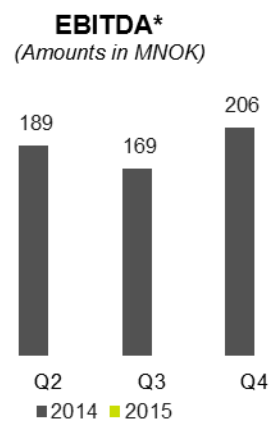
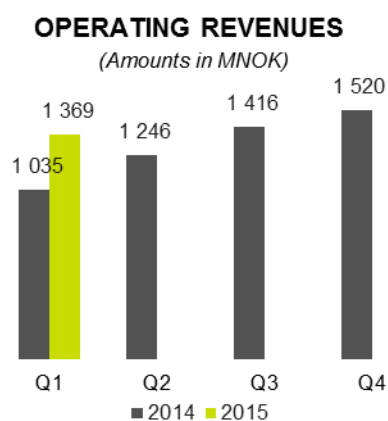


## HIGHLIGHTS

- Now the largest sports retailer in the Nordics
- Total revenues of NOK 1 369 million (NOK 1 035 million), up 32 per cent
- E-commerce growth of 75 per cent
- EBITDA increased by 31 per cent to NOK 95 million
- Opened one new store in Finland

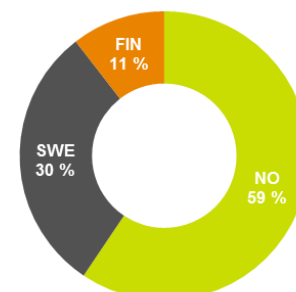


\*EBITDA before One-Off costs

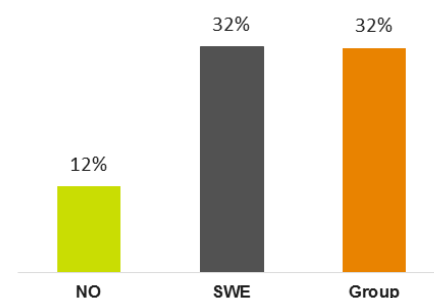
## KEY FIGURES

(Amounts in NOK million)	Q1 2015	Q1 2014	FY 2014 Audited
<b>GROUP</b>			
Operating revenue	1 369	1 035	5 215
Growth (%)	32,3 %	32,8 %	30,1 %
Gross profit*	510	402	2 132
Gross margin (%)	37,3 %	38,8 %	40,9 %
EBITDA <sup>2</sup>	95	73	636
EBITDA margin (%)	6,9 %	7,0 %	12,2 %
One-offs	0	0	-36
EBITDA <sup>2</sup> (incl. One-offs)	95	73	601
EBITDA margin (%) (incl. one-offs)	6,9 %	7,0 %	11,5 %
EBIT <sup>1</sup>	74	55	521
EBIT margin	5,4 %	5,3 %	10,0 %
**Basic Earnings per share (NOK)	0,25	-0,01	1,53
**Average number of shares (1 000 shares)	138 512	1 094 450	171 434
Net cash flow from operating activities	47	-62	325
Like for like revenue growth	4,3 %	10,7 %	3,0 %
Number of stores at quarter end	45	35	44
<b>SEGMENT</b>			
<b>Norway</b>			
Operating revenue	813	724	3 341
Growth (%)	12,4 %	24,0 %	15,9 %
Gross profit*	321	291	1 449
Gross margin (%)	39,5 %	40,3 %	43,4 %
EBITDA	142	122	741
EBITDA margin (%)	17,5 %	16,9 %	22,2 %
One-offs	0	0	-15
EBITDA <sup>2</sup> (incl. One-offs)	142	122	726
EBITDA margin (%) (incl. one-offs)	17,5 %	16,9 %	21,7 %
Number of stores at quarter end	23	22	22
<b>Sweden</b>			
Operating revenue	412	311	1 582
Growth (%)	32,5 %	59,0 %	40,7 %
Gross profit*	143	110	592
Gross margin (%)	34,7 %	35,5 %	37,4 %
EBITDA	13	6	6
EBITDA margin (%)	3,2 %	1,9 %	0,4 %
Number of stores at quarter end	17	13	17
<b>Finland</b>			
Operating revenue	144	0	0
Growth (%)	N/A	N/A	N/A
Gross profit*	45	0	0
Gross margin (%)	31,7 %	0,0 %	0
EBITDA	-3	-7	-7
EBITDA margin (%)	-2,3 %	0,0 %	0,0 %
Number of stores at quarter end	5	0	4
<b>HQ &amp; logistics</b>			
Operating revenue	0	0	0
EBITDA <sup>2</sup>	-57	-49	-210
EBITDA margin (% of Group revenues)	-4,2 %	-4,7 %	-4,0 %
One-offs	0	0	-21
EBITDA <sup>2</sup> (incl. One-offs)	-57	-49	-231
EBITDA margin (% of Group revenues) (incl. one-offs)	-4,2 %	-4,7 %	-4,4 %

