

Odd Molly International AB (publ)

Stockholm, Sweden, August 20, 2013



Interim report January 1 – June 30, 2013

Changes progressing according to plan, increased control at distribution level

January 1 – June 30, 2013

- Net sales amounted to SEK 110.8 million (117.9)
- The gross profit margin was 55.3 percent (55.3)
- The operating loss amounted to SEK -11.4 million (3.3)
- The net loss was SEK -9.6 million (-3.0)
- Earnings per share amounted to SEK -1.67 (-0.52)

April 1 - June 30, 2013

- Net sales amounted to SEK 33.6 million (22.2)
- The gross profit margin was 59.1 percent (53.0)
- The operating loss amounted to SEK -13.0 million (-15.8)
- The net loss was SEK -10.5 million (-11.9)
- Earnings per share amounted to SEK -1.83 (-2.07)

Events during the quarter

- Cooperations with the company's agents in Norway and Denmark have been terminated – Odd Molly is taking over sales responsibility in these markets. One-time expenses of SEK 4 million have been charged against earnings.
- Decision to replace agent in the Netherlands, which will be implemented in the third quarter.
- Lease signed on an Odd Molly store in Täby Centrum shopping center, opening in August.

Key financial ratios	Apr-Jun 2013	Apr-Jun 2012	Change	Jan-Jun 2013	Jan-Jun 2012	Full-year 2012	July 2012- June 2013
Net sales, SEK million	33,6	22,2	+52%	110,8	117,9	223,7	235,2
Gross profit margin, %	59,1%	53,0%		55,3%	55,3%	53,6%	53,5%
Operating profit/loss, SEK million	-13,0	-15,8	+18%	-11,4	-3,3	0,2	3,0
Operating margin, %	-38,7%	-71,2%		-10,3%	-2,8%	0,1%	1,3%
Net profit/loss, SEK million	-10,5	-11,9	+11%	-9,6	-3,0	3,0	4,3
Earnings per share before and after dilution, SEK	-1,83	-2,07	+11%	-1,67	-0,52	0,52	0,75
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

Sales were limited in the second quarter, as is typical, but still rose to SEK 33.6 million (22.2), mainly because we invoiced a large share of our initial fall shipment during the quarter. At the same time we are seeing rising sales in our own channels, which also explains the higher gross margin. The share of fall merchandise during quarter was about SEK 15 million, compared with SEK 7 million in the previous year. The larger early fall shipment is part of a conscious strategy to create a better flow of merchandise at the right time in the stores.

During the quarter we implemented changes in our Scandinavian agent network as planned, with the goal to increase sales. To obtain better control and come closer to our customers, we have taken over responsibility for sales in Norway and Denmark as of the end of June.

The operating loss for the quarter was SEK -13.0 million, compared with a year-earlier loss of SEK -15.8 million, which is mainly due to a seasonally low volume for the quarter. Earnings were also weighed down by one-time expenses of SEK 4 million to terminate agent agreements in Scandinavia. We see this as a strategically important step to increase volumes and achieve better profitability.

Our own channels and shop-in-shops, particularly Odd Molly's web shop and the shop-in-shop in the department store Åhléns City in Stockholm, continue to perform very well. I see great potential in strengthening sales work outside and inside the company, at the agent and retailer level, so we will continue to implement changes in our distribution. During the current quarter we have replaced our agent in the Netherlands and signed a lease on our own store in the Täby Centrum shopping center, in suburban Stockholm, which opens on August 29.

The quarter concluded with a gathering of all our agents and sales representatives at a sales meeting in Stockholm at the end of June for a presentation of the next spring and summer collection. That also gave us an opportunity to present a new product line that will be available in selected stores this fall: a limited Home collection of pillowcases and blankets in fitting with Odd Molly's distinctive design. The products are initially designed to strengthen the brand and increase the flow of new merchandise.

In summary, we are following the plan we have laid down and everyone in the organization is working hard to ensure that every decision we take and activity we engage in will lead to a more successful and profitable Odd Molly.

