lot of positive things are happening in the company; the web shop continues to develop very positively, we have cleaned out old merchandise from our inventory and we have maintained an effective supply chain to customers. But perhaps most importantly, we changed our organizational structure during the quarter to improve opportunities to reach our goals. All the work being done is in line with our three priorities: brand management, customer focus and sales.

The first collection where we clearly begin to see the impact of our brand management work is spring/summer 2013, which was shown to Odd Molly's agents and major customers at a sales meeting in June. This is a valuable platform and kick-off for our sales work, where the design team presents coming collections to our key network, and a fantastic opportunity for direct feedback from the market. As part of the effort to create stronger collections and increase sales, we have decided to prioritize a closer dialogue with agents and retailers over individual fashion shows.

Feedback on the collection from sales meetings and trade shows has been positive. I am pleased with the parts where we have had a direct impact ourselves, but would add that there are many countries facing a very tough market climate.

We start the fall with an organization ready for future growth and a strong drive to continue conquering the world with Odd Molly's beautiful design concept and a stronger collection than in some time.

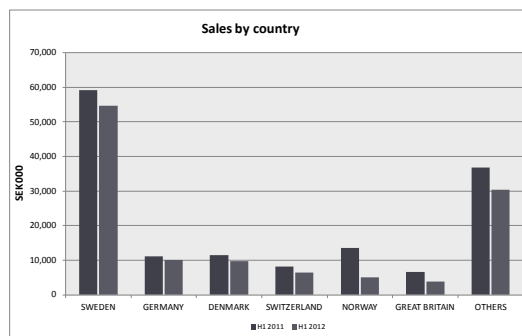
Anna Attemark, CEO

The Group's development

Net sales

First half-year January 1 – June 30, 2012

Net sales for the first half-year 2012 amounted to SEK 117.9 million (149.7), a decrease of 21 percent compared with the same period of 2011. The order value for the spring and summer 2012 collections amounted to SEK 113.7 million, of which SEK 16.5 million (26) related to the pre-spring collection, which was shipped and invoiced during the fourth quarter 2011. During the month of June a pre-fall shipment valued at SEK 6.5 million of the SEK 9 million previously announced was delivered as well. As a whole, actual sales are slightly higher than the reported order value, due to sales of merchandise from previous seasons.



The above diagram shows sales by country for the first half-year 2012 compared with the first half-year 2011. Sweden accounted for about 45 percent (40) of sales for the period.

Second quarter April 1 – June 30, 2012

Net sales for the second quarter amounted to SEK 22.2 million (28.6), a decrease of 22 percent compared with the same period of 2011. During the second quarter pre-fall merchandise valued at about SEK 6.5 million was shipped and invoiced.

Earnings

The period January 1 – June 30, 2012

The gross profit margin for the first six months of the year was 55.3 percent (57.0). Sales of merchandise from previous seasons negatively affected the gross profit margin by 1.2 percentage points. Adjusted for the effects of inventory closeouts, the gross profit margin was 56.5 percent.

The operating loss amounted to SEK -3.3 million (16.0). The result was affected by the lower sales volume, expenses attributable to Odd Molly's current changes and the rescheduling of the company's major marketing events to the first six months compared to previous years when the company's bigger fashion shows have taken place during the second half year.

Other external expenses, largely consisting of agent commissions, marketing, product distribution, rents and other expenses for stores and office, amounted to SEK 42.8 million (48.9) during the period.

Personnel expenses for the period amounted to SEK 24.2 million (19.2). Adjusted for expenses of SEK 2.2 million related to severance in connection with the reorganization, personnel expenses corresponded to 18.6 percent (12.8) of sales.

Earnings per share for the period amounted to SEK -0.52 (1.85).

Second quarter April 1 – June 30, 2012

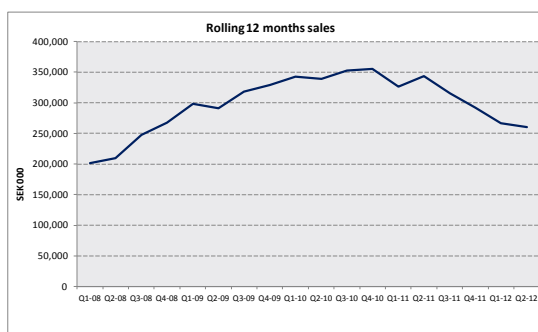
The gross profit margin for the second quarter was 53.0 percent (59.3). During the quarter merchandise from older seasons was sold at low margins, which had a major effect in a quarter with a relatively small share of sales. Adjusted for the effects of inventory closeouts, the gross profit margin was 59.5 percent.

The operating loss for the second quarter amounted to SEK -15.8 million (-7.4). Increased personnel expenses to strengthen the management team and for severance in connection with the reorganization were charged against the quarter, as were expenses related to the current changes. A negative net currency effect reduced the quarterly result by SEK -0.9 million.

