



Odd Molly International AB (publ)

Stockholm, Sweden, April 14, 2011

Interim report January 1 – March 31, 2011



SALES MEET EXPECTATIONS WITH STRONG GROSS PROFIT

January 1 – March 31, 2011

- Net sales amounted to SEK 121.2 million (150.5)
- The gross profit margin rose to 56.5 percent (55.6)
- Operating profit amounted to SEK 23.5 million (31.8), corresponding to an operating margin of 19.4 percent (21.1)
- Net profit amounted to SEK 16.0 million (22.7). The net margin was 13.2 percent (15.1)
- Earnings per share amounted to SEK 2.79 (3.94)

Events after the report period

- In April Odd Molly reported an order value for fall/winter 2011 of SEK 140 million, compared with SEK 175 million for the same period of 2010.

Key financial ratios	Jan-Mar 2011	Jan-Mar 2010	Change, %	Full-year 2010	April 2010- March 2011
Net sales, SEK million	121,2	150,5	-19	355,6	326,2
Gross profit margin, %	56,5	55,6		56,6	57,4
Operating profit, SEK million	23,5	31,8	-26	50,7	42,3
Operating margin, %	19,4	21,1		14,3	12,5
Profit after tax, SEK million	16,0	22,7	-29	36,2	29,6
Earnings per share before and after dilution, SEK	2,79	3,94	-29	6,30	5,1
Number of shares at end of period	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

Comment from the CEO

The outcome for the first quarter was in line with expectations after the previously announced order figures for the spring. Sales amounted to SEK 121 million, compared to approximately SEK 150 million previous year. The large part of our spring merchandise was shipped and invoiced during the quarter, but compared with the same season last year a relatively bigger amount of the spring merchandise will be delivered in quarter two. In addition to sales in our own stores, the second quarter will include invoicing of the final summer merchandise and a pre-fall shipment in June, where the order value is SEK 16 million. Because of the seasonality of Odd Molly's operations, sales fluctuate greatly during the year, while some expenses are less variable.

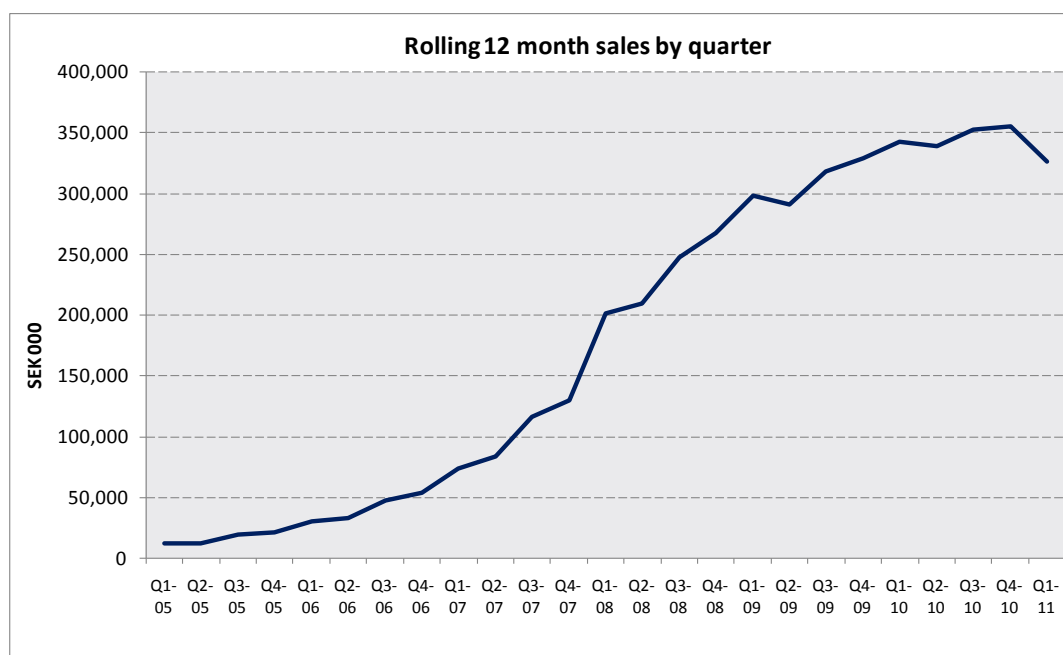
Despite higher purchasing prices, the gross profit margin was slightly stronger during the first quarter compared with last year, which is largely due to exchange rate effects. More stores and a stronger organization meant higher operating expenses than in 2010, which consequently affects earnings. The operating margin for the first quarter was 19.4 percent, compared with 21.1 percent for the same period last year.

