



Odd Molly International AB (publ)

Stockholm, October 21, 2010

## Interim report January 1 – September 30, 2010



### STABLE DEVELOPMENT AND STRONG GROSS PROFIT

#### January 1 – September 30, 2010

- Net sales increased by 8 percent to SEK 299.5 million (276.3)
- The gross profit margin was 57.2 percent (54.2)
- Operating profit amounted to SEK 50.2 million (54.1), corresponding to an operating margin of 16.8 percent (19.6). Excluding expenses of slightly over SEK 4 million for Odd Molly's listing change to NASDAQ OMX Stockholm, operating profit was SEK 54.4 million, corresponding to an operating margin of 18.2 percent.
- Net profit was SEK 34.8 million (40.4)
- Earnings per share amounted to SEK 6.05 (7.02)

#### July 1 – September 30, 2010

- Net sales increased by 10 percent to SEK 137.8 million (125.2)
- The gross profit margin was 57.6 percent (55.1)
- Operating profit was SEK 30.9 million (29.3), corresponding to an operating margin of 22.4 percent (23.4)
- Net profit was SEK 22.4 million (22.3)
- Earnings per share amounted to SEK 3.90 (3.88)

#### Events during the quarter

- Fashion show of the Post Fire Dew men's collection at Berns during Stockholm Fashion Week
- Fashion show of Odd Molly's spring/summer 2011 collection at New York Fashion Week

| Key financial ratios                              | July-Sept<br>2010 | July-Sept<br>2009 | Change, % | Jan-Sept<br>2010 | Jan-Sept<br>2009 | Change, % | Full-year<br>2009 | Oct 2009-<br>Sept 2010 |
|---|-------------------|-------------------|-----------|------------------|------------------|-----------|-------------------|------------------------|
| Net sales, SEK million                            | 137.8             | 125.2             | 10        | 299.5            | 276.3            | 8         | 329.8             | 352.9                  |
| Gross profit margin, %                            | 57.6              | 55.1              |           | 57.2             | 54.2             |           | 54.0              | 57.0                   |
| Operating profit, SEK million                     | 30.9              | 29.3              | 5         | 50.2             | 54.1             | -7        | 59.2              | 55.3                   |
| Operating margin, %                               | 22.4              | 23.4              |           | 16.8             | 19.6             |           | 17.9              | 15.1                   |
| Profit after tax, SEK million                     | 22.4              | 22.3              | 1         | 34.8             | 40.4             | -14       | 43.0              | 37.5                   |
| Earnings per share before and after dilution, SEK | 3.90              | 3.88              | 1         | 6.05             | 7.02             | -14       | 7.48              | 6.5                    |
| 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***

The company continued its stable development during the third quarter, with sales increasing by 10 percent, in line with the announced order value for the fall, and an operating margin of over 22 percent. The supply chain to our retailers has worked smoothly, and the fall collection was delivered and invoiced during the quarter. The gross profit margin is still strong at 57.6 percent, partly due to a strong krona.

In August the new Post Fire Dew menswear line was premiered at Berns in Stockholm, and the clothing is now in stores. Odd Molly showed its upcoming spring and summer collections for the first time at New York Fashion Week in September, a fantastic milestone for the company and an element in our continued efforts in the US market.

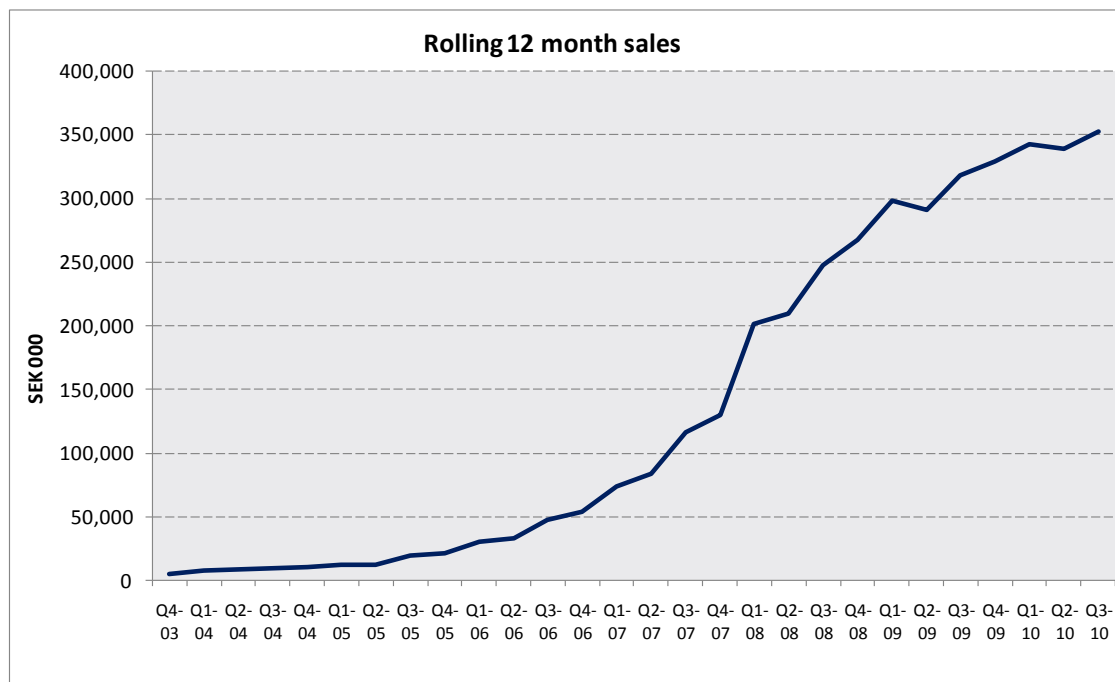
The order value for Odd Molly's spring and summer 2011 collections wound up at about SEK 165 million, compared with about SEK 180 million for the same collections in the previous year, and therefore did not totally meet expectations. Even adjusted for the negative effect of exchange rates, the order value was slightly weaker than the previous year. The figure for spring/summer 2011 includes a pre-spring collection of about SEK 26 million which is now being delivered to retailers during the fourth quarter 2010.

