

clas ohlson

three-month report 2015/16

First quarter

- Sales increased by 8% to 1,770 MSEK (1,642), 8% in local currencies
- Operating profit increased by 4% to 106 MSEK (102)
- Profit after tax increased by 3% to 81 MSEK (78)
- Earnings per share increased by 3% to 1.27 SEK (1.24)
- Cash flow from operating activities amounted to 170 MSEK (171)
- As previously announced, the Board of Directors proposes that a dividend of 5.25 SEK per share (4.75) be approved by the Annual General Meeting
- Clas Ohlson's Annual Report and Sustainability Report for 2014/15 were published
- Eight new store contracts were signed, including two in the London area in the UK and three in Hamburg in Germany



In August, we opened our 200th store in Karlstad, Sweden, and thus achieved a new milestone on our journey of growth.

8%

sales increase

4%

higher operating profit

Events after the end of the reporting period

- Sales in August amounted to 611 MSEK (611). In local currencies sales increased by 2%
- An historic milestone was achieved when Clas Ohlson's 200th store was opened in Karlstad, Sweden, in August
- A new store contract was signed in Oslo in Norway

	3 Months			12 Months	
	May 2015 - Jul 2015	May 2014 - Jul 2014	Percentage change	Aug 2014 - Jul 2015	May 2014 - Apr 2015
Sales, MSEK	1,770	1,642	8	7,457	7,330
Operating profit, MSEK	106	102	4	600	596
Result before tax, MSEK	106	102	4	601	597
Result after tax, MSEK	81	78	3	461	459
Gross margin, %	40.4	40.5	-0.1 p.p	42.9	42.9
Operating margin, %	6.0	6.2	-0.2 p.p	8.0	8.1
Return on capital employed, %	-	-	-	28.9	29.3
Return on equity, %	-	-	-	22.1	22.5
Equity/assets ratio, %	58.6	59.3	-0.7 p.p	58.6	57.3
Earnings per share before dilution, SEK	1.27	1.24	3	7.31	7.27

The 2015/16 financial year comprises the period from 1 May 2015 to 30 April 2016.

This interim report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish and the translation, the former shall have precedence.

The information in this interim report is such that Clas Ohlson is obligated to publish according to the Securities Market Act. The information was submitted for publication on 9 September 2015 at 07:00 a.m. (CET).

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CEO's comments

We passed yet another milestone on our growth journey

Following a favorable summer, we are wrapping up the quarter by reporting record sales figures and an increase in earnings. In August, we achieved a new milestone when we opened our 200th store.

During the quarter, we increased sales by 8 per cent to 1,770 MSEK, which we are extremely pleased with. We saw particularly strong sales trends in Norway and Finland, and Sweden also reported healthy growth figures. Although we experienced a slightly weaker August with sales of 611 MSEK, we can round off another record-breaking summer for Clas Ohlson.

In our first quarter, we increased operating profit by 4 per cent to 106 MSEK, despite challenging currency conditions and an adjustment cost of 10 MSEK.

Moving forward, we expect the stronger USD to have a negative impact on our gross margin in forthcoming quarters and we are focusing fully on reducing this effect. In addition, we are impacted by the NOK trend, which is currently trading at a low level. We believe that we will be able to offset these currency fluctuations over time, which is something that we have achieved in the past.

Strengthened by continued expansion and new ventures

Our journey of growth is continuing. In August, I had the honor of cutting the ribbon to open Clas Ohlson's 200th store, which is a milestone in the company's history. And in a couple of weeks we will open our store in St Albans, just outside London.

We are now launching our concept From Here to Sustainability to engage our customers in a more sustainable lifestyle. We also take further steps in our market communication by featuring parts of our product range in films to give customers inspiration and tips for brand new ways for them to simplify their everyday lives. It is a journey we have just begun and that we will see positive effects from during the autumn.



Klas Balkow

President and CEO of Clas Ohlson AB



“ We are rounding off a great summer and have now launched the autumn range and several exciting initiatives, the results of which we will see in the autumn.

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Financial information

Current financial information is available at about.clasohlson.com under "Investors."

Press and analyst conference

Wednesday, 9 September at 8:30 a.m. in Clas Ohlson's store at Drottninggatan 53 in Stockholm. The presentation can also be followed on about.clasohlson.com or www.financialhearings.com

Calendar

12 Sept 2015	2014/15 AGM
9 Dec 2015	Six-month Report 2015/16
16 March 2016	Nine-month Report 2015/16
8 June 2016	Year-end Report 2015/16
7 Sept 2016	Three-month Report 2016/17
7 Dec 2016	Six-month Report 2016/17

Operations

Clas Ohlson is an international retail company with the business concept of selling dependable products at low prices and with the right quality according to need. The concept is unique and is highly attractive in established markets and has the potential for expansion into new markets and new customer segments.

Clas Ohlson sells products in the categories of Hardware, Electrical, Multimedia, Home and Leisure. Activities are pursued in Sweden, Norway, Finland and the UK through stores, online shopping, catalogues and by telephone, as well as through a franchise store in Dubai.

