

MQ Holding AB – Interim report

MQ acquires retail-clothing company JOY

MQ acquires JOY, a nationwide retail-clothing company with 54 stores and sales of SEK 258 million for the 2015 financial year. There is substantial potential to develop JOY as a strong retail concept for the target group of midlife women with strong buying power. The acquisition is in line with the MQ Group's long-term strategy to generate growth and advance its position as a player in the fashion industry.

Second quarter (December 2015–February 2016)

- Net sales amounted to SEK 433 million (417), up 3.8 percent. Like-for-like sales increased 2.5 percent (according to the Swedish Retail Institute Index, the market's comparable stores grew 1.9 percent).
- Gross margin was 47.6 percent (50.0).
- Operating profit was SEK 16 million (26), corresponding to an operating margin of 3.6 percent (6.2).
- Profit after tax was SEK 12 million (19), corresponding to SEK 0.34 (0.55) per share after dilution.
- Cash flow from operating activities was SEK 45 million (60).

First six months (September 2015–February 2016)

- Net sales amounted to SEK 815 million (774), up 5.3 percent. Like-for-like sales increased 4.6 percent (according to the Swedish Retail Institute Index, the market's comparable stores grew 4.0 percent).
- Gross margin was 53.3 percent (55.1).
- Operating profit was SEK 57 million (65), corresponding to an operating margin of 7.0 percent (8.3).
- Profit after tax was SEK 44 million (49), corresponding to SEK 1.25 (1.38) per share after dilution.
- Cash flow from operating activities was SEK 46 million (70).



Events during the second quarter

- In menswear, the brands Replay, Lacoste, Knowledge Cotton Apparel and Scotch & Soda were introduced to the in-store collection. In womenswear, Boomerang, Dry Lake and Didrikssons were launched in stores.
- MQ Shop Online launched Richmond & Finch, Sophie by Sophie, Selected Homme, Replay Women, Ichi, Boomerang, Custommade, Pelle P and Lacoste Women during the second quarter
- MQ acquired for the formerly licensed Bondelid brand to the cost of 10 million during the quarter.

Events after the end of the reporting period

- MQ acquired JOY, a nationwide retail-clothing company with 54 stores and sales of SEK 258 million. The potential in the company and the 50+ target group is vast and complements MQ's target group. Women in the 50+ age group account for more than 50 percent of the Swedish women's fashion retail market and are today the market's fastest growing customer group.

Key figures

SEK m	Q2 Dec–Feb 15/16	Q2 Dec–Feb 14/15	Period Sep–Feb 15/16	Period Sep–Feb 14/15	Rolling 12 months March 15–Feb16	Financial year Sep–Aug 14/15
Net sales	433	417	815	774	1599	1 557
Gross margin, %	47,6	50,0	53,3	55,1	54,8	55,8
Operating profit	16	26	57	65	151	158
Operating margin, %	3,6	6,2	7,0	8,3	9,4	10,2
Profit after financial items	15	25	56	62	148	155
Profit for the period	12	19	44	49	115	120
Earnings per share before dilution, SEK	0,34	0,55	1,25	1,38	3,29	3,42
Earnings per share after dilution, SEK	0,34	0,55	1,25	1,38	3,29	3,42
Number of stores, at the end of the period	121	120	121	120	121	119





Comments by the CEO

Drawing on the financial muscle that MQ has amassed the past two years, I am pleased to announce the acquisition of Joy. In this acquisition, we see vast potential to continue to develop and grow as a fashion retail group for a quality-conscious target group, to cultivate synergy effects and to evolve as a purchasing organisation.

Not only are Joy's 54 stores in commercial locations all over Sweden, the company also has a well-functioning e-commerce site. Recent years' changes within MQ have given us the experience to stake out a clear strategy for harnessing and developing the potential in Joy.

It is particularly gratifying that Joy is well-known as a retail concept and popular among midlife women. Women in the 50+ age group account for more than half of the Swedish womenswear market and are today the market's fastest growing customer group. At the same time, few fashion players in Sweden have fully focused on this target group, which has strong buying power. Additionally, we see growth potential in this segment, which complements MQ's target group of men and women with the mindset of a 30-to-40 year-old.

I will personally devote a great deal of time and energy to Joy. It will be critical addition to the MQ Group's continued development with focus on building an even stronger role as a player in the fashion industry. We now have yet another leg to stand on, and can broaden ourselves as a quality and brand destination. This offers new possibilities and positive synergy effects.

