

clas ohlson

year-end report 2015 /16

Fourth quarter

- Sales amounted to 1,504 MSEK (1,498), increased by 5% in local currencies.
- Operating profit, excluding non-recurring items*, amounted to -19 MSEK (-8). Operating profit amounted to -126 MSEK.
- Result after tax, excluding non-recurring items*, amounted to -17 MSEK (-5). Result after tax amounted to -107 MSEK.
- Profit per share, excluding non-recurring items*, amounted to -0.27 SEK (-0.07). Profit per share was -1.70 SEK.



Clas Ohlson opened the doors of its first store in the German market on Jungfernstieg in Hamburg in May.

Financial year

- Sales increased by 4% to 7,602 MSEK (7,330), 6% in local currencies.
- Operating profit, excluding non-recurring items*, increased by 3% to 613 MSEK (596). Operating profit amounted to 506 MSEK.
- Profit after tax, excluding non-recurring items*, increased by 2% to 469 MSEK (459). Profit after tax amounted to 379 MSEK.
- Earnings per share, excluding non-recurring items*, increased by 2% to 7.42 SEK (7.27). Earnings per share amounted to 6.00 SEK.
- Cash flow from operating activities amounted to 705 MSEK (647)
- The proposed dividend is 5.75 SEK per share (5.25)

+6%

sales in local currencies

+10%

proposed dividend

Events after the end of the reporting period

- Sales in amounted to 540 MSEK (554), increased by 1% in local currencies.
- Decision by the Board of Directors to exercise the Annual General Meeting's authorisation to buy back shares to secure the LTI 2016.
- In May the first German store opened in Hamburg as well as a store in Sandnes, Norway.

* A non-recurring cost of 107 MSEK related to the optimisation of the store network in the UK

	3 Months			12 Months		
	Feb 2016 - Apr 2016	Feb 2015 - Apr 2015	Percentage change	May 2015 - Apr 2016	May 2014 - Apr 2015	Percentage change
Sales, MSEK	1,504	1,498	0	7,602	7,330	4
Operating profit, MSEK*	-126	-8	-	506	596	-15
Result before tax, MSEK*	-126	-7	-	508	597	-15
Result after tax, MSEK*	-107	-5	-	379	459	-17
Gross margin, %	40.8	41.4	-0.6p.p	42.4	42.9	-0.5p.p
Operating margin, %*	-8.4	-0.5	-7.9p.p	6.7	8.1	-1.4p.p
Return on capital employed, %*	-	-	-	23.6	29.3	-5.7p.p
Return on equity, %*	-	-	-	17.6	22.5	-4.9p.p
Equity/assets ratio, %*	54.5	57.3	-2.8p.p	54.5	57.3	-2.8p.p
Earnings per share before dilution, SEK*	-1.70	-0.07	-	6.00	7.27	-18

* Including a non-recurring cost of 107 MSEK

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. This information was submitted for publication on 8 June 2016 at 7:00 a.m. (CET).

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CEO's comments

Yet another record year and clear steps in our development

Clas Ohlson is ending the financial year at new record levels and can look back on a year during which important steps were taken in the company's progress, despite a challenging currency situation.

We end our financial year with sales in local currencies that increased 6 per cent to 7,602 MSEK. We achieved this despite the fourth quarter being impacted by a later spring that resulted in lower gardening-related activities.

It is also gratifying that we increased our operating profit by 3 per cent to the new record-breaking level of 613 MSEK, adjusted for non-recurring items that affected the fourth quarter. We can be very proud of this performance, particularly considering the fact that the considerable strengthening of the USD and the weaker NOK presented us with a major challenge during the year – a challenge that we have succeeded in overcoming relatively well to date, given the circumstances.

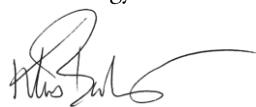
New steps in our international expansion

Following a long period of planning and preparation, we were delighted to finally open the doors of our very first store in Germany on Jungfernstieg in Hamburg just a few weeks ago. The reception we have received far exceeded expectations and German consumers have shown us tremendous attention in just these first weeks. We are now preparing for the opening of two further stores in Hamburg in the autumn.

As previously announced, we took the next step in the development of our store network in the UK during the quarter. We are focusing on the smaller format stores in the London region and are planning for an additional one to two stores in this region. In connection with this, we are closing a total of seven store locations in order to provide the UK operations with the rights conditions to succeed.

Highly popular offering

We were honoured to receive a long list of awards during the quarter, including awards for our customer service, online shopping channel and our environmental efforts regarding transportation. We greatly appreciate receiving such awards and they fill us with energy in our drive to continue to develop and improve even more.



Klas Balkow

President and CEO of Clas Ohlson AB



“ We strengthened our business in all markets and are growing in all sales channels.

We set yet another new sales record, despite highly challenging currencies, and delivered our best ever operating profit.