Business environment and market¹

Retail in Sweden increased by 5.0 per cent at current prices compared with the same quarter in the preceding year (preceding quarter +4.7). During the quarter, consumer confidence in Sweden was 97.7, a decline compared with the preceding quarter (98.4) and the first quarter in the preceding year (100.8).

Retail in Norway increased by 2.5 per cent at current prices compared with the same quarter in the preceding year (preceding quarter +3.9). During the quarter, consumer confidence in Norway was -5.6, a decline compared with the preceding quarter (-2.2) and the first quarter in the preceding year (+2.5).

Retail in Finland declined by 0.8 per cent at current prices compared with the same quarter in the preceding year (preceding quarter -1.2). During the quarter, consumer confidence in Finland was 11.1, the same level compared with the preceding quarter (11.1) and the first quarter in the preceding year (8.9).

Retail in the UK increased by 2.1 per cent at current prices compared with the same quarter in the preceding year (preceding quarter +2.6). During the quarter, consumer confidence in the UK was 4.0, an increase compared with the preceding quarter (+3.0) and the first quarter in the preceding year (-0.3).

Sales

First quarter

Sales increased to 1,770 MSEK, up 8 per cent compared with 1,642 MSEK in the preceding year. Measured in local currencies, sales increased by 8 per cent.

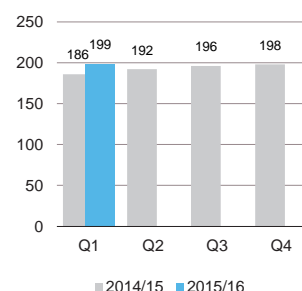
During the quarter, 1 new store (1) was opened in Sweden. At the end of the quarter, the total number of stores was 199, representing an increase of 13 stores compared with the year-earlier period (8).

Distribution of sales

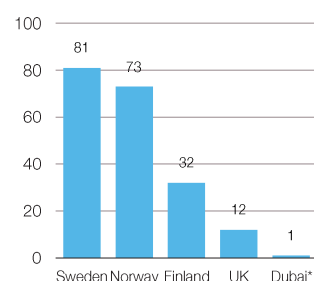
MSEK	3 Months			
	May 2015 - Jul 2015	May 2014 - Jul 2014	Percentage change	
			SEK	local currency
Sweden	806	760	6	6
Norway	702	645	9	12
Finland	176	161	9	7
Outside Nordic countries	86	77	12	-2*
Total	1,770	1,642	8	8

* Negatively affected due to periodisation in supplies to franchisee.

Total number of stores

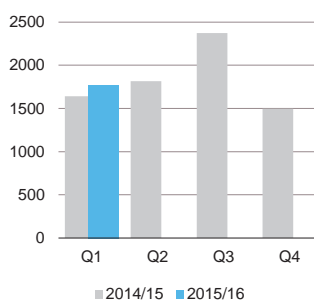


Distribution of numbers of stores

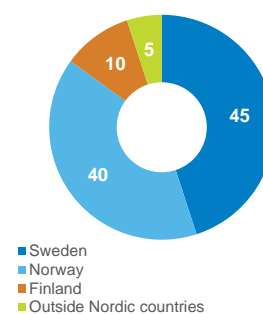


*Franchise store

Sales, MSEK



Distribution of sales, %



¹Source: HUI, National Institute of Economic Research, Office for National Statistics, Opinion, Statistics Finland, Statistics Norway, Trading Economics.

Sales in the UK in comparable units were in line with the year-earlier period.

Distribution of sales increase	
Per cent	May 2015 - Jul 2015
Comparable units in local currency	4
New stores	4
Exchange-rate effects	0
Total	8

Results

First quarter

The gross margin declined to 40.4 per cent, down 0.1 percentage points year-on-year (40.5). The gross margin was negatively affected by the considerable strengthening of the USD during the quarter. The effect was primarily offset by a positive sales mix and enhanced supply chain efficiency. The stock turnover delay and currency hedges also limited the impact of the USD during the quarter.

The share of selling expenses declined by 0.4 percentage points to 31.0 per cent (31.4). The share declined mainly as a result of the increased sales in comparable units.

Operating profit amounted to 106 MSEK (102). During the quarter, 10 MSEK attributable to closure costs for the store in Birmingham were expensed.

The operating margin was 6.0 per cent (6.2). Profit after financial items totalled 106 MSEK (102).

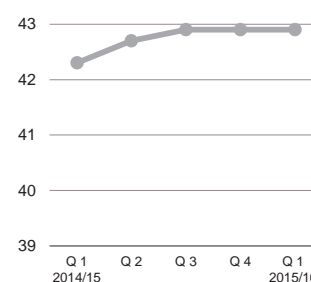
Depreciation for the period amounted to 60 MSEK (56).

Spot exchange rates for key currencies averaged 1.07 for NOK and 8.38 for USD, compared with 1.10 and 6.69, respectively, in the year-earlier period. Currency hedging was undertaken in USD and NOK. The company's policy is to hedge 50 per cent of the expected flow in each currency every month, with six-month maturities.

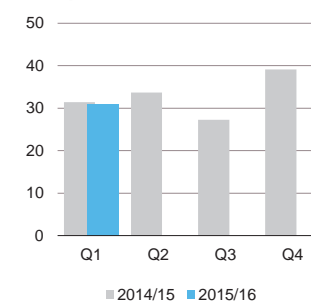
Investments

During the quarter, investments totalled 52 MSEK (56). Of this amount, investments in new or refurbished stores accounted for 11 MSEK (15). Other investments were primarily IT and replacement investments. During the first quarter, investments in IT systems amounted to 34 MSEK (34).