Anna Attemark, CEO

The Group's development

Net sales

The period January 1 - June 30, 2013

Net sales for the first half-year 2013 amounted to SEK 110.8 million (117.9), a decrease of 6 percent compared with the same period in 2012. The order value for the spring and summer 2013 collection amounted to SEK 95 million (114).

Second quarter April 1 - June 30, 2013

During the second quarter net sales amounted to SEK 33.6 million (22.2). An initial full shipment delivered during the quarter was valued at SEK 15 million (7).

Earnings

The period January 1 - June 30, 2013

The gross margin for the first six months of the year was 55.3 percent (55.3).

The operating loss amounted to SEK -11.4 million (-3.3). Personnel expenses amounted to SEK 22.8 million (24.2), or 21 percent (20) of net sales.

The company's other external expenses amounted to SEK 48.2 million, compared with SEK 42.8 million in the same period in 2012. One-time expenses to terminate the cooperation agreements with the company's agents in Norway and Denmark amounted to SEK 4.0 million.

The net loss was SEK -9.6 million (-3.0) and earnings per share amounted to SEK -1.67 (-0.52).

Second quarter April 1 - June 30, 2013

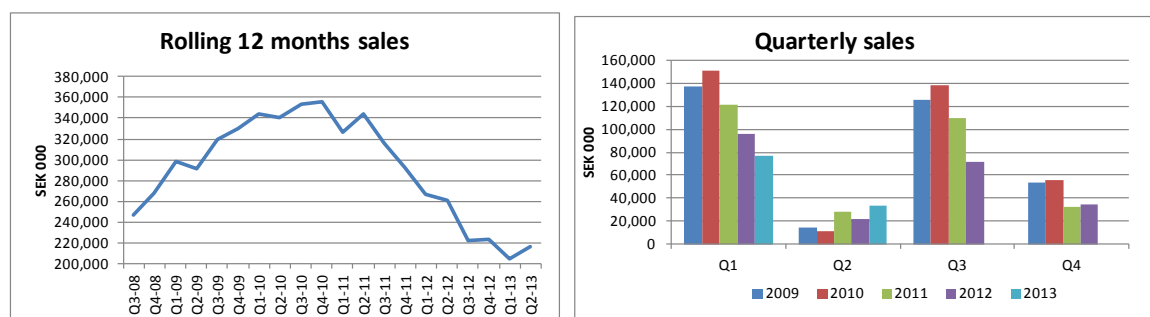
The gross margin for the second quarter was 59.1 percent (53.0).

The operating loss for the second quarter amounted to SEK -13.0 million (-15.8) and was charged with expenses of SEK 4.0 million to terminate agents.

The net loss for the quarter was SEK -10.5 million (-11.9) and earnings per share amounted to SEK -1.83 (-2.07).

Seasonal fluctuations

Odd Molly's operations are highly seasonal, with sales strongest in the first and third quarters, while the second and fourth quarters are considerably weaker. As a result, it is best to follow the company's operations, sales and profits on a semiannual basis.



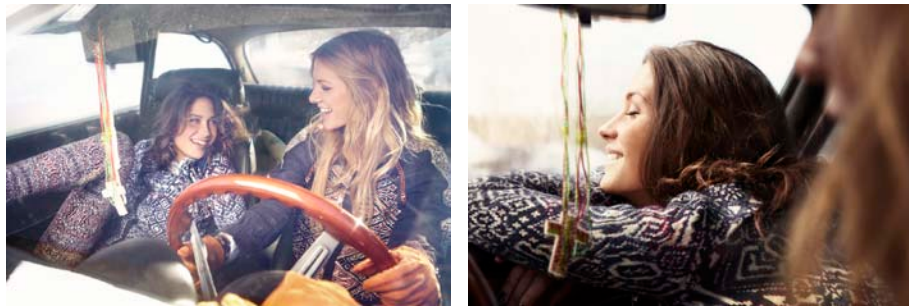
The above diagram shows rolling 12-month quarterly sales, Q3 2008-Q2 2013

The above diagram shows quarterly sales, Q1 2009-Q2 2013

Financial position

The company's total assets amounted to SEK 136.3 million (143.2) on June 30, 2013. Shareholders' equity was SEK 92.6 million on the same date, compared with SEK 106.4 million on June 30, 2012. The equity/assets ratio was 68 percent (74). Cash and cash equivalents amounted to SEK 65.2 million (77.8) on June 30, 2013.