Content of financial statements

Financial statements	10
Key ratios	14
Quarterly overview	15
Accounting policies	17
Key ratio definitions	18
The share	20

Financial information

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

Press and analyst conference

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

Calendar

July 2016	2015/16 Annual Report
7 Sept 2016	Three-month Report 2016/17
10 Sept 2016	2016 AGM
7 Dec 2016	Six-month Report 2016/17
15 Mar 2017	Nine-month Report 2016/17
8 June 2017	Year-end Report 2016/17

Operations

Clas Ohlson is an international retail company with the business concept of selling a broad range of products at attractive prices that make it easy for people to solve everyday practical problems. 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 conducted in Sweden, Norway, Finland, the UK and Germany via stores, online shopping, catalogues and telephone, as well as through franchise in Dubai.

Business environment and market¹

Retail in Sweden increased by 4.9 per cent at current prices compared with the same quarter in the preceding year (preceding quarter +5.5). During the quarter, consumer confidence in Sweden was 98.2, an increase compared with the preceding quarter (97.5) and a decline compared with the same quarter in the preceding year (98.4).

Retail in Norway increased by 0.4 per cent at current prices compared with the same quarter in the preceding year (preceding quarter +3.1). During the quarter, consumer confidence in Norway was -7.3, an increase compared with the preceding quarter (-11.1) and a decline compared with the same quarter in the preceding year (-2.2).

Retail in Finland increased by 1.3 per cent at current prices compared with the same quarter in the preceding year (preceding quarter +1.7). During the quarter, consumer confidence in Finland amounted to 9.3, an increase compared with the preceding quarter (5.1) and a decline compared with the same quarter in the preceding year (11.1).

Retail in the UK increased by 1.3 per cent at current prices compared with the same quarter in the preceding year (preceding quarter +0.7). During the quarter, consumer confidence in the UK was -1.0, a decline compared with the preceding quarter (2.3) and a decline compared with the same quarter preceding year (3.0).

Sales

Fourth quarter

Sales increased to 1,504 MSEK compared with 1,498 MSEK in the year-earlier period. Measured in local currencies, sales increased by 5 per cent.

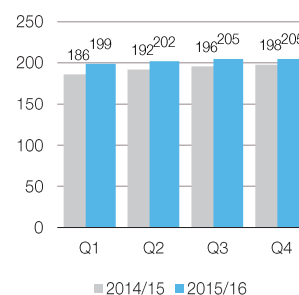
The net store network was unchanged during the quarter (2). At the end of the quarter, the total number of stores was 205, representing an increase of seven stores compared with the year-earlier period (13).

Financial year

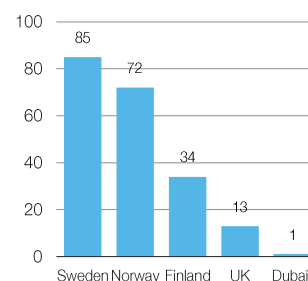
Sales increased to 7,602 MSEK, up 4 per cent compared with 7,330 MSEK in the year-earlier period. Measured in local currencies, sales increased by 6 per cent.

At the end of the financial year, the total number of stores was 205, representing an increase of seven stores compared with the year-earlier period (13).

Total number of stores

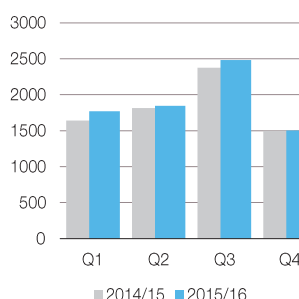


Distribution of numbers of stores

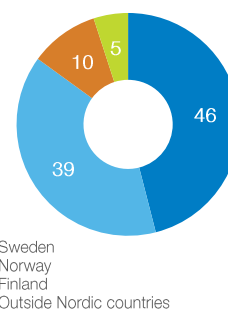


*Franchise store

Sales, MSEK



Distribution of sales, %



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

Distribution of sales

MSEK	3 Months				12 Months			
	Feb 2016 - Apr 2016	Feb 2015 - Apr 2015	Percentage change		May 2015 - Apr 2016	May 2014 - Apr 2015	Percentage change	
			SEK	local currency			SEK	local currency
Sweden	703	676	4	4	3,483	3,295	6	6
Norway	568	599	-5	5	2,928	2,934	0	7
Finland	162	150	8	9	819	747	10	9
Outside Nordic countries	71	74	-3	3	372	354	5	-2
Total	1,504	1,498	0	5	7,602	7,330	4	6

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

Distribution of sales increase

Per cent	3 Months		12 Months	
	Feb 2016 - Apr 2016	May 2015 - Apr 2016	Feb 2016 - Apr 2016	May 2015 - Apr 2016
Comparable units in local currency	2	3	2	3
New stores	3	3	3	3
Exchange-rate effects	-5	-2	-5	-2
Total	0	4	0	4

Results

Fourth quarter

The gross margin declined to 40.8 per cent, down 0.6 percentage points year-on-year (41.4). The gross margin was negatively affected by the effect from the strengthening of the USD and the weaker NOK during the quarter. The currency effect was primarily reduced by a positive sales mix, currency hedges and lower sourcing costs.

The share of selling expenses increased by 0.1 percentage points to 39.2 per cent (39.1).