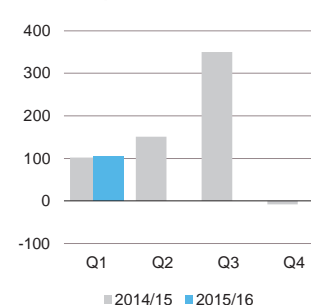
Gross margin
rolling 12 months, %



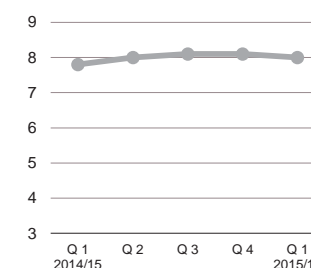
Share of
selling expenses, %



Operating profit, MSEK



Operating margin
rolling 12 months, %



Financing and liquidity

Cash flow from operating activities during the quarter totalled 170 MSEK (171). Cash flow for the quarter, after investing and financing activities, was 86 MSEK (102).

The average 12-month value of inventories was 1,542 MSEK (1,400). Over a rolling 12-month period, the stock turnover rate at the distribution centre was 6.7 times (7.0). The decline was attributable to exchange-rate effects (USD).

At the end of the quarter, the value of inventories was 1,532 MSEK (1,329). The increase in inventories was attributable to new stores and exchange-rate effects (USD). Compared with the preceding year, 13 own stores were added.

During the quarter, buy-backs of the company's own shares to secure the LTI 2015 (Long Term Incentive Plan 2015) amounted to 48 MSEK (14).

The Group's net cash holdings, meaning cash and cash equivalents less interest-bearing liabilities, amounted to 601 MSEK (462) at the end of the quarter. The equity/assets ratio was 59 per cent (59).

Sustainable development

Clas Ohlson's Sustainability Report for the 2014/15 financial year was published in July. To obtain an even clearer direction for our sustainability efforts, we have identified the areas where we have the greatest impact and where we have potential to create long-term value. By working towards clearly defined goals and continuously measuring and reporting our progress in eight priority areas, Clas Ohlson can create value for its key stakeholders and contribute to reducing the negative impact along our entire value chain. The Sustainability Report can be downloaded at about.clasohlson.com.

Moving forward, even greater focus will be directed to offering and more clearly showcase our range of products for a more sustainable lifestyle. For this reason, we have developed a concept for communicating with our customers. This concept will be apparent in our external communication from the start of September when we launch our new sustainability concept that we call "From Here to Sustainability."

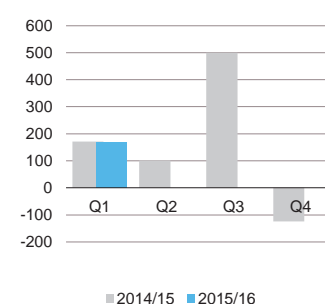
Update of business system

Clas Ohlson is implementing a new IT platform. sCORE, Systems for Clas Ohlson Retail Efficiency, will change our way of working with, for example, purchasing, supply chain, sales, finance and HR. sCORE will enhance the efficiency of the supply chain, increase the level of service, better meet customer demand and changed purchasing patterns, and support our international expansion by making it easier to open new stores in more countries and to work with new customer segments. The investment is estimated at 50 – 70 MSEK per year over a five-year period. We have already completed about two years of the project and the implementation is proceeding according to plan.

Employees

The average number of employees in the Group was 2,751 (2,652), of whom 1,173 (1,130) were women. The increase is related mainly to new stores.

Cash flow, MSEK*



* from operating activities



The 2014/2015 Sustainability Report was published and our new concept for Clas Ohlson's sustainability work was launched.



Parent Company

Parent Company sales during the quarter amounted to 1,324 MSEK (1,290) and profit after financial items totalled 17 MSEK (87).

Investments during the period totalled 41 MSEK (40). The Parent Company's contingent liabilities amounted to 326 MSEK (295).

Events after the end of the reporting period

Sales in August

Sales in August amounted to 611 MSEK (611). In local currencies, sales increased by 2 per cent. Compared with the same month a year earlier, 14 new stores (8) were added and one store (0) was closed.

Distribution of sales

MSEK	Aug 2015	Aug 2014	Percentage change, SEK	Percentage change, local currency
Sweden	279	270	3	3
Norway	239	255	-6	1
Finland	61	58	6	2
Outside Nordic countries	31	29	9	-5
Total	611	611	0	2

In the first four months of the financial year (May-August), sales increased by 6 per cent to 2,381 MSEK (2,253). In local currencies, sales increased by 7 per cent.

Opening of the 200th store

On 20 August, Clas Ohlson's 200th store was opened in traditional fashion. The new store is located in Bergvik Köpcenter, just outside Karlstad, Sweden. The opening is a new milestone in Clas Ohlson's journey of growth.

Outlook

Growth will occur in accordance with the Group's long-term financial objectives. In the years ahead, establishment in new markets is expected to have a negative impact of up to 2-3 percentage points on Clas Ohlson's operating margin over a financial year.