To strengthen the company competitively and bolster future sales, we will try to optimize the improvement potential in our collections' product and price mix. This work is our highest priority.

In a growth company like Odd Molly, we constantly look forward, but we also focus on evaluating every step we take and improving the processes we can influence. The overarching aim is to increase our presence and sales in current markets. In addition to work on our collections, we see improvement opportunities in sales support to help our retailers and international partners in their development.

*Christina Tillman, President and CEO*

## The Group's development

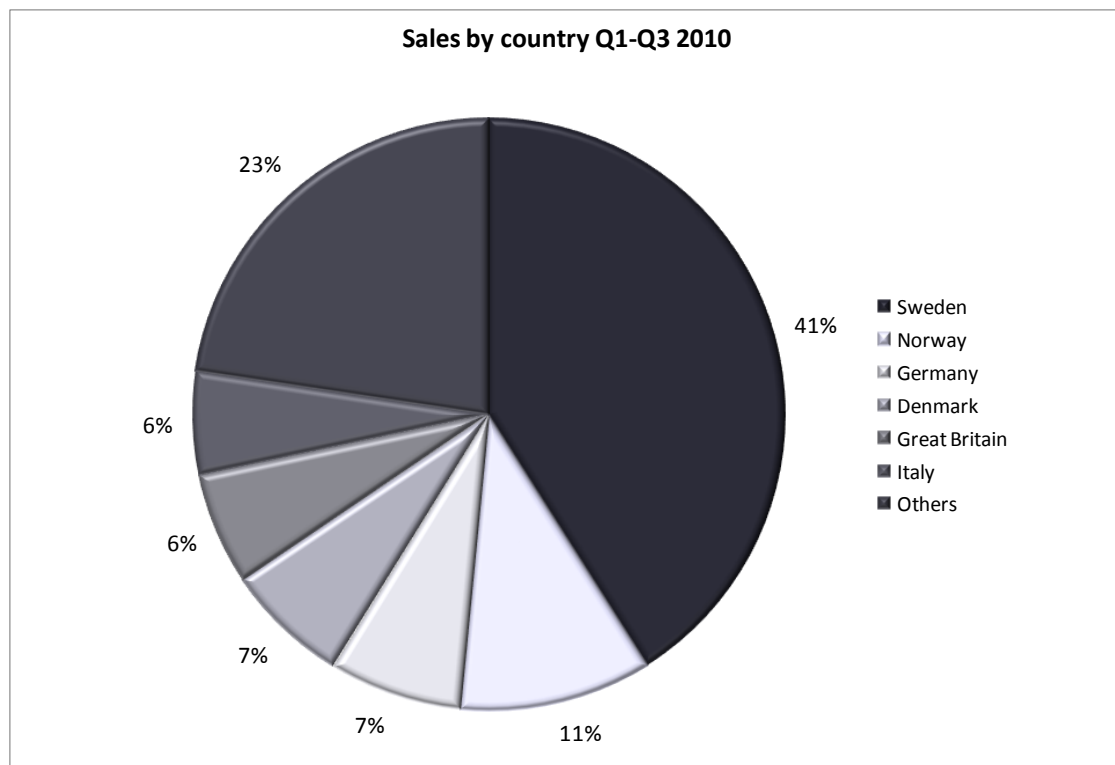


*The above diagram shows rolling 12-month sales on a quarterly basis, Q4 2003-Q3 2010*

## Net sales

*The period January 1 - September 30, 2010*

The sales trend for the first nine months of the year remained stable. Net sales amounted to SEK 299.5 million (276.3), an increase of 8 percent compared with the same period last year. Sales also include the company's own concept stores in Stockholm, Copenhagen and Los Angeles, as well as the outlet store in Kungsbacka.



*The above diagram shows sales by country Q1-Q3 2010*

Sweden accounted for 41 percent (38) of total sales during the first nine months and reported the largest sales increase in absolute terms. The six largest countries – Sweden, Norway, Germany, Denmark, the UK and Italy – together accounted for approximately 77 percent of total sales. Switzerland and the UK were among the countries noting large percentage increases.

