



Odd Molly International AB (publ)

Stockholm, Sweden, April 26, 2012

Interim report, January 1 – March 31, 2012



The quarter was in line with plan, development work for long-term improvements is under way

January 1 – March 31, 2012

- Net sales amounted to SEK 95.8 million (121.2)
- The gross profit margin was 55.8 percent (56.5)
- Operating profit amounted to SEK 12.5 million (23.5), corresponding to an operating margin of 13.0 percent (19.4)
- Net profit amounted to SEK 8.9 million (16.0). The net margin was 9.3 percent (13.2)
- Earnings per share amounted to SEK 1.55 (2.79)

Events during the reporting period

- In March Odd Molly reported an order value for fall/winter 2012 of approximately SEK 87 million, compared with SEK 140 million for the same period of 2011.
- Odd Molly opened its first shop-in-shop in the Rådhuset department store in Uppsala.

Key financial ratios	Jan-Mar 2012	Jan-Mar 2011	Full-year 2011	April 2011- March 2012
Net sales, SEK million	95,8	121,2	292,3	266,9
Gross profit margin, %	55,8	56,5	56,0	55,4
Operating profit, SEK million	12,5	23,5	20,1	9,1
Operating margin, %	13,0	19,4	6,9	3,4
Profit after tax, SEK million	8,9	16,0	14,2	7,1
Earnings per share before and after dilution, SEK	1,55	2,79	2,48	1,24
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

We closed the first quarter with sales in line with our previously announced order value. The gross margin was stable at over 55 percent for the quarter, while operating profit was lower primarily as a result of decreased volume. To help retailers boost their sales, Odd Molly tries to deliver as much of the summer collection as possible during the first quarter. The supply chain has worked very well, and with essentially our entire spring and summer collection shipped and invoiced during the first quarter revenues will, seasonally, come out much lower during the second quarter of the year. Consequently, our result for the second quarter will be negative, which is worth repeating for those who are unfamiliar with Odd Molly's business model.

During the quarter we announced the order value for Odd Molly's fall and winter 2012 collection, which was about SEK 87 million, compared with SEK 140 million for the corresponding collection in 2011. We feel that the order situation reflects an imbalance in the collection, where certain product groups were significantly stronger than others, combined with a weak market. Based on known order values for the full-year and the company's continued growth ambitions, we expect the result for the current year to be significantly below that of 2011.

Naturally we are not pleased with this and are working conscientiously on a daily basis to reverse the trend. We will gradually implement changes, and one step in the right direction was the decision taken last fall to focus on the women's collection. Basically we will improve the composition of the collections and sales processes while carving out a clear position. In this work it is important that we listen to our retailers and customers. Where we can cut costs, we will – with a focus on profitable long-term growth.

We continue to see positive development for Odd Molly's web shop, which was given a sneak peek last fall. In it we can offer our entire product range to large parts of Europe. During the quarter Odd Molly launched its first shop-in-shop solution in the Rådhuset department store in Uppsala, which can be an interesting and flexible complementary sales channel.

I am more convinced than ever that Odd Molly's unique design concept is wanted and needed.

Anna Attemark
CEO of Odd Molly



The Group's development

Net sales

First quarter January 1 – March 31, 2012

During the first quarter net sales amounted to SEK 95.8 million (121.2), a decrease of about 21 percent compared with the first quarter 2011. This is in line with the order value for the spring and summer merchandise, which, according to our previous press release, amounted to SEK 97 million. The large part of the spring and summer merchandise is shipped and invoiced during the first quarter, because of which the second quarter is usually weak. The second quarter also includes a pre-fall shipment with an order value of about SEK 9 million (16).

Earnings

First quarter January 1 – March 31, 2012

The gross profit margin for the first quarter was 55.8 percent (56.5).

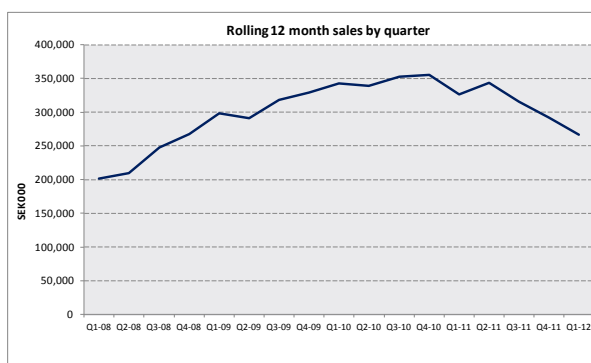
Operating profit amounted to SEK 12.5 million (23.5), corresponding to an operating margin of 13.0 percent (19.4). Personnel expenses amounted to 11.4 percent (7.6) of net sales and include expenses for store employees. The increase compared with 2011 is mainly due to the new, strengthened management, as well as the newly opened web shop.