Last week we summed up sales of the fall/winter 2011 collection with an order value of approximately SEK 140 million (175), which is about 20 percent lower than a year ago and 15 percent lower when adjusted for negative exchange rate effects. A generally weak clothing market in several of our key markets during the past season, combined with weaker sales momentum for Odd Molly's previous fall collection, has made buyers more cautious and thus affected orders.

As we have previously mentioned, we have taken a number of measures to adjust the price mix, optimize our collections and strengthen sales efforts. During the summer Odd Molly plans to open a web shop to meet demand from many customers and display a representative product selection in an attractive environment. Further changes are being evaluated, with an emphasis on cost reviews and better product and sales control. The effects are expected to be felt gradually, but we are working intensely to strengthen our opportunities for profitable future growth.

Christina Tillman, President and CEO

The Group's development



The above diagram shows rolling 12-month sales on a quarterly basis Q4 2005-Q1 2011

Net sales

First quarter January 1 – March 31, 2011

During the first quarter 2011 net sales amounted to SEK 121.2 million (150.5), a decrease of about 19 percent compared with the first quarter 2010. The order value for the first half of 2011 is SEK 138 million, according to an earlier press release. The large part of spring and summer merchandise is shipped and invoiced during the first quarter, due to which the second quarter is generally weak. The second quarter will, however, include a pre-fall shipment with an order value of about SEK 16 million.

Earnings

First quarter January 1 – March 31, 2011

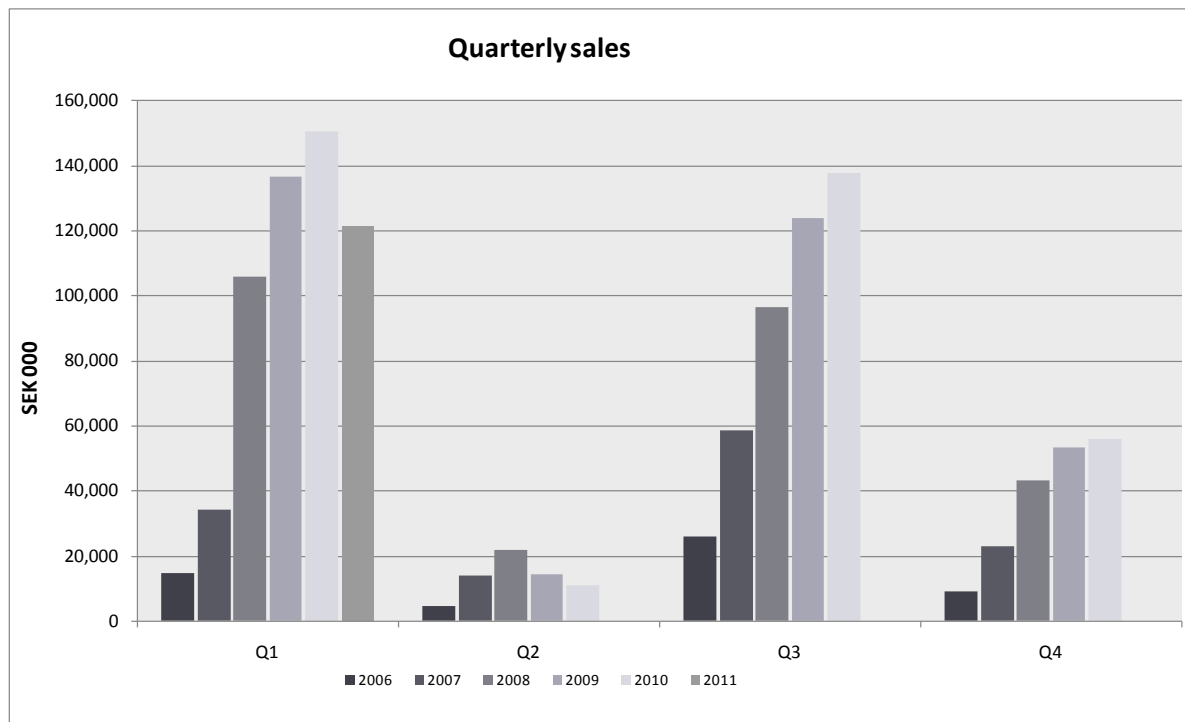
The gross profit margin for the first quarter increased to 56.5 percent (55.6), despite increased purchasing costs due to price increases on cotton, among other things. The strong gross profit margin is partly due to a stronger krona.