*Third quarter July 1 – September 30, 2010*

Net sales amounted to SEK 137.8 million (125.2), an increase of 10 percent compared with the same period last year and in line with the previously announced order value. The fall collection was shipped to retailers during the third quarter, while the winter collection will be distributed during the fourth quarter.

## **Earnings**

*The period January 1 - September 30, 2010*

The gross profit margin increased to 57.2 percent (54.2), which was mainly due to the appreciation of the Swedish krona against the USD and euro compared with 2009.

Operating profit amounted to SEK 50.2 million (54.1) and the operating margin was 16.8 percent (19.6). Excluding expenses of slightly over SEK 4 million for Odd Molly's listing change to NASDAQ OMX Stockholm, operating profit was SEK 54.4 million, corresponding to an operating margin of 18.2 percent.

The opening of the Los Angeles concept store last spring and other activities in the US have also significantly affected year-on-year operating profit negatively.

Profit after tax amounted to SEK 34.8 million (40.4). Earnings per share amounted to SEK 6.05 (7.02) based on the average number of shares for the period.

Personnel expenses corresponded to 7.9 percent (6.5) of net sales, which was mainly due to new hires for the company-owned stores and to strengthen the head office organization. Expenses for company-owned stores and related expenses increased according to plan compared with last year. During the period Odd Molly opened three stores and at the end of the period had four stores of its own.

The largest items in other external expenses are agent commissions, marketing and selling expenses, product distribution expenses to retailers and costs for premises.

*Third quarter July 1 – September 30, 2010*

The gross profit margin rose during the third quarter to 57.6 percent (55.1). A stronger Swedish krona has reduced the company's cost of goods sold, which affects gross profit positively. The same currency fluctuations affected net sales in the opposite direction, but because of currency hedges have not had the same impact.

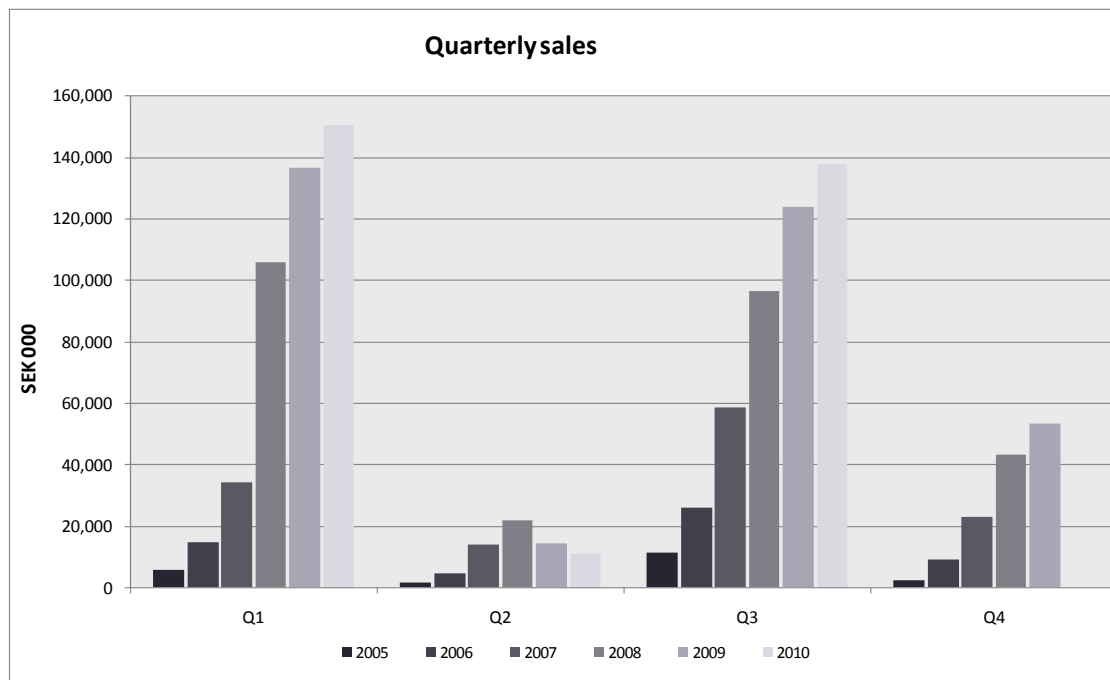
Other operating expenses amounted to SEK 5.0 million (1.1) for the quarter and consisted of a negative net currency effect primarily due to the translation of the company's accounts receivable.

Operating profit amounted to SEK 30.9 million (29.3), corresponding to an operating margin of 22.4 percent (23.4). Net profit amounted to SEK 22.4 million (22.3). Earnings per share amounted to SEK 3.90 (3.88).

## **Seasonal fluctuations**

Odd Molly has four collections per year (spring, summer, fall and winter), of which spring and fall have historically been the strongest 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 makes it simpler to follow

the company'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 shipped during the third quarter and the winter collection during the fourth quarter. To even out deliveries and provide retailers with another sales opportunity, pre-fall and pre-spring shipments have been added (delivered in June and December, respectively).



