



Odd Molly International AB (publ)

Stockholm, Sweden, October 29, 2009

Interim report January 1– September 30, 2009



Photo: Robert Eldrim and Linus Hallsenius

HIGHER SALES AND PROFIT FOR THE THIRD QUARTER

January 1 – September 30, 2009

- Net sales increased by 22.5 percent to SEK 275.1 million (224.5)
- The gross profit margin was 54.0 percent (57.8)
- Operating profit amounted to SEK 53.2 million (57.9), corresponding to an operating margin of 19.3 percent (25.8)
- Net profit amounted to SEK 39.4 million (42.1)
- Earnings per share amounted to SEK 6.85 (7.32)

July 1 – September 30, 2009

- Net sales increased by 28.2 percent to SEK 124.0 million (96.7)
- The gross profit margin was 54.6 percent (56.8)
- Operating profit amounted to SEK 28.4 million (24.9), corresponding to an operating margin of 22.9 percent (25.7)
- Net profit amounted to SEK 21.3 million (18.2)
- Earnings per share amounted to SEK 3.71 (3.17)

Events during the period

- Decision to launch a menswear collection in fall/winter 2010 and strengthen the organization
- Decision to open first store in U.S., on Robertson Boulevard in Los Angeles, in spring 2010

Events after the conclusion of the period

- Order value for spring and summer collections 2010 increases 25 percent

Key financial ratios	July-Sept	July-Sept	Change, %	Jan-Sept	Jan-Sept	Change, %	Full-year	Oct 2008-
	2009	2008		2009	2008		2008	Sept 2009
Net sales, SEK million	124.0	96.7	28	275.1	224.5	23	267.7	318.3
Gross profit margin, %	54.6	56.8		54.0	57.8		58.3	54.9
Operating profit, SEK million	28.4	24.9	14	53.2	57.9	-8	67.5	62.8
Operating margin %	22.9	25.7		19.3	25.8		25.2	19.7
Net profit, SEK million	21.3	18.2	17	39.4	42.1	-6	49.8	47.2
Earnings per share, SEK	3.71	3.17	17	6.85	7.32	-6	8.66	8.20
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
Weighted average number of shares	5,752,000	5,752,000		5,752,000	5,752,000		5,752,000	5,752,000

Comment from the CEO

Odd Molly's positive development continued during the third quarter, reaffirming that our brand remains attractive and that our business model works – even in a tougher market climate. For the first nine months Odd Molly reported a sales increase of 22.5 percent and an operating margin of 19.3 percent. The gross margin is slightly lower than last year, mainly due to exchange rate effects. At the same time the company has a very strong financial position, which gives us security in these troublesome economic times, especially considering the aggressive investments we are making.

The presentation of our spring and summer collections for 2010 began with a big runway show at Grand Hôtel in Stockholm in August together with Helena Christensen. Presales ended recently, and the numbers indicate continued strong growth. The order value amounted to slightly over SEK 180 million, compared with just under SEK 145 million for the spring and summer collections last year, an increase of about 25 percent.

Large portions of the winter shipments have already been delivered to retailers in October, and in December we are planning a shipment of early spring merchandise, worth about SEK 17 million, which compares with the corresponding December shipment last year of just over SEK 6 million.

We are continuing to invest aggressively in the company's development, our marketing communications and our offerings.

