

HIGHLIGHTS

- Total revenues of NOK 1 416 million (NOK 1 081 million), up 31 per cent
- EBITDA increased by 26 per cent to NOK 169 million
- Comparable EBITDA* increased by 35 per cent to NOK 176 million
- Like-for-like stores up 6.7 per cent and E-Commerce up 74 per cent
- One new store in Finland
- Ramping up for four new stores in Q4 2014

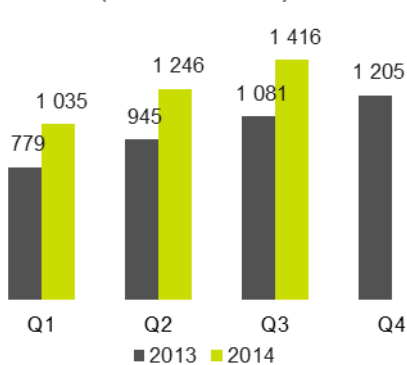


Q3 Growth

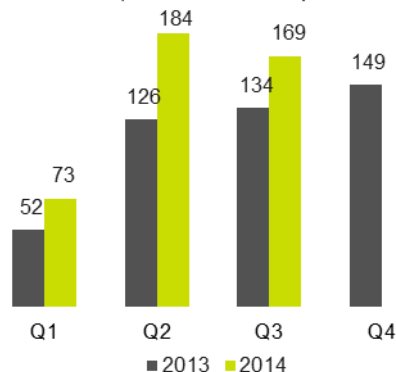
Revenue **+31%**

EBITDA* **+35%**

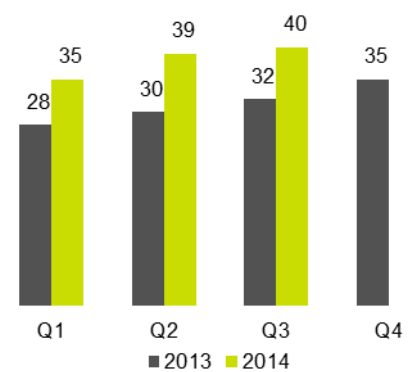
OPERATING REVENUES
(Amounts in MNOK)



EBITDA
(Amounts in MNOK)



NUMBER OF STORES

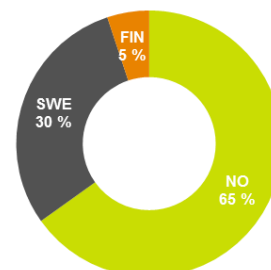


*) EBITDA adjusted for Finland start-up cost and change in policy for periodization of employee bonuses

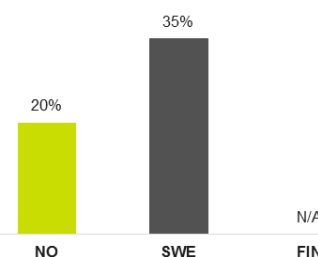
KEY FIGURES

	Q3 2014	Q3 2013	YTD 2014	YTD 2013	FY 2013 Audited
GROUP					
Operating revenue	1 416	1 081	3 696	2 805	4 010
Growth (%)	30,9 %	30,1 %	31,7 %	29,7 %	29,1 %
Gross profit*	554	418	1 486	1 106	1 611
Gross margin (%)	39,1 %	38,6 %	40,2 %	39,4 %	40,2 %
EBITDA ²	169	134	431	311	460
EBITDA margin (%)	11,9 %	12,4 %	11,7 %	11,1 %	11,5 %
One-offs (IPO cost)	-10	0	-15	0	0
EBITDA ² (incl. One-offs)	159	134	416	311	460
EBITDA margin (%) (incl. one-offs)	11,2 %	12,4 %	11,3 %	11,1 %	11,5 %
EBIT ¹	141	119	363	269	401
EBIT margin	10,0 %	11,0 %	9,8 %	9,6 %	10,0 %
**Basic Earnings per share (NOK)	0,06	0,04	0,12	0,06	0,11
**Average number of shares (1 000 shares)	1 094 450	1 094 450	1 094 450	1 094 450	1 094 450
Net cash flow from operating activities			88	254	407
Like for like revenue growth	6,7 %	1,8 %	7,4 %	1,8 %	3,0 %
Number of stores at quarter end	40	32	40	32	35
SEGMENT					
Norway					
Operating revenue	922	769	2 430	2 039	2 883
Growth (%)	19,9 %	19,6 %	19,2 %	19,6 %	19,8 %
Gross profit*	384	316	1 028	847	1 223
Gross margin (%)	41,7 %	41,2 %	42,3 %	41,5 %	42,4 %
EBITDA	191	157	511	394	588
EBITDA margin (%)	20,8 %	20,5 %	21,0 %	19,3 %	20,4 %
Number of stores at quarter end	23	21	23	21	22
Sweden					
Operating revenue	421	312	1 117	765	1 125
Growth (%)	34,9 %	67,2 %	46,1 %	72,2 %	60,6 %
Gross profit*	150	101	417	258	386
Gross margin (%)	35,7 %	32,3 %	37,3 %	33,8 %	34,3 %
EBITDA	34	14	77	15	26
EBITDA margin (%)	8,1 %	4,3 %	6,9 %	2,0 %	2,3 %
Number of stores at quarter end	15	11	15	11	13
Finland					
Operating revenue	72	0	149	0	0
Growth (%)	N/A	N/A	N/A	N/A	N/A
Gross profit*	20	0	41	0	0
Gross margin (%)	27,2 %	0,0 %	27,4 %	0,0 %	0
EBITDA	-7	-1	-12	-2	-4
EBITDA margin (%)	-9,7 %	0,0 %	-7,8 %	0,0 %	0,0 %
Number of stores at quarter end	2	0	2	0	0
HQ & logistics					
Operating revenue	0	0	0	2	2
EBITDA ²	-50	-36	-146	-96	-150
EBITDA margin (%)	-3,5 %	-3,3 %	-3,9 %	-3,4 %	-3,7 %
One-offs (IPO cost)	-10	0	-15	0	0
EBITDA ² (incl. One-offs)	-59	-36	-160	-96	-150
EBITDA margin (%) (incl. one-offs)	-4,2 %	-3,3 %	-4,3 %	-3,4 %	-3,7 %