Accounts receivable amounted to SEK 36.1 million (21.8) on June 30, 2013. Inventory amounted to SEK 22.9 million on June 30, 2013, compared with SEK 24.5 million a year earlier. As a share of sales for the period, inventory was 21 percent, the same level as the corresponding period in 2012.



Images from Odd Molly's campaign for fall/winter 2013.

Investments and cash flow

During the second quarter Odd Molly invested a total of SEK 1.5 million (0) in its web shop and store refurbishment.

Cash flow from operating activities amounted to SEK 4.7 million (21.5) during the second quarter. Total cash flow including the dividend paid amounted to SEK -5.3 million (4.3) for the second quarter 2013. Cash flow for the period amounted to SEK -11.2 million (-2.9).

Events during the quarter

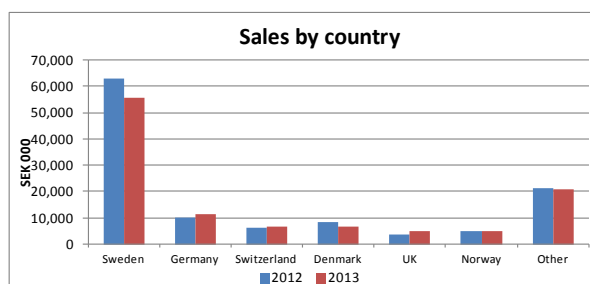
Agent agreements

To pave the way for increased sales, the cooperation agreements with Odd Molly's agents in Norway and Denmark have been terminated and Odd Molly is talking over responsibility itself for sales in these markets.

The cooperation agreement with Odd Molly's agent in the Netherlands was terminated during the quarter, after which an agreement was signed with a new agent who will represent the brand in the Dutch market.

New store

Odd Molly has signed a lease on retail space in the Täby Centrum shopping center, outside Stockholm, where it is scheduled to open its own store on August 29, 2013.



The above diagram shows sales by country for the first half-year 2013 compared with the first half-year 2012.

Number of shares

As of June 30, 2013 there were 5,752,000 shares outstanding.

Employees

The total number of employees at the end of the quarter was 57 (52), of whom 9 were men and 48 women. The average number of employees during the quarter was 55 (56).

Parent Company

Sales in the U.S. are through 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 107.6 million (115.6) and an operating loss of SEK -11.1 million (-2.8). The Parent Company's adjusted shareholders' equity amounted to SEK 85.4 million (97.8). Cash and cash equivalents amounted to SEK 62.5 million (76.8).

Financial instruments

Currency derivatives are measured at market value within level 2, according to the definition in IFRS 7, i.e., fair value determined based on valuation methods using observable market data. Other financial assets have been classified as loans and accounts receivable. Other financial liabilities have been classified as other financial liabilities at amortized cost. All financial assets and liabilities have short maturities, based on which their book value is considered to approximately correspond to fair value.

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 procedures, there are others that are largely beyond the company's control.

A detailed description of the risks and uncertainties to which Odd Molly is exposed is provided in the Board of Directors' report and in note 25 in Odd Molly's annual report for 2012, which is available on Odd Molly's website.