In parallel, MQ's commercial development will be driven forward.

The positive trend of increased sales continued during the second quarter. Sales rose a total of 3.8 percent, and 2.5 percent for comparable stores. This is a stable increase, seen both against last year and compared with the industry. MQ continues to win market shares in a growing sector.

A sluggish sales start, due to initially insufficient discounts, had a negative impact on the gross margin. Meanwhile, during the quarter we were able to compensate for most of the strong USD, which affects the industry.

Refurbishment of two of MQ's largest and most important stores – MQ Gallerian in Stockholm and MG Femman in Nordstan in Gothenburg – was underway during most of the period. The store in Gallerian has now re-opened, and Nordstan is scheduled to re-open soon. Two new MQ stores will open this spring, one in Bollnäs and one in Vetlanda. Although store expansion has had an impact on the quarter, we are positioning MQ for the future. Through an attractive and accessible brand offering, we will reach more fashion-conscious customers. Cost control is sound, and we have ongoing cost reductions in underlying administration and operations.

Another bit of good news is that we acquired the formerly licensed Bondelid brand this quarter. Looking ahead, this will have a favourable impact on earnings.

The first half of the year has been intense and fully in line with our plans. With the acquisition of Joy, we expect lots of activity even in the future. MQ is now positioned to enable the Group to capture an even greater share of the fashion apparel market, in both the short and the long term.

Christina Ståhl
President and CEO, MQ Holding AB



Operations

The MQ Group is a retailer of women's and men's fashion in the Swedish and Norwegian markets. The range, which focuses on fashion-conscious consumers, contains a mix of proprietary and external brands.

Store network

The stores are located throughout Sweden from Ystad in the south to Luleå in the north. MQ was launched in Norway in September 2010 and currently has four stores located in Oslo, Jessheim, Drammen and Kristiansand. All stores sell both women's and men's fashions. At the end of the period, the total number of stores was 121.

Market

The market for ready-to-wear clothing in Sweden posted positive like-for-like sales in the second quarter (Dec 2015–Feb 2016), up 1.9 percent, as did the six-month period (Sep 2015–Feb 2016), up 4.0 percent.

Comments on financial performance

Net sales

Second quarter, December 2015–February 2016 Net sales amounted to SEK 433 million (417) during the quarter, up 3.8 percent. MQ's like-for-like sales rose 2.5 percent during the second quarter, compared with a market increase of 1.9 percent. Sales of women's fashion rose 1.0 percent to SEK 200 million (198) and sales of men's fashion increased 6.4 percent to SEK 233 million (219).

Six-month period, September 2015–February 2016 Net sales amounted to SEK 815 million (774) during the six-month period, up 5.3 percent. MQ's like-for-like sales rose 4.6 percent during the six-month period, compared with a market increase of 4.0 percent. Sales of women's fashion rose 3.6 percent to SEK 402 million (388) and sales of men's fashion increased 7.0 percent to SEK 413 million (386).

Earnings

Second quarter, December 2015–February 2016 Gross profit totalled SEK 206 million (208), corresponding to a gross margin of 47.6 percent (50.0). A sluggish sales start, due to initially insufficient discounts, had a negative impact on the gross margin. Meanwhile, it was possible to compensate for most of the strong USD, which affects the industry, during the quarter.

Other external costs, personnel expenses and other operating expenses for the quarter amounted to SEK 188 million (182). Costs rose by only SEK 6 million despite new stores, wage increases and higher employer's contributions, indicating

continued cost reductions in underlying operations and a cost-conscious corporate culture.

Operating profit for the quarter totalled SEK 16 million (26), corresponding to an operating margin of 3.6 percent (6.2). Depreciation/amortisation according to plan amounted to SEK 6 million (7). Net financial items for the second quarter amounted to SEK 0 million (expense: 1). Profit after financial items was SEK 15 million (25). Profit after tax was SEK 12 million (19).

Six-month period, September 2015–February 2016 Gross profit was SEK 434 million (426), equal to a gross margin of 53.3 percent (55.1).

Other external costs, personnel expenses and other operating expenses for the six-month period amounted to SEK 371 million (356). The cost level rose SEK 15 million, primarily as a result of increased investments in marketing, new stores and higher employer's contributions for young employees.