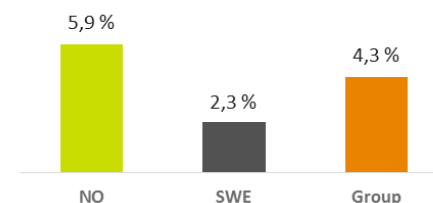
REVENUE SPLIT Q1



GROWTH BY COUNTRY Q1



GROWTH BY COUNTRY Q1, LIKE FOR LIKE (LOCAL CURRENCY)



\*\*Earnings per share: See Note 5.

Footnotes and definitions are described in the end of the report

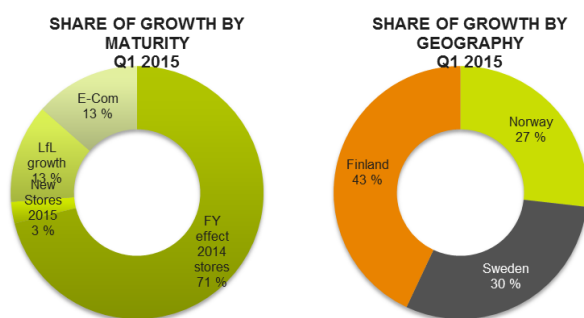
# Strong growth and cost control

**Oslo, 28 April 2015: The strong growth of the XXL Group continued in the first quarter 2015 with a growth rate of 32 per cent compared to the same quarter last year. Various market conditions and winter clearance campaigns affected the gross margins. However, the cost focus across the Group lead to a stable EBITDA-margin year over year and is achieved despite the establishment in Finland with lower margins.**

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

## First quarter performance

XXL Group delivered a growth of 32.3 per cent in the first quarter 2015. Total operating revenue in the first quarter 2015 ended at NOK 1 369 million (NOK 1 035 million). The beginning of the year was impacted by the late arrival of winter in Norway and lack of snow in Sweden and Finland. February experienced better winter conditions and March was characterized by strong sales related to products for the upcoming spring season. The growth is driven by stores established in 2014 with full effect this quarter, positive like-for-like development and by our E-commerce offering. Finland delivered 43 per cent of the total growth in the Group. Operations in Sweden reported a 32.5 per cent revenue growth, whilst the Norwegian operation achieved 12.4 per cent growth. Like-for-like growth in the quarter was 5.9 per cent in Norway and 2.3 per cent in Sweden in local currency. E-commerce had a growth of 75 per cent in the quarter, representing 13 per cent of the total growth in the Group.



All the Nordic markets were in the first quarter in general colored by many winter clearance campaigns related to the on and off winter season, driving volumes but impacting gross margins negatively. Gross margin for the Group in the first quarter decreased from 38.8 per cent last year to 37.3 per cent this year. The operation in Finland is still in an early stage and the gross margin is impacted by the market entry and one new store opening in the quarter. The gross margin in Finland equaled 31.7 per cent in the quarter. Both Norway and Sweden saw decreasing margins in the first quarter compared to last year, also explained by campaigns to take the market volume and decrease the level of winter related inventories. The Swedish gross margin declined from 35.5 per cent in the first quarter last year to 34.7 per

cent this year, whilst the Norwegian gross margin decreased by 0.8 percentage points in the same period to 39.5 per cent.