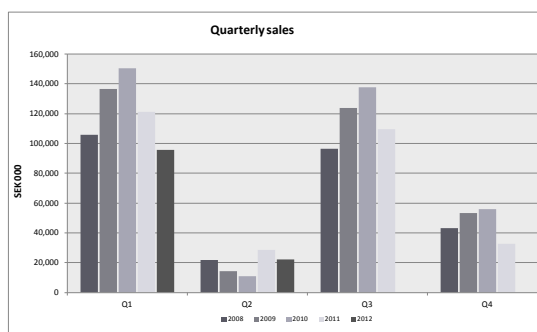
The net loss for the quarter amounted to SEK -11.9 million (-5.4). Earnings per share were SEK -2.07 (-0.94).

Seasonal fluctuations

Odd Molly's operations are highly seasonal; the first and third quarters are strong, while the second and fourth quarters are significantly weaker. This makes it easier to follow the company's operations, sales and profits on a semiannual basis. Odd Molly ships its spring collection between January 15 and February 28 and its summer collection between March 15 and April 15, which means that the spring collection is shipped during the first quarter and the summer collection during the first and second quarters. To help retailers boost their sales, Odd Molly tries to deliver as much of the summer collection as possible during the first quarter. To even out deliveries and generate additional sales, Odd Molly has added two additional shipments: a pre-spring shipment in early December and a pre-fall shipment in late June.



The above diagram shows rolling 12-month quarterly sales Q1 2008-Q2 2012



The above diagram shows quarterly sales Q1 2008-Q2 2012

Financial position

The company's total assets amounted to SEK 143.2 million (153.1) on June 30, 2012. Shareholders' equity was SEK 106.4 million (120.4). The equity/assets ratio was 74.3 percent (78.6) on June 30, 2012, when cash and cash equivalents amounted to SEK 77.8 million (75.7). The company has no long-term liabilities.

Accounts receivable amounted to SEK 21.8 million (28.4). As a share of sales, receivables decreased from 19.0 to 18.5 percent.

Inventory amounted to SEK 24.5 million on June 30, 2012 (24.8). As a share of sales for the period, inventory amounted to 20.8 percent (16.6). The share of fall merchandise in stock at the end of the period which was delivered to customers in early July was slightly higher than the previous year.

Investments and cash flow

During the second quarter no investments were made (1.3 million).

Cash flow from operating activities amounted during the second quarter to SEK 21.5 million (18.8). Total cash flow amounted to SEK 4.3 million (-7.2) for the second quarter 2012. Cash flow for the period was SEK -2.9 million (-13.7). The positive cash flow year-on-year was due to older merchandise in inventory which was realized as well as lower tax payments and a lower dividend.

Events during the quarter

Orders for spring/summer 2013 begin

In late June Odd Molly held a sales meeting in Stockholm. Agents, distributors and international customers were invited to view the spring and summer 2013 collection.

Organizational reinforcements

During the quarter Odd Molly implemented organizational changes with the goal to strengthen prospects of profitable growth. The design department has been given clearer responsibilities and will be more closely integrated with the purchasing and production department.



Images from Odd Molly's sales meeting in late June.

Number of shares

As of June 30, 2012 there were 5,752,000 shares outstanding.

Employees

As of June 30, 2012 there were a total of 52 employees (56) of whom 5 are men and 47 are women. The average number of employees during the period was 56 (56).

Parent Company

The Parent Company sells to all countries except the US, where sales are managed by the wholly owned subsidiary Odd Molly Inc. Odd Molly also has a subsidiary in Denmark, Odd Molly Denmark ApS, which is responsible for retail operations in the Danish market. All other sales are through the Parent Company.

The Parent Company reported net sales during the period of SEK 115.6 million (144.5) and operating profit of SEK -2.8 million (20.3). The Parent Company's adjusted shareholders' equity amounted to SEK 97.8 million (115.0). Cash and cash equivalents amounted to SEK 76.8 million (73.3).

Outlook

Odd Molly does not intend to issue any forecasts, but publishes order values twice a year, in April and October. The order value for the spring and summer 2013 collections will be published on October 5, 2012.

Risk factors

A number of factors can affect Odd Molly's results and operations. Although a large part of these risks can be managed and minimized through internal routines, there are others that are largely beyond the company's control.

A more detailed description of the risks and uncertainties to which Odd Molly is exposed is provided in the Board of Directors' report and Note 26 of the annual report for 2011, which is available on Odd Molly's website.

Accounting principles

The Group applies as of January 1, 2008 the International Financial Reporting Standards (IFRS) as adopted by the EU. This report is prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act.