Operating profit for the six-month period was SEK 57 million (65), corresponding to an operating margin of 7.0 percent (8.3). Depreciation/amortisation according to plan totalled SEK 11 million (14). Net financial items for the six-month period were an expense of SEK 1 million (expense: 2). Profit after financial items was SEK 56 million (62). Profit after tax was SEK 44 million (49).

Store establishments

Efforts to find new store locations are progressing as planned in both Sweden and Norway. Two new MQ stores will open in the spring, one in Bollnäs and one in Vetlanda.

Cash flow

MQ's cash flow from operating activities during the six-month period amounted to SEK 46 million (70). The negative effect of cash flow compared with the year-earlier period was attributable to higher income tax paid during the period. Cash flow after investments amounted to SEK 16 million (60). Investments increased SEK 20 million year-on-year, stemming from investments in new and existing stores as well as MQ's acquisition of the Bondelid brand to the cost of SEK 10 million.

Inventories

At 29 February 2016, the value of inventories was SEK 287 million (251). The higher inventory level is from earlier deliveries of spring clothing compared with the preceding year. In total, the composition of inventories is deemed to be at a satisfactory level.

Investments

Investments during the period totalled SEK 30 million (10) and pertained to two new stores, Norrtälje and Mall of Scandinavia, as well as the relocation of the store in Grendsen in Oslo and the store in Falun. Investments were also made in the refurbishment of two of MQ's largest and most important stores – MQ Gallerian in Stockholm and MG Femman in Nordstan in Gothenburg. All new, relocated and refurbished stores have been updated to the new store concept. Intellectual property investments were also made with SEK 10 million through the acquisition of the Bondelid brand.

Financing and liquidity

At 29 February 2016, interest-bearing net debt amounted to SEK 149 million, compared with SEK 160 million in the year-earlier period. At the end of the period, cash and cash equivalents totalled SEK 14 million (31). Interest-bearing net debt/EBITDA was 0.8 (0.9) for the 12-month period of March 2015–February 2016.

Events during the second quarter

In menswear, the brands Replay, Lacoste, Knowledge Cotton Apparel and Scotch & Soda were introduced to the in-store collection. In womenswear, Boomerang, Dry Lake and Didrikssons were launched in stores. MQ Shop Online launched Richmond & Finch, Sophie by Sophie, Selected Homme, Replay Women, Ichi, Boomerang, Custommade, Pelle P and Lacoste Women during the quarter. MQ acquired the formerly licensed Bondelid brand during the quarter. Looking ahead, this will have a favourable impact on earnings.

Events after the end of the reporting period

MQ acquired retail-clothing company Joy, with 54 stores nationwide and sales of 258 million. The potential in the company and the midlife women target group is vast and complements MQ's target group. Women 50+ account for more than 50 percent of the Swedish women's fashion retail market and are today the market's fastest growing customer group.

Employees

The average number of full-time employees during the 12-month period (March 2015–February 2016) was 584 compared with 579 in the year-earlier period.

Related-party transactions

There were no material related-party transactions during the period.

Risks and uncertainties

MQ's operations are exposed to a number of risks that are completely or partly beyond the company's control, but which could impact sales and earnings. The risks that the company is exposed to include the economic trend, shifts in fashion, and interest-rate and currency risks. MQ is dependent on consumer preferences with respect to trends, design and quality. MQ makes conscious efforts to develop its trend monitoring, information systems, forecasts, supply chain management and to shorten lead times in the development of products to minimise the risks in fashion shifts. The purchasing power of Swedish consumers is a prerequisite for retail growth. This is particularly important for growth in the high price ranges, characterised by high fashion content among retailers and brand specialists. It is probable that a change in Sweden's economic growth would impact the purchasing power of consumers and thus growth in the retail sector. Financial risks pertain to fluctuations in the company's earnings and cash flow resulting from movements in exchange rates, interest rates, liquidity and credit risks. The Group's financial risks are managed by the Group's finance department, which is charged with identifying and minimising the risk of negative effects on earnings and improving the predictability of future earnings. For further information about financial instruments and risk management, refer to the Administration Report and Notes 23 and 24 of the Annual Report for the 2014/2015 financial year.

Parent Company

The Parent Company's net sales for the six-month period amounted to SEK 6 million (6) and its profit after financial items to SEK 59 million (45). No investments were made by the Parent Company during the period.

Accounting policies

This condensed consolidated interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations of the Swedish Annual Accounts Act.

The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act, Interim Financial Reporting. For the Group and the Parent Company, the same accounting policies and measurement principles have been applied as in the most recent Annual Report.