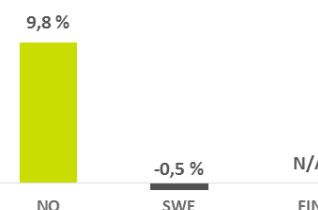
REVENUE SPLIT Q3



GROWTH BY COUNTRY Q3



GROWTH BY COUNTRY Q3, LIKE FOR LIKE (LOCAL CURRENCY)



**Earnings per share: See Note 10.

Footnotes and definitions are described in the end of the report

Continued growth in all markets

Oslo, 5 November 2014: XXL ASA delivered a strong growth of 31 per cent in the third quarter 2014. The growth is driven by all markets with growth from new stores, existing stores and e-commerce. A combination of higher gross margins despite Finland establishment and strong cost control resulted in higher adjusted EBITDA* margin than last year. Operating expenses before one-offs is at 27 per cent of operating revenue for the quarter.

(Figures in brackets = same quarter previous year, unless otherwise specified)

Total operating revenue in the third quarter 2014 ended at NOK 1 416 million (NOK 1 081 million), which is a growth of 30.9 per cent compared to the third quarter last year. Finland is already delivering 21.6 per cent of the total growth and opened the second store during the quarter. Operations in Norway reported a solid 19.9 per cent revenue growth, while the Swedish operation achieved a 34.9 per cent growth.

Gross margin for the Group in the third quarter improved from 38.6 per cent last year to 39.1 per cent this year, including higher share of sales in Finland with lower gross margin. Gross margin in Finland was 27.2 per cent and is colored by the opening sales of the second store and the ongoing market entry strategy. Sweden delivered gross margin of 35.7 per cent which is up from 32.3 per cent the same quarter last year. The new central warehouse in Sweden, within EU, is a significant driver to the improvement. The gross margin in Norway improved from 41.2 per cent in the third quarter last year to 41.7 per cent third quarter this year.

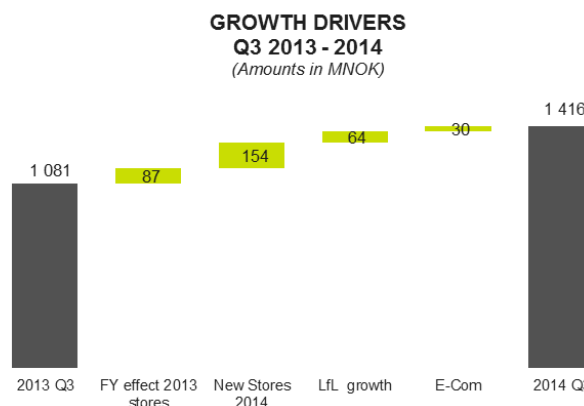
Operating expenses before depreciation and one off cost in the third quarter 2014 increased to NOK 385 million (NOK 284 million) which is an increase of 35.7 per cent compared to the same period last year. The increase is mainly driven by higher sales, increase in number of stores, one more central warehouse, and also the start-up of the business in Finland. In addition XXL has changed the policy of accruing employee bonuses from taking all costs in December to accruing every month. The new policy has increased the costs in percentage of operating revenue for the quarter by 0.4 per cent compared to last year, but is only a periodization of cost and has no effect on full year basis. The adjusted operating expenses are 26.7 per cent compared to 26.8 per cent the same quarter last year. One off cost in the third quarter was NOK 10 million and is fully related to the IPO process of XXL ASA.