Cost consciousness and control throughout the entire Group delivered an improved cost percentage in the quarter compared to last year. Operating expenses before depreciation as percentage of sales decreased from 31.8 per cent in the first quarter 2014 to 30.3 per cent in the first quarter 2015 despite the cost of expansion into Finland. Both Norway and Sweden have improved cost percentage compared to last year. Finland opened one new store late in the quarter (Espoo on 24 March 2015) and another one in April (Lielähti on 14 April 2015). XXL carried start-up costs for both stores in the quarter but with limited revenue effects. The cost percentage in Finland was at 33.9 per cent in the quarter. Total operating expenses for the Group totaled NOK 415 million in the first quarter which represented an increase of 26 per cent from the same quarter last year. The increase is mainly driven by higher sales, increase in number of stores and also the start-up of the business in Finland.

The Group EBITDA in the first quarter 2015 was NOK 95 million, up from NOK 73 million in the same quarter last year, which represent a growth of 30.8 per cent. This leads to an EBITDA margin of 6.9 per cent this quarter, stable compared to the same quarter last year.

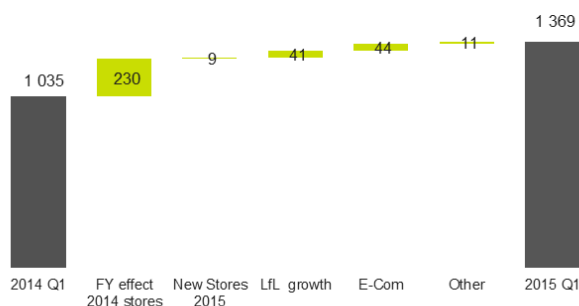
Net financial expenses amounted to NOK 30 million in the quarter. The financial expenses include a negative currency effect of NOK 21 million, which is a rebound from Q4 2014 figures. The currency effects on financial items are due to change in currency rates which affects intercompany loans. It is a technical accounting effect and is booked according to IAS 21.45.

Net profit for the quarter amounted to NOK 34 million, compared to a loss of NOK 10 million in the same period last year

The inventory level increased in the quarter to NOK 1 609 million due to inventory build-up for new stores opening in the spring 2015, growth and products coming in for the new season. Inventory per store (incl. e-commerce) per Q1 2015 was NOK 34 million compared to NOK 33 million at the same time last year and NOK 30 million by year end 2014. However, the inventory is healthier with significant less winter related goods compared to last year. The inventory level is affected by seasonal changes, which means that Q1 figures are not comparable to year end figures.

The financial position is good. Total liquidity reserves as of 31 March 2015 totaled NOK 529 million and the equity ratio stands at 59 per cent.

**GROWTH DRIVERS**  
**Q1 2014 - 2015**  
(Amounts in MNOK)



## 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

Total operating revenues from the XXL's operation in Norway was NOK 813 million in the quarter (NOK 724 million), corresponding to a growth of 12.4 per cent compared to the same quarter last year. The growth was driven by E-commerce, full year effect of one store opened last year and a like-for-like growth of 5.9 per cent. Increased traffic in stores is the main driver behind the like-for-like growth. The start of the year was impacted by the late arrival of the winter, but sales responded well to the better winter conditions in February. March experienced early signs of spring and correspondingly good sales on the new spring assortment and in particular bicycles.

Gross margin decreased 0.8 percentage points this quarter to 39.5 per cent as compared to the same quarter last year. Campaigns and clearance of winter related products are the main explanations behind the decrease. Cost focus and efficiency contributed to a lower cost percentage, improving the EBITDA-margin from 16.9 per cent in Q1 2014 to 17.5 per cent in Q1 2015. EBITDA from the Norwegian operation amounted to NOK 142 million in the quarter, a growth of 16.3 per cent compared to the same period last year.