*The above diagram shows quarterly sales Q1 2005-Q3 2010*

### Financial position

The company's total assets amounted to SEK 201.4 million (162.2) on September 30, 2010. Shareholders' equity totaled SEK 136.3 million on the same date, compared with SEK 118.0 million on September 30, 2009. The equity/assets ratio was 68 percent (73) at the end of the quarter, compared with 76 percent at year-end 2009. The company has no long-term liabilities.

Cash and cash equivalents amounted to SEK 55.5 million (36.4) at the end of the period. Accounts receivable increased from SEK 82.9 million on September 30, 2009 to SEK 85.5 million on the same date in 2010, but as a share of sales accounts receivable decreased to 28.6 percent (30.0). The company has determined that the share of old accounts receivable is in line with the previous year and that the provisions that have been made will cover any customer losses.

Inventories amounted to SEK 34.8 million on September 30, 2010, compared with SEK 32.7 million on the same date last year. As a share of sales for the period, inventory decreased slightly to 11.6 percent, compared with 11.8 percent on the same date last year.

### Investments and cash flow

The company's investments mainly comprise retail locations, equipment and further development of IT systems. During the third quarter investments amounted to 3.8 million (0.3).

Cash flow from operating activities amounted to SEK -22.4 million during the quarter, compared with SEK -28.9 million in the same period of 2009. Total cash flow for the quarter was SEK -26.2 million (-29.2). The negative cash flow was due to a seasonally

high sales volume during the third quarter, payment for which is received during the fourth quarter. Cash flow from operating activities for the period amounted to SEK -2.9 million (-22.7). Total cash flow for the period was SEK -29.5 million (-41.9).

### **Events during the quarter**

#### ***Fashion show at Berns***

Odd Molly's menswear line, Post Fire Dew, was presented at a major fashion show at Berns during Stockholm Fashion Week in August. The spring and summer 2011 collection that was shown is the company's second collection.

#### ***Fashion show at New York Fashion Week***

In September Odd Molly showed its spring and summer 2011 collections at the prestigious New York Fashion Week.



### **Events after the conclusion of the period**

#### ***Order value***

On October 8 Odd Molly announced the order value for its spring/summer 2011 collection. Orders for the collections were valued at SEK 165 million, compared with SEK 180 million for the same collections last year, a decrease of 9 percent. The reported order figures include early spring merchandise, which will be delivered and invoiced in the fourth quarter 2010, amounting to about SEK 26 million, compared with slightly over SEK 17 million last year.

#### ***Number of shares***

As of September 30, 2010 there were 5,752,000 shares outstanding.

#### ***Employees***

Odd Molly's aim is to continuously strengthen its organization. Compared with the same period last year, employees were recruited for newly opened stores, the design and production departments, and administrative functions. As of September 30 the company had a total of 55 employees (40) (6 in the US), of whom 9 are men and 46 women. The average number of employees during the quarter was 54 (38).

#### ***Parent Company***

Odd Molly International AB includes sales to all Odd Molly retailers with the exception of North America and sales from the company-owned stores in Copenhagen and Los Angeles. Odd Molly International AB reported first-quarter sales of SEK 287.4 million

(262.8), with operating profit of SEK 57.8 million (53.1). The Parent Company's adjusted shareholders' equity amounted to SEK 132.9 million (104.1) on September 30. Cash and cash equivalents amounted to SEK 54.1 million (36.2).

### **Outlook**

Odd Molly does not intend to issue any forecasts, but will announce order values twice a year, in April and October. The order value for the fall and winter 2011 collections will be announced on April 8, 2011.

### **Risk factors**

A number of risk factors could affect the company's results and operations. A more detailed description of the risks and uncertainties Odd Molly is exposed to can be found in the prospectus for the listing on NASDAQ OMX Stockholm, which was published in June 2010, as well as in the company's annual report for 2009, both of which can be accessed through Odd Molly's website.

### **Accounting principles**

This financial report for the Group has been prepared by applying the International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act.

Further, the consolidated statements are prepared in accordance with Swedish law by applying the Swedish Financial Reporting Board's recommendation RFR 1.3 Supplementary accounting rules for groups. In preparing the Parent Company's financial statements, the Swedish Financial Reporting Board's recommendation RFR 2.3 Reporting for legal entities has been applied. IFRS has been applied as of January 1, 2008.

This interim report has been prepared in accordance with IAS 34.

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 been reviewed by the company's auditors.

## **Review report**

Odd Molly International AB (publ), corp. ID no. 556627-6241

### **Introduction**

We have reviewed the interim report for Odd Molly International AB (publ) as of September 20, 2010 and the nine-month period ended on that date. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### **Scope of review**

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material aspects, prepared in accordance with IAS 34 and the Annual Accounts Act for the Group and in accordance with the Annual Accounts Act for the Parent Company.