The Group EBITDA before one off cost in the third quarter 2014 was NOK 169 million, up from NOK 134 million in the same quarter last year, which is an increase of 26.2 per cent. This leads to an EBITDA margin of 11.9 per cent this quarter which is down from 12.4 per cent the same quarter last year. Excluding Finland, which is in a start-up phase, and adjusting for bonus accruals in 2013 the underlying EBITDA* margin was 13.1 per cent which is comparable to 12.0 per cent last year.

The Group had net financial expenses in the quarter of NOK 59 million (NOK 59 million), resulting in a net profit of NOK 62 million for the quarter, compared to a profit of NOK 41 million in the same period last year. Adjusting for interest of the shareholder loan, which is repaid at the IPO, the net financial expenses for the quarter is NOK 18 million (NOK 21 million). This equals a reduction of 18 per cent compared to last year.

Just like the end of the second quarter 2014 the inventories were higher than normal at the end of the third quarter. Higher inventory of winter related products, inventory build-up for new stores opening in Q4 are the main drivers for the high inventory level. The inventory level is affecting the cash flow negative, but it is expected to normalize within year-end. The financial position is good. Total liquidity reserves as of 30 September 2014 totaled NOK 349 million and the equity ratio was 26.2 per cent. Equity ratio after IPO transactions is 61.5 per cent.

The growth in operating revenue in the third quarter 2014 was strong. The growth is expected to continue in the fourth quarter of 2014, but at somewhat lower growth rate than the first three quarters. The third store in Finland opened 8 October 2014 in Tampere with strong opening sales, and one more store in Helsinki have opened 5 November 2014. In addition it will be opened two stores in Sweden, one in Luleå and one more in Stockholm.



Strategy and operations

The XXL Group operates a retail chain with large, fully-owned sporting goods stores. As of 30 September 2014, the group operated 23 stores in Norway, 15 stores in Sweden, 2 in Finland, plus E-commerce in all three countries.

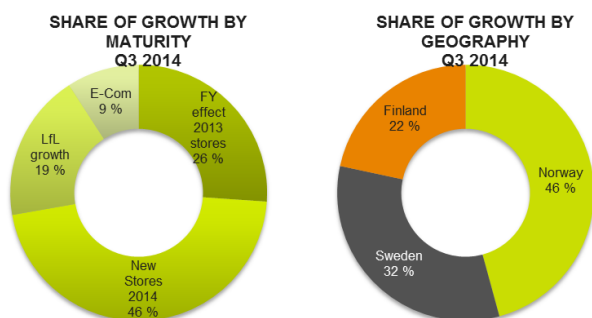
Delivering growth and efficiency

XXL's objective is to be the leading distribution channel for a unique range of branded sports, outdoors and wilderness products at the lowest prices in the market. To meet this objective, XXL's strategy is to capitalize on the expected growth of the sports retail market and improve its competitive position by taking advantage of the scalability of its operations in terms of supply chain operations, IT systems and store concepts. The strategy is to maintain and grow the Group's key strengths including:

- Continued store roll-out in existing markets
- Developing and improve the E-commerce and multi-channel platform
- Focusing on XXL's customer proposition to drive like-for-like growth
- Cost focus throughout the value chain

Enthusiastic and sales oriented organization

XXL has established a strong, performance-based culture throughout the organization. The culture revolves around customer satisfaction and cost consciousness. Competent and motivated employees are crucial to maximize customer satisfaction. The business is based on trained, skilled and enthusiastic employees strengthening the XXL brand every day.



Market conditions

XXL operates in the three Nordic markets Norway, Sweden and Finland. The Nordic populations have a high degree of sports interests and are perceived as physically active and equipment focused. The markets are characterized by having the same climate and seasons but to some extent different economic strength and consumer behavior.

The wide range of sports undertaken by the Norwegian, Swedish and Finnish populations is driven by the climate conditions in the region and seasonal changes. The demand for sports goods, and consequently the store inventory, changes dependent on the time of the year. Unfavorable weather conditions can affect demand in certain regions and product categories. The fully integrated model of XXL with a central purchasing function is to some extent less exposed to these seasonal trends, having the ability to shift goods to the regions with highest demand and rapidly switching from winter to summer assortment. The first quarter 2014 was impacted by a mild winter, but the

early spring resulted in good sales of spring and summer related products. This proves that the XXL concept is dynamic and not dependent on perfect seasonal conditions.

Operating segments

(Figures in brackets = same quarter previous year, unless otherwise specified)

The Group's reporting structure comprises three operational segments based on XXL's operations in Norway, Sweden and Finland, in addition to HQ and Logistics.

Norway

XXL's operation in Norway showed a strong growth in the third quarter of 2014 compared to the same quarter last year. The growth is driven by both new stores but also a very high like for like growth.

Growth in operating revenues in the quarter was 19.9 per cent to NOK 922 million (NOK 769 million). XXL's dominant marketing campaigns are driving volume. Increased traffic in stores and higher conversion rates are the key drivers behind the like-for-like growth of 9.8 per cent. The growth is also due to three new stores that opened the last 12 months.