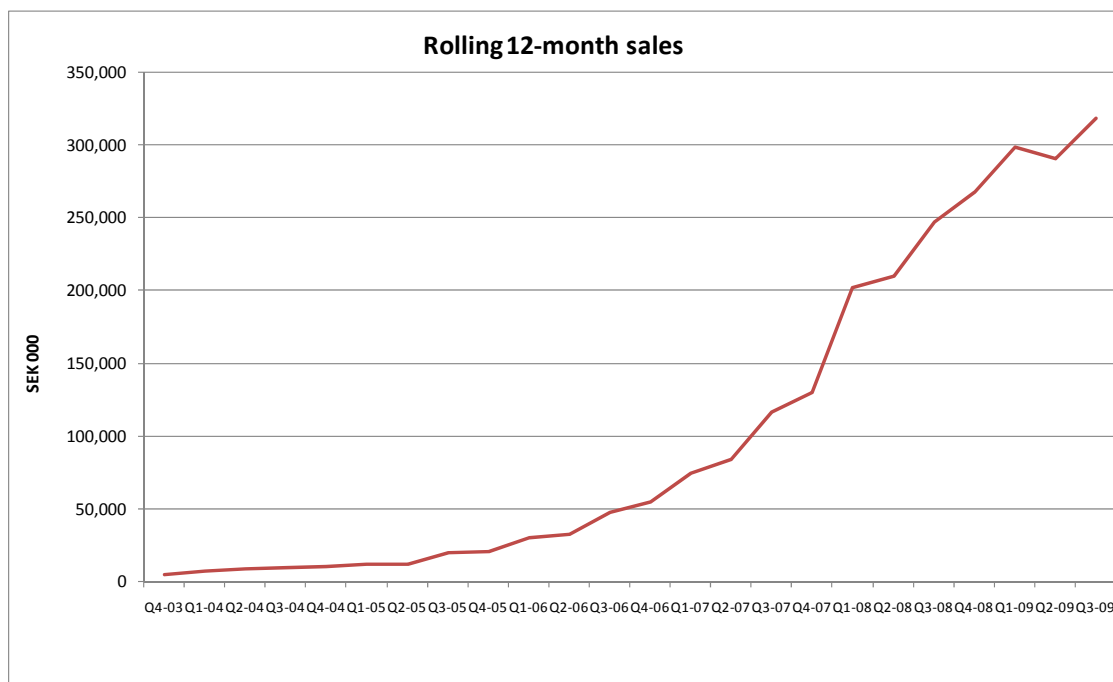
Preparations for the launch of the new menswear collection are fully under way. Design, branding and expansion strategies are in place, and many retailers have already expressed an interest. This is truly inspiring, since the sales collection isn't ready and the brand is not yet official.

A month ago we decided to open our first store in the U.S. We do so against the backdrop of the successful launch of our first store in Stockholm and because we feel that Odd Molly needs a more substantial branding platform in the U.S. The store, which we will manage ourselves, will be opening in the middle of Los Angeles' most trendy fashion district in the spring of 2010.

In summary; there are a lot of exciting things going on, but we are taking nothing for granted. For us, it is important to continuously focus on future development and improvements at every level. Unless you take chances, you'll never get anywhere.