Operating profit amounted to SEK 23.5 million (31.8), corresponding to an operating margin of 19.4 percent (21.1). The increase in expenses compared with previous year is primarily related to Odd Molly's own stores, opened since quarter one last year, as well as increased personnel expenses for the design department, web shop and Post Fire Dew brand. Personnel expenses corresponded 7.6 percent (4.7) of net sales and included store employees in Los Angeles, Stockholm and Copenhagen as well as the outlets in Kungsbacka and Barkarby.

Net profit amounted to SEK 16.0 million (22.7). Earnings per share amounted to SEK 2.79 (3.94).

Seasonal fluctuations

Odd Molly has four collections per year (spring, summer, fall and winter), of which spring and fall have historically been the strongest by sales. 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 simpler 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 higher 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 quarterly sales Q1 2006-Q1 2011

Financial position

The company's total assets amounted to SEK 201.8 million (201.7) on March 31, 2011. Shareholders' equity rose to SEK 152.1 million on the same date, compared with SEK 143.5 million on March 31, 2010. The equity/assets ratio was 75.4 percent (71.1). Cash and cash equivalents amounted to SEK 82.5 million (56.3) on March 31, 2011.

The Board of Directors has recommended a dividend of SEK 4.50 (3.50) per share for the financial year 2010, representing a total dividend of SEK 25.9 million, which is expected to be paid out during the second quarter.

Accounts receivable amounted to SEK 75.9 million (104.0) on March 31, 2011. Receivables corresponded to 62.6 percent of sales for the quarter, compared with 69.1 percent on March 31, 2010.

Inventories amounted to SEK 25.9 million on March 31, 2011, against SEK 20.8 million on March 31, 2010. As a ratio of sales for the period, inventory amounted to 21.4 percent, compared with 13.8 percent for the first quarter of 2010. Part of the increase in inventories is due to sample collections and also a write-down of the samples in the first quarter in 2010 following changes in valuation principles regarding the samples collections.

Investments and cash flow

The company's investments are mainly in IT development and retail locations. During the first quarter investments amounted to 1.2 million (1.8). During the summer Odd Molly plans to open its own web shop in order to meet demand and to build the brand by displaying the breadth of the product range in an attractive environment.

Cash flow from operating activities amounted to SEK -5.3 million (-27.0) during the first quarter. The main reason why the first quarter generally has a negative cash flow is that the overwhelming share of the first half-year's invoicing is during the first quarter, but a large share of customer invoices is not payable until the second quarter. Total cash flow amounted to SEK -6.5 million (-28.7) for the first quarter 2010.