Derivative instruments are measured at fair value, which amounted to SEK 3 million at 29 February 2016. Determining the fair value of currency contracts (currency forward contracts) is based on valuations made by credit institutions, if such

figures are available. If such is not available, the fair value is calculated by discounting the difference between the contractual forward rate and the forward rate that can be subscribed on the balance-sheet date for the remaining contract period. For other financial instruments, carrying amounts reflect their fair value. According to IFRS 7, financial instruments are to be categorised using a three-level hierarchy based on the input data used when measuring at fair value. The first category pertains to financial instruments listed in an active market. The second category to financial instruments that are not listed in an active market but where other market information can be used to obtain a measurement. The last level relates to measurements where no quoted market value or other market data is available. Techniques to obtain a measurement for level three mainly involve discounting cash flows. All of MQ's derivatives belong to the second level.



The Board of Directors and the CEO give their assurance that this interim report provides a fair overview of the development of the Parent Company's and the Group's operations, financial position and performance, and also describes material risks and uncertainties facing the Parent Company and companies included in the Group.

Gothenburg, 16 March 2016

Board of Directors
MQ Holding AB

Claes-Göran Sylvén
Chairman of the Board

Annika Rost
Board Member

Bengt Jaller
Deputy Chairman

Michael Olsson
Board Member

Arthur Engel
Board Member

Mernosh Saatchi
Board Member

Anna Engebretsen
Board Member

Christina Ståhl
President and CEO

Meeting for analysts and media

On Wednesday, 17 March 2016 at 8:30 a.m., MQ will hold an analyst and media meeting for players in the capital market at the MQ store in Sturegallerian, Stockholm, Sweden. It will also be possible to follow the presentation by teleconference/webcast (the presentation will be held in Swedish). To participate, please call +46 8 505 564 74 in Sweden

Reporting calendar

Interim report, third quarter, March 2016–May 2016

16 June 2016

Year-end report, June 2016–August 2016

6 October 2016

Interim report, first quarter, September 2016–November 2016

15 December 2016

This constitutes information that MQ Holding AB (publ) is legally obliged to publish under the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication on 17 March 2016, at 07:15.

Contact

For further information, please contact:

Christina Ståhl, President and CEO: Tel: +46 31 388 80 10

Tony Siberg, Vice President and CFO: Tel: +46 31 388 84 01

MQ Holding AB

St. Eriksgatan 5

Box 119 19

SE-404 39 Gothenburg, Sweden

www.mq.se

Corp. Reg. No. 556697-2211

This interim report has been reviewed by the company's auditors.

Consolidated statement of earnings and other comprehensive income

Condensed consolidated statement of comprehensive income in (SEK m)	Q2 Dec–Feb 15/16	Q2 Dec–Feb 14/15	Period Sep–Feb 15/16	Period Sep–Feb 14/15	Rolling 12 months March 15–Feb16	Financial year Sep–Aug 14/15
Net sales	433	417	815	774	1 599	1 557
Other operating income	3	7	4	8	9	13
Total operating income	436	424	819	782	1 608	1 570
• Goods for resale	-227	-209	-381	-348	-722	-689
• Other external costs	-96	-97	-188	-185	-359	-356
• Personnel expenses	-92	-85	-182	-169	-352	-339
• Other operating expenses	0	0	-1	-2	-1	-2
• Depreciation/amortisation	-6	-7	-11	-14	-24	-26
Operating profit	16	26	57	65	151	158
• Financial income	0	0	0	0	1	1
• Financial expenses	0	-1	-1	-2	-3	-4
Profit after financial items	15	25	56	62	148	155
Tax on profit for the period	-3	-6	-12	-14	-33	-35
PROFIT FOR THE PERIOD attributable to Parent Company shareholders	12	19	44	49	115	120
OTHER COMPREHENSIVE INCOME						
Items that have been restated or that can be restated in profit for the period						
Translation difference	0	1	0	0	-1	-1
Changes in fair value of cash-flow hedging	-3	-3	-2	2	-1	-1
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	9	17	41	51	113	119
Earnings per share before dilution (SEK)	0,34	0,55	1,25	1,38	3,29	3,42
Earnings per share after dilution (SEK)	0,34	0,55	1,25	1,38	3,29	3,42
Average number of shares before dilution	35,156,507	35,156,507	35,156,507	35,156,507	35,156,507	35,156,507
Average number of shares after dilution	35,156,507	35,156,507	35,156,507	35,156,507	35,156,507	35,156,507