Further, the consolidated statements are prepared in accordance with Swedish law by applying the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary accounting rules for groups. In preparing the Parent Company's financial statements, the Swedish Financial Reporting Board's recommendation RFR 2 Reporting for legal entities has been applied.

The accounting principles applied in this interim report are those described on pages 42-45 of the annual report for 2011. The accounting principles are unchanged compared with the previous year's annual report. New and revised accounting standards and interpretations that apply in 2012 are very limited in scope and are not expected to impact Odd Molly's financial reports.

The consolidated statements comprise Odd Molly International AB (Parent Company), Odd Molly Inc., which is consolidated as of May 1, 2007, and Odd Molly Denmark ApS, which is consolidated as of March 1, 2010.

Reference to the company in this interim report pertains to the Odd Molly Group.

This report has not been reviewed by the company's auditors.

Consolidated statement of comprehensive income

SEK in thousands	April-June 2012	April-June 2011	Jan-June 2012	Jan-June 2011	Full-year 2011
<i>Operating revenues</i>					
Net sales	22 153	28 558	117 939	149 714	292 275
Other operating revenues	200	660	305	838	542
	22 354	29 217	118 244	150 552	292 818
<i>Operating expenses</i>					
Cost of goods sold	-10 421	-11 609	-52 719	-64 345	-128 632
Other external expenses	-13 519	-14 308	-42 787	-48 868	-99 901
Personnel expenses	-13 224	-9 986	-24 167	-19 213	-38 843
Depreciation/amortization of tangible and intangible fixed assets	-805	-1 040	-1 642	-2 081	-4 047
Other operating expenses	-150	281	-216	0	-1 320
	-38 118	-36 662	-121 532	-134 507	-272 743
Operating profit/loss	-15 765	-7 445	-3 287	16 045	20 074
<i>Result from financial items</i>					
Interest income	442	418	804	704	1 335
Interest expenses	-9	53	-13	-102	-36
	432	472	791	602	1 299
Profit/loss after financial items	-15 332	-6 973	-2 497	16 647	21 373
Taxes	3 445	1 576	-475	-6 016	-7 136
Net profit/loss for the year/period attributable to Parent Company's shareholders	-11 888	-5 397	-2 971	10 631	14 237
<i>Other comprehensive income</i>					
Translation difference	459	-238	28	-825	52
Cash flow hedges	886	-310	-554	-2 194	138
Tax effect fair value cash flow hedges	-233	82	146	577	-36
Total comprehensive income for the period attributable to Parent Company's shareholders	-10 776	-5 864	-3 351	8 189	14 391
Earnings per share before and after dilution, SEK	-2,07	-0,94	-0,52	1,85	2,48

Consolidated balance sheet			
SEK in thousands	June 30 2012	June 30 2011	Dec 31 2011
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>	1 603	2 386	2 237
Tangible fixed assets	3 408	7 506	4 458
	5 011	9 892	6 695
Current assets			
Inventories	24 516	24 833	27 817
Accounts receivable	21 814	28 400	28 097
Current receivables	14 014	14 337	22 015
Cash and bank balances	77 835	75 663	80 680
	138 180	143 233	158 609
TOTAL ASSETS	143 190	153 125	165 304
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	106 374	120 370	126 981
Long-term liabilities	10 032	7 826	10 344
Current liabilities	26 784	24 929	27 979
	143 190	153 125	165 304
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	143 190	153 125	165 304
Pledged assets	2 500	2 500	2 500

Summarized changes in the Group's shareholders' equity			
SEK in thousands	June 30 2012	June 30 2011	Dec 31 2011
Attributable to Parent Company's shareholders			
Shareholders' equity at the beginning of the period/year	126 981	138 066	138 066
Dividend	-17 256	-25 884	-25 884
Other paid-in capital	0	0	408
Total comprehensive income for the year /period	-3 351	8 189	14 391
Shareholders' equity at the end of the year/period	106 374	120 371	126 981

Cash flow statement for the Group					
	April-June 2012	April-June 2011	Jan-June 2012	Jan-June 2011	Full-year 2011
SEK in thousands					
Operating activities					
Operating profit/loss	-15 765	-7 445	-3 287	16 045	20 074
Adjustments for items not included in cash flow					
Depreciation/amortization and impairment losses	805	1 040	1 642	2 081	4 047
Exchange rate gains/losses	574	-743	-586	-1 818	181
Capital gain/loss on sale of equipment	2	0	2	0	1 714
Interest received	442	418	804	704	1 335
Interest paid	-9	53	-13	-102	-36
Income tax paid	-61	2 395	-271	-8 615	-7 355
Cash flow from operating activities before changes in working capital	-14 013	-4 282	-1 710	8 294	19 961
Changes in working capital					
Change in inventories	-284	611	11 403	-2 295	-13 763
Change in receivables	35 410	39 909	6 200	5 218	7 101
Change in current liabilities	414	-17 392	-1 499	2 304	5 418
Cash flow from operating activities	21 528	18 846	14 393	13 522	18 717
Investing activities					
Acquisition of intangible fixed assets	0	-32	0	-197	-647
Acquisition of tangible fixed assets	0	-125	0	-1 111	-1 111
Cash flow from investing activities	0	-157	0	-1 308	-1 758
Dividend paid	-17 256	-25 884	-17 256	-25 884	-25 884
Shareholders' contribution warrants	0	0	0	0	408
Cash flow from financing activities	-17 256	-25 884	-17 256	-25 884	-25 476
Cash flow for the year/period	4 272	-7 195	-2 863	-13 670	-8 517
Cash and cash equivalents at the beginning of the period	73 615	82 532	80 680	89 204	89 204
Exchange rate difference in cash and cash equivalents	-52	326	18	129	-7
Cash and cash equivalents at the end of the period	77 835	75 663	77 835	75 663	80 680