Christina Tillman, President and CEO

The Group's development

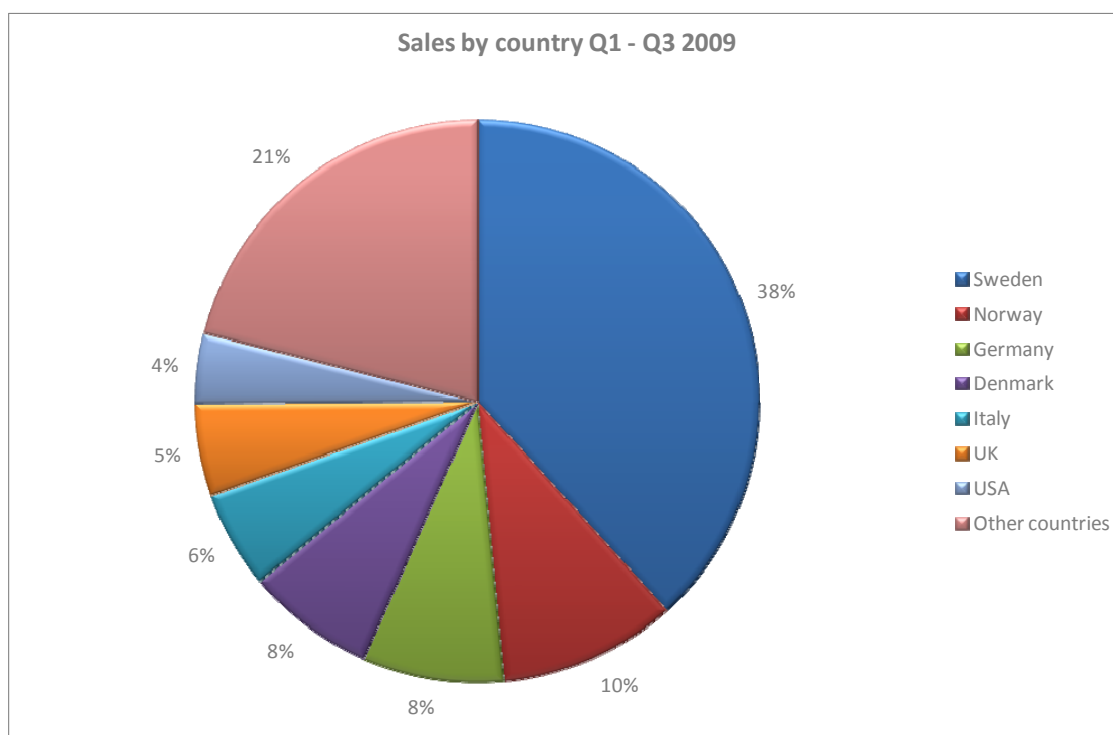


The above diagram shows rolling 12-month sales by quarter for the period Q4 2003-Q3 2009

Net sales

The period January 1 – September 30, 2009

The sales trend for the first nine months of the year remained strong, with net sales of SEK 275.1 million (224.5), up 22.5 percent from the same period last year. Sales include the store on Humlegårdsgatan in Stockholm.



The above diagram shows sales by country in Q1-Q3 2009

Sweden accounted for 38 percent of total sales in the first nine months of the year and reported the biggest sales increase in absolute terms. The three largest countries –

Sweden, Norway and Germany – together accounted for approximately 57 percent of total sales. Odd Molly's largest sales increases by percentage were in Switzerland and Belgium. During the period the company sold to a total of 38 countries.

Third quarter July 1 – September 30, 2009

Net sales amounted to SEK 124.0 million (96.7), up 28.2 percent compared with the same period last year. The fall collection was shipped to retailers during the third quarter, and after the conclusion of the quarter the winter collection was distributed.

Earnings

The period January 1 – September 30, 2009

The gross profit margin decreased to 54.0 percent (57.8), mainly due to unfavorable exchange rate effects during the first half of 2009 compared with the previous year.

Operating profit amounted to SEK 53.2 million (57.9). The operating margin was 19.3 percent (25.8). Marketing and related costs increased according to plan compared with the previous year. Net profit amounted to SEK 39.4 million (42.1). Earnings per share amounted to SEK 6.85 (7.32) based on the average number of shares during the period.

Personnel expenses amounted to 6.6 percent (6.4) of the sales, which is mainly due to new hirings in store and at the head office.

The largest items among other external expenses are agent commissions, marketing and selling expenses, and distribution expenses to retailers.

The second half of 2009 will also include expenses to produce the menswear collection, although revenue will not be generated until fall 2010. During the second half of 2009 this will consist of expenses for a designer, sourcing trips and trademark protection.

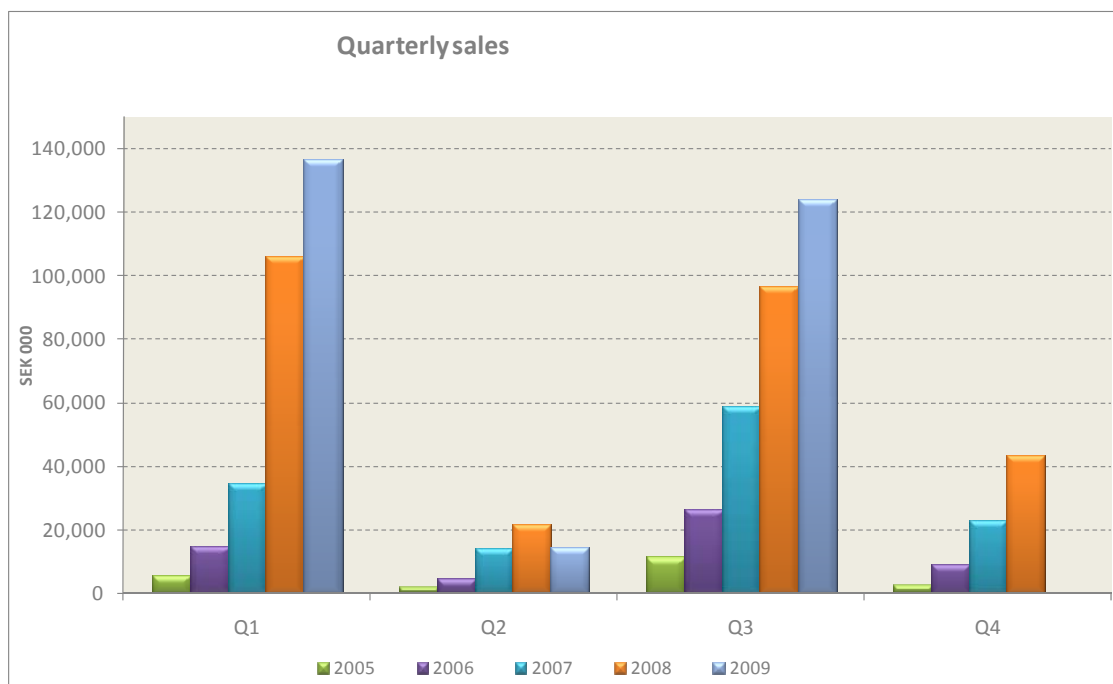
Third quarter July 1 – September 30, 2009