Accounting principles

As of January 1, 2008 the Group applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This report is prepared in accordance with IAS 34 Interim Financing 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. The Swedish Financial Reporting Board's recommendation RFR 2 Reporting for legal entities has been applied in the preparation of the Parent Company's financial statements. The accounting principles applied in this interim report are those described on pages 31-33 of the annual report for 2012. The accounting principles are unchanged compared with the previous year's annual report. New and amended accounting standards and interpretations that apply for 2013 are very limited in scope and are not considered to affect 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	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full-year	July 2012-
SEK in thousands	2013	2012	2013	2012	2012	June 2013
Operating revenues						
Net sales	33,587	22,153	110,771	117,939	223,724	216,555
Other operating revenues	374	200	462	305	429	586
	33,961	22,354	111,233	118,244	224,153	217,141
Operating expenses						
Cost of goods sold	-13,735	-10,421	-49,510	-52,719	-103,897	-100,688
Other external expenses	-22,076	-13,519	-48,243	-42,787	-73,251	-78,708
Personnel expenses	-11,678	-13,224	-22,770	-24,167	-42,737	-41,340
Depreciation/amortization	-749	-805	-1,461	-1,642	-3,164	-2,983
Other operating expenses	1,275	-150	-694	-216	-884	-1,362
Operating profit/loss	-13,002	-15,765	-11,446	-3,287	220	-7,940
Result from financial items						
Interest income	110	442	269	804	1,416	881
Interest expenses	-3	-9	-6	-13	-30	-22
Profit/loss after financial items	-12,894	-15,332	-11,183	-2,497	1,606	-7,080
Taxes	2,350	3,445	1,591	-475	1,387	3,453
Net profit/loss attributable to Parent Company's shareholders	-10,545	-11,888	-9,592	-2,971	2,993	-3,627
Other comprehensive income						
<i>Items that will be reclassified to profit or loss</i>						
Translation difference	228	459	231	28	-531	-328
Cash flow hedges	-90	886	83	-554	-2,197	-1,560
Tax effect fair value cash flow hedges	20	-233	-18	146	539	375
Total comprehensive income attributable to Parent Company's shareholders	-10,387	-10,776	-9,296	-3,351	805	-5,140
Earnings per share before and after dilution, SEK	-1.83	-2.07	-1.67	-0.52	0.52	0.75

Consolidated balance sheet	June 30	June 30	Dec 31
SEK in thousands	2013	2012	2012
ASSETS			
Fixed assets			
Intangible fixed assets	1,027	1,603	980
Tangible fixed assets	2,405	3,408	2,431
	3,432	5,011	3,411
Current assets			
Inventories	22,888	24,516	22,569
Accounts receivable	36,051	21,814	29,730
Current receivables	8,718	14,014	8,678
Cash and bank balances	65,230	77,835	76,543
	132,887	138,180	137,520
TOTAL ASSETS	136,319	143,190	140,932
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	92,606	106,374	110,531
Deferred tax	8,210	10,032	8,177
Current liabilities	35,504	26,784	22,224
	136,319	143,190	140,932
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	136,319	143,190	140,932
Pledged assets	2,500	2,500	2,500

Changes in the Group's shareholders' equity	June 30	June 30	Dec 31
SEK in thousands	2013	2012	2012
Attributable to Parent Company's shareholders			
Shareholders' equity at the beginning of the period/year	110,531	126,981	126,981
Dividend	-8,628	-17,256	-17,256
Total comprehensive income for the year/period	-9,296	-3,351	805
Shareholders' equity at the end of the year/period	92,606	106,374	110,531

Cash flow statement for the Group	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full-year
SEK in thousands	2013	2012	2013	2012	2012
Operating activities					
Operating profit/loss	-13,002	-15,765	-11,446	-3,287	220
Adjustments for items not included in cash flow					
Depreciation/amortization and impairment losses	749	805	1,461	1,642	3,164
Exchange rate gains/losses	-275	574	577	-586	1,555
Capital gain/loss on sale of equipment	3	2	3	2	34
Interest received	110	442	269	804	1,416
Interest paid	-3	-9	-6	-13	-30
Income tax paid	87	-61	-409	-271	5,494
Cash flow from operating activities					
before changes in working capital	-12,331	-14,013	-9,551	-1,710	11,853
Changes in working capital					
Change in inventories	-389	-284	-277	11,403	11,446
Change in receivables	10,736	35,410	-4,175	6,200	-2,094
Change in current liabilities	6,734	414	12,895	-1,499	-7,532
Cash flow from operating activities	4,749	21,528	-1,107	14,393	13,674
Investing activities					
Acquisition of intangible fixed assets	-723	0	-723	0	0
Acquisition of tangible fixed assets	-746	0	-746	0	0
Cash flow from investing activities	-1,468	0	-1,468	0	0
Financing activities					
Dividend paid	-8,628	-17,256	-8,628	-17,256	-17,256
Cash flow from financing activities	-8,628	-17,256	-8,628	-17,256	-17,256
Cash flow for the year/period	-5,347	4,272	-11,203	-2,863	-3,582
Cash and cash equivalents at the beginning of the period	69,659	73,615	76,543	80,680	80,680
Exchange rate difference in cash and cash equivalents	918	-52	-110	18	-555
Cash and cash equivalents at the end of the period	65,230	77,835	65,230	77,835	76,543