Events during the report period

Presentation for the press in New York

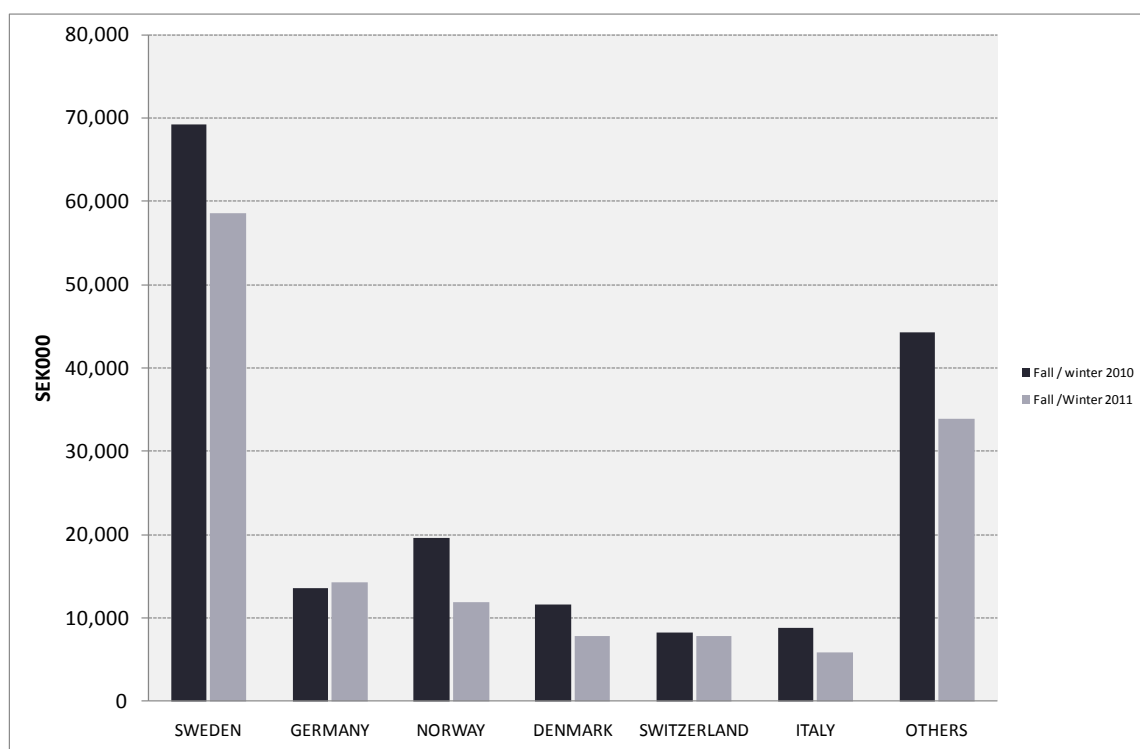
In February Odd Molly presented its fall and winter collections at Fashion Week in New York. The international press had the opportunity to ask questions, feel the material and listen to the creators discuss their ideas.



Events after the conclusion of the period

Order value for fall/winter 2011 amounted to SEK 140 million

In April Odd Molly announced its order value for the fall/winter 2011 collections. The order value for fall/winter 2011 amounted to slightly over SEK 140 million, compared with an order value of approximately SEK 175 million for the corresponding collections last year.



Order value for the six largest countries for the fall/winter 2011 collections and the corresponding collections in 2010.

Number of shares

As of March 31, 2011 there were 5,752,000 shares outstanding.

Employees

At the end of the quarter there were a total 56 employees (43), of whom 8 are men and 48 women. Five of the employees are in the U.S. The average number of employees during the quarter was 57 (33).

Parent Company

Sales in North America are handled through 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 sales are otherwise handled through the Parent Company.

Odd Molly International AB reported quarterly net sales of SEK 117.5 million (143.5) with operating profit of SEK 25.5 million (33.8). The Parent Company's adjusted shareholders' equity amounted to SEK 144.5 million (148.0). Cash and cash equivalents amounted to SEK 77.8 million (53.7).

Outlook

The company does not intend to issue forecasts for upcoming financial years. However, Odd Molly will announce order values twice a year, in April and October.

Risk factors

A number of factors could 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.

- Odd Molly is exposed to exchange rate risk in purchases from suppliers and sales to foreign countries. Although Odd Molly manages this exposure through hedges, there are no guarantees that hedging strategies will be sufficient to protect

operating profit from the effects of future exchange rate fluctuations. Odd Molly hedges approximately half of its net exposure in each currency.