Operating profit amounted to -19 MSEK (-8), excluding non-recurring items of 107 MSEK related to the optimisation of the store network in the UK. In addition, there is a tax effect calculated at an expense of -7 MSEK. Operating profit amounted to -126 MSEK.

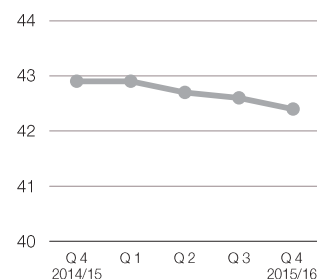
The operating margin, excluding non-recurring items, amounted to -1.3 per cent (-0.5). The operating margin was -8.4 per cent.

Profit after financial items, excluding non-recurring items, amounted to -19 MSEK (-7). Profit after financial items amounted to -126 MSEK.

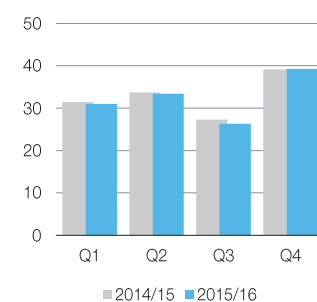
Depreciation for the period amounted to 57 MSEK (59).

Spot exchange rates for key currencies averaged 0.99 for NOK and 8.25 for USD, compared with 1.09 and 8.54, 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.

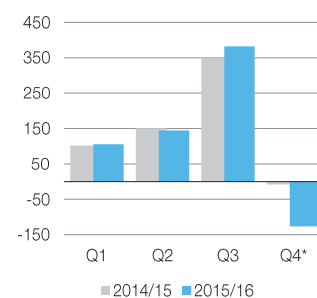
Gross margin rolling 12 months, %



Share of selling expenses, %

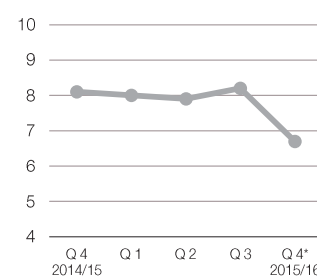


Operating profit, MSEK



*Including a non-recurring cost of 107 MSEK

Operating margin rolling 12 months, %



*Including a non-recurring cost of 107 MSEK

Financial year

The gross margin declined to 42.4 per cent, down 0.5 percentage points year-on-year (42.9). The gross margin was negatively affected by the considerable strengthening of the USD and the weaker NOK during the period. The effect was primarily reduced by a positive sales mix, currency hedges and lower sourcing costs.

The share of selling expenses declined by 0.5 percentage points to 31.7 per cent (32.2). The share declined mainly as a result of the increased sales in comparable units.

Operating profit increased by 3 per cent to 613 MSEK (596), excluding non-recurring items of 107 MSEK related to the optimisation of the store network in the UK. In addition, there is a tax effect calculated at an expense of -7 MSEK. Operating profit amounted to 506 MSEK.

The operating margin, excluding non-recurring items, amounted to 8.1 per cent (8.1). The operating margin was 6.7 per cent.

Profit after financial items, excluding non-recurring items, increased by 3 per cent to 615 MSEK (597). Profit after financial items totalled 508 MSEK.

Depreciation for the financial year amounted to 235 MSEK (233).

Spot exchange rates for key currencies averaged 1.01 for NOK and 8.40 for USD, compared with 1.09 and 7.51, 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 financial year, investments totalled 274 MSEK (192). Of this amount, investments in new or refurbished stores accounted for 90 MSEK (88). Other investments were primarily IT and replacement investments. During the financial year, investments in IT systems amounted to 133 MSEK (69).

Financing and liquidity

Cash flow from operating activities during the financial year totalled 705 MSEK (647). Cash flow for the financial year, after investing and financing activities, was 95 MSEK (156). The cash dividend paid to Clas Ohlson's shareholders in September 2015 totalled 331 MSEK (300).

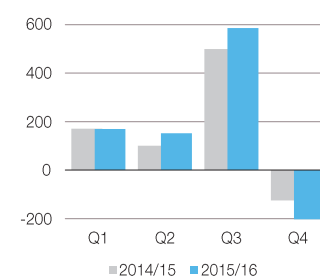
The average 12-month value of inventories was 1,619 MSEK (1,491). Over a rolling 12-month period, the stock turnover rate at the distribution centre was 6.5 times (7.0). The decline was attributable to exchange-rate effects (USD).

At the end of the financial year, the value of inventories was 1,639 MSEK (1,569). The increase in inventories was attributable to new stores and exchange-rate effects (USD). Compared with the preceding year, a net of seven own stores were added.

During the financial year, 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 604 MSEK (517) at the end of the financial year. The equity/assets ratio was 55 per cent (57).

Cash flow, MSEK*



* from operating activities

Sustainable development

In April, Clas Ohlson arranged a study trip to China in which six employees from different countries and functions participated. The purpose was to provide these employees with insight into how Clas Ohlson's audit team in China works to ensure good working conditions at the factories from which the company buys products and how it checks product quality. The delegation also visited a Save the Children centre for migrant workers and their children that Clas Ohlson supports. Increasing the level of knowledge among employees about how the company works with sustainability issues is important in both becoming even better at meeting customer expectations and in engaging, attracting and retaining skilled employees who share our values.