EBITDA increased to NOK 191 million (NOK 157 million) in the third quarter 2014, both because of higher sales and better margins. The EBITDA-margin improved from 20.5 per cent last year to 20.8 per cent this year.

Sweden

The operating revenues in Sweden increased by 35.8 per cent in local currency in the third quarter of 2014 compared to the same quarter in 2013. The growth is mainly driven by four new stores the last 12 months, whereof one store in down town Stockholm. The total growth in Sweden is strong compared to the Swedish sports market. According to market figures from HUI Research the sales of sporting goods in Sweden were up 2.0 per cent in July but down 0.8 per cent in August and down 4.4 per cent in September compared to the same months in 2013.

Operating revenues amounted to NOK 421 million (NOK 312 million). This equals a growth of 34.9 per cent (35.8 per cent in local currency) compared to the same quarter last year, driven by four new stores opened during the last 12 months. The like-for-like growth including cannibalized stores was down 0.5 per cent in local currency.

The new central warehouse in Sweden contributed to improved margins with reduced handling costs, customs duties and logistics costs. EBITDA-margin increased from 4.3 per cent in the third quarter last year to 8.1 per cent this year. EBITDA amounted to NOK 34 million (NOK 14 million).

Finland

XXL opened its second store in Finland in Itäkeskus (Helsinki) on 24 September 2014. Together with the existing

store in Tammisto (Helsinki) and E-commerce, the Finnish operation continued to deliver strong sales figures. One of the competitors, Sportia, has recently closed down a store nearby Tammisto. XXL is still in an establishing phase in Finland, taking position in the market, and the growth is driven by attracting new customers. Operating revenue for the third quarter was NOK 72 million. XXL is very pleased with the entry into the Finnish market.

Large volumes due to low prices are affecting the margins. The entry strategy is to be the cheapest sports retailer in the market. In the third quarter 2014 XXL carried start-up costs for three new stores, where Itäkeskus contributed with revenues for only a few days late in the quarter. On 8 October 2014 XXL opened the first store in Tampere (third store in Finland), with very strong opening sales. One additional store in Helsinki has opened 5 November 2014 (fourth store in Finland). These start-up costs resulted in a negative EBITDA in the third quarter 2014 of NOK 7 million.

E-Commerce

E-commerce is included in the country figures, but is managed by a specialized E-commerce team. Many new initiatives are being introduced, like pick up at store by year end and increasing customer database. XXL operates the websites xxl.no, xxl.se and xxl.fi and are consistently gaining more attention in social media.

E-commerce delivered yet another quarter with strong growth. Operating revenues increased by 74.2 per cent to NOK 71 million (NOK 41 million). The third quarter is historically impacted by lower activity in the summer months, but all three markets showed high growth. E-commerce represented 5.0 per cent of total group revenues in the third quarter 2014 compared to 3.8 per cent last year.

HQ and Logistics

The HQ and Logistics segment consists of costs related to the Group's headquarter and logistics operations, as well as centralized E-commerce management and all financial income and financial expenses. Operating expenses before one-offs of these functions were NOK 50 million (NOK 36 million) in the quarter, increasing by 0.1 percentage points to 3.5 per cent of total Group operating revenue. The main driver behind the increase is the new central warehouse in Sweden opened in October 2013. XXL handled more goods through the central warehouses this quarter compared to the same period last year.

There has also been a change in policy related to bonus accruals. From 2014 bonus for employees is accrued during the year instead of taking all cost in December as in 2013. Making the figures for 2013 comparable, the bonus accrual for 30 September 2013 equals NOK 9 million, where of NOK 3 million in the third quarter. One-off cost for the quarter was NOK 10 million and is fully related to the IPO process of XXL ASA. Adjusted cost rate for the quarter is 3.5 per cent (3.6 per cent), down 0.1 percentage points including one more central warehouse.

At Group level the comparable bonus accrual for 30

September 2013 equals NOK 15 million, where of NOK 5 million in the third quarter.

Financials

(Figures in brackets = same quarter previous year, unless otherwise specified)

Consolidated income statement

Operating revenues amounted to NOK 1 416 million (NOK 1 081 million), an increase of 30.9 per cent. The growth is driven by new stores opened in the last 12 months, E-commerce and growth in existing stores. At the end of the quarter, XXL operated 40 stores compared to 32 at the end of the same quarter in 2013.

Gross profit were NOK 554 million (NOK 418 million) this quarter, an increase of 32.7 percent compared to the same period last year, and is driven by both higher operating revenues and higher gross margins.

The gross margin in Norway increased from 41.2 per cent in the third quarter last year to 41.7 per cent in the third quarter this year. The new central warehouse contributed to the improved gross margin in Sweden, amounted to 35.7 per cent, up from 32.3 per cent in the same quarter last year. Gross margin in Finland is colored by the ongoing entry strategy, as well as opening sales in the second store. Overall the gross margin for the Group improved from 38.6 per cent last year to 39.1 per cent this year.