The company's other expenses decreased by 16 percent compared with the previous year, despite expenses for the company's 10-year celebration. The share of expenses in relation to sales rose to 31.5 percent (29.6), as the company's fixed costs are having a greater effect due to the lower sales volume.

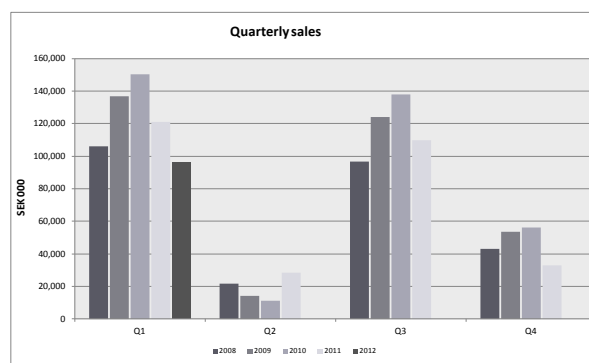
Net profit amounted to SEK 8.9 million (16.0). Earnings per share were SEK 1.55 (2.79).

Seasonal fluctuations

Odd Molly has six collections per year (spring, summer, fall and winter as well as two pre-collections: pre-spring and pre-fall), of which spring and fall have historically generated the strongest 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 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-Q1 2012



The above diagram shows quarterly sales Q1 2008-Q1 2012

Financial position

The company's total assets amounted to SEK 169.7 million (201.8) on March 31, 2012. Shareholders' equity was SEK 134.4 million on the same date, compared with SEK 152.1 million on March 31, 2011. The equity/assets ratio was 79.2 percent (75.4) on March 31, 2012, when cash and cash equivalents amounted to SEK 73.6 million (82.5).

The Board of Directors will propose to the Annual General Meeting on April 26, 2012 a dividend of SEK 3.00 (4.50) per share for the financial year 2011, representing a total dividend of SEK 17.3 million for payment during the second quarter.

Accounts receivable amounted to SEK 54.3 million (75.9) on March 31, 2012. Receivables corresponded to 56.7 percent of sales for the quarter, compared with 62.6 percent on March 31, 2011.

Inventory amounted to SEK 25.2 million on March 31 2012, compared with SEK 25.9 million a year earlier. As a share of sales for the period, inventory amounted to 26.2 percent, compared with 21.4 percent for the first quarter of 2011.



Images from Odd Molly's newly opened shop-in-shop in Uppsala

Investments and cash flow

During the first quarter Odd Molly did not make any investments, unlike the same period in 2011, when investments amounted to SEK 1.2 million.

Cash flow from operating activities amounted to SEK -7.1 million (-5.3) during the first quarter. Total cash flow amounted to SEK -7.1 million (-6.5) for the first quarter 2011. The main reason that the first quarter generally has negative cash flow is that suppliers are paid for the merchandise delivered to customers during the period, but that payments from customers are largely due for payment during the second quarter.

Events during the report period

Fashion show at Berns in Stockholm and 10-year celebration

In February Odd Molly showed its fall/winter 2012 collection at a fashion show at Berns in Stockholm during Mercedes Benz Fashion Week.

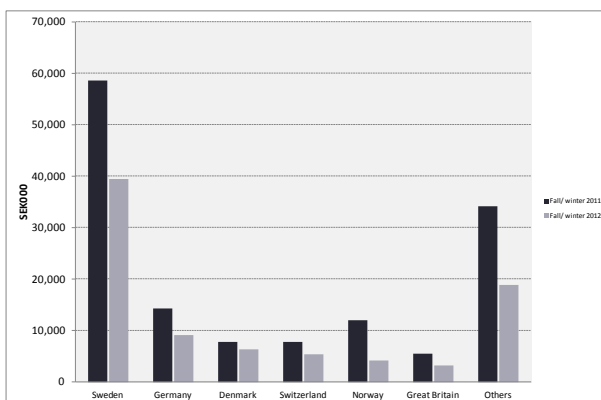
Odd Molly celebrated its first decade with a party in connection with the fashion show.

Shop-in-shop

In March Odd Molly opened its first shop-in-shop solution in the Rådhuset department store in Uppsala.

Order value for fall/winter 2012 amounted to SEK 87 million

In March Odd Molly announced its order value for the fall/winter 2012 collections. The order value for fall/winter 2012 amounted to slightly over SEK 87 million, compared with an order value of about SEK 140 million for the corresponding collections in the previous year.



Order value for the six largest countries for the fall/winter 2012 collections and the corresponding collections in 2011.

Number of shares

As of March 31, 2012 there were 5,752,000 shares outstanding.

Employees

As of March 31 there were a total of 57 employees (56), of whom 7 are men and 50 are women. The average number of employees during the quarter was 57 (57).

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 year of SEK 94.3 million (117.5) and operating profit of SEK 13.5 million (25.5). The Parent Company's adjusted shareholders' equity amounted to SEK 126.8 million (144.5). Cash and cash equivalents amounted to SEK 71.9 million (77.8).

Outlook

The company does not intend to issue forecasts during the current financial year. Odd Molly will announce order values twice a year, in April and October.

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 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 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.

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	Jan-Mar 2012	Jan-Mar 2011	Full-year 2011
<i>Operating revenues</i>			
Net sales	95 786	121 156	292 275
Other operating revenues	105	178	542
	95 891	121 334	292 818
<i>Operating expenses</i>			
Cost of goods sold	-42 299	-52 735	-128 632
Other external expenses	-29 268	-34 560	-99 901
Personnel expenses	-10 943	-9 228	-38 843
Depreciation/amortization of tangible and intangible fixed assets	-837	-1 041	-4 047
Other operating expenses	-66	-281	-1 320
	-83 413	-97 844	-272 743
<i>Operating profit</i>	12 477	23 490	20 074
<i>Result from financial items</i>			
Interest income	363	285	1 335
Interest expenses	-4	-155	-36
	359	130	1 299
<i>Profit after financial items</i>	12 836	23 620	21 373
Taxes	-3 919	-7 592	-7 136
<i>Net profit for the year/period attributable to Parent Company's shareholders</i>	8 917	16 028	14 237
<i>Other comprehensive income</i>			
Translation difference	-431	-587	52
Cash flow hedges	-1 440	-1 884	138
Tax effect hedges	379	495	-36
<i>Total comprehensive income for the period attributable to Parent Company's shareholders</i>	7 424	14 053	14 391
<i>Earnings per share before and after dilution, SEK</i>	1,55	2,79	2,48

Consolidated balance sheet			
	March 31	March 31	Dec 31
SEK in thousands	2012	2011	2011
ASSETS			
<i>Fixed assets</i>			
<i>Intangible fixed assets</i>			
Tenancy rights and other intangible fixed assets	1 917	2 644	2 237
	1 917	2 644	2 237
<i>Tangible fixed assets</i>			
Equipment, tools, fixtures and fittings	3 910	8 068	4 458
	3 910	8 068	4 458
Total fixed assets	5 827	10 713	6 695
<i>Current assets</i>			
<i>Inventories, etc.</i>			
Finished products and cost of goods sold	25 090	25 867	27 817
Advances to suppliers	61	0	9 103
	25 151	25 867	36 920
<i>Current receivables</i>			
Accounts receivable	54 300	75 879	28 097
Derivatives	616	151	1 305
Other receivables	7 556	3 395	8 411
Prepaid expenses and accrued income	2 646	3 266	3 196
	65 118	82 690	41 009
<i>Cash and bank balances</i>	73 615	82 532	80 680
Total current assets	163 883	191 089	158 609
TOTAL ASSETS	169 710	201 802	165 304
SHAREHOLDERS' EQUITY AND LIABILITIES			
<i>Shareholders' equity attributable to Parent Company's shareholders</i>			
Share capital (5,752,000 shares)	575	575	575
Other paid-in capital	26 418	26 010	26 418
Reserves	-100	-582	962
Retained earnings	107 512	126 116	99 027
Total shareholders' equity	134 406	152 118	126 981
<i>Long-term liabilities and provisions</i>			
Deferred tax	9 846	8 135	10 344
Total long-term liabilities	9 846	8 135	10 344
<i>Current liabilities</i>			
Advances from customers	159	401	173
Accounts payable	5 346	21 390	12 411
Derivatives	135	0	0
Current tax liabilities	0	0	499
Other liabilities	1 713	895	1 901
Accrued expenses and deferred income	18 104	18 863	12 994
Total current liabilities	25 458	41 549	27 979
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	169 710	201 802	165 304
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 2012	March 31 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	0	0	-25 884
Other paid-in capital	0	0	408
Total comprehensive income for the year /period	7 424	14 053	14 391
Shareholders' equity at the end of the year/period	134 406	152 118	126 981

Cash flow statement for the Group

	Jan-Mar 2012	Jan-Mar 2011	Full-year 2011
SEK in thousands			
Operating activities			
Operating profit	12 477	23 490	20 074
Adjustments for items not included in cash flow			
Depreciation/amortization and impairment losses	837	1 041	4 047
Exchange rate gains/losses	-1 160	-1 075	181
Capital gain/loss on sale of equipment	0	0	1 714
Interest received	363	285	1 335
Interest paid	-4	-155	-36
Income tax paid	-210	-11 010	-7 355
Cash flow from operating activities before changes in working capital	12 303	12 576	19 961
Changes in working capital			
Change in inventories	11 686	-2 906	-13 763
Change in receivables	-29 210	-34 690	7 101
Change in current liabilities	-1 914	19 696	5 418
Cash flow from operating activities	-7 135	-5 324	18 717
Investing activities			
Acquisition of intangible fixed assets	0	-165	-647
Acquisition of tangible fixed assets	0	-986	-1 111
Cash flow from investing activities	0	-1 151	-1 758
Dividend paid	0	0	-25 884
Shareholders' contribution warrants	0	0	408
Cash flow from financing activities	0	0	-25 476
Cash flow for the year/period	-7 135	-6 475	-8 517
Cash and cash equivalents at the beginning of the period	80 680	89 204	89 204
Exchange rate difference in cash and cash equivalents	70	-197	-7
Cash and cash equivalents at the end of the period	73 615	82 532	80 680

Parent Company income statement			
	Jan-Mar 2012	Jan-Mar 2011	Full-year 2011
SEK in thousands			
<i>Operating revenues</i>			
Net sales	94 248	117 479	280 384
Other operating revenues	105	178	427
	94 353	117 657	280 811
<i>Operating expenses</i>			
Cost of goods sold	-41 478	-51 255	-122 823
Other external expenses	-28 312	-31 683	-98 327
Personnel expenses	-10 379	-8 279	-35 442
Depreciation/amortization of tangible and intangible fixed assets	-654	-637	-2 569
Other operating expenses	-69	-279	-127
	-80 892	-92 133	-259 288
<i>Operating profit</i>	13 461	25 524	21 523
<i>Result from financial items</i>			
Interest income	363	285	1 335
Interest expenses	-4	-155	-33
Write-down of carrying amount of shares in subsidiary	0	0	0
	359	130	1 302
<i>Profit after financial items</i>	13 819	25 654	22 825
Appropriations	0	0	-6 544
Taxes	-4 052	-7 685	-5 646
<i>Net profit for the year/period</i>	9 768	17 969	10 636

Parent Company's total comprehensive income			
<i>Net profit for the year/period</i>	9 768	17 969	10 636
<i>Other comprehensive income</i>			
Cash flow hedges	-1 440	-1 884	138
Tax effect fair hedges	379	495	-36
<i>Total comprehensive income for the period</i>	8 706	16 581	10 738

Parent Company balance sheet			
	March 31	March 31	Dec 31
SEK in thousands	2012	2011	2011
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Tenancy rights and other intangible fixed assets	1 917	2 644	2 237
	1 917	2 644	2 237
<i>Tangible fixed assets</i>			
Equipment, tools, fixtures and fittings	1 727	2 979	2 061
	1 727	2 979	2 061
<i>Financial fixed assets</i>			
Shares in subsidiaries	343	343	343
Receivables from subsidiaries	3 413	3 466	3 454
	3 755	3 808	3 796
Total fixed assets	7 400	9 431	8 095
Current assets			
<i>Inventories, etc.</i>			
Finished products and cost of goods sold	22 895	22 294	25 729
Advances to suppliers	61	0	9 103
	22 956	22 294	34 832
<i>Current receivables</i>			
Accounts receivable	53 736	75 063	27 653
Derivatives	616	151	1 305
Receivables from Group companies	1 162	3 412	15
Other receivables	6 422	2 271	7 225
Prepaid expenses and accrued income	2 195	2 331	2 697
	64 130	83 229	38 894
<i>Cash and bank balances</i>	71 870	77 757	78 599
Total current assets	158 956	183 281	152 325
TOTAL ASSETS	166 355	192 712	160 420
SHAREHOLDERS' EQUITY AND LIABILITIES			
<i>Shareholders' equity</i>	98 395	120 955	89 689
<i>Untaxed reserves</i>	38 500	31 956	38 500
<i>Long-term liabilities and provisions</i>			
Deferred tax	-36	0	343
Toal long-term liabilities	-36	0	343
<i>Current liabilities</i>			
Advances from customers	141	389	152
Accounts payable	4 977	20 673	11 962
Current liability Group company	6 246	0	6 724
Derivatives	135	0	0
Current tax liabilities	0	0	499
Other liabilities	1 518	686	1 757
Accrued expenses and deferred income	16 478	18 054	10 794
Total current liabilities	29 496	39 801	31 888
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	166 355	192 712	160 420
Pledged assets	2 500	2 500	2 500
Contingent liabilities	None	None	None

The Board of Directors and the President 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, April 26, 2012

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

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 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 Annual General Meeting will be held on April 26, 2012.
- The interim report for April-June 2012 will be released on August 17, 2012.
- 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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The information in this press release has been published by Odd Molly International AB (publ) on April 26, 2012 at 8.00 am CET in accordance with the Securities Market Act and/or the Financial Instruments Trading Act.

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