We started to implement a new training tool at 20 factories in China during the quarter as part of further enhancing cooperation with strategic suppliers. The tool is based on lessons learnt from short training films in the areas of health and safety, fire safety, labour law and how to promote an enhanced workplace dialogue at Chinese plants. This work will also continue during the next financial year.

Update regarding new business system

Clas Ohlson is implementing a new IT platform. sCORE, Systems for Clas Ohlson Retail Efficiency, which 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 project was initiated in the spring of 2013 and the investment is estimated at an average of 50 to 70 MSEK per year over a five-year period.

Expansion

During the 2015/16 financial year, Clas Ohlson established a total of 10 stores, in line with the previously communicated plan to open 10-15 new stores. During the 2016/17 financial year Clas Ohlson plans to establish 10-15 new stores, entailing 3-8 new stores net taking into account the restructuring in the UK. See page 19 for a list of the number of future contracted store establishments.

Optimisation of UK store network

Clas Ohlson has announced plans to close a total of seven stores in the UK during the 2016/17 financial year as part of the optimisation of the store network, resulting in restructuring costs of 107 MSEK charged to the fourth quarter. In addition, there is a tax effect calculated at an expense of -7 MSEK. Annual cost savings are estimated to amount to 70 MSEK when the restructuring generates a full effect in the 2017/18 financial year.

Clas Ohlson will focus on strengthening its presence in the London region with smaller format stores and plans to open one to two additional stores in the London region during the 2016/17 financial year.

Establishment in Germany

On 19 May, Clas Ohlson opened its first store in the German market on Jungfernstieg in Hamburg and will open another two stores in Hamburg in the



Karoline Gustafsson, who usually works at Clas Ohlson's distribution centre in Insjön, was given the chance to learn more about the company's sustainability work by going on a study trip earlier this year.



The team in Germany underwent an induction programme in Insjön in the spring to ensure broad understanding of Clas Ohlson's history and values, important components in the meeting with the German consumers.

autumn, in Altona and Alstertal, and launch online shopping in the German market. Start-up cost for the German establishment is estimated to amount to 15 MSEK during the first quarter 2016/17.

Employees

The average number of employees in the Group was 2,787 (2,736). The increase was mainly related to new stores.

Parent Company

Parent Company sales during the financial year amounted to 6,074 MSEK (5,746) and profit after financial items totalled 456 MSEK (562).

Investments during the financial year totalled 207 MSEK (115). The Parent Company's contingent liabilities amounted to 238 MSEK (326).

Events after the end of the reporting period

Sales in May

Sales in May amounted to 540 MSEK (554). In local currencies, sales increased by 1 per cent.

At the end of the month, the total number of stores was 207, representing a net increase of nine stores compared with the year-earlier period (13).

Distribution of sales

MSEK	May 2016	May 2015	Percentage change	
			SEK	local currency
Sweden	264	250	6	6
Norway	189	223	-15	-6
Finland	56	54	4	4
Outside Nordic countries*	30	28	7	14
Total	540	554	-3	1

* Refers to UK, Germany (from May 19, 2016) and Dubai (franchise)



In May, Clas Ohlson launched a brand new series of tools for do-it-yourselfers with higher requirements for quality and function. The series is especially tailored for more demanding tasks.

End of performance period, long-term incentive plan, LTI 2013

The qualification and performance periods for the long-term incentive programme LTI 2013 were valid from 1 May 2013 until 30 April 2016. After the end of the reporting period, a total of 40,569 shares were allotted on 2 May in accordance with the AGM's resolution regarding share matching of one share per share purchased to those participants who remained employed after the three-year qualification period.

Following the end of the qualification period, the Board of Directors resolved to award 15 options per purchased share (5-15 options in cases of target fulfilment), based on established criteria for sales and profit growth. A total of 608,535 options were awarded. The employee stock options are exercisable as of 15 June 2016 but not later than 24 April 2020, and entitle participants to purchase Clas Ohlson shares at the price of 94.30 SEK per share.

Dividend proposal

The Board of Directors proposes that a dividend of 5.75 SEK per share (5.25) be paid for 2015/16. The proposed dividend amounts to a total of 377 MSEK (344), which corresponds to 100 per cent (75) of the financial year's profit after tax.

LTI 2016 and utilisation of authorisation to buy back shares

In May 2016, the long-term incentive plan LTI 2016 was introduced following the same structure as LTI 2015. The exercise price for the conditional employee stock options has been set at SEK 161.00 per share, with exercise possible, following the three-year qualification period, between June 2019 and April 2023.