Operating expenses amounted to NOK 395 million (NOK 284 million) in the third quarter 2014 including one-off cost. The main drivers behind the development are higher sales, new stores, the new warehouse in Sweden and one-off cost. Most of the new established stores are opened in Finland and Sweden where the operating expenses are higher than in Norway.

Operating expenses excluding Finland start-up, one-off cost and adjusted for the change in principle for bonus accruals were NOK 359 million compared to NOK 290 million in 2013. That gives operating expenses of 26.7 per cent of operating revenue compared to 26.8 per cent in 2013.

Net financial expenses for the quarter were NOK 59 million, in line with third quarter last year. Net financial expenses adjusted for interest of the shareholder loan which is repaid at the IPO, the net financial expenses for the quarter is NOK 18 million (NOK 21 million). A net reduction of 18 per cent compared to last year.

Tax expenses were NOK 20 million (NOK 18 million) in the third quarter 2014. The effective tax rate was 24.0 per cent (31.1 per cent).

Net profit improved from NOK 41 million to NOK 62 million as a result of the reasons stated above.

Consolidated cash flow

Inventory continued to be higher than normal due to winter related goods, inventory build-up in new stores and periodization of ingoing goods. The inventory increased by NOK 326 million YTD. As a result, the cash flow from operating activities YTD amounted to NOK 88 million (NOK 254 million).

Cash used by investing activities was NOK 93 million (NOK 75 million). This is related to investments in new stores and the establishment of XXL Children Foundation of NOK 10 million.

Cash provided by financing activities was negative NOK 115 million, primarily due to payments on long term debt and interest payments.

Financial position and liquidity

As of 30 September 2014, total assets amounted to NOK 5 030 million (NOK 4 518 million). Total equity were NOK 1 301 million (NOK 1 110 million), giving an equity ratio of 25.9 per cent (24.6 per cent). Net interest bearing debt amounted to NOK 2 849 million (NOK 2 661 million) whereof NOK 1 794 million to shareholder (NOK 1 631 million). At the IPO 3 October 2014 the shareholder loan of NOK 1 794 million is partly repaid and partly converted to equity. Equity adjusted after the IPO transactions is NOK 3 094 million and long term debt is NOK 1 188 million.

On 16 July 2014 the Group refinanced its bank debt, comprising a NOK 1 087 million senior facility which has been used to refinance the Group's prior senior facility. New

cost of debt on the new facility in 2015 is estimated to NIBOR+125bps. The new loan agreement has no fixed repayment schedule, thus all debt are classified as long-term debt in the balance sheet. (NOK 78 million was classified as short-term borrowings in the third quarter 2013).

The Group had cash and cash equivalents of NOK 49 million (NOK 148 million) as of 30 September 2014, of which NOK 7 million was restricted cash. The group's liquidity reserves include a total credit facility of NOK 300 million, of which was unused at 30 September 2014.

Outlook

Total operating revenue in October 2014 grew by 29 per cent, to NOK 382 million.

The Group expects the growth in total operating revenue for 2014 to be above 28%.

Group margins in Q4 have historically been higher than Q3 margins.

XXL have already signed 6 new lease agreements for new store openings in 2015, and aims for 8-10 new stores in total. The Group expects the new store openings to be back-end loaded.

Oslo, 5 November 2014
Board of Directors, XXL ASA

Condensed consolidated financial statements

UNAUDITED, FOR THE PERIOD ENDED SEPTEMBER 30, 2014

Condensed Consolidated Interim Income Statement

<i>(Amounts in NOK million)</i>	Q3 2014	Q3 2013	YTD 2014	YTD 2013	FY 2013 Audited
Total Operating Revenue	1 416	1 081	3 696	2 805	4 010
Cost of goods sold	861	664	2 210	1 699	2 399
Personnel expenses	208	152	559	410	606
Depreciation	18	15	53	42	59
Other operating expenses	187	132	511	385	544
Total Operating Expenses	1 275	963	3 333	2 537	3 609
Operating Income	141	119	363	269	401
Total Financial Income	6	9	42	23	42
Total Financial Expense	65	68	225	199	267
Net Financial Income (+) / Expense (-)	-59	-59	-183	-176	-225
Profit before income tax	82	59	179	93	176
Income tax expense	20	18	47	31	51
Profit for the period	62	41	133	62	125
Basic Earnings per share (NOK)	0,23	0,15	0,49	0,23	0,46
Diluted Earnings per share (NOK)	0,23	0,15	0,49	0,23	0,46
Other comprehensive income					
<u>Items that may be subsequently reclassified to profit or loss</u>					
Foreign currency rate changes	4	-2	5	1	1
Total Other Income and Expense	4	-2	5	1	1
Total comprehensive income for the period	66	39	138	63	126

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

Earnings per share: See also Note 10 Subsequent events. The financial- and share structure has changed due to the IPO 3 October 2014. Reported earnings per share is not representative for the quarters going forward.