The gross profit margin for the third quarter was 54.6 percent (56.8).

Operating profit amounted to SEK 28.4 million (24.9), corresponding to an operating margin of 22.9 percent (25.7). Net profit amounted to SEK 21.3 million (18.2). Earnings per share amounted to SEK 3.71 (3.17).

Seasonal fluctuations

Odd Molly has four collections per year (spring, summer, fall and winter), of which spring and fall have historically been the strongest collections in terms of 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 means that it is better to follow Odd Molly's operations, sales and profits on a semiannual basis. As a rule, Odd Molly ships its fall collection between August 1 and September 15 and the winter collection in October, which means that the fall collection is delivered during the third quarter and the winter collection during the fourth quarter. To even out deliveries and help retailers boost their sales, early pre-fall and pre-spring shipments (in July and December) have been added as well.



The above diagram shows quarterly sales for the period Q1 2005-Q3 2009

Financial position

The company's total assets amounted to SEK 161.2 million (131.0) at the end of the period. Shareholders' equity totaled SEK 117.1 million on September 30, 2009, compared with SEK 87.2 million a year earlier. The equity/assets ratio was 73 percent (67) at the end of the period, against 75 percent at year-end 2008.

Cash and cash equivalents amounted to SEK 36.4 million (32.2) on September 30, 2009. Accounts receivable increased from SEK 67.5 million on September 30, 2008 to SEK 82.9 million on the same date in 2009. As a ratio of sales, accounts receivable remained unchanged at 30 percent. Accounts receivable were older on September 30, 2009 than in 2008, because customers are taking longer to pay. The company does not feel that the share of old accounts receivable is worrisome and has already allocated provisions for anticipated customer losses.

Inventories amounted to SEK 32.7 million on September 30, 2009, against SEK 24.2 million a year earlier. As a ratio of sales for the period, inventory amounted to 11.9 percent, compared with 10.8 percent on the same date a year earlier.

Investments and cash flow

The company's investments mainly comprise equipment, IT system improvements and store leases, but are relatively limited. During the third quarter investments amounted to SEK 0.3 million (1.5).

Cash flow from operating activities amounted to SEK -28.9 million during the quarter, compared with SEK -23.7 million in the same period of period 2008. Total cash flow amounted to SEK -29.2 million (-25.2) for the quarter. The negative cash flow is due to the high third-quarter sales volume, payment for which will be received in the fourth quarter.

Events during the period

Runway show at Grand Hôtel

Odd Molly's spring and summer collections for 2010 were shown at a major runway show at Grand Hôtel in Stockholm in August, with supermodel Helena Christensen back on the catwalk.

Launch of menswear collection

In May Odd Molly announced a decision to develop and launch a menswear collection in the fall of 2010. During the third quarter Ylva Liljefors, previously with Tiger of Sweden Jeans, was hired as head designer and together with Odd Molly's Creative Director, Per Holknekt she will design the menswear collection.

First U.S. store

Following a successful start for the Swedish store, Odd Molly has decided to open its second store – this time in Los Angeles, where the company has had a subsidiary and office for a couple of years. The Los Angeles store will be located at 104 S. Robertson Boulevard, West Hollywood, in the middle of the city's trendiest fashion district, and is scheduled to open in February 2010.



Photo: Henrik Bülow

Events after the conclusion of the period

Order value

On October 8 Odd Molly announced its order value for the spring/summer collection 2010. Strong presales resulted in a further increase in order levels and reflect a strong interest in the brand and design worldwide. The order value for spring/summer 2010 amounted to slightly more than SEK 180 million, compared with nearly SEK 145 million for the corresponding collections in the preceding year, an increase of 25 percent. This includes orders for early spring merchandise, which will be delivered and invoiced in the fourth quarter of 2009, totaling approximately SEK 17 million, compared with slightly more than SEK 6 million in the year-earlier period, when corresponding early orders were shipped for the first time. Because of its strong success, the extra delivery of spring merchandise before Christmas will be continued in the future.