The Annual General Meeting of Clas Ohlson AB on 12 September 2015 authorised the Board of Directors to acquire a maximum of 860,000 shares during the period up until the next Annual General Meeting in order to secure the company's undertakings in conjunction with the introduction of a share-related incentive programme, LTI 2016. The total number of shares required to secure the undertaking for LTI 2016 is estimated at 600,000. Part of the undertaking for the LTI 2016 can be secured through the use of shares that were bought back to secure previous LTI programmes where the need has been recalculated (60,000). Besides this, further balances will be performed in connection with the repurchases being carried out if additional shares can be transferred to LTI 2016.

The Board of Directors has decided to use the authorisation received from the AGM to buy back the remaining maximum 540,000 shares required to secure the company's obligation in respect of the LTI 2016. Acquisition will be conducted via Nasdaq Stockholm during the period up until the 2016 AGM, at a price within the quoted price span. As per 30 April 2016, the company's holding of Clas Ohlson shares amounted to 2,223,580 shares, corresponding to 3 per cent of the total number of registered shares.

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 per 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 strengthening its presence in the London region with smaller format stores, and establishing stores and online shopping in the German market, beginning in Hamburg. Plans are to establish at least one more store in the Gulf region through a franchise partnership. Future 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 expected to continue until 2018.

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, 8 June 2016

Klas Balkow
President and CEO of Clas Ohlson AB

Financial statements

Consolidated Income Statement

MSEK	3 Months		12 Months	
	Feb 2016 - Apr 2016	Feb 2015 - Apr 2015	May 2015 - Apr 2016	May 2014 - Apr 2015
Sales	1,503.9	1,498.3	7,601.6	7,329.8
Cost of goods sold	-890.8	-877.5	-4,376.3	-4,181.9
Gross profit	613.1	620.8	3,225.3	3,147.9
Selling expenses	-590.3	-586.1	-2,408.5	-2,361.6
Administrative expenses	-43.2	-44.2	-190.6	-188.6
Other operating income/expenses*	-105.8	1.8	-119.8	-1.7
Operating profit*	-126.2	-7.7	506.4	596.0
Net financial income/expense	0.3	0.4	1.2	1.2
Profit after financial items*	-126.0	-7.3	507.6	597.2
Income tax*	18.6	2.6	-128.8	-138.3
Profit for the period*	-107.4	-4.7	378.8	458.9

Consolidated Comprehensive Income Statement

MSEK	3 Months		12 Months	
	Feb 2016 - Apr 2016	Feb 2015 - Apr 2015	May 2015 - Apr 2016	May 2014 - Apr 2015
Profit for the period*	-107.4	-4.7	378.8	458.9
Other comprehensive income, net of tax:				
Items that later can be reversed back to the Consolidated income statement:				
Exchange rate differences	-9.5	24.5	-62.8	25.4
Cash flow hedging	-20.7	-28.4	4.3	-16.6
Total	-30.2	-3.9	-58.5	8.8
Items that later can not be reversed back to the Consolidated income statement:				
Reevaluation of net pension obligations	0.0	-0.1	0.0	-0.1
Total	0.0	-0.1	0.0	-0.1
Total other comprehensive income, net of tax	-30.2	-4.0	-58.5	8.7
Total comprehensive income for the period*	-137.6	-8.7	320.3	467.6

Data per share

	3 Months		12 Months	
	Feb 2016 - Apr 2016	Feb 2015 - Apr 2015	May 2015 - Apr 2016	May 2014 - Apr 2015
Number of shares before dilution	63,178,048	63,146,318	63,167,924	63,121,729
Number of shares after dilution	63,482,901	63,447,895	63,461,923	63,400,934
Number of shares at end of period	63,376,420	63,216,061	63,376,420	63,216,061
Earnings per share before dilution, SEK*	-1.70	-0.07	6.00	7.27
Earnings per share after dilution, SEK*	-1.69	-0.07	5.97	7.24
Comprehensive income per share, SEK*	-2.18	-0.14	5.07	7.41

* During the fourth quarter, a non-recurring cost of 107.0 MSEK affected the result, related to the restructuring of the store network in the UK. In the first quarter is also 10.5 MSEK attributable to costs for closing one store in the UK, which has been balanced during the financial year. In addition, there is a tax effect on non-deductible expenses estimated at 7.1 MSEK.

Consolidated Balance Sheet

MSEK	30 Apr 2016	30 Apr 2015
Assets		
Intangible assets	270.6	171.0
Tangible assets	1,127.2	1,228.9
Non-current receivables	18.1	11.6
Inventories	1,639.2	1,569.3
Other receivables	263.4	242.5
Liquid assets	604.3	517.4
Total assets	3,922.8	3,740.7
Equity and liabilities		
Equity	2,138.8	2,144.5
Long-term liabilities, Non-interest-bearing	195.1	213.3
Current liabilities, Non interest-bearing	1,588.9	1,382.9
Total equity and liabilities	3,922.8	3,740.7