The continued development of Clas Ohlson's product range, sales channels and new customer segments will provide additional growth opportunities, in both established and new markets.

Clas Ohlson is also reviewing and optimising the current store network in the UK and in connection with this, the company will establish a couple of smaller stores close to London in the autumn of 2015.

Clas Ohlson is preparing for entry into the German market with retail stores and online shopping. Initially, three stores will be established in Hamburg starting in the summer of 2016.

Initial plans are to establish at least one more store in the Gulf region through a franchise partnership. Future continued expansion will be determined following an evaluation.

The implementation of the new IT platform to support the company's operations and future growth and development is proceeding according to plan.



In August, Clas Ohlson launched its new autumn product range, which included a long line of exciting and affordable new additions.



Clas Ohlson opened its 200th store, a new milestone on the company's journey of growth.

Risks and uncertainties

Clas Ohlson's operations entail risks that could negatively impact the Group to varying extents. Work is continuously carried out to update the Group's risk situation through a documented and systematic process in which risks are identified, assessed, monitored and reported. Those risks deemed to have the greatest negative potential based on the probability of occurrence and their possible impact on operations are prioritised. This work contributes to the strategic and operational management of the company.

Operational risks primarily comprise establishments in new markets, purchasing in Asia, IT systems, competition, logistics, strikes, key employees, social responsibility, product range and shrinkage, while financial risks mainly comprise economic conditions, wage inflation, raw-material prices, transport costs and exchange-rate exposure.

For a detailed description of the Group's risks and risk management, refer to pages 48-51 of the 2014/15 Annual Report. Apart from the risks described in the Annual Report, no other significant risks have arisen.

The company's auditors have not reviewed this report.

Insjön, Sweden, 9 September 2015

Klas Balkow
President and CEO of Clas Ohlson AB

Financial statements

Consolidated Income Statement

	3 Months		12 Months	
	May 2015 - Jul 2015	May 2014 - Jul 2014	Aug 2014 - Jul 2015	May 2014 - Apr 2015
MSEK				
Sales	1,769.8	1,642.2	7,457.4	7,329.8
Cost of goods sold	-1,054.0	-977.5	-4,258.4	-4,181.9
Gross profit	715.8	664.7	3,199.0	3,147.9
Selling expenses	-549.0	-516.4	-2,394.2	-2,361.6
Administrative expenses	-49.2	-45.9	-191.9	-188.6
Other operating income/expenses	-11.8	-0.5	-13.0	-1.7
Operating profit	105.8	101.9	599.9	596.0
Net financial income/expense	0.3	0.2	1.3	1.2
Profit after financial items	106.1	102.1	601.2	597.2
Income tax	-25.5	-24.0	-139.8	-138.3
Profit for the period	80.6	78.1	461.4	458.9

Consolidated Comprehensive Income Statement

	3 Months		12 Months	
	May 2015 - Jul 2015	May 2014 - Jul 2014	Aug 2014 - Jul 2015	May 2014 - Apr 2015
MSEK				
Profit for the period	80.6	78.1	461.4	458.9
Other comprehensive income, net of tax:				
Items that later can be reversed back to the Consolidated income statement:				
Exchange rate differences	-12.0	8.9	4.5	25.4
Cash flow hedging	32.6	7.4	8.6	-16.6
Total	20.6	16.3	13.1	8.8
Items that later can not be reversed back to the Consolidated income statement:				
Reevaluation of net pension obligations	0.0	0.0	-0.1	-0.1
Total	0.0	0.0	-0.1	-0.1
Total other comprehensive income, net of tax	20.6	16.3	13.0	8.7
Total comprehensive income for the period	101.2	94.4	474.4	467.6

Data per share

	3 Months		12 Months	
	May 2015 - Jul 2015	May 2014 - Jul 2014	Aug 2014 - Jul 2015	May 2014 - Apr 2015
Number of shares before dilution	63,276,355	63,157,546	63,151,313	63,121,729
Number of shares after dilution	63,543,505	63,340,224	63,368,955	63,400,934
Number of shares at end of period	63,094,575	63,080,611	63,094,575	63,216,061
Earnings per share before dilution, SEK	1.27	1.24	7.31	7.27
Earnings per share after dilution, SEK	1.27	1.23	7.28	7.24
Comprehensive income per share, SEK	1.60	1.49	7.51	7.41

Consolidated Balance Sheet

MSEK	31 Jul 2015	31 Jul 2014	30 Apr 2015
Assets			
Intangible assets	196.8	161.4	171.0
Tangible assets	1,181.5	1,269.5	1,228.9
Non-current receivables	11.5	8.1	11.6
Inventories	1,531.7	1,328.6	1,569.3
Other receivables	261.4	223.2	242.5
Liquid assets	600.8	462.4	517.4
Total assets	3,783.7	3,453.2	3,740.7
Equity and liabilities			
Equity	2,217.1	2,047.8	2,144.5
Long-term liabilities, Non-interest-bearing	214.1	201.9	213.3
Current liabilities, Non interest-bearing	1,352.5	1,203.5	1,382.9
Total equity and liabilities	3,783.7	3,453.2	3,740.7