Number of shares

As of September 30, 2009 there were 5,752,000 shares outstanding.

Employees

Odd Molly's aim is to continuously strengthen its organization. Compared with the same period of 2008, the design, sales and administrative units have all been strengthened. An administrative/IT manager has been hired, in addition to a sales and marketing director for North America. As of September 30 the company had a total of 40 employees (32) (including three in the U.S.), of whom 9 are men and 31 women. The average number of employees during the quarter was 38 (31).

Parent Company

Odd Molly International AB, which sells to all Odd Molly customers in countries outside North America, reported sales for the first three quarters of the year of SEK 262.8 million (206.0) and an operating profit of SEK 53.1 million (56.2). The Parent Company's shareholders' equity amounted to SEK 104.1 million (87.4). Cash and cash equivalents amounted to SEK 36.2 million (29.1).

Outlook

Although it does not issue forecasts, Odd Molly announces order values twice a year, in April and October. The order value for the fall and winter collections of 2010 will be announced on April 13, 2010.

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 beyond the company's control. Risk factors arise due to currency, fashion, import and export regulations. Given the current turbulence in credit markets and difficulties faced by retailers, there is also a risk of increased credit losses as well as higher inventories due to payment difficulties on the part of customers. In 2008 actual customer losses were held well below 0.5 percent of sales. Another risk is the dependence on key persons within the company. This risk is continuously reduced by building a larger, stronger organization that is less dependent on specific individuals. A more detailed description of risks and uncertainties that Odd Molly is exposed to are described in the prospectus for the listing on First North, which was published in May 2007, and in the annual report for 2008, both of which are available on Odd Molly's website.

Accounting principles

This interim report is prepared in accordance with the same accounting principles and calculation methods in the company's most recent annual report and fulfills the requirements of the Swedish Accounting Standards Board's recommendation BFNAR 2007:1.

The consolidated accounts are prepared according to the Swedish Financial Accounting Standards Council's recommendation RR1:00 and apply the purchase method. The consolidated accounts comprise Odd Molly International AB (Parent Company) and Odd Molly Inc., which is consolidated as of May 1, 2007.

In this interim report, "the company" refers to the Odd Molly Group.

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

Consolidated income statement					
SEK in thousands	July-Sept 2009	July-Sept 2008	Jan-Sept 2009	Jan-Sept 2008	Full-year 2008
<i>Operating revenues</i>					
Net sales	124,027	96,661	275,058	224,450	267,653
Other operating revenues	122	1,614	336	698	4,794
	124,149	98,275	275,394	225,148	272,447
<i>Operating expenses</i>					
Goods for resale	-56,247	-41,727	-126,646	-94,732	-111,485
Other external expenses	-31,705	-26,274	-75,760	-57,560	-72,907
Personnel expenses	-6,414	-5,212	-18,036	-14,473	-19,833
Depreciation/amortization of tangible and intangible fixed assets	-358	-184	-962	-462	-699
Other operating expenses	-1,060	0	-798	0	-15
	-95,784	-73,398	-222,203	-167,227	-204,939
Operating profit	28,364	24,877	53,191	57,922	67,509
<i>Profit from financial items</i>					
Interest income	249	559	726	1,363	1,904
Interest expenses	-4	-2	-27	-39	-39
	246	556	700	1,324	1,864
Profit after financial items	28,610	25,433	53,890	59,246	69,373
Taxes	-7,261	-7,191	-14,468	-17,168	-19,545
Net profit for the year/period	21,349	18,242	39,423	42,078	49,829
Earnings per share, SEK	3.71	3.17	6.85	7.32	8.66