### Sweden

Lack of snow in January impacted sale of winter related products in the beginning of the year, but other categories compensated. Sales responded well when the snow arrived in late January, driven by many campaigns in the market.

The Swedish sporting goods market is still volatile and the market is colored by ongoing campaign activities. According to market figures from HUI Research the sales of sporting goods in Sweden increased by 2.1 per cent for the first three months of 2015 compared to the same period last year.

Operating revenues in Sweden in the first quarter 2015 grew by 32.5 per cent and amounted to NOK 412 million (NOK 311 million). The growth is mainly due to stores that opened during 2014, but also to some extent a positive development in the like-for-like figures. The like-for-like growth in the quarter equaled 2.3 per cent including cannibalized stores, showing a positive trend compared to the last quarters and competition in the Swedish market in general.

XXL has been active with campaigns with extra low prices to drive volume and to reduce the level in stock of winter related products. As a consequence the gross margin declined from 35.5 per cent last year to 34.7 per cent this year. Improvement in the operating expense is a result of better store operations and reduced costs due to synergies, as for example marketing costs in Stockholm. EBITDA-margin increased from 1.9 per cent in the first quarter last year to 3.2 per cent this year. EBITDA amounted to NOK 13 million (NOK 6 million).

### Finland

According to Sporttimyyjä XXL gained a market share of 3.5 per cent in Finland in 2014, after only nine months in operation and with four stores. XXL is still in an establishing phase and continues to increase brand awareness by attracting customers with low prices. On 24 March 2015 XXL opened a new store in Espoo (Helsinki west) and on 14 April 2015 a new store in Lielähti (Tampere), totaling six stores in Finland as of today.

Total operating revenues from the Finnish operations amounted to NOK 144 million in the quarter, driven by both stores and E-commerce. Large volumes and low price offerings are still affecting the margins. In addition, XXL carried start-up costs in the quarter for two new stores, where Espoo contributed with revenues for only a few days late in the quarter. This resulted in a negative EBITDA in the first quarter 2015 of NOK 3 million.

### E-Commerce

This is not an operating segment in the financial reporting but is included in each country segment. Currently XXL has an online offering in all the three markets of Norway, Sweden and Finland. E-commerce is managed by a separate specialized team who is continuously working on improving the service and taking market positions. Many new solutions are introduced, like more personalization and easier check-out service during the first quarter 2015. The E-commerce organization is also expanding expertise and knowledge by new recruitments to senior positions.

Operating revenues grew by 75 per cent to NOK 102 million (NOK 58 million) in the quarter, driven by high growth in all

three markets. E-commerce continues to be an increasing share of the Group and the revenue contribution this quarter corresponds to 7.5 per cent of total Group revenues compared to 5.6 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 of these functions were NOK 57 million (NOK 49 million) in the quarter, an increase of 16.9 per cent. The two central warehouses are handling more goods this year compared to last year. Combined with cost focus and cost control throughout the organization, the operating expenses decreased by 0.5 percentage points to 4.2 per cent of total Group operating revenue compared to the first quarter last year.

## Financials

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

### Consolidated income statement

**Operating revenues** increased by 32.3 per cent to NOK 1 369 million (NOK 1 035 million). The growth is driven by stores that opened during 2014, like-for-like growth and E-commerce. At the end of the quarter, XXL operated 45 stores compared to 35 at the end of the first quarter 2014.

**Gross profit** were NOK 510 million (NOK 402 million) this quarter, an increase of 27.0 percent compared to the same period last year, impacted by higher operating revenues but also by lower gross margins in Norway and Sweden due to campaigns and season clearance discounts.

Gross margin in Norway declined from 40.3 per cent in the first quarter last year to 39.5 per cent in the first quarter this year. Gross margin in Sweden amounted to 34.7 per cent, down from 35.5 per cent in the same quarter last year. Gross margin in Finland was 31.7 per cent in the quarter still colored by the market entry strategy with low prices. Overall the gross margin for the Group came in at 37.3 per cent (38.8 per cent).