Consolidated Cash Flow

MSEK	3 Months		12 Months	
	Feb 2016 - Apr 2016	Feb 2015 - Apr 2015	May 2015 - Apr 2016	May 2014 - Apr 2015
Operating profit	-126.2	-7.7	506.4	596.0
Adjustment for items not included in cash flow	159.2	60.9	368.1	259.0
Interest received	0.4	0.6	1.9	2.3
Interest paid	-0.2	-0.1	-0.8	-1.0
Tax paid	-52.4	-54.2	-133.0	-126.6
Cash flow from operating activities before changes in working capital	-19.2	-0.5	742.6	729.7
Change in working capital	-184.0	-124.2	-38.0	-82.4
Cash flow from operating activities	-203.2	-124.7	704.6	647.3
Investments in intangible assets	-33.9	-13.0	-133.4	-69.3
Investments in tangible assets	-42.7	-32.7	-141.0	-123.1
Sale of equipment	0.0	0.0	0.3	0.1
Cash flow from investing activities	-76.6	-45.7	-274.1	-192.3
Repurchase of own shares	0.0	0.0	-47.9	-13.7
Sale of own shares	22.3	10.2	43.3	14.4
Dividend to shareholders	0.0	0.0	-331.3	-299.6
Cash flow from financing activities	22.3	10.2	-335.9	-298.9
Cash flow for the period	-257.5	-160.2	94.6	156.1
Liquid assets at the start of the period	861.4	674.3	517.4	358.3
Exchange rate difference for liquid assets	0.4	3.3	-7.7	3.0
Liquid assets at the end of the period	604.3	517.4	604.3	517.4

Sales by segment

	3 Months		12 Months	
	Feb 2016 - Apr 2016	Feb 2015 - Apr 2015	May 2015 - Apr 2016	May 2014 - Apr 2015
MSEK				
Sweden	703.1	675.9	3,483.0	3,294.6
Norway	567.9	598.8	2,928.1	2,934.0
Finland	161.8	149.9	818.8	746.7
Outside Nordic countries	71.1	73.7	371.7	354.5
Group functions	574.8	493.3	2,579.2	2,439.5
Sales to other segments	-574.8	-493.3	-2,579.2	-2,439.5
Total	1,503.9	1,498.3	7,601.6	7,329.8

Operating profit by segment

	3 Months		12 Months	
	Feb 2016 - Apr 2016	Feb 2015 - Apr 2015	May 2015 - Apr 2016	May 2014 - Apr 2015
MSEK				
Sweden	33.0	29.9	142.3	135.2
Norway	28.2	26.0	122.9	123.6
Finland	5.7	4.8	26.1	22.9
Outside Nordic countries	3.9	2.7	12.7	13.1
Group functions	-197.1	-71.1	202.4	301.2
Total	-126.3	-7.7	506.4	596.0

Specification of change in profits*

	3 Months	12 Months
	Feb 2016 - Apr 2016	May 2015 - Apr 2016
MSEK		
Profit from sales	-1.7	70.9
Decreased gross margin	-9.1	-39.3
Change in administrative expenses	1.0	-2.0
Change in expansion costs stores	-4.1	1.1
Change in depreciation	2.9	-2.2
Change in other operating income/expense**	-107.6	-118.1
Change in financial income/expense	-0.1	0.0
Change in profit after financial items	-118.7	-89.6

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

** During the fourth quarter a non-recurring cost of 107.0 MSEK related to the restructuring of the store network in the UK affected the result. In the first quarter is also 10.5 MSEK attributable to costs for closing one store in the UK, which has been balanced during the financial year.

Change in equity

(attributable to the Parent company shareholders)

	12 Months	
	May 2015 - Apr 2016	May 2014 - Apr 2015
MSEK		
Equity brought forward	2,144.5	1,964.9
Dividend to shareholders	-331.3	-299.6
Repurchase of own shares	-47.9	-13.7
Sale of own shares	43.3	14.4
Paid-in option premiums:		
Value of employee services	9.9	10.9
Total comprehensive income	320.3	467.6
Equity carried forward	2,138.8	2,144.5

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	30 Apr 2016	30 Apr 2015
Sell/buy		
NOK/SEK	-1.6	-4.8
NOK/USD	-19.6	-20.7
SEK/USD	0.0	-1.1
Total	-21.2	-26.6

Forward contracts belong to the derivative 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 30 April 2016 there are both positive and negative market values in the currency pairs. Forward contracts with negative market value totalled MSEK 21.3 (26.6), which was recognized in the item Current liabilities, non-interest-bearing. Forward contracts with positive market values amounted to MSEK 0.1 (0.0), which is recognized in the item Other receivables. The company hedge the expected flow in each currency every month, with six-month maturities. Deferred tax of MSEK 4.7 (5.9) was taken into account and the remaining fair value of MSEK 16.5 (20.8) was recognized in the hedging reserve within equity.

