

STOCKHOLM--([BUSINESS WIRE](#))--Regulatory News:

CDON Group AB (STO:CDON) announces its financial results for the third quarter and first nine months of 2013.

Third quarter

· Net sales reached SEK 949.6 million. Previous year SEK 953.3 million excluding divested operations and SEK 982.5 million including divested operations

· Gross margin of 12.3%. Previous year 13.6% excluding non-recurring items and divested operations

· Operating profit of SEK -17.9 million. Previous year SEK 2.6 million excluding non-recurring items and divested operations and SEK -7.6 million including non-recurring items and divested operations

· Profit after tax amounted to SEK -21.1 (-11.3) million

· Earnings per share amounted to SEK -0.21 (-0.16)

First nine months

· Net sales excluding divested operations was up 4.6% to SEK 2,946.2 (2,817.6) million

· Net sales including divested operations was up 2.8% to SEK 2,969.9 (2,888.9) million

· Gross margin of 12.8% (12.9%), which corresponds to 14.0% (14.7%) excluding non-recurring items and divested operations

· Operating profit of SEK -28.4 (10.0) million excluding non-recurring items and divested operations

· Operating profit of SEK -74.6 (-63.2) million including non-recurring items and divested operations

· Profit after tax amounted to SEK -83.1 (-61.4) million

· Earnings per share amounted to SEK -1.03 (-0.88)

CEO's statement

Paul Fischbein, CEO and President, commented: "CDON Group reports a solid sales growth for three out of four segments during the quarter. Particularly, the Sports & Health segment displays a continued strong growth of 37% with stable profitability while sales within the Fashion segment increased by over 14%. Also, the Home & Garden segment continued to grow in the quarter.

The inventory reduction of computer products continued within CDON.com, which affected results negatively by approximately SEK 13 million during the quarter. Consequently, the Entertainment segment showed an underlying operating profit during the period. Our ambition is to transform CDON.com into a full range retailer online and we

continue to deliver on our strategy to defend our market leading position and to continuously broaden our product offering.

The efficiency enhancing initiatives within the Fashion segment continued and a new web platform was launched. As of the end of the third quarter, the majority of the internal reinforcement and restructuring measures had been completed within Nelly.com. Despite a strong focus on these efficiency enhancing measures and a market which was weakened somewhat by the warm weather, the Fashion segment grew by over 14%.

Profitability for our fastest growing segment, the Sports & Health segment, showed continued strength with an operating margin of approximately 9% despite continued investments in new markets. Private label products accounted for 46% of total sales and an entirely new product category was launched. Total sales growth within the Sports & Health segment amounted to 37%.”

About CDON Group

CDON Group is the leading e-commerce group in the Nordic region. Established in 1999, the Group has continuously expanded its product portfolio and is now a leading e-commerce player in the Entertainment (CDON.com and Lekmer.com), Fashion (Nelly.com and Members.com), Sports & Health (Gymgrossisten.com, Bodystore.com and Milebreaker.com) and Home & Garden (Tretti.com and Room21.com) segments. CDON Group's online stores attracted approximately 244 million site visits and two million unique customers in 2012.

The information in this announcement is that which CDON Group AB is required to disclose under the Securities Markets Act. This information was released for publication at 08.00 CET 21 October 2013.

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