Condensed Consolidated Interim Statement of Financial Position

<i>(Amounts in NOK million)</i>	30.9.14	30.9.13	31.12.2013 Audited
NON CURRENT ASSETS			
Intangible Assets			
Goodwill	2 734	2 734	2 734
Other intangible assets	215	211	214
Total Intangible Assets	2 949	2 945	2 948
Fixed Assets	433	357	413
Noncurrent Financial Assets	0	7	4
Total Non Current Assets	3 383	3 309	3 365
CURRENT ASSETS			
Inventory	1 399	912	1 073
Trade and Other Receivables	199	148	227
Cash and Cash Equivalents	49	148	169
Total Current Assets	1 647	1 209	1 469
TOTAL ASSETS	5 030	4 518	4 834
SHAREHOLDERS' EQUITY			
Paid-in Capital	1 096	1 096	1 096
Retained Earnings	205	15	78
Total Shareholders' Equity	1 301	1 110	1 173
LIABILITIES			
Deferred tax liability	84	68	41
Total Provisions	84	68	41
Other long-term debt			
Other long-term debt	1 104	1 101	1 038
Loan from shareholder	1 794	1 631	1 669
Total other long-term debt	2 898	2 732	2 707
Total long-term debt	2 982	2 800	2 747
Short-term debt			
Accounts payable	458	330	415
Short-term borrowings	-	78	139
Derivatives	-	6	4
Tax payable	23	8	48
Public duties payable	84	58	120
Other short-term debt	182	128	188
Total short-term debt	747	608	913
TOTAL LIABILITIES	3 729	3 408	3 660
TOTAL EQUITY AND LIABILITIES	5 030	4 518	4 834

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

Condensed consolidated interim Statement of Changes in Equity

<i>(Amounts in NOK million)</i>	Paid-in Capital	Retained earnings	Foreign Currency Rate Changes	Total Shareholders' Equity
Shareholders' Equity 01.01.13	1 096	-48	0	1 048
Net income YTD 2013		62		62
Foreign currency rate changes			1	1
Shareholders' Equity 30.09.13	1 096	14	1	1 110
Shareholders' Equity 01.01.14	1 096	77	1	1 173
Net income YTD 2014		133		133
Equity transaction*		-10		-10
Foreign currency rate changes			4	4
Shareholders' Equity 30.09.14	1 096	200	5	1 301

The share capital as of 30.09.2014 is 109.5 million NOK

** Contribution to XXL Children Foundation*

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

See also Note 10 Subsequent events. The financial- and share structure has changed due to the IPO 3 October 2014.

Condensed consolidated interim statement of cash flows

<i>(Amounts in NOK million)</i>	YTD 2014	YTD 2013	FY 2013 Audited
Operating Activities			
Profit before income tax	179	93	176
<i>Adjustments for:</i>			
Income tax paid	-25	-17	-25
Depreciation	53	42	59
Impairment of non-current assets	0	0	1
Interest payments	47	72	80
Interest expense on shareholder loan	125	114	152
Amortisation of capitalised transaction costs	6	6	8
Fair value movement of financial derivatives	-4	-6	-8
<i>Changes in working capital:</i>			
Changes in inventory	-326	-134	-295
Changes in accounts receivable	73	192	55
Changes in accounts payable	43	63	147
Prepayments of financial leases	-8	0	40
Changes in other assets and liabilities	-76	-170	17
Cash provided (used) by operating activities	88	254	407
Investing Activities			
Acquisition of fixed assets and intangible assets	-88	-75	-152
Proceeds from disposal of financial assets	5	0	0
Equity transaction	-10	0	0
Cash provided (used) by investing activities	-93	-75	-152
Financing Activities			
Payments on long-term debt	-68	-28	-60
Interest payments	-47	-72	-80
Change in bank loans	0	12	0
Cash provided (used) by financing activities	-115	-88	-140
Net Change in Cash and Cash Equivalents	-120	91	114
Cash and cash equivalents - beginning of year	170	57	57
Effect of foreign currency rate changes on cash and equivalents	0	0	-2
Cash and Cash Equivalents - End of Period	49	148	170

The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements

Notes to the interim financial statements

Note 1 General information

XXL ASA and its subsidiaries' (together the "company" or the "Group") operating activities are related to the resale of sport clothes in the Nordic countries.

All amounts in the interim financial statements are presented in NOK million unless otherwise stated. Due to rounding, there may be differences in the summation columns.

These condensed interim financial statements have not been audited.

Note 2 Basis of preparation

These condensed interim financial statements for the three months ended 30 September 2014 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2013, which have been prepared in accordance with IFRS as adopted by the European Union ('IFRS').

Note 3 Accounting policies

The accounting policies applied in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the preparation of the annual IFRS financial statements for the year ended 31 December 2013, except for the adoption of amended standards and new interpretations which are mandatory from 1 January 2014. These are described below:

- IFRS 10 *Consolidated Financial Statements* builds on

existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. Adoption of IFRS 10 did not have any material effect on these financial statements.