**Operating expenses** equaled NOK 415 million (NOK 329 million) in the first quarter. As percentage of total operating revenues of the Group, operating expenses improved from 31.8 per cent last year to 30.3 per cent this year, despite the cost of entry into Finland. The main drivers behind the development are higher sales, synergies when opening new stores and cost focus across the Group.

**Net financial expenses** amounted to NOK -30 million for the first quarter (NOK -65 million). This reduction is due to the repayment of a shareholder loan of NOK 1 794 million at the time of the IPO of XXL ASA in October 2014 and refinancing of existing debt facilities in July 2014 at better terms. The interest expenses of the shareholder loan were

NOK 38 million in the first quarter 2014. The net financial expenses in the first quarter 2015 include a negative currency effect of NOK 21 million and are a reversal of the positive effect in Q4 2014. The currency effects are due to change in currency rates which affects intercompany loans. It is a technical accounting effect and is booked according to IAS 21.45.

**Tax expenses** for the first quarter were NOK 10 million and the effective tax rate was 23 per cent.

**Net profit** amounted to NOK 34 million (NOK -10 million) as a result of the reasons stated above.

### Consolidated cash flow

Cash provided by operating activities ended at NOK 47 million which is NOK 109 million higher than end of first quarter 2014. The main reason for the positive deviation is change in accounts payables, where 2014 had a negative effect.

Cash used by investing activities was NOK 25 million (NOK 23 million). This is related to investments in new stores, increased capacity at central warehouses and purchase of own shares of NOK 8 million.

Cash used by financing activities amounted to NOK 15 million (NOK 19 million), related to interest payments.

### Financial position and liquidity

As of 31 March 2015, total assets amounted to NOK 5 486 million (NOK 4 802 million). Total equity were NOK 3 246 million (NOK 1 166 million), giving an equity ratio of 59.2 per cent (24.3 per cent). Net interest bearing debt decreased to NOK 874 million (NOK 2 681 million) due to repayment of a shareholder loan. At the IPO on 3 October 2014 the shareholder loan of NOK 1 794 million was partly repaid and partly converted to equity.

The Group had cash and cash equivalents of NOK 229 million (NOK 65 million) as of 31 March 2015, of which NOK 12 million was restricted cash. The group's liquidity reserves include a total credit facility of NOK 300 million, of which was unused at 31 March 2015. Total liquidity reserves was NOK 529 million

### Long term incentive programs

In order to strengthen the common interests between the executive management and other key employees and the shareholders of the company, the Board of Directors resolved to implement an option program for its executive management and other key employees (as defined by the CEO). The cost of the program will be included from Q2 2015. The strike price was NOK 76.08, equal to the volume weighted average price in the market from 25 February 2015 to 3 March 2015. The grant date was 3 March 2015 and in total 625,665 share options were granted. The options are exercisable after three years subject to key performance criteria (EBITDA-target) being met and subject to the holder at the time of exercise is employed in XXL.

In order to further align the interests of the company and the employees and its shareholders, the Board of Directors resolved to implement a program of Restricted Share Units (RSUs). The grant was related to individual bonus agreements for each employee. In total 105,000 RSUs were allocated to employees. The allocation price was NOK 76.08, equal to the volume weighted average price in the market from 25 February 2015 to 3 March 2015. The RSUs are exercisable after three years subject to the holder at the time of exercise is employed in the company. All shares related to the program has been covered for be acquiring own shares in the market. In the period from 4 March 2015 to 31 March 2015 the company acquired a total of 105,000 shares in the market at an average price of NOK 71.95 per share, for an aggregate consideration of NOK 7.6 million.

#### 2014 Market data

After the release of the Q4 2014 report it has been released market data for all three markets. The market data includes chains reported to the domestic sport industry associations.