Consolidated Cash Flow

MSEK	3 Months		12 Months	
	May 2015 - Jul 2015	May 2014 - Jul 2014	Aug 2014 - Jul 2015	May 2014 - Apr 2015
Operating profit	105.8	101.9	599.9	596.0
Adjustment for items not included in cash flow	75.4	59.1	275.3	259.0
Interest received	0.4	0.6	2.1	2.3
Interest paid	-0.1	-0.4	-0.7	-1.0
Tax paid	-20.2	-20.9	-125.9	-126.6
Cash flow from operating activities before changes in working capital	161.3	140.3	750.7	729.7
Change in working capital	8.2	30.9	-105.1	-82.4
Cash flow from operating activities	169.5	171.2	645.6	647.3
Investments in intangible assets	-34.4	-34.2	-69.5	-69.3
Investments in tangible assets	-17.7	-21.6	-119.2	-123.1
Change in current investments	0.0	0.1	0.0	0.1
Cash flow from investing activities	-52.1	-55.7	-188.7	-192.3
Repurchase of own shares	-47.9	-13.7	-47.9	-13.7
Sale of own shares	16.4	0.6	30.2	14.4
Dividend to shareholders	0.0	0.0	-299.6	-299.6
Cash flow from financing activities	-31.5	-13.1	-317.3	-298.9
Cash flow for the period	85.9	102.4	139.6	156.1
Liquid assets at the start of the period	517.4	358.3	462.4	358.3
Exchange rate difference for liquid assets	-2.5	1.7	-1.2	3.0
Liquid assets at the end of the period	600.8	462.4	600.8	517.4

Sales by segment

	3 Months	
	May 2015 - Jul 2015	May 2014 - Jul 2014
MSEK		
Sweden	806.0	760.1
Norway	702.1	644.7
Finland	175.7	160.8
Outside Nordic countries	86.0	76.6
Group functions	515.8	526.8
Sales to other segments	-515.8	-526.8
Total	1,769.8	1,642.2

Operating profit by segment

	3 Months	
	May 2015 - Jul 2015	May 2014 - Jul 2014
MSEK		
Sweden	31.7	29.9
Norway	28.0	26.1
Finland	5.4	4.5
Outside Nordic countries	2.4	2.1
Group functions	38.3	39.3
Total	105.8	101.9

Specification of change in profits*

	3 Months
	May 2015 - Jul 2015
MSEK	
Profit from sales	24.8
Decreased gross margin	-0.5
Increased administrative expenses	-3.3
Increased expansion costs stores	-2.1
Increased depreciation	-3.7
Change in other operating income/expense**	-11.3
Change in financial income/expense	0.1
Change in profit after financial items	4.0

*The table shows the change in profit after financial items compared with previous year.

**During the first quarter 2015/16 10.5 MSEK is related to closing costs for the store in Birmingham, which is expected to be balanced out during the financial year.

Change in equity

(attributable to the Parent company shareholders)

MSEK	3 Months	
	May 2015 - Jul 2015	May 2014 - Jul 2014
Equity brought forward	2,144.5	1,964.9
Repurchase of own shares	-47.9	-13.7
Sale of own shares	16.4	0.6
Paid-in option premiums:		
Value of employee services	2.9	1.6
Total comprehensive income	101.2	94.4
Equity carried forward	2,217.1	2,047.8

Forward contracts

As per balance-sheet date, outstanding cash-flow hedging existed according to the following table per currency pair (carrying amount and fair value)

MSEK	31 Jul 2015	31 Jul 2014
Sell/buy		
NOK/SEK	0.7	-2.5
NOK/USD	14.9	6.8
SEK/USD	-0.4	0.0
Total	15.2	4.3

Forward contracts belong to the derivate category, which is used for hedging purposes. All derivatives are measured at fair value, established by using forward contract prices on balance-sheet date, meaning, level 2 in the fair value hierarchy according to IFRS 13. As per 31 July, 2015 there are both positive and negative market values in the currency pairs. Forward contracts with negative market value totalled MSEK 1.6 (2.6), which was recognized in the item Current liabilities, non-interest-bearing. Forward contracts with positive market values amounted to MSEK 16.8 (6.9), which is recognized in the item Other receivables. The company hedge the expected flow in each currency every month, with six-month maturities. During previous year, hedges were made in January/February and June/July for the forthcoming six-month periods. Deferred tax of MSEK 3.3 MSEK (0.9) was taken into account and the remaining fair value of MSEK 11.9 (3.4) was recognized in the hedging reserve within equity.