IFRS 12 *Disclosures of Interest in Other Entities* includes the disclosure requirements for all forms of interest in other entities, including joint arrangements, associates, structured entities and other off-balance sheet vehicles. Adoption of IFRS 12 did not have any material effect on these financial statements.

Note 4 Estimates, judgments and assumptions

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31.12.2013.

Note 5 Earnings per share

	Q3 2014	Q3 2013	YTD 2014	YTD 2013
Total profit (in NOK million)	62	41	133	62
Weighted average number of ordinary shares in issue	273 612 377	273 612 375	273 612 376	273 612 375
Adjustment for:				
Weighted number of ordinary shares in issue for diluted earnings per share	273 612 377	273 612 375	273 612 376	273 612 375
Basic Earnings per share (in NOK)	0,23	0,15	0,49	0,23
Diluted Earnings per share (in NOK)	0,23	0,15	0,49	0,23

Reconciliation weighted average number of ordinary shares

	Q3 2014	Q3 2013	YTD 2014	YTD 2013
Number of shares opening	1 094 449 501	1 094 449 501	1 094 449 501	1 094 449 501
Share issue 15.09.2014	43	0	43	0
Share consolidation (4:1 ratio) 15.09.2014 *	-820 837 158	-820 837 126	-820 837 158	-820 837 126
Number of shares closing	273 612 386	273 612 375	273 612 386	273 612 375
Weighted average	273 612 377	273 612 375	273 612 376	273 612 375

*) Due to the share consolidation in 2014, comparative figures has been recalculated accordingly

Earnings per share: See also Note 10 Subsequent events. The financial- and share structure has changed due to the IPO 3 October 2014. Reported earnings per share is not representative for the quarters going forward.

Note 6 Operating Segments

The Group's business is the sale of sports and leisure equipment. Segment performance is reviewed by Management and the Board of Directors as three reportable geographical segments and HQ & Logistics segment. The following presents the Group's revenue by geographic segment:

Q3 2014

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	HQ & Logistics	Total
Operating revenue	922	421	72	-	1 416
Gross profit	384	150	20	-	554
EBITDA ²	191	34	-7	-59	159
Operating Income	184	29	-7	-65	141

Q3 2013

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	HQ & Logistics	Total
Operating revenue	769	312	-	-	1 081
Gross profit	316	101	-	0	418
EBITDA ²	157	14	-1	-36	134
Operating Income	150	9	-1	-40	119

01.01.2014 - 30.09.2014

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	HQ & Logistics	Total
Operating revenue	2 430	1 117	149	-	3 696
Gross profit	1 028	417	41	-	1 486
EBITDA ²	511	77	-12	-160	416
Operating Income	490	61	-12	-176	363

01.01.2013 - 30.09.2013

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	HQ & Logistics	Total
Operating revenue	2 039	765	-	2	2 805
Gross profit	847	258	-	0	1 106
EBITDA ²	394	15	-2	-96	311
Operating Income	373	3	-2	-105	269

01.01.2013 - 31.12.2013

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	HQ & Logistics	Total
Operating revenue	2 883	1 125	-	2	4 010
Gross profit	1 223	386	-	2	1 611
EBITDA ²	588	26	-4	-150	460
Operating Income	560	8	-4	-163	401

Note 7 Related Party Transactions

The Group's related parties include its associates, key management, members of the board and majority shareholders.

The Board members represent 97.7 per cent of the shares (voting rights) in the Group. None of the Board members have been granted loans or guarantees in the current year. Furthermore, none of the Board members are included in the Group's pension or bonus plans.

The Group's principal owner, Xin Holding Guernsey, has provided an interest-bearing shareholder loan to the Group. As of 30 September 2014, the book value of this loan was NOK 1 794 million. The interest on the loan is calculated using the arm's length principle.

The Group's shares in the associate, XXL Game Reserve, have been sold during the last quarter. The sales price included the loan of NOK 4 million.

Note 8 Commitments

The Group has entered into agreements with fixed payment commitments in respect of the following as of 30.09.2014:

Long term lease contracts for 10 new stores in Norway, Sweden and Finland, total commitments of NOK 429 million for the next 7-10 years.

Note 9 Fixed Assets and intangible assets

<i>(Amounts in NOK million)</i>	PPE	Goodwill	Other intangible assets
Balance 01.01.2014	413	2 734	214
Additions	81	0	7
Disposals	0	0	0
Depreciation and amortisation	-48	0	-5
Net exchange differences	-12	0	0
Balance 30.09.2014 (unaudited)	433	2 734	215

Additions mainly related to purchase of fixtures and fittings in new and existing stores.

<i>Amounts in NOK million</i>	PPE	Goodwill	Other intangible assets
Balance 01.01.2013	325	2 734	200
Additions	60	0	15
Disposals	0	0	0
Depreciation and amortisation	-38	0	-4
Net exchange differences	11	0	0
Balance 30.09.2013 (unaudited)	357	2 734	211

Additions mainly related to purchase of fixtures and fittings in new and existing stores.