Stockholm, October 21, 2010  
Ernst & Young AB

Anders Lindby  
Authorized Public Accountant



| <b>Consolidated statement of comprehensive income</b>                                   |                           |                           |                          |                          |                           |
|---|---------------------------|---------------------------|--------------------------|--------------------------|---------------------------|
|   | <b>July-Sept<br/>2010</b> | <b>July-Sept<br/>2009</b> | <b>Jan-Sept<br/>2010</b> | <b>Jan-Sept<br/>2009</b> | <b>Full-year<br/>2009</b> |
| SEK in thousands  |                           |                           |                          |                          |                           |
| <i>Operating revenues</i>   |                           |                           |                          |                          |                           |
| Net sales   | 137,823                   | 125,242                   | 299,456                  | 276,328                  | 329,809                   |
| Other operating revenues  | 354                       | -153                      | 611                      | 6                        | 530                       |
|   | <b>138,176</b>            | <b>125,089</b>            | <b>300,068</b>           | <b>276,334</b>           | <b>330,339</b>            |
| <i>Operating expenses</i>   |                           |                           |                          |                          |                           |
| Goods for resale  | -58,390                   | -56,247                   | -128,220                 | -126,646                 | -151,744                  |
| Other external expenses   | -35,011                   | -31,705                   | -91,513                  | -75,760                  | -92,075                   |
| Personnel expenses  | -8,126                    | -6,414                    | -23,657                  | -18,036                  | -25,753                   |
| Depreciation/amortization of tangible and intangible fixed assets                       | -843                      | -358                      | -1,865                   | -962                     | -1,322                    |
| Other operating expenses  | -4,952                    | -1,060                    | -4,594                   | -798                     | -266                      |
|   | <b>-107,322</b>           | <b>-95,784</b>            | <b>-249,849</b>          | <b>-222,203</b>          | <b>-271,161</b>           |
| <b>Operating profit</b>   | <b>30,855</b>             | <b>29,305</b>             | <b>50,219</b>            | <b>54,131</b>            | <b>59,179</b>             |
| <i>Result from financial items</i>  |                           |                           |                          |                          |                           |
| Interest income   | 242                       | 249                       | 505                      | 726                      | 852                       |
| Interest expenses   | -2                        | -4                        | -8                       | -27                      | -31                       |
|   | <b>241</b>                | <b>245</b>                | <b>497</b>               | <b>700</b>               | <b>821</b>                |
| <b>Profit after financial items</b>   | <b>31,095</b>             | <b>29,551</b>             | <b>50,716</b>            | <b>54,830</b>            | <b>60,000</b>             |
| Taxes   | -8,687                    | -7,261                    | -15,895                  | -14,468                  | -16,953                   |
| <b>Net profit for the year/period<br/>attributable to Parent Company's shareholders</b> | <b>22,408</b>             | <b>22,290</b>             | <b>34,821</b>            | <b>40,363</b>            | <b>43,047</b>             |
| <i>Other total comprehensive income</i>   |                           |                           |                          |                          |                           |
| Translation difference  | 1,191                     | 13                        | 760                      | 15                       | 152                       |
| Reclassified to operating profit  | -884                      | 0                         | -878                     | -55                      | -56                       |
| Change fair value securities  | 0                         | 0                         | 884                      | 0                        | -24                       |
| Tax effect fair value securities  | 232                       | 0                         | 0                        | 0                        | 6                         |
| <b>Total comprehensive income for the period</b>  | <b>22,948</b>             | <b>22,303</b>             | <b>35,586</b>            | <b>40,323</b>            | <b>43,125</b>             |
| <b>Profit after tax, SEK million</b>  | <b>3.90</b>               | <b>3.88</b>               | <b>6.05</b>              | <b>7.02</b>              | <b>7.48</b>               |