Parent Company income statement					
SEK in thousands	April-June 2012	April-June 2011	Jan-June 2012	Jan-June 2011	Full-year 2011
<i>Operating revenues</i>					
Net sales	21 305	26 968	115 553	144 446	280 384
Other operating revenues	206	938	311	838	427
	21 511	27 906	115 864	145 284	280 811
<i>Operating expenses</i>					
Cost of goods sold	-10 284	-10 649	-51 762	-61 904	-122 823
Other external expenses	-13 975	-12 635	-42 287	-44 318	-98 327
Personnel expenses	-12 717	-9 198	-23 096	-17 477	-35 442
Depreciation/amortization of tangible and intangible fixed assets	-622	-642	-1 276	-1 280	-2 569
Other operating expenses	-150	0	-220	0	-127
	-37 749	-33 124	-118 641	-124 979	-259 288
Operating profit/loss	-16 238	-5 219	-2 777	20 305	21 523
<i>Result from financial items</i>					
Interest income	442	418	804	704	1 335
Interest expenses	-3	54	-7	-101	-33
	439	473	797	603	1 302
Profit/loss after financial items	-15 799	-4 746	-1 980	20 908	22 826
Appropriations	0	0	0	0	-6 544
Taxes	3 658	1 362	-394	-6 323	-5 646
Net profit/loss for the year/period	-12 142	-3 384	-2 374	14 585	10 636

Parent Company's total comprehensive income					
Net profit/loss for the year/period	-12 142	-3 384	-2 374	14 585	10 636
Other comprehensive income					
Cash flow hedges	886	-310	-554	-2 194	138
Tax effect cash flow hedges	-233	82	146	577	-36
Total comprehensive income for the period	-11 489	-3 613	-2 783	12 968	10 738

Parent Company balance sheet			
	June 30	June 30	Dec 31
SEK in thousands	2012	2011	2011
ASSETS			
Fixed assets			
Intangible fixed assets	1 603	2 386	2 237
Tangible fixed assets	1 420	2 751	2 061
Financial fixed assets	3 728	3 862	3 796
	6 750	9 000	8 095
Current assets			
Inventories	22 141	21 594	25 729
Accounts receivable	21 288	27 950	27 653
Current receivables	12 717	15 641	20 344
Cash and bank balances	76 809	73 296	78 599
	132 955	138 481	152 325
TOTAL ASSETS	139 705	147 481	160 420
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	69 459	91 458	89 689
Untaxed reserves	38 500	31 956	38 500
Long-term liabilities	129	0	343
Current liabilities	31 617	24 067	31 888
	139 705	147 481	160 420
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	139 705	147 481	160 420
Pledged assets	2 500	2 500	2 500

The Board of Directors and the President certify that the semiannual report gives a true and fair overview of the operations, financial position and results of the Parent Company and the Group and that it describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, August 17, 2012

Christer Andersson, Chairman

Karin Wallin-Norman, Board Member

Lennart Björk, Board Member

Mia Arnhult, Board Member

Patrik Tillman, Board Member

Nils Vinberg, Board Member

Anna Attemark, President & CEO

About Odd Molly

Odd Molly is a Swedish company that designs, markets and sells fashion. Odd Molly products are sold through retailers in around 35 countries around the world. In addition, Odd Molly currently has four of its own physical stores in Stockholm, Kungsbacka, Barkarby and Copenhagen as well as a web shop. Odd Molly has 52 employees. The company's historically profitable growth is the result of creative design,

consistent branding and a business model that facilitates expansion with limited capital requirements and low inventory risk. Odd Molly's share is traded as of June 21, 2010 on NASDAQ OMX Stockholm.

Scheduled information dates

- The order value for the first half-year 2013 (spring and summer collections) will be announced on October 5, 2012.
- The interim report for July-September 2012 will be released on October 19, 2012.

For further information, please contact:

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