Key ratios*

	3 Months		12 Months	
	Feb 2016 - Apr 2016	Feb 2015 - Apr 2015	May 2015 - Apr 2016	May 2014 - Apr 2015
MSEK				
Sales growth, %	0.4	8.1	3.7	7.7
Gross margin, %	40.8	41.4	42.4	42.9
Operating margin, %	-8.4	-0.5	6.7	8.1
Return on capital employed, %	-	-	23.6	29.3
Return on equity, %	-	-	17.6	22.5
Equity/assets ratio, %	54.5	57.3	54.5	57.3
Sales per sq.m in stores, SEK thousand	-	-	30	30
Number of stores at period end	205	198	205	198
Number of employees at period end	2,787	2,736	2,787	2,736
Data per share				
Number of shares before dilution	63,178,048	63,146,318	63,167,924	63,121,729
Number of shares after dilution	63,482,901	63,447,895	63,461,923	63,400,934
Number of shares at period end	63,376,420	63,216,061	63,376,420	63,216,061
Earnings per share before dilution, SEK	-1.70	-0.07	6.00	7.27
Earnings per share after dilution, SEK	-1.69	-0.07	5.97	7.24
Comprehensive income per share, SEK	-2.18	-0.14	5.07	7.41
Cash flow per share**, SEK	-3.22	-1.97	11.15	10.25
Equity per share, SEK	33.75	33.92	33.75	33.92
Share price 30 April, SEK	162	143	162	143
Dividend per share, SEK	-	-	5.75***	5.25
P/E ratio	-	-	27	20
Yield, %	-	-	3.5	3.7
Dividend proportion, %	-	-	96	72

* During the fourth quarter a non-recurring cost of 107.0 MSEK related to the restructuring of the store network in the UK affected the result. In the first quarter is also 10.5 MSEK attributable to costs for closing one store in the UK, which has been balanced during the financial year. In addition, there is a tax effect on non-deductible expenses estimated to 7.1 MSEK.

** From the operating activities

*** Proposed dividend for fiscal year 2015/16

Quarterly overview

MSEK	Q4 13/14	Q1 14/15	Q2 14/15	Q3 14/15	Q4 14/15	Q1 15/16	Q2 15/16	Q3 15/16	Q4* 15/16
Sales	1,385.9	1,642.2	1,814.4	2,374.9	1,498.3	1,769.8	1,846.5	2,481.5	1,503.9
Cost of goods sold	-815.9	-977.5	-1,001.1	-1,325.8	-877.5	-1,054.0	-1,035.4	-1,396.1	-890.8
Gross profit	570.0	664.7	813.3	1,049.1	620.8	715.8	811.1	1,085.4	613.1
Selling expenses	-545.2	-516.4	-611.0	-648.1	-586.1	-549.0	-617.4	-651.8	-590.3
Administrative expenses	-40.4	-45.9	-49.7	-48.8	-44.2	-49.2	-49.2	-49.0	-43.2
Other operating income/expenses	-2.4	-0.5	-1.2	-1.8	1.8	-11.8	0,0	-2.2	-105.8
Operating profit	-18.0	101.9	151.4	350.4	-7.7	105.8	144.5	382.3	-126.2
Net financial income/expense	0.0	0.2	0.2	0.4	0.4	0.3	0.2	0.4	0.3
Profit after financial items	-18.0	102.1	151.6	350.8	-7.3	106.1	144.8	382.7	-126.0
Income tax	5.8	-24.0	-35.8	-81.1	2.6	-25.5	-33.7	-88.3	18.6
Profit for the period	-12.2	78.1	115.8	269.7	-4.7	80.6	111.1	294.4	-107.4
Key ratios for the period									
Gross margin, %	41.1	40.5	44.8	44.2	41.4	40.4	43.9	43.7	40.8
Operating margin, %	-1.3	6.2	8.3	14.8	-0.5	6.0	7.8	15.4	-8.4
Earnings per share before dilution, SEK	-0.19	1.24	1.84	4.27	-0.07	1.27	1.76	4.66	-1.70
Earnings per share after dilution, SEK	-0.19	1.23	1.83	4.26	-0.07	1.27	1.75	4.65	-1.69
Equity per share, SEK	31.12	32.46	29.71	33.91	33.92	35.14	31.52	35.68	33.75

*Including a non-recurring cost of 107 MSEK

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	
		Feb 2016 - Apr 2016	Feb 2015 - Apr 2015	May 2015 - Apr 2016	May 2014 - Apr 2015
Sales		1,280.5	1,171.9	6,073.8	5,745.8
Cost of goods sold	1	-862.5	-834.6	-4,311.0	-4,056.5
Gross profit		418.0	337.3	1,762.8	1,689.3
Selling expenses	1	-297.9	-265.5	-1,145.9	-1,093.9
Administrative expenses	1	-29.9	-31.4	-145.0	-142.7
Other operating income/expenses		-113.3	0.9	-114.2	0.2
Operating profit		-23.1	41.3	357.7	452.9
Dividends from group companies		99.1	110.6	99.1	110.6
Net financial income/expense		-0.0	0.9	-1.2	-1.0
Profit after financial items		75.9	152.8	455.6	562.5
Appropriations		37.2	-46.3	37.2	-46.3
Profit before tax		113.1	106.5	492.7	516.2
Income tax		3.7	3.1	-82.3	-89.7
Profit for the period		116.8	109.6	410.4	426.5