- Economic conditions could affect demand for Odd Molly's products positively or negatively.
- Odd Molly is highly dependent on customer preferences for design, quality and price. A miscalculation of customer preferences could reduce demand for Odd Molly's products, which in turn could have a significant adverse effect on the company's operations, results and financial position.
- Odd Molly currently does not have any external funding and therefore is not affected by risks in refinancing or changes in funding terms. The company's cash and cash equivalents are invested with low risk in savings accounts or money market funds. Differences in interest rates could have an effect on the Group's interest income.
- Odd Molly's customers receive credit after approval. However, it remains a possibility that Odd Molly could incur losses if a customer is not able to make a payment. In 2010 realized customer losses corresponded to 0.4 percent (0.2) of sales. Customers' payment difficulties could also cause higher inventories, since Odd Molly will not ship to customers with unpaid overdue invoices.
- There is the possibility that any future trade restrictions, such as increased customs duties, protective measures or apparel quotas, could change Odd Molly's sourcing routines and increase costs, which in turn could have negative consequences on Odd Molly's operations, results or financial position.
- Prices of commodities such as cotton, silk and wool can increase due to higher demand and/or lower supply, which can lead to higher purchase prices.
- Capacity utilization by Odd Molly's suppliers can change, which can lead to longer delivery times and higher prices and require Odd Molly, in order to maintain its delivery schedules, to reserve material in advance.
- Another risk is the dependence on key persons in the company. This risk is continuously reduced by building a larger and stronger organization that is less dependent on individual employees.

A more detailed description of the risks and uncertainties that Odd Molly is exposed to are given in the annual report for 2010 and Odd Molly's prospectus for the listing on NASDAQ OMX Stockholm from 2010, both of which are available on Odd Molly's website.

Accounting principles

The Group applies 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. IFRS has been applied as of January 1, 2008.

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			
	Jan-Mar 2011	Jan-Mar 2010	Full-year 2010
SEK in thousands			
<i>Operating revenues</i>			
Net sales	121,156	150,497	355,551
Other operating revenues	178	237	848
	121,334	150,733	356,399
<i>Operating expenses</i>			
Goods for resale	-52,735	-66,792	-154,436
Other external expenses	-34,560	-43,519	-108,662
Personnel expenses	-9,228	-7,024	-33,886
Depreciation/amortization of tangible and intangible fixed assets	-1,041	-410	-3,348
Other operating expenses	-281	-1,163	-5,399
	-97,844	-118,909	-305,732
<i>Operating profit</i>	23,490	31,824	50,668
<i>Result from financial items</i>			
Interest income	285	132	734
Interest expenses	-155	0	0
	130	132	734
<i>Profit after financial items</i>	23,620	31,957	51,401
Taxes	-7,592	-9,273	-15,176
<i>Net profit for the year/period attributable to Parent Company's shareholders</i>	16,028	22,683	36,226
<i>Other total comprehensive income</i>			
Translation difference	-587	-25	342
Reclassified to operating profit	-1,054	12	-876
Change fair value securities	-830	0	1,977
Tax effect fair value securities	495	-6	-290
<i>Total comprehensive income for the period attributable to Parent Company's shareholders</i>	14,053	22,664	37,379
<i>Number of shares before and after dilution</i>	2.79	3.94	6.30