<i>(All figures in local currency)</i>	<b>Growth</b>	<b>Market share</b>	
<b>Norway</b>			
XXL growth	15,9 %	27,9 %	↑ 2,5 %
Market growth	5,2 %		
Competitors growth	1,6 %		
XXL Like for Like	6,5 %		
<b>Sweden</b>			
XXL growth*	38,1 %	14,9 %	↑ 2,9 %
Market growth	5,0 %		
Competitors growth	1,5 %		
XXL Like for Like	1,7 %		
<b>Finland</b>			
XXL growth	N/A	3,5 %	↑ 3,5 %
Market growth	1,3 %		
Competitors growth	-2,3 %		
XXL Like for Like	N/A		

Source: Sportsbransjen (NOR), Sportfack (SWE) and Sporttimyyjä (FIN)

\*) XXL growth not correct in Sportfack figures

XXL performed well compared to all competition in all three countries, where XXLs growth was significant higher than the market growth. In addition Like for Like growth was higher than competitors growth in both Norway and Sweden. Like for Like figures in Sweden includes cannibalization in Stockholm and Linköping.

Market growth in Finland was 1.3 per cent, but when excluding XXL figures the competitors reduced by 2.3 per cent. XXL is taking all market growth.

#### Outlook

XXL has signed 8 new lease agreements for new store openings in 2015. One store might be postponed to spring 2016 due to local regulations. The Group expects the new store openings to be back-end loaded. The first store opened in Finland on 24 March 2015 (Espoo – Helsinki west).

The main share of the growth will be outside Norway. Finland is still under establishment and it will be an achievement to deliver positive EBITDA in 2015. Sweden had a good improvement in the margin in 2014 due to the new central warehouse. Margin improvement going forward will not be in the same pace as in 2014.

The Group maintains the following long term objectives (as compared to 2013 figures):

- Like-for-like growth of mid-single digits over time
- E-commerce share of total revenues of low double digits
- Gross margins to be stable. For Norway maintained at the same level, increasing to high 30's in Sweden and Finland
- EBITDA-margin stable as a result of stable gross margins and operating expenses. In Norway at low 20's, in Sweden low double digits and in Finland high single digits.

Oslo, 28 April 2015  
Board of Directors, XXL ASA

# Condensed consolidated financial statements

UNAUDITED, FOR THE PERIOD ENDED March 31, 2015

Condensed Consolidated Interim Income Statement

<i>(Amounts in NOK million)</i>	Q1 2015	Q1 2014	FY 2014 Audited
<b>Total Operating Revenue</b>	<b>1 369</b>	1 035	5 215
Cost of goods sold	<b>859</b>	633	3 083
Personnel expenses	<b>223</b>	178	799
Depreciation	<b>21</b>	17	80
Other operating expenses	<b>192</b>	151	732
<b>Total Operating Expenses</b>	<b>1 294</b>	979	4 695
<b>Operating Income</b>	<b>74</b>	55	521
<b>Total Financial Income</b>	<b>14</b>	19	101
<b>Total Financial Expense</b>	<b>44</b>	84	283
<b>Net Financial Income (+) / Expense (-)</b>	<b>-30</b>	-65	-182
<b>Profit before income tax</b>	<b>44</b>	-10	339
Income tax expense	<b>10</b>	-0	77
<b>Profit for the period</b>	<b>34</b>	-10	262
<b>Basic Earnings per share (NOK)</b>	<b>0,25</b>	-0,01	1,53
<b>Diluted Earnings per share (NOK)</b>	<b>0,25</b>	-0,01	1,53
<b>Other comprehensive income</b>			
<u>Items that may be subsequently reclassified to profit or loss</u>			
Foreign currency rate changes	1	2	-1
<b>Total Other Income and Expense</b>	<b>1</b>	2	-1
<b>Total comprehensive income for the period</b>	<b>35</b>	-8	261