Key ratios

	3 Months		12 Months	
	May 2015 - Jul 2015	May 2014 - Jul 2014	Aug 2014 - Jul 2015	May 2014 - Apr 2015
MSEK				
Sales growth, %	7.8	9.0	7.4	7.7
Gross margin, %	40.4	40.5	42.9	42.9
Operating margin, %	6.0	6.2	8.0	8.1
Return on capital employed, %	-	-	28.9	29.3
Return on equity, %	-	-	22.1	22.5
Equity/assets ratio, %	58.6	59.3	58.6	57.3
Sales per sq.m in stores, SEK thousand	-	-	31	30
Number of stores at period end	199	186	199	198
Number of employees at period end	2,751	2,652	2,751	2,736
Data per share				
Number of shares before dilution	63,276,355	63,157,546	63,151,313	63,121,729
Number of shares after dilution	63,543,505	63,340,224	63,368,955	63,400,934
Number of shares at period end	63,094,575	63,080,611	63,094,575	63,216,061
Earnings per share before dilution, SEK	1.27	1.24	7.31	7.27
Earnings per share after dilution, SEK	1.27	1.23	7.28	7.24
Comprehensive income per share, SEK	1.60	1.49	7.51	7.41
Cash flow per share*, SEK	2.68	2.71	10.22	10.25
Equity per share, SEK	35.14	32.46	35.14	33.92

** From the operating activities

Quarterly overview

MSEK	Q1 13/14	Q2 13/14	Q3 13/14	Q4 13/14	Q1 14/15	Q2 14/15	Q3 14/15	Q4 14/15	Q1 15/16
Sales	1,506.5	1,677.7	2,237.6	1,385.9	1,642.2	1,814.4	2,374.9	1,498.3	1,769.8
Cost of goods sold	-878.5	-952.0	-1,258.9	-815.9	-977.5	-1,001.1	-1,325.8	-877.5	-1,054.0
Gross profit	628.0	725.7	978.7	570.0	664.7	813.3	1,049.1	620.8	715.8
Selling expenses	-491.8	-552.6	-598.5	-545.2	-516.4	-611.0	-648.1	-586.1	-549.0
Administrative expenses	-43.6	-46.5	-48.1	-40.4	-45.9	-49.7	-48.8	-44.2	-49.2
Other operating income/expenses	-0.3	-0.8	-1.7	-2.4	-0.5	-1.2	-1.8	1.8	-11.8
Operating profit	92.3	125.8	330.4	-18.0	101.9	151.4	350.4	-7.7	105.8
Net financial income/expense	-0.3	-0.4	0.4	0.0	0.2	0.2	0.4	0.4	0.3
Profit after financial items	92.0	125.4	330.8	-18.0	102.1	151.6	350.8	-7.3	106.1
Income tax	-22.8	-31.1	-76.7	5.8	-24.0	-35.8	-81.1	2.6	-25.5
Profit for the period	69.2	94.3	254.1	-12.2	78.1	115.8	269.7	-4.7	80.6
Key ratios for the period									
Gross margin, %	41.7	43.3	43.7	41.1	40.5	44.8	44.2	41.4	40.4
Operating margin, %	6.1	7.5	14.8	-1.3	6.2	8.3	14.8	-0.5	6.0
Earnings per share before dilution, SEK	1.09	1.49	4.03	-0.19	1.24	1.84	4.27	-0.07	1.27
Earnings per share after dilution, SEK	1.09	1.49	4.02	-0.19	1.23	1.83	4.26	-0.07	1.27
Equity per share, SEK	29.67	26.85	30.81	31.12	32.46	29.71	33.91	33.92	35.14

Seasonal fluctuations

Clas Ohlson's market and operations are influenced by consumer purchasing behaviour. The company's product range is particularly well suited to Christmas preparations and Christmas shopping, which means that the third quarter (Nov-Jan) is generally the strongest quarter of the financial year. This is followed by the second and first quarters and, finally, the fourth quarter, which is the weakest in terms of sales and profit.

Parent Company Income Statement

MSEK	Note	3 Months		12 Months	
		May 2015 - Jul 2015	May 2014 - Jul 2014	Aug 2014 - Jul 2015	May 2014 - Apr 2015
Sales		1,323.6	1,289.9	5,779.5	5,745.8
Cost of goods sold	1	-1,017.3	-918.8	-4,155.0	-4,056.5
Gross profit		306.3	371.1	1,624.5	1,689.3
Selling expenses	1	-251.1	-247.4	-1,097.6	-1,093.9
Administrative expenses	1	-37.1	-36.4	-143.4	-142.7
Other operating income/expenses		-0.7	-0.2	-0.3	0.2
Operating profit		17.4	87.1	383.2	452.9
Dividends from group companies		-	-	110.6	110.6
Net financial income/expense		-0.4	-0.5	-0.9	-1.0
Profit after financial items		17.1	86.6	492.9	562.5
Appropriations		-	-	-46.3	-46.3
Profit before tax		17.1	86.6	446.6	516.2
Income tax		-3.8	-19.5	-74.0	-89.7
Profit for the period		13.2	67.1	372.6	426.5

Parent Company Comprehensive Income Statement

MSEK	3 Months		12 Months	
	May 2015 - Jul 2015	May 2014 - Jul 2014	Aug 2014 - Jul 2015	May 2014 - Apr 2015
Profit for the period	13.2	67.1	372.6	426.5
Other comprehensive income, net of tax:				
Items that later can be reversed back to the Consolidated income statement:				
Income from hedge of net investment in foreign operations	6.7	7.2	18.0	18.5
Other comprehensive income, net of tax	6.7	7.2	18.0	18.5
Total comprehensive income	19.9	74.3	390.6	445.0

Note 1 Depreciations

	3 Months		12 Months	
	May 2015 - Jul 2015	May 2014 - Jul 2014	Aug 2014 - Jul 2015	May 2014 - Apr 2015
Depreciations for the period	39.4	37.8	158.0	156.5