Consolidated balance sheet			
	March 31 2011	March 31 2010	December 31 2010
SEK in thousands			
ASSETS			
<i>Fixed assets</i>			
<i>Intangible fixed assets</i>			
Tenancy rights and other intangible fixed assets	2,644	3,078	2,770
	2,644	3,078	2,770
<i>Tangible fixed assets</i>			
Equipment, tools, fixtures and fittings	8,068	6,220	8,051
	8,068	6,220	8,051
Total fixed assets	10,713	9,298	10,821
<i>Current assets</i>			
<i>Inventories, etc.</i>			
Finished products and goods for resale	25,867	20,782	23,175
	25,867	20,782	23,175
<i>Current receivables</i>			
Accounts receivable	75,879	103,984	38,388
Current tax receivables	491	0	0
Derivatives	151	1,089	1,093
Other receivables	2,904	6,606	3,336
Prepaid expenses and accrued income	3,266	3,571	4,995
	82,690	115,249	47,812
<i>Cash and bank balances</i>			
	82,532	56,346	89,204
Total current assets	191,089	192,377	160,191
TOTAL ASSETS	201,802	201,675	171,012
SHAREHOLDERS' EQUITY AND LIABILITIES			
	March 31 2011	March 31 2010	December 31 2010
<i>Shareholders' equity attributable to Parent Company's shareholders</i>			
Share capital (5,752,000 shares)	575	575	575
Other paid-in capital	26,010	26,010	26,010
Reserves	-582	0	1,190
Retained earnings	126,116	116,898	110,291
Total shareholders' equity	152,118	143,483	138,066
<i>Long-term liabilities and provisions</i>			
Deferred tax	8,135	4,644	8,455
Total long-term liabilities	8,135	4,644	8,455
<i>Current liabilities</i>			
Advances from customers	401	183	182
Accounts payable	21,390	15,192	5,839
Derivatives	0	0	0
Current tax liabilities	0	12,424	2,607
Other liabilities	895	401	4,737
Accrued expenses and deferred income	18,863	25,347	11,125
Total current liabilities	41,549	53,548	24,490
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	201,802	201,675	171,012
Pledged assets	2,500	2,500	2,500
Contingent liabilities	None	None	None

Summarized changes in the Group's shareholders' equity

SEK in thousands

	March 31 2011	March 31 2010	December 31 2010
Attributable to Parent Company's shareholders			
Shareholders' equity at the beginning of the period/year	138 066	120 819	120 819
Dividend	0	0	-20 132
Total comprehensive income for the year /period	14 053	22 664	37 379
Shareholders' equity at the end of the year/period	152 118	143 483	138 066

Cash flow statement for the Group

	Jan-Mar 2011	Jan-Mar 2010	Full-year 2010
SEK in thousands			
Operating activities			
Operating profit	23 490	31 824	50 668
Adjustments for items not included in cash flow			
Depreciation/amortization and impairment losses	1 041	410	3 348
Exchange rate gains/losses	-1 075	-105	1 974
Capital gains/losses on equipment sales	0	0	0
Interest received	285	132	734
Interest paid	-155	0	0
Income tax paid	-11 010	-9 411	-21 320
Cash flow from operating activities			
before changes in working capital	12 576	22 851	35 403
Changes in working capital			
Change in inventories	-2 906	4 030	1 348
Change in receivables	-34 690	-74 508	-7 444
Change in current liabilities	19 696	20 648	1 730
Cash flow from operating activities	-5 324	-26 980	31 038
Investing activities			
Acquisition of intangible fixed assets	-165	-200	-596
Acquisition of tangible fixed assets	-986	-1 551	-5 992
Cash flow from investing activities	-1 151	-1 751	-6 588
Dividend paid	0	0	-20 132
Cash flow from financing activities	0	0	-20 132
Cash flow for the year/period	-6 476	-28 730	4 318
Cash and cash equivalents at the beginning of the period	89 204	85 035	85 035
Exchange rate difference in cash and cash equivalents	-197	41	-149
Cash and cash equivalents at the end of the period	82 532	56 346	89 204

Parent Company income statement			
	Jan-Mar 2011	Jan-Mar 2010	Full-year 2010
SEK in thousands			
<i>Operating revenues</i>			
Net sales	117,479	143,503	341,446
Other operating revenues	178	60	874
	117,657	143,563	342,320
<i>Operating expenses</i>			
Goods for resale	-51,255	-62,999	-146,512
Other external expenses	-31,683	-38,741	-102,919
Personnel expenses	-8,279	-6,462	-29,866
Depreciation/amortization of tangible and intangible fixed assets	-637	-357	-1,849
Other operating expenses	-279	-1,163	-5,518
	-92,133	-109,722	-286,664
<i>Operating profit</i>	25,524	33,841	55,656
<i>Result from financial items</i>			
Interest income	285	264	734
Interest expenses	-155	-1	-61
Write-down of carrying amount of shares in subsidiary	0	0	-17,115
	130	263	-16,442
<i>Profit after financial items</i>	25,654	34,104	39,214
Appropriations	0	0	-14,300
Taxes	-7,685	-9,256	-11,627
<i>Net profit for the year/period</i>	17,969	24,848	13,287