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

## Condensed Consolidated Interim Statement of Financial Position

<i>(Amounts in NOK million)</i>	31.3.15	31.3.14	31.12.2014 Audited
<b>NON CURRENT ASSETS</b>			
<b>Intangible Assets</b>			
Goodwill	2 734	2 734	2 734
Other intangible assets	220	213	221
<b>Total Intangible Assets</b>	<b>2 954</b>	<b>2 947</b>	<b>2 955</b>
Fixed Assets	468	415	474
Noncurrent Financial Assets	0	4	0
<b>Total Non Current Assets</b>	<b>3 422</b>	<b>3 366</b>	<b>3 429</b>
<b>CURRENT ASSETS</b>			
Inventory	1 609	1 205	1 397
Trade and Other Receivables	226	166	285
Cash and Cash Equivalents	229	65	222
<b>Total Current Assets</b>	<b>2 064</b>	<b>1 436</b>	<b>1 904</b>
<b>TOTAL ASSETS</b>	<b>5 486</b>	<b>4 802</b>	<b>5 333</b>
<b>SHAREHOLDERS' EQUITY</b>			
Paid-in Capital	2 882	1 096	2 890
Retained Earnings	364	70	330
<b>Total Shareholders' Equity</b>	<b>3 246</b>	<b>1 166</b>	<b>3 219</b>
<b>LIABILITIES</b>			
Deferred tax liability	56	49	52
<b>Total Provisions</b>	<b>56</b>	<b>49</b>	<b>52</b>
<b>Other long-term debt</b>			
Other long-term debt	1 103	1 037	1 097
Loan from shareholder	-	1 710	-
<b>Total other long-term debt</b>	<b>1 103</b>	<b>2 747</b>	<b>1 097</b>
<b>Total long-term debt</b>	<b>1 159</b>	<b>2 796</b>	<b>1 149</b>
<b>Short-term debt</b>			
Accounts payable	619	433	455
Short-term borrowings	-	139	6
Derivatives	-	2	-
Tax payable	52	35	75
Public duties payable	149	47	185
Other short-term debt	262	185	245
<b>Total short-term debt</b>	<b>1 082</b>	<b>841</b>	<b>966</b>
<b>TOTAL LIABILITIES</b>	<b>2 241</b>	<b>3 636</b>	<b>2 114</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5 486</b>	<b>4 802</b>	<b>5 333</b>

*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
<b>Shareholders' Equity 01.01.14</b>	<b>1 096</b>	<b>77</b>	<b>1</b>	<b>1 173</b>
Net income YTD 2014		-10		-10
Foreign currency rate changes			2	2
<b>Shareholders' Equity 31.03.14</b>	<b>1 096</b>	<b>67</b>	<b>3</b>	<b>1 166</b>
<b>Shareholders' Equity 01.01.15</b>	<b>2 890</b>	<b>329</b>	<b>1</b>	<b>3 219</b>
Net income YTD 2015		34		34
Purchase own shares	-8			-8
Foreign currency rate changes			1	1
<b>Shareholders' Equity 31.03.15</b>	<b>2 882</b>	<b>363</b>	<b>1</b>	<b>3 246</b>

*The share capital as of 31.03.2015 is 55.4 million NOK*

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

**Condensed consolidated interim statement of cash flows**

<i>(Amounts in NOK million)</i>	YTD 2015	YTD 2014	FY 2014 Audited
<b>Operating Activities</b>			
Profit before income tax	44	-10	339
<i>Adjustments for:</i>			
Income tax paid	-23	-13	-48
Depreciation	21	17	74
Impairment of non-current assets	0	0	6
Interest payments	15	19	53
Interest expense on shareholder loan	0	42	125
Amortisation of capitalised transaction costs	2	2	8
Fair value movement of financial derivatives	-3	-2	-4
<i>Changes in working capital:</i>			
Changes in inventory	-212	-132	-324
Changes in accounts receivable	59	61	60
Changes in accounts payable	164	18	40
Prepayments of financial leases	-3	-3	-7
Changes in other assets and liabilities	-18	-61	4
<b>Cash provided (used) by operating activities</b>	<b>47</b>	<b>-62</b>	<b>325</b>
<b>Investing Activities</b>			
Acquisition of fixed assets and intangible assets	-17	-23	-147
Proceeds from disposal of financial assets	0	0	5
Purchase of own shares	-8	0	-10
<b>Cash provided (used) by investing activities</b>	<b>-25</b>	<b>-23</b>	<b>-152</b>
<b>Financing Activities</b>			
Payments on long-term debt	0	0	-68
Interest payments	-15	-19	-53
Payment of shareholder loan	0	0	1 794
Proceeds from issuance of new shares	0	0	-1 794
<b>Cash provided (used) by financing activities</b>	<b>-15</b>	<b>-19</b>	<b>-121</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>7</b>	<b>-104</b>	<b>52</b>
Cash and cash equivalents - beginning of year	222	170	170
Effect of foreign currency rate changes on cash and equivalents	0	0	1
<b>Cash and Cash Equivalents - End of Period</b>	<b>229</b>	<b>65</b>	<b>222</b>
<i>The accompanying notes are an integral part of the Condensed Consolidated Interim Financial Statements</i>			