Parent Company Balance Sheet

MSEK	31 Jul 2015	31 Jul 2014	30 Apr 2015
Assets			
Intangible assets	196.8	161.4	171.0
Tangible assets	864.4	942.9	889.0
Financial assets	217.7	219.6	211.1
Inventories	1,047.3	882.6	1,067.4
Other receivables	436.3	559.7	397.1
Liquid assets	533.7	397.4	442.5
Total assets	3,296.2	3,163.6	3,178.1
Equity and liabilities			
Equity	895.1	803.3	897.3
Untaxed reserves	1,009.5	963.2	1,009.5
Provisions	43.4	30.9	41.1
Long-term liabilities, Non-interest-bearing	5.0	5.0	5.0
Current liabilities, Non interest-bearing	1,343.2	1,361.2	1,225.2
Total equity and liabilities	3,296.2	3,163.6	3,178.1
Pledged assets	0.0	0.0	0.0
Contingent liabilities	325.9	295.4	325.6

Accounting policies

Clas Ohlson applies the International Financial Reporting Standards (IFRS) adopted by the EU. This interim report has been prepared in accordance with the Swedish Annual Accounts Act, IAS 34 Interim Financial Reporting and RFR 1 Supplementary Accounting Rules for Groups.

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's Recommendation RFR 2. The same accounting policies are applied as for the Group, except in those cases described under the section headed "Parent Company accounting policies" in the 2014/15 Annual Report on page 73. The same accounting policies and calculation methods are applied as in the latest annual report, except those stated below.

The International Accounting Standards Board (IASB) has issued new and revised IFRSs as well as interpretations that apply from 1 May 2015. However, these had no appreciable impact on the consolidated income statements and balance sheets.

For a more detailed description of the accounting policies applied to the Group and Parent Company in this interim report, refer to the 2014/15 Annual Report, pages 70-73.

Key ratio definitions

Capital employed

The balance-sheet total less non-interest-bearing liabilities.

Cash flow from operating activities

Operating profit adjusted for items not included in cash flow, interest, paid tax and change in working capital.

Cash flow from operating activities per share

Cash flow from operating activities in relation to the average number of shares before dilution.

Comparable units

Units that have been in operation during the current period and the entire year-earlier period.

Comprehensive income per share

Comprehensive income in relation to the average number of shares before dilution.

Earnings per share (before and after dilution)

Profit for the period in relation to number of shares (before and after dilution).

Equity/assets ratio

Equity at the end of the period expressed as a percentage of the balance-sheet total.

Equity per share

Equity in relation to the number of shares outstanding at the end of the period.

Gross margin

Gross profit expressed as a percentage of net sales for the period.

Operating margin

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

Return on capital employed

Operating profit plus financial income expressed as a percentage of average capital employed.

Return on equity

Net profit for the period expressed as a percentage of average equity.

Sales growth

Sales in relation to sales during the year-earlier period.

Sales per square metre

Store sales in relation to the effective retail space. For new stores, a conversion has been made in relation to how long the store has been open.

Working capital

The total of current assets, excluding cash and cash equivalents, less current non-interest-bearing liabilities.

Glossary

Average receipt

Average amount per purchase

Clas Office

Our concept that facilitates purchases for our corporate customers.

Club Clas

Our loyalty program, our loyalty club.

Conversion rate

The percentage of visitors who make a purchase.

Franchise

Concept whereby we "rent" our brand to an external player, who operates a store under our name.

Omni-channel

A shopping experience where customers perceive a seamless interaction between physical stores, the online store and telephone sales.

Products for a more sustainable lifestyle

Products with a positive, or significantly lower, environmental impact throughout their life cycle than a standard product.

sCORE

Systems for Clas Ohlson Retail Efficiency, our project for the introduction of a new business system

Store traffic

Number of visitors

Future store openings*

Sweden

- Center Syd, Löddeköpinge, scheduled to open in October 2015
- Mall of Scandinavia, Solna, Stockholm, scheduled to open in November 2015
- Uddevalla Torp, Uddevalla, scheduled to open in spring of 2016
- Umeå Syd, Umeå, scheduled to open in spring of 2016

Norway

- Sandefjord, scheduled to open in September 2015
- Svolvær, scheduled to open in August 2016
- Stovner, Oslo, scheduled to open in November 2016

Finland

- Iso Omena, Espoo, scheduled to open in October 2015
- Mylly Shopping Centre, Raisio, scheduled to open in November 2015
- Kaivotalo, Helsinki, scheduled to open in October 2016

UK

- St Albans, London, scheduled to open in October 2015
- Ealing, London, scheduled to open in January 2016

Germany

- Jungfernstieg, Hamburg, scheduled to open in summer of 2016
- Altona, Hamburg, scheduled to open in autumn of 2016
- Alstertal, Hamburg, scheduled to open in autumn of 2016

*on 31 August 2015

The share

Clas Ohlson Series B shares have been listed on Nasdaq Stockholm since 1999 and are included in the Consumer Services sector index. The price paid on 31 July 2015 was 160 SEK per share.