Consolidated balance sheet			
SEK in thousands	Sept 30 2009	Sept 30 2008	Dec 31 2008
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Tenancy rights and other intangible fixed assets	1,751	2,057	1,933
	1,751	2,057	1,933
<i>Tangible fixed assets</i>			
Equipment, tools, fixtures and fittings	2,889	1,212	1,706
	2,889	1,212	1,706
<i>Financial fixed assets</i>	0	0	0
Total fixed assets	4,640	3,269	3,639
Current assets			
<i>Inventories, etc.</i>			
Finished products and goods for resale	32,729	24,224	18,505
	32,729	24,224	18,505
<i>Current receivables</i>			
Accounts receivable	82,860	67,452	23,758
Other receivables	1,473	1,733	468
Prepaid expenses and accrued income	3,160	2,094	2,251
	87,493	71,278	26,476
<i>Cash and bank balances</i>	36,366	32,191	78,285
Total current assets	156,587	127,694	123,266
TOTAL ASSETS	161,228	130,962	126,905
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	575	575	575
Restricted reserves	14,645	1,668	14,664
	15,221	2,243	15,239
Unrestricted reserves	62,431	42,870	29,848
Net profit for the year/period	39,423	42,078	49,829
	101,854	84,948	79,677
Total shareholders' equity	117,075	87,190	94,916
Provisions			
Deferred tax	4,644	16	4,644
Total provisions	4,644	16	4,644
Current liabilities			
Advances from customers	147	0	0
Accounts payable	11,277	11,517	5,458
Current tax liabilities	10,274	16,388	12,720
Other liabilities	1,130	785	1,597
Accrued expenses and deferred income	16,682	15,066	7,571
Total current liabilities	39,509	43,756	27,346
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	161,228	130,962	126,905
Pledged assets	2,500	2,500	2,500
Contingent liabilities	None	None	None

Summarized changes in the Group's shareholders' equity					
	Jan-Sept 2009	Jan-Sept 2008	Full-year 2008		
SEK in thousands					
Shareholders' equity at the beginning of the period/year	94,916	45,079	45,079		
Dividend	-17,256	0	0		
Net profit for the year/period	39,423	42,078	49,829		
Translation differences	-9	33	8		
Shareholders' equity at the end of the period/year	117,075	87,190	94,916		
Cash flow statement for the Group					
	July-Sept 2009	July-Sept 2008	Jan-Sept 2009	Jan-Sept 2008	Full-year 2008
SEK in thousands					
Operating activities					
Operating profit	28,364	24,877	53,191	57,922	67,509
Adjustments for items not included in cash flow					
Depreciation/amortization and impairment losses	358	184	962	462	699
Exchange rate gains/losses	204	0	224	0	-349
Capital gains/losses on equipment sales	0	4	17	15	15
Interest received	249	559	726	1,363	1,904
Interest paid	-4	-2	-27	-39	-39
Income tax paid	-1,154	-768	-16,908	-4,533	-5,888
Cash flow from operating activities before changes in working capital	28,019	24,853	38,185	55,188	63,851
Changes in working capital					
Change in inventories	-6,348	-9,490	-14,761	-10,293	-4,364
Change in receivables	-66,010	-54,707	-61,551	-56,100	-11,263
Change in current liabilities	15,462	15,597	15,437	15,456	2,426
Cash flow from operating activities	-28,877	-23,747	-22,690	4,252	50,648
Investing activities					
Acquisition of intangible fixed assets	-190	-1,314	-190	-1,472	-1,472
Acquisition of tangible fixed assets	-103	-147	-1,805	-618	-1,203
Divestment of financial assets	0	0	0	60	60
Cash flow from investing activities	-293	-1,461	-1,994	-2,031	-2,616
Amortization of debt	0	0	0	0	-71
Dividend paid	0	0	-17,256	0	0
Cash flow from financing activities	0	0	-17,256	0	-71
Cash flow for the year/ period	-29,170	-25,208	-41,941	2,221	47,961
Cash and cash equivalents at the beginning of the period	65,580	56,997	78,285	29,840	29,840
Exchange rate difference in cash and cash equivalents	-44	402	22	130	484
Cash and cash equivalents at the end of the period	36,366	32,191	36,366	32,191	78,285