| <b>Consolidated balance sheet</b>   |                         |                         |                        |
|---|-------------------------|-------------------------|------------------------|
| SEK in thousands  | <b>Sept 30<br/>2010</b> | <b>Sept 30<br/>2009</b> | <b>Dec 31<br/>2009</b> |
| <b>ASSETS</b>   |                         |                         |                        |
| <b>Fixed assets</b>   |                         |                         |                        |
| <i>Intangible fixed assets</i>  |                         |                         |                        |
| Tenancy rights and other intangible fixed assets                          | 2,895                   | 1,751                   | 3,002                  |
|   | <b>2,895</b>            | <b>1,751</b>            | <b>3,002</b>           |
| <i>Tangible fixed assets</i>  |                         |                         |                        |
| Equipment, tools, fixtures and fittings                                   | 9,197                   | 2,889                   | 4,929                  |
|   | <b>9,197</b>            | <b>2,889</b>            | <b>4,929</b>           |
| <b>Total fixed assets</b>   | <b>12,091</b>           | <b>4,640</b>            | <b>7,930</b>           |
| <b>Current assets</b>   |                         |                         |                        |
| <i>Inventories, etc.</i>  |                         |                         |                        |
| Finished products and goods for resale                                    | 34,771                  | 32,729                  | 24,790                 |
|   | <b>34,771</b>           | <b>32,729</b>           | <b>24,790</b>          |
| <i>Current receivables</i>  |                         |                         |                        |
| Accounts receivable   | 85,539                  | 82,860                  | 31,891                 |
| Derivatives   | 1,837                   | 940                     | 423                    |
| Other receivables   | 8,365                   | 1,473                   | 3,116                  |
| Prepaid expenses and accrued income                                       | 3,302                   | 3,160                   | 5,276                  |
|   | <b>99,043</b>           | <b>88,433</b>           | <b>40,706</b>          |
| <i>Cash and bank balances</i>   | 55,506                  | 36,366                  | 85,035                 |
| <b>Total current assets</b>   | <b>189,320</b>          | <b>157,527</b>          | <b>150,531</b>         |
| <b>TOTAL ASSETS</b>   | <b>201,412</b>          | <b>162,168</b>          | <b>158,461</b>         |
| <b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>                               |                         |                         |                        |
|   | <b>Sept 30<br/>2010</b> | <b>Sept 30<br/>2009</b> | <b>Dec 31<br/>2009</b> |
| <b>Shareholders' equity attributable to Parent Company's shareholders</b> |                         |                         |                        |
| Share capital (5,752,000 shares)  | 575                     | 575                     | 575                    |
| Other paid-in capital   | 26,010                  | 26,010                  | 26,010                 |
| Reserves  | 0                       | 0                       | 97                     |
| Retained earnings   | 109,688                 | 91,430                  | 94,137                 |
| <b>Total shareholders' equity</b>   | <b>136,273</b>          | <b>118,015</b>          | <b>120,819</b>         |
| <b>Long-term liabilities and provisions</b>                               |                         |                         |                        |
| Deferred tax  | 4,644                   | 4,644                   | 4,637                  |
| <b>Total long-term liabilities</b>  | <b>4,644</b>            | <b>4,644</b>            | <b>4,637</b>           |
| <b>Current liabilities</b>  |                         |                         |                        |
| Advances from customers   | 116                     | 147                     | 274                    |
| Accounts payable  | 29,059                  | 11,277                  | 5,318                  |
| Derivatives   | 0                       | 0                       | 447                    |
| Current tax liabilities   | 10,972                  | 10,274                  | 12,569                 |
| Other liabilities   | 1,347                   | 1,130                   | 3,945                  |
| Accrued expenses and deferred income                                      | 19,001                  | 16,682                  | 10,454                 |
| <b>Total current liabilities</b>  | <b>60,495</b>           | <b>39,509</b>           | <b>33,006</b>          |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>                         | <b>201,412</b>          | <b>162,168</b>          | <b>158,461</b>         |
| <b>Pledged assets</b>   | <b>2,500</b>            | <b>2,500</b>            | <b>2,500</b>           |
| <b>Contingent liabilities</b>   | None                    | None                    | None                   |

### Summarized changes in the Group's shareholders' equity

SEK in thousands

|   | Jan-Sept<br>2010 | Jan-Sept<br>2009 | Change, %      |
|---|------------------|------------------|----------------|
| <b>Attributable to Parent Company's shareholders</b>      |                  |                  |                |
| Shareholders' equity at the beginning of the period/year  | 120,819          | 94,949           | 94,949         |
| Dividend  | -20,132          | -17,256          | -17,256        |
| Total comprehensive income for the year /period           | 35,586           | 40,323           | 43,125         |
| <b>Shareholders' equity at the end of the year/period</b> | <b>136,273</b>   | <b>118,015</b>   | <b>120,819</b> |