Consolidated balance sheet

Condensed consolidated balance sheet (SEK m)	29 February 2016	28 February 2015	31 August 2015
ASSETS			
Fixed assets			
Intangible fixed assets	1 214	1 203	1 204
Tangible assets	55	50	46
Total fixed assets	1 269	1 253	1 250
Current assets			
Inventories	287	251	286
Current receivables	64	74	105
Cash and cash equivalents	14	31	23
Total current assets	365	356	415
TOTAL ASSETS	1 634	1 609	1 665
EQUITY AND LIABILITIES			
Equity	1 024	975	1 043
Liabilities			
Interest-bearing long-term liabilities	63	155	84
Non-interest-bearing long-term liabilities	189	183	190
Interest-bearing current liabilities	102	41	46
Non-interest-bearing current liabilities	256	254	302
TOTAL EQUITY AND LIABILITIES	1 634	1 609	1 665

Statement of changes in equity

Specification of changes in the Group's equity (SEK m)	Period Sep–Feb 2015/16	Period Sep–Feb 2014/15	Financial year Sep–Aug 2014/15
Equity, opening balance	1 043	955	955
Total comprehensive income	41	51	119
Dividend	-61	-48	-48
Incentive programmes	-	16 ¹	16 ¹
EQUITY, CLOSING BALANCE	1 024	975	1 043

¹ The incentive programme has been concluded and its impact on Other comprehensive income was SEK 16 million.

Consolidated cash-flow statement

Condensed consolidated cash-flow statement (SEK m)	Q2 Dec– Feb 2015/16	Q2 Dec–Feb 2014/15	Period Sep–Feb 2015/16	Period Sep–Feb 2014/15	Financial year Sep–Aug 2014/15
Cash flow from operating activities before changes in working capital	20	33	49	80	167
Changes in working capital	25	27	-3	-10	-29
Cash flow from operating activities	45	60	46	70	137
Cash flow from investing activities					
Acquisition of intangible assets	-10	-1	-10	-1	-2
Acquisition of tangible assets	-10	-6	-20	-9	-18
Cash flow after investing activities	25	53	16	60	117
Financing activities					
<i>Amortisation</i>	-20	-20	-20	-20	-90
<i>Dividend</i>	-61	-48	-61	-48	-48
<i>Utilisation of overdraft facility</i>	53	0	56	-1	4
Cash flow from financing activities	-28	-68	-25	-69	-134
Cash flow for the period	-4	-15	-10	-9	-17
Cash and cash equivalents at the beginning of the period	18	46	23	40	40
Cash and cash equivalents at the end of the period	14	31	14	31	23

Key figures

	Q2 Dec–Feb 2015/16	Q2 Dec–Feb 2014/15	Period Sep–Feb 2015/16	Period Sep–Feb 2014/15	Rolling 12 months Mar 15–Feb 16	Financial year Sep–Aug 2014/2015
Growth in net sales, %	3,8	0,0	5,3	-1,9	6,5	2,4
Sales growth, comparable stores/online, %	2,5	0,3	4,6	-1,5	6,2	3,3
Gross margin, %	47,6	50,0	53,3	55,1	54,8	55,8
Operating profit, SEK m	16	26	57	65	151	158
Operating margin, %	3,6	6,2	7,0	8,3	9,4	10,2
Profit after financial items	15	25	56	62	148	155
Profit for the period	12	19	44	49	115	120
Total depreciation/amortisation, SEK m	-6	-7	-11	-14	-24	-26
Earnings per share before dilution, SEK	0,34	0,55	1,25	1,38	3,29	3,42
Interest-bearing net debt, SEK m	149	160	149	160	149	103
Interest-bearing net debt/EBITDA, multiples	0,8	0,9	0,8	0,9	0,8	0,6
Equity/assets ratio, %	63	61	63	61	63	63
Equity, SEK m	1 024	975	1 024	975	1 024	1 043
Average number of shares before dilution	35,156,507	35,156,507	35,156,507	35,156,507	35,156,507	35,156,507
Average number of shares after dilution	35,156,507	35,156,507	35,156,507	35,156,507	35,156,507	35,156,507