Parent Company's total comprehensive income			
<i>Net profit for the year/period</i>	17,969	24,848	13,287
<i>Other total comprehensive income</i>			
Reclassified to operating profit	-1,054	12	-876
Change fair value securities	-830	0	1,977
Tax effect fair value securities	495	-6	-290
<i>Total comprehensive income for the period</i>	16,581	24,854	14,098

Parent Company balance sheet			
	March 31 2011	March 31 2010	December 31 2010
SEK in thousands			
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Tenancy rights and other intangible fixed assets	2,644	3,078	2,770
	2,644	3,078	2,770
<i>Tangible fixed assets</i>			
Equipment, tools, fixtures and fittings	2,979	2,410	2,340
	2,979	2,410	2,340
<i>Financial fixed assets</i>			
Shares in subsidiaries	343	343	343
Receivables from subsidiaries	3,466	13,238	3,466
	3,808	13,581	3,808
Total fixed assets	9,431	19,070	8,917
Current assets			
<i>Inventories, etc.</i>			
Finished products and goods for resale	22,294	17,315	19,708
	22,294	17,315	19,708
<i>Current receivables</i>			
Accounts receivable	75,063	100,543	37,498
Derivatives	151	1,089	1,093
Receivables from Group companies	3,412	4,791	1,919
Current tax receivables	455		
Other receivables	1,815	5,185	2,134
Prepaid expenses and accrued income	2,331	2,563	3,990
	83,229	114,171	46,634
<i>Cash and bank balances</i>	77,757	53,694	86,744
Total current assets	183,280	185,180	153,086
TOTAL ASSETS	192,712	204,250	162,004
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	120,955	134,974	104,374
Untaxed reserves	31,956	17,656	31,956
Current liabilities			
Advances from customers	389	178	167
Accounts payable	20,673	14,290	5,235
Current liability Group company	0	0	2,512
Derivatives	0	0	0
Current tax liabilities	0	12,426	2,602
Other liabilities	686	266	4,636
Accrued expenses and deferred income	18,054	24,460	10,522
Total current liabilities	39,801	51,620	25,674
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	192,712	204,250	162,004
Pledged assets	2,500	2,500	2,500
Contingent liabilities	None	None	None

The Board of Directors and the President certify that the year-end 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, April 14, 2011

Christer Andersson, Chairman

Karin Wallin-Norman, Board Member

Karin Jimfelt-Ghatan, Board Member

Mia Arnhult, Board Member

Patrik Tillman, Board Member

Nils Vinberg, Board Member

Christina Tillman, President & CEO

About Odd Molly

Odd Molly is a Swedish company that designs, markets and sells fashion. Odd Molly products are sold through around 1,300 retailers in around 40 countries around the world. In addition, Odd Molly currently has three concept stores in Stockholm, Los Angeles and Copenhagen as well as two outlets in Kungsbacka and Barkaby. Odd Molly has 56 employees. The company's profitable growth is the result of creative design, consistent branding and a business model that facilitates expansion with limited capital requirements and minimal inventory risk. Odd Molly's share is traded as of June 21, 2010 on NASDAQ OMX Stockholm.

Odd Molly International AB is obligated to publish the information in this interim report in accordance with the Securities Market Act and/or the Financial Instruments Trading Act. The information was provided for public release on April 14, 2011 at 1.00 pm CET.

Scheduled information dates

- The Annual General Meeting will be held on April 14, 2011.
- Interim report April-June 2011 will be released on August 19, 2011.
- Order values for the first half of 2012 (spring/summer collections) will be announced on October 7, 2011.
- Interim report July-September 2011 will be released on October 21, 2011.

For further information, please contact:

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Odd Molly also produces a newsletter, which reports on its day-to-day operations. To subscribe, go to www.oddmolly.com and click "sign up for our newsletter."