### Cash flow statement for the Group

|  | July-Sept<br>2010 | July-Sept<br>2009 | Jan-Sept<br>2010 | Jan-Sept<br>2009 | Full-year<br>2009 |
|--|-------------------|-------------------|------------------|------------------|-------------------|
| SEK in thousands   |                   |                   |                  |                  |                   |
| Operating activities   |                   |                   |                  |                  |                   |
| Operating profit   | 30,855            | 29,305            | 50,219           | 54,131           | 59,179            |
| Adjustments for items not included in cash flow                              |                   |                   |                  |                  |                   |
| Depreciation/amortization and impairment losses                              | 843               | 358               | 1,865            | 962              | 1,322             |
| Exchange rate gains/losses   | 1,608             | 204               | 1,443            | 224              | 338               |
| Capital gains/losses on equipment sales                                      | 0                 | 0                 | 0                | 17               | 17                |
| Interest received  | 242               | 249               | 505              | 726              | 852               |
| Interest paid  | -2                | -4                | -8               | -27              | -31               |
| Income tax paid  | -4,228            | -1,154            | -17,486          | -16,908          | -17,103           |
| <b>Cash flow from operating activities before changes in working capital</b> | <b>29,317</b>     | <b>28,959</b>     | <b>36,537</b>    | <b>39,124</b>    | <b>44,574</b>     |
| Changes in working capital   |                   |                   |                  |                  |                   |
| Change in inventories  | -12,441           | -6,348            | -10,272          | -14,761          | -6,522            |
| Change in receivables  | -70,002           | -66,950           | -58,655          | -62,490          | -14,489           |
| Change in current liabilities  | 30,750            | 15,462            | 29,532           | 15,437           | 6,386             |
| <b>Cash flow from operating activities</b>                                   | <b>-22,376</b>    | <b>-28,877</b>    | <b>-2,858</b>    | <b>-22,690</b>   | <b>29,949</b>     |
| Investing activities   |                   |                   |                  |                  |                   |
| Acquisition of intangible fixed assets                                       | -231              | -190              | -431             | -190             | -1,564            |
| Acquisition of tangible fixed assets   | -3,615            | -103              | -6,038           | -1,805           | -4,216            |
| <b>Cash flow from investing activities</b>                                   | <b>-3,846</b>     | <b>-293</b>       | <b>-6,469</b>    | <b>-1,994</b>    | <b>-5,780</b>     |
| Dividend paid  | 0                 | 0                 | -20,132          | -17,256          | -17,256           |
| <b>Cash flow from financing activities</b>                                   | <b>0</b>          | <b>0</b>          | <b>-20,132</b>   | <b>-17,256</b>   | <b>-17,256</b>    |
| Cash flow for the year/period  | -26,223           | -29,170           | -29,458          | -41,940          | 6,913             |
| <b>Cash and cash equivalents at the beginning of the period</b>              | <b>81,919</b>     | <b>65,580</b>     | <b>85,035</b>    | <b>78,285</b>    | <b>78,285</b>     |
| Exchange rate difference in cash and cash equivalents                        | -190              | -44               | -70              | 22               | -164              |
| <b>Cash and cash equivalents at the end of the period</b>                    | <b>55,506</b>     | <b>36,366</b>     | <b>55,506</b>    | <b>36,366</b>    | <b>85,035</b>     |

| <b>Parent Company income statement</b>                            |                           |                           |                          |                          |                           |
|---|---------------------------|---------------------------|--------------------------|--------------------------|---------------------------|
|   | <b>July-Sept<br/>2010</b> | <b>July-Sept<br/>2009</b> | <b>Jan-Sept<br/>2010</b> | <b>Jan-Sept<br/>2009</b> | <b>Full-year<br/>2009</b> |
| SEK in thousands  |                           |                           |                          |                          |                           |
| <i>Operating revenues</i>   |                           |                           |                          |                          |                           |
| Net sales   | 133,268                   | 120,833                   | 287,367                  | 262,815                  | 315,563                   |
| Other operating revenues  | 384                       | 122                       | 712                      | 453                      | 676                       |
|   | <b>133,652</b>            | <b>120,955</b>            | <b>288,078</b>           | <b>263,268</b>           | <b>316,238</b>            |
| <i>Operating expenses</i>   |                           |                           |                          |                          |                           |
| Goods for resale  | -56,532                   | -53,664                   | -121,944                 | -119,912                 | -143,056                  |
| Other external expenses   | -31,830                   | -30,906                   | -81,534                  | -72,128                  | -86,880                   |
| Personnel expenses  | -6,815                    | -6,016                    | -20,758                  | -16,575                  | -23,642                   |
| Depreciation/amortization of tangible and intangible fixed assets | -564                      | -347                      | -1,293                   | -926                     | -1,275                    |
| Other operating expenses  | -4,892                    | -989                      | -4,735                   | -675                     | -17                       |
|   | <b>-100,632</b>           | <b>-91,922</b>            | <b>-230,264</b>          | <b>-210,216</b>          | <b>-254,870</b>           |
| <b><i>Operating profit</i></b>                                    | <b>33,019</b>             | <b>29,032</b>             | <b>57,814</b>            | <b>53,052</b>            | <b>61,368</b>             |
| <i>Result from financial items</i>                                |                           |                           |                          |                          |                           |
| Interest income   | 406                       | 276                       | 950                      | 813                      | 975                       |
| Interest expenses   | -1                        | -2                        | -5                       | -25                      | -29                       |
|   | <b>405</b>                | <b>274</b>                | <b>946</b>               | <b>788</b>               | <b>946</b>                |
| <b><i>Profit after financial items</i></b>                        | <b>33,424</b>             | <b>29,306</b>             | <b>58,760</b>            | <b>53,840</b>            | <b>62,314</b>             |
| Taxes   | -8,707                    | -7,525                    | -15,875                  | -14,338                  | -16,827                   |
| <b><i>Net profit for the year/period</i></b>                      | <b>24,716</b>             | <b>21,781</b>             | <b>42,885</b>            | <b>39,502</b>            | <b>45,487</b>             |

| <b>Parent Company's total comprehensive income</b>      |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|
| <b><i>Net profit for the year/period</i></b>            | <b>24,716</b> | <b>21,781</b> | <b>42,885</b> | <b>39,502</b> | <b>45,487</b> |
| <b><i>Other total comprehensive income</i></b>          |               |               |               |               |               |
| Reclassified to operating profit                        | -884          | 0             | -872          | -55           | -56           |
| Change fair value securities                            | 0             | 0             | -884          | 0             | -24           |
| Tax effect fair value securities                        | 232           | 0             | 0             | 0             | 6             |
| <b><i>Total comprehensive income for the period</i></b> | <b>24,065</b> | <b>21,781</b> | <b>41,129</b> | <b>39,447</b> | <b>45,413</b> |