# 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 sports and leisure equipment 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 31 March 2015 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 2014, 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 2014.

## 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 31.12.2014.

## Note 5 Earnings per share

	Q1 2015	Q1 2014	YE 2014
Total profit ( in NOK million)	34	-10	262
<b>Weighted average number of ordinary shares in issue</b>	<b>138 512 123</b>	<b>1 094 449 501</b>	<b>171 434 193</b>
<b>Adjustment for:</b>			
Weighted number of ordinary shares in issue for diluted earnings per share	138 512 123	1 094 449 501	171 434 193
<b>Basic Earnings per share (in NOK)</b>	<b>0,25</b>	<b>-0,01</b>	<b>1,53</b>
<b>Diluted Earnings per share (in NOK)</b>	<b>0,25</b>	<b>-0,01</b>	<b>1,53</b>

## 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:

### Q1 2015

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	HQ & Logistics	Total
Operating revenue	813	412	144	-	1 369
Gross profit	321	143	45	-0	510
EBITDA <sup>2</sup>	142	13	-3	-57	95
Operating Income	135	7	-5	-63	74

### Q1 2014

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	HQ & Logistics	Total
Operating revenue	724	311	0	-	1 035
Gross profit	291	110	0	-0	402
EBITDA <sup>2</sup>	122	6	-7	-49	73
Operating Income	115	-0	-7	-53	55

### 01.01.2014 - 31.12.2014

<i>Amounts in NOK million</i>	Norway	Sweden	Finland	HQ & Logistics	Total
Operating revenue	3 341	1 582	292	0	5 215
Gross profit	1 449	592	91	-	2 132
EBITDA <sup>2</sup>	726	112	-6	-231	601
Operating Income	693	89	-8	-252	521

## Note 7 Related Party Transactions

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

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.

## Note 8 Commitments

The Group has entered into agreements with fixed payment commitments in respect of the following as of 31.03.2015:

Long term lease contracts for new stores in Norway, Sweden and Finland, total commitments of NOK 163 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
<b>Balance 01.01.2015</b>	<b>474</b>	<b>2 734</b>	<b>221</b>
Additions	18		1
Disposals and write-downs	0		
Depreciation and amortisation	-18		-2
Net exchange differences	-5		0
<b>Balance 31.03.2015</b>	<b>468</b>	<b>2 734</b>	<b>220</b>

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
<b>Balance 01.01.2014</b>	<b>413</b>	<b>2 734</b>	<b>214</b>
Additions	23		1
Disposals			
Depreciation and amortisation	-17		-1
Net exchange differences	-4		
<b>Balance 31.03.2014</b>	<b>415</b>	<b>2 734</b>	<b>213</b>

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

## Note 10 Subsequent Events

None

## 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.

<sup>1)</sup> **EBIT**

Our EBIT represents operating income.

<sup>2)</sup> **EBITDA**

Our EBITDA represents operating income plus depreciation.

<sup>3)</sup> **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.

<sup>4)</sup> **Gross profit**

Gross profit represents operating revenue less cost of goods sold.

<sup>5)</sup> **Working capital**

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

<sup>6)</sup> **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

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#### FINANCIAL CALENDAR

Q1 2015 results:	29.04.2015
Annual General Meeting:	27.05.2015
Q2 2015 results:	23.07.2015

#### INVESTOR CONTACT

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