Number of shares

The number of registered shares totalled 65,600,000, unchanged from the preceding year. At 31 July 2015, the company held 2,505,425 shares (2,519,389) corresponding to 4 per cent (4) of the total number of registered shares. At the end of the period, the number of shares outstanding, net after buyback, was 63,094,575 (63,080,611).

Long-term incentive plans LTI 2015 and LTI 2012

In the first quarter of 2015/16, the long-term incentive programme LTI 2015 was introduced, mainly following the same structure as previously implemented LTI plans. The participants purchased a total of 16,256 shares. The exercise price for the conditional employee stock options has been set at SEK 144.80 per share, with exercise possible, following the three-year qualification period, between June 2018 and April 2022.

To safeguard the company's commitment regarding conditional matching shares and employee stock options in connection with LTI 2015, Clas Ohlson bought back 310,000 shares during the first quarter of the 2015/16 financial year for a total of 48 MSEK at an average price of approximately 155 SEK per share.

A total of 35,216 shares were allotted during the quarter in accordance with the AGM's resolution regarding share matching of one share per share purchased to those participants in LTI 2012 who remained employed after the three-year qualification period.

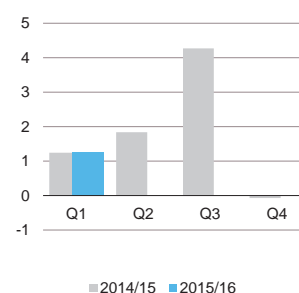
Dividend policy

Clas Ohlson's dividend policy is that dividend is to comprise at least 50 per cent of earnings per share after tax, with consideration for the company's financial position.

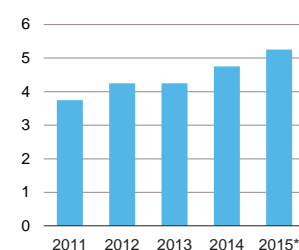
The Board of Directors proposes that a dividend of SEK 5.25 per share (4.75) be paid for 2014/15. The proposed dividend totals 344 MSEK (312), which represents 75 per cent (77) of profit after tax for the financial year.

Share data	
Listing	Nasdaq Stockholm Mid Cap
Ticker	Clas B
Industry	Consumer Services
ISIN code	SE0000584948

Earnings per share, SEK



Dividend per share, SEK



* Proposed dividend 5.25 SEK

The largest shareholders 31 July 2015

Owner	Number of A-shares	Number of B-shares	Equity, %	Votes, %
Helena Ek-Tidstrand	1,368,060	6,179,828	12	17
Björn Haid	1,007,960	4,732,834	9	13
Johan Tidstrand	1,368,060	900,000	4	12
Peter Haid	1,007,960	3,685,243	7	12
Claus-Toni Haid	1,007,960	3,793,783	7	12
Nordea Investment Funds	0	3,321,096	5	3
IF Skadeförsäkring	0	3,114,337	5	3
Swedbank Robur fonder	0	1,968,935	3	2
Länsförsäkringar fondförvaltning AB	0	1,483,382	2	1
Svenska Handelsbanken	0	1,463,800	2	1
Övriga aktieägare	0	29,196,762	44	24
Total	5,760,000	59,840,000	100	100

clas ohlson in brief

Our business model

A broad range of smart products at attractive prices, a proactive, knowledgeable and available customer service, and an inspirational shopping experience through all sales channels.

■ Customer understanding

The key to becoming relevant and succeeding in an increasingly competitive environment is our ability to understand our customers and their needs. We develop our offering and our relationship with customers based on this knowledge.

■ Development of product range and purchasing

Based on our knowledge and insight about our customers and their needs, we continuously develop our product range. The range must be relevant and attractive and we want to offer alternatives to suit different types of users. An efficient purchasing organisation, a close relationship with our suppliers and large volumes enable us to have an attractively priced and sustainable offering.

■ Inventory and distribution

Our distribution centre coordinates efficient distribution and logistics, and ensures the best possible inventory management and service level.

■ Integrated sales channels

Most of our sales currently occur through our stores, but we offer our products and meet customers in several integrated sales channels. Our customers should experience Clas Ohlson as the same, irrespective of where, how or when they choose to shop.

Our vision

To develop Clas Ohlson into a leading international modern hardware retailer, with high profitability that adds value for all stakeholders.

Our mission

To help and inspire people to improve their everyday life by offering smart, simple, practical solutions at attractive prices.

Financial objectives

- Annual sales growth in comparable units of at least 2 per cent
- Establishment of 10–15 new stores during the 2015/16 financial year
- An operating margin of at least 10 per cent

Sustainability targets

- The proportion of products that promote a more sustainable lifestyle should amount to not less than 12 per cent of sales by 2020.
- Relative emissions of CO₂ attributable to freight should be reduced by not less than 50 per cent during the 2007–2020 period.

Strategic focus areas

Our customer offering

We will be the natural choice for practical problem solutions

Our customer interaction

We will increase customer loyalty and attract new customers

Our expansion

We will continue to expand operations

Our supply chain

We will optimise our supply chain

Our ways of working

We will enhance efficiency and simplify our ways of working

Our people

We will ensure a high-performance and customer-oriented organisation



Our business concept

We will sell dependable products at low prices and with the right quality according to need.

www.clasohlson.se

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