| <b>Parent Company balance sheet</b>               |                         |                         |                        |
|---|-------------------------|-------------------------|------------------------|
|   | <b>Sept 30<br/>2010</b> | <b>Sept 30<br/>2009</b> | <b>31 dec<br/>2009</b> |
| SEK in thousands                                  |                         |                         |                        |
| <b>ASSETS</b>                                     |                         |                         |                        |
| <b>Fixed assets</b>                               |                         |                         |                        |
| <i>Intangible fixed assets</i>                    |                         |                         |                        |
| Tenancy rights and other intangible fixed assets  | 2,895                   | 1,751                   | 3,002                  |
|   | <b>2,895</b>            | <b>1,751</b>            | <b>3,002</b>           |
| <i>Tangible fixed assets</i>                      |                         |                         |                        |
| Equipment, tools, fixtures and fittings           | 2,578                   | 2,747                   | 2,520                  |
|   | <b>2,578</b>            | <b>2,747</b>            | <b>2,520</b>           |
| <i>Financial fixed assets</i>                     |                         |                         |                        |
| Shares in subsidiaries                            | 343                     | 170                     | 170                    |
| Receivables from subsidiaries                     | 16,951                  | 2,102                   | 8,105                  |
|   | <b>17,294</b>           | <b>2,273</b>            | <b>8,276</b>           |
| <b>Total fixed assets</b>                         | <b>22,767</b>           | <b>6,771</b>            | <b>13,797</b>          |
| <b>Current assets</b>                             |                         |                         |                        |
| <i>Inventories, etc.</i>                          |                         |                         |                        |
| Finished products and goods for resale            | 30,287                  | 28,055                  | 21,440                 |
|   | <b>30,287</b>           | <b>28,055</b>           | <b>21,440</b>          |
| <i>Current receivables</i>                        |                         |                         |                        |
| Accounts receivable                               | 83,260                  | 79,087                  | 30,428                 |
| Derivatives                                       | 1,837                   | 0                       | 423                    |
| Receivables from Group companies                  | 7,869                   | 6,414                   | 3,545                  |
| Other receivables                                 | 6,878                   | 1,310                   | 1,867                  |
| Prepaid expenses and accrued income               | 2,546                   | 2,547                   | 4,178                  |
|   | <b>102,390</b>          | <b>89,358</b>           | <b>40,441</b>          |
| <i>Cash and bank balances</i>                     | 54,064                  | 36,191                  | 83,332                 |
| <b>Total current assets</b>                       | <b>186,741</b>          | <b>153,604</b>          | <b>145,212</b>         |
| <b>TOTAL ASSETS</b>                               | <b>209,508</b>          | <b>160,374</b>          | <b>159,009</b>         |
| <b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>       |                         |                         |                        |
| <b>Shareholders' equity</b>                       | <b>132,878</b>          | <b>104,140</b>          | <b>110,108</b>         |
| <b>Untaxed reserves</b>                           | <b>17,656</b>           | <b>17,656</b>           | <b>17,656</b>          |
| <b>Current liabilities</b>                        |                         |                         |                        |
| Advances from customers                           | 111                     | 147                     | 274                    |
| Accounts payable                                  | 28,483                  | 11,033                  | 4,668                  |
| Current liability Group company                   | 35                      | 45                      | 0                      |
| Derivatives                                       | 0                       | 0                       | 447                    |
| Current tax liabilities                           | 10,972                  | 10,228                  | 12,565                 |
| Other liabilities                                 | 1,174                   | 1,092                   | 3,889                  |
| Accrued expenses and deferred income              | 18,198                  | 16,034                  | 9,403                  |
| <b>Total current liabilities</b>                  | <b>58,974</b>           | <b>38,578</b>           | <b>31,245</b>          |
| <b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b> | <b>209,508</b>          | <b>160,374</b>          | <b>159,009</b>         |
| <b>Pledged assets</b>                             | <b>2,500</b>            | <b>2,500</b>            | <b>2,500</b>           |
| <b>Contingent liabilities</b>                     | 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 21, 2010

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

**For further information, please contact:**

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

**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 an outlet store in Kungsbacka. Odd Molly has 55 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.

**Scheduled information dates**

- The year-end report for 2010 will be released on February 18, 2011.
- Order values for the second half of 2011 (fall and winter collections) will be released on April 8, 2011.

*Odd Molly International AB (publ) has issued the information in this press release at 8.00 a.m. CET on October 21, 2010 in accordance with the Securities Market Act and/or the Financial Instruments Trading Act.*

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Odd Molly also produces its own newsletter, which reports on news from day-to-day operations. To subscribe, go to [www.oddmolly.com](http://www.oddmolly.com) and click "sign up for our newsletter."