Parent Company Comprehensive Income Statement

MSEK	3 Months		12 Months	
	Feb 2016 - Apr 2016	Feb 2015 - Apr 2015	May 2015 - Apr 2016	May 2014 - Apr 2015
Profit for the period	116.8	109.6	410.4	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	-5.3	2.5	-10.7	18.5
Other comprehensive income, net of tax	-5.3	2.5	-10.7	18.5
Total comprehensive income	111.5	112.1	399.7	445.0

Note 1 Depreciations

	3 Months		12 Months	
	Feb 2016 - Apr 2016	Feb 2015 - Apr 2015	May 2015 - Apr 2016	May 2014 - Apr 2015
Depreciations for the period	38.2	40.0	157.6	156.5

Parent Company Balance Sheet

MSEK	30 Apr 2016	30 Apr 2015
Assets		
Intangible assets	270.6	171.0
Tangible assets	837.4	889.0
Financial assets	179.8	211.1
Inventories	1,104.7	1,067.4
Other receivables	416.5	397.1
Liquid assets	515.4	442.5
Total assets	3,324.4	3,178.1
Equity and liabilities		
Equity	971.0	897.3
Untaxed reserves	972.3	1,009.5
Provisions	47.6	41.1
Long-term liabilities, Non-interest-bearing	5.0	5.0
Current liabilities, Non interest-bearing	1,328.4	1,225.2
Total equity and liabilities	3,324.4	3,178.1
Pledged assets	0.0	0.0
Contingent liabilities	237.5	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. Disclosures in accordance with IAS 34 Interim Financial Reporting are provided in both notes and elsewhere in this interim report.

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.

Dividend proportion

Dividend expressed as a percentage of earnings per share 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.

P/E ratio

Share price at year-end in relation to earnings per share

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 last year.

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.

Yield

Dividend per share divided by the year-end share price.

Store portfolio

New stores, fourth quarter

- Umeå Avion, Umeå, Sweden, opened in March 2016

For more information, refer to the detailed list on the website about.clasohlson.com

Closed stores, fourth quarter

- Hamar, Norway, closed in February 2016

New stores after the end of the period

- Jungfernstieg, Hamburg, Germany, opened in May 2016
- Sandnes, Norway, opened in May 2016

Future store openings as of report date

- Finnsnes, Norway, scheduled to open in June 2016
- Voss, Norway, scheduled to open in June 2016
- Svolveær, Norway, scheduled to open in August 2016
- Kaivotalo, Helsinki, Finland, scheduled to open in October 2016
- Stovner, Oslo, Norway, scheduled to open in November 2016
- Altona, Hamburg, Germany, scheduled to open in autumn of 2016
- Alstertal, Hamburg, Germany, scheduled to open in autumn of 2016
- Varberg, Sweden, scheduled to open in spring of 2017
- Espoo, scheduled to open in spring of 2017
- Trondheim, Norway, scheduled to open in November 2017
- Tampere, Finland, scheduled to open in April 2018
- Helsinki, Finland, scheduled to open in September 2018

For more information, refer to the detailed list on the website about.clasohlson.com

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.

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 30 April 2016 was 162 SEK per share.

Number of shares

The number of registered shares totalled 65,600,000, unchanged from the preceding year. At 30 April 2016, the company held 2,223,580 shares (2,383,939) corresponding to 3 per cent (4) of the total number of registered shares. At the end of the period, the number of shares outstanding, net after buy-back, was 63,376,420 (63,216,061).

Dividend policy

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

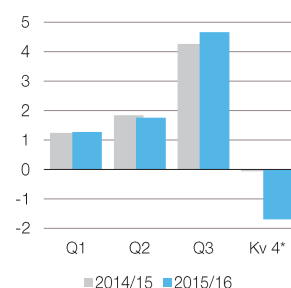
The largest shareholders 2016-04-30

Owner	Number of A-shares	Number of B-shares	Equity, %	Votes, %
Helena 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	3	12
Peter Haid	1,007,960	3,785,243	7	12
Claus-Toni Haid	1,007,960	3,465,916	7	12
Nordea Investment Funds	0	3,599,227	5	3
IF Skadeförsäkring AB	0	3,114,337	5	3
Länsförsäkringar fondförvaltning AB	0	1,436,187	2	1
Afa Försäkring	0	1,430,171	2	1
Swedbank Robur fonder	0	1,328,486	2	1
Other shareholders	0	29,867,771	46	25
Total	5,760,000	59,840,000	100	100

Share data

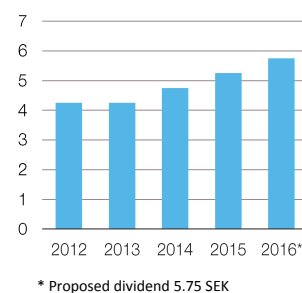
Listing	Nasdaq Stockholm Mid Cap
Ticker	Clas B
Industry	Consumer Services
ISIN code	SE0000584948

Earnings per share, SEK



*Including a non-recurring cost of 107 MSEK

Dividend per share, SEK



* Proposed dividend 5.75 SEK

clas ohlson in brief

Our business model

A broad range of smart products at attractive prices, 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.

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.

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 2016/17 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.

www.clasohlson.com

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