Parent Company income statement	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full-year
SEK in thousands	2013	2012	2013	2012	2012
<i>Operating revenues</i>					
Net sales	32,381	21,305	107,609	115,553	218,410
Other operating revenues	375	206	458	311	567
	32,755	21,511	108,067	115,864	218,977
<i>Operating expenses</i>					
Cost of goods sold	-13,217	-10,284	-47,629	-51,762	-101,524
Other external expenses	-22,953	-13,975	-48,219	-42,287	-72,210
Personnel expenses	-11,034	-12,717	-21,488	-23,096	-40,799
Depreciation/amortization of tangible and intangible fixed assets	-588	-622	-1,140	-1,276	-2,452
Other operating expenses	1,305	-150	-664	-220	-821
Operating profit/loss	-13,731	-16,238	-11,074	-2,777	1,170
<i>Result from financial items</i>					
Interest income	110	442	269	804	1,416
Interest expenses	-3	-3	-6	-7	-23
Profit after financial items	-13,624	-15,799	-10,811	-1,980	2,564
<i>Appropriations</i>	0	0	0	0	-200
Profit before tax	-13,624	-15,799	-10,811	-1,980	2,364
Taxes	2,393	3,658	1,610	-394	-235
Net profit/loss	-11,230	-12,142	-9,201	-2,374	2,129
<i>Other comprehensive income</i>					
<i>Items that will be reclassified to profit or loss</i>					
Cash flow hedges	-90	886	83	-554	-2,197
Tax effect cash flow hedges	20	-233	-18	146	539
Total comprehensive income for the period	-11,300	-11,489	-9,136	-2,783	472

Parent Company balance sheet	June 30	June 30	Dec 31
SEK in thousands	2013	2012	2012
ASSETS			
<i>Fixed assets</i>			
Intangible fixed assets	1,027	1,603	980
Tangible fixed assets	1,147	1,420	866
Financial fixed assets	3,891	3,728	3,854
	6,065	6,750	5,700
<i>Current assets</i>			
Inventory	21,507	22,141	20,528
Accounts receivable	35,499	21,288	28,868
Short-term receivables	8,494	12,717	8,354
Cash and bank balances	62,510	76,809	74,720
	128,010	132,955	132,470
TOTAL ASSETS	134,075	139,705	138,170
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	55,237	69,459	72,904
Untaxed reserves	38,700	38,500	38,700
Deferred tax	0	129	0
Current liabilities	40,138	31,617	26,566
	134,075	139,705	138,170
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	134,075	139,705	138,170
Pledged assets	2,500	2,500	2,500

The Board of Directors and the CEO certify that the interim 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 20, 2013

Patrik Tillman, Chairman

Lennart Björk, Board Member

Christer Andersson, Board Member

Kia Orback, Board Member

Mia Arnhult, Board Member

Nils Vinberg, Board Member

Anna Attemark, President & CEO

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About Odd Molly

Odd Molly is a Swedish company that designs, markets and sells fashion. Odd Molly products are sold through retailers in around thirty countries around the world. In addition, Odd Molly currently has four of its own physical stores in Stockholm, Kungsbacka, Barkarby and Copenhagen, a web shop and three shop-in-shops. Odd Molly has 57 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 of 2014 (spring and summer collections) will be announced on September 27, 2013
- The interim report for July-September 2013 will be released on October 18, 2013

The information in this press release has been published by Odd Molly International AB (publ) on August 20, 2013 at 8.00 am CET in accordance with the Securities Market Act and/or the Financial Instruments Trading Act.

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