

clas ohlson

nine-month report 2014 / 15

Third quarter

- Sales increased by 6% to 2,375 MSEK (2,238)
In local currencies, sales increased by 5%
- Operating profit increased by 6% to 350 MSEK (330)
- Profit after tax increased by 6% to 270 MSEK (254)
- Earnings per share increased by 6% to 4.27 SEK (4.03)

Nine months

- Sales increased by 8% to 5,831 MSEK (5,422)
In local currencies, sales increased by 6%
- Operating profit increased by 10% to 604 MSEK (549)
- Profit after tax increased by 11% to 464 MSEK (418)
- Earnings per share increased by 11% to 7.35 SEK (6.61)
- Cash flow from operating activities amounted to 772 MSEK (652)

Events after the end of the reporting period

- In February, sales increased by 9% to 478 MSEK (438).
In local currencies, sales increased by 6%
- During the coming 2015/16 financial year, Clas Ohlson plans to establish 10-15 new stores



Christmas shopping 2014 broke new records despite a mild winter leading to weaker demand for winter-related products.

6%

sales increase

6%

increased profit after tax

	3 Months			9 Months			12 Months	
	Nov 2014 - Jan 2015	Nov 2013 - Jan 2014	Percentage change	May 2014 - Jan 2015	May 2013 - Jan 2014	Percentage change	Feb 2014 - Jan 2015	May 2013 - Apr 2014
Sales, MSEK	2,375	2,238	6	5,831	5,422	8	7,217	6,808
Operating profit, MSEK	350	330	6	604	549	10	586	531
Profit before tax, MSEK	351	331	6	605	548	10	587	530
Profit after tax, MSEK	270	254	6	464	418	11	451	405
Gross margin, %	44.2	43.7	0.5 p.p	43.3	43.0	0.3 p.p	42.9	42.6
Operating margin, %	14.8	14.8	0.0 p.p	10.4	10.1	0.3 p.p	8.1	7.8
Return on capital employed, %	-	-	-	-	-	-	29.5	28.0
Return on equity, %	-	-	-	-	-	-	22.7	21.7
Equity/assets ratio, %	57.1	59.1	-2.0 p.p	57.1	59.1	-2.0 p.p	57.1	58.3
Earnings per share before dilution, SEK	4.27	4.03	6	7.35	6.61	11	7.15	6.42

The 2014/15 financial year comprises the period from 1 May 2014 to 30 April 2015.

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 11 March 2015 at 07:00 a.m. CET.

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CEO's comments

A record quarter with more loyal customers than ever

Third-quarter earnings were again the best in Clas Ohlson's history. Sales increased in all markets and in all sales channels. Our concept and attractive customer offering, combined with enhanced efficiency, is generating results.

Clas Ohlson's five markets and all sales channels continued to show good performance. Despite the mild winter adversely affecting demand for winter-related products, sales in the third quarter increased by 6 per cent to 2,375 MSEK. Sales outside Nordic countries grew a full 24 per cent in SEK.

We also reported the best earnings in the company's history. Operating profit increased by 6 per cent to 350 MSEK during the quarter.

Increasingly satisfied and loyal customers

Customers are our highest priority. For this reason, we are delighted by all the wonderful awards and accolades we have received, particularly those from customers themselves. In the customer surveys we recently carried out, we achieved a customer satisfaction index of more than 85 per cent, which is far above the industry average. Clas Ohlson's service level, product range and store concept are particularly appreciated by customers. It is pleasing to see that our investments in developing the offering are generating results.

We introduced Club Clas to Finnish consumers during the quarter. In total, we now have more than 1.6 million members in our customer loyalty programme in Sweden and Finland combined.

Plans for continued growth and expansion stand firm

We are continuing to expand the operations and are planning to establish 10-15 new stores in the 2015/16 financial year. The plans to establish further stores in the UK and the Gulf region stand firm and we are currently looking for a suitable location for the first Clas Ohlson store in Germany.



Klas Balkow

President and CEO of Clas Ohlson AB



We set a new record for Christmas shopping and can report a robust quarter

with high growth in our foreign markets. We are now approaching the spring with a wide range of new, affordable products.

Content of financial statements	Financial information	Calendar	
Financial statements	9	10 June 2015	Year-end Report 2014/15
Key ratios	13	Aug 2015	2014/15 Annual Report
Overview of the quarter	14	9 Sept 2015	Three-month Report 2015/16
Accounting policies	16	12 Sept 2015	2014/15 AGM
Definitions	17	9 Dec 2015	Six-month Report 2015/16
The share	18	16 March 2016	Nine-month Report 2015/16

Operations

Clas Ohlson is an international retail company with the business concept of offering a broad and attractively priced product range to solve the practical problems of everyday life. 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 telephone, as well as through a franchise store in Dubai.

Business environment and market¹

Retail in Sweden increased by 3.9 per cent at current prices compared with the same quarter in the preceding year (preceding quarter 3.8). During the quarter, consumer confidence in Sweden amounted to 98.3, a decline compared with the preceding quarter (99.0) and the third quarter in the preceding year (103.8).

Retail in Norway increased by 3.3 per cent at current prices compared with the same quarter in the preceding year (preceding quarter 3.2). During the quarter, consumer confidence in Norway amounted to -3.8, a decline compared with the preceding quarter (0.9) and the third quarter in the preceding year (-0.5).

Retail in Finland decreased by 3.0 per cent at current prices compared with the same quarter in the preceding year (preceding quarter -0.4). During the quarter, consumer confidence in Finland amounted to 4.3, an increase compared with the preceding quarter (0.6) and a decline compared with the third quarter in the preceding year (7.8).

Retail in the UK increased by 3.4 per cent at current prices compared with the same quarter in the preceding year (preceding quarter 2.9). During the quarter, consumer confidence in the UK amounted to -1.7, a decline compared with the preceding quarter (-0.7) and an increase compared with the third quarter in the preceding year (-10.7).

Sales

Third quarter

Sales increased to 2,375 MSEK, up 6 per cent compared with 2,238 MSEK in the preceding year. Measured in local currencies, sales increased by 5 per cent.