Shareholder structure

Largest shareholders as of 29 February 2016

Name	Number of shares	Share capital, %
Öresund, Investment AB	6 057 170	17,2
Jaller Klädcenter AB	3 062 000	8,7
Danske Capital Sweden AB	2 389 092	6,8
DNB – Carlson Fonder	1 255 839	3,6
Catella Fondförvaltning	1 236 241	3,5
Unionen	1 100 000	3,1
Länsförsäkringar Fondförvaltning AB	1 015 209	2,9
Qviberg Engebretsen, Anna	971 836	2,8
Sijoitusrahasto Evli Ruotsi Pi	800 000	2,3
Clients Account-Dcs	742 865	2,1
Qviberg, Eva	600 000	1,7
Qviberg, Jacob	500 000	1,4
Försäkringsaktiebolaget, Avanza Pension	476 329	1,4
CBNY-Dfa-Int Sml Cap V	450 678	1,3
Mellon US Tax Exempt Account	443 754	1,3
Total 15 largest	21 100 013	60,0
Other	14 056 494	40,0
Total	35 156 507	100

Parent Company income statement

Parent Company income statement in summary (SEK m)	Q2 Dec–Feb 2015/16	Q2 Dec–Feb 2014/15	Period Sep–Feb 2015/16	Period Sep–Feb 2014/15	Rolling 12 months Mar 15–Feb 16	Financial year Sep–Aug 2014/2015
Net sales	3	3	6	6	13	13
Other operating income	0	0	0	0	0	0
Total operating income	3	3	6	6	13	13
• Goods for resale	0	0	0	0	0	0
• Other external costs	-1	-2	-2	-2	-5	-5
• Personnel expenses	-3	-3	-6	-6	-12	-12
• Other operating expenses	0	0	0	0	0	0
• Depreciation/amortisation	0	0	0	0	0	0
Operating loss	-1	-2	-2	-4	-4	-4
• Income from shares	61	48	61	48	61	48
• Financial income	0	1	0	2	1	3
• Financial expenses	0	-1	0	-2	-1	-3
Profit/loss after financial items	60	46	59	45	57	43
Group contributions	0	0	0	0	4	4
Tax on profit for the period	0	0	0	0	0	0
PROFIT/LOSS AFTER TAX	60	46	59	45	61	47

Parent Company balance sheet

Parent Company balance sheet in summary (SEK m)	29 February 2016	28 February 2015	31 August 2015
ASSETS			
Fixed assets			
Intangible assets	0	0	0
Tangible assets	0	0	0
Financial fixed assets	1 110	1 110	1 110
Total fixed assets	1 110	1 110	1 110
Current assets			
Current receivables	1	1	1
Cash and cash equivalents	1	0	1
Total current assets	2	1	2
TOTAL ASSETS	1 112	1 111	1 112
EQUITY AND LIABILITIES			
Equity	567	566	568
Liabilities			
Interest-bearing long-term liabilities	60	150	80
Interest-bearing current liabilities	40	40	40
Non-interest-bearing liabilities	445	355	424
TOTAL EQUITY AND LIABILITIES	1 112	1 111	1 112
Pledged assets			
Shares in subsidiaries	1 110	1 110	1 110
Contingent liabilities			
Guarantees related to subsidiaries' completion of leasing contracts	43	38	45
Guarantees related to MQ Retail AB	184	184	184
Total contingent liabilities	227	222	229

Definitions

Gross margin

Net sales less costs for goods sold as a percentage of sales.

EBITDA

Earnings before interest, taxes, depreciation and amortisation.

Equity

Consists of share capital, other contributed capital, reserves and retained earnings, including the Group's profit for the year.

Equity per share

Equity divided by the number of shares on the closing date.

Like-for-like sales

The term "like-for-like sales" is used to designate all sales in Swedish stores, with the exception of sales in new stores. A new store becomes comparable when it has been open for one year.

Interest-bearing net debt

Interest-bearing liabilities less cash and cash equivalents.

Interest-bearing net debt/EBITDA

Interest-bearing liabilities divided by EBITDA for the most recent twelve-month period.

Operating margin

Operating profit as a percentage of net sales for the period.

Equity/assets ratio

Equity as a percentage of total assets.



MQ is Sweden's leading brand chain. Through a select mix of proprietary and external brands, MQ offers men's and women's clothes with a high fashion content in attractive stores. The store chain currently comprises 121 stores and the aim is to establish MQ as the leading retailer of fashion brands in the Nordic region. The MQ share has been listed on Nasdaq Stockholm since 18 June 2010. For more information, please visit our website at www.mq.se.