Note 10 Subsequent Events

On 3 October 2014, XXL ASA (ticker XXL) announced the successful completion of the book building period for the initial public offering of the shares (the Offering) of XXL. The offer price at NOK 58 per share implied a market capitalization of XXL of approximately NOK 8 billion.

In connection with the listing on Oslo Stock Exchange, the following equity transactions have been completed subsequent to the reporting period:

<i>(Amounts in NOK million)</i>	Paid-in Capital	Retained earnings	Foreign Currency Rate Changes	Total Shareholders' Equity
Shareholders' Equity 30.09.14	1 096	200	5	1 301
Reduction in share capital ¹	-1 120			-1 120
Proceeds from shares issued (private placement) ¹	1 120			1 120
Proceeds from shares issued (private placement) ²	600			600
Proceeds from shares issued (Initial public offering) ³	1 194			1 194
Shareholders' Equity post IPO	2 890	200	5	3 094

The share capital after IPO is 55.4 million NOK

Number of ordinary shares are 138 512 123 shares after IPO.

1) Restructuring of the company's share capital, including (i) the redemption of the Company's class C shares; (ii) a share capital increase in which holders of class C shares subscribed for new ordinary shares in which the redemption amount received for the class C shares was set off against the consideration for the new ordinary shares

2) Share capital increase in which XIN Holding Guernsey Limited (an entity controlled by EQT V Limited, advised by EQT Partners) subscribed for new shares for an amount equal to the interest portion of the Company's outstanding debt to EQT V and the consideration payable for such ordinary shares was settled by way of set off against EQT V's entitlement to such interest amount.

3) In the Offering, XXL has issued a total of 20,595,620 new shares, of which 20,501,708 shares are issued to investors at a subscription price of NOK 58 and 93,912 shares are issued to employees at a subscription price of NOK 52.1860, each with a par value of NOK 0.40, in connection with completion of the Offering.

Shareholder Loan

Following the issuance of new shares, the proceeds of NOK 1,194 million was used to repay the principal amount under the shareholder loan to XIN Holding Guernsey Limited (an entity controlled by EQT V Limited, advised by EQT Partners). The remaining portion of the shareholder loan (accrued interests) was settled by issuance of new shares for an amount equal to the interest portion of the Company's outstanding debt to EQT V.

The shareholder loan has been fully redeemed after the IPO.

Disclaimer

This report includes forward-looking statements which are based on our current expectations and projections about future events. All statements other than statements of historical facts included in this notice, including statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditures, projected costs and our plans and objectives for future operations, including our plans for future costs savings and synergies may be deemed to be forward-looking statements. Words such as “believe,” “expect,” “anticipate,” “may,” “assume,” “plan,” “intend,” “will,” “should,” “estimate,” “risk” and similar expressions or the negatives of these expressions are intended to identify forward-looking statements. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements. In addition any forward-looking statements are made only as of the date of this notice, and we do not intend and do not assume any obligation to update any statements set forth in this notice.

Footnotes/Definitions

Non – GAAP Measures

Certain financial measures and ratios related thereto in this quarterly report, including growth, gross profit, gross margin, EBIT, EBIT margin, EBITDA, EBITDA margin, working capital and net interest bearing debt (collectively, the “Non-GAAP Measures”), are not specifically defined under IFRS or any other generally accepted accounting principles. These measures are presented in this quarterly report because they are among the measures used by management to evaluate the cash available to fund ongoing, long-term obligations and they are frequently used by other interested parties for valuation purposes or as a common measure of the ability of a company to incur and meet debt service obligations. These measures may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS or other generally accepted accounting principles, and you should not consider such items as alternatives to profit for the year, total operating revenues, operating income or any other performance measures derived in accordance with IFRS, and they may be different from similarly titled measures used by other companies.

¹⁾ **EBIT**

Our EBIT represents operating income.

²⁾ **EBITDA**

Our EBITDA represents operating income plus depreciation.

³⁾ **Like for Like**

Like for Like or Comparable stores are stores that have been open all months of the current year and all months of the previous year. Stores that have been relocated or significantly expanded are excluded from Like for Like stores.

⁴⁾ **Gross profit**

Gross profit represents operating revenue less cost of goods sold.

⁵⁾ **Working capital**

Working capital consists of accounts receivables, accounts payables, inventory, other receivables and other current liabilities.

⁶⁾ **Net interest bearing debt**

Net interest bearing debt is defined as total other long-term debt and short-term borrowings less cash and cash equivalents

⁷⁾ **EBITDA adjusted**

EBITDA adjusted for Finland start-up cost and change in policy for periodization of employee bonuses. Operating revenue and cost of Finland is adjusted in both years, while change in employee bonuses is adjusted in the 2013 figures

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FINANCIAL CALENDAR

Q3 2014 results:	06.11.2014
Q4 2014 and full year results:	25.02.2015
Q1 2015 results:	29.04.2015

INVESTOR CONTACT

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