Parent Company income statement					
SEK in thousands	July-Sept 2009	July-Sept 2008	Jan-Sept 2009	Jan-Sept 2008	Full-year 2008
<i>Operating revenues</i>					
Net sales	120,833	91,013	262,815	205,959	243,958
Other operating revenues	122	1,589	453	1,182	5,631
	120,955	92,602	263,268	207,140	249,589
<i>Operating expenses</i>					
Goods for resale	-53,664	-38,230	-119,912	-84,975	-99,044
Other external expenses	-30,906	-24,523	-72,128	-52,227	-65,610
Personnel expenses	-6,016	-4,828	-16,575	-13,333	-18,156
Depreciation/amortization of tangible and intangible fixed assets	-347	-175	-926	-437	-660
Other operating expenses	-989	0	-675	0	-15
	-91,922	-67,757	-210,216	-150,973	-183,486
Operating profit	29,032	24,845	53,052	56,167	66,103
<i>Profit from financial items</i>					
Interest income	276	546	813	1,348	1,885
Interest expenses	-2	-2	-25	-39	-39
	274	544	788	1,309	1,845
Profit after financial items	29,306	25,389	53,840	57,476	67,949
Taxes	0	0	0	0	-17,600
	-7,525	-7,171	-14,338	-16,425	-14,847
Net profit for the year/period	21,781	18,218	39,502	41,052	35,502

Parent Company balance sheet			
	Sept 30	Sept 30	Dec 31
SEK in thousands	2009	2008	2008
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Tenancy rights and other intangible fixed assets	1,751	2,057	1,933
	1,751	2,057	1,933
<i>Tangible fixed assets</i>			
Equipment, tools, fixtures and fittings	2,747	1,034	1,514
	2,747	1,034	1,514
<i>Financial fixed assets</i>			
Shares in subsidiaries	170	170	170
Receivables from subsidiaries	2,102	0	2,342
	2,273	170	2,512
Total fixed assets	6,771	3,261	5,959
Current assets			
<i>Inventories, etc.</i>			
Finished products and goods for resale	28,055	20,541	16,000
	28,055	20,541	16,000
<i>Current receivables</i>			
Accounts receivable	79,087	63,050	21,896
Receivables from Group companies	6,414	8,406	4,315
Other receivables	1,310	1,574	288
Prepaid expenses and accrued income	2,547	2,093	2,251
	89,358	75,123	28,749
<i>Cash and bank balances</i>	36,191	29,117	75,465
Total current assets	153,604	124,780	120,214
TOTAL ASSETS	160,374	128,041	126,173
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	575	575	575
Statutory reserve	1,628	1,628	1,628
	2,203	2,203	2,203
Tax allocation reserve	26,010	26,010	26,010
Retained earnings	36,425	18,179	18,179
Net profit for the year/period	39,502	41,052	35,502
	101,937	85,240	79,691
Total shareholders' equity	104,140	87,443	81,894
Untaxed reserves	17,656	56	17,656
Current liabilities			
Advances from customers	147	0	0
Accounts payable	11,033	10,005	5,349
Accounts payable, Group companies	45	0	0
Current tax liabilities	10,228	15,635	12,703
Other liabilities	1,092	753	1,542
Accrued expenses and deferred income	16,034	14,148	7,029
Total current liabilities	38,578	40,542	26,623
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	160,374	128,041	126,173
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, October 29, 2009

Christer Andersson, Chairman

Karin Wallin-Norman, Board Member

Karin Jimfelt-Ghatan, Board Member

Per Holknekt, 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 for women through retailers worldwide. The brand's signature is beautiful, personal, sensual designs, combined with high quality and a distinctive profile. Odd Molly products are sold through 1,450 retailers and one company-owned store in 34 countries around the world. Odd Molly has 40 employees at offices in Stockholm and Los Angeles, as well as the company-owned store in Stockholm. Sales amounted to SEK 268 million in 2008 with operating profit of SEK 68 million. Odd Molly'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 Chief Designer received the prestigious "Golden Button" fashion design award in August 2008 from the magazine *Damernas Värld*. Odd Molly's share is traded on First North and its Certified Adviser is Swedbank.

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 October 29, 2009 at 8.00 a.m. CET.

Scheduled information dates

The year-end report 2009 will be released on February 19, 2010.

Order values for the fall/winter collections 2010 will be released on April 13, 2010.

For further information, please contact:

Christina Tillman, CEO of Odd Molly, phone: +46-8-522 28 502 or mobile: +46-733-10 60 00

Odd Molly International AB, Kornhamnstorg 6, SE-111 27 Stockholm, Sweden, Phone: +46 8 522 28 500
www.oddmolly.com

Press photos can be downloaded from Odd Molly's website at www.oddmolly.com under "press/media."
Odd Molly also produces its own newsletter, which reports on news from around the company. To subscribe, go to www.oddmolly.com and click "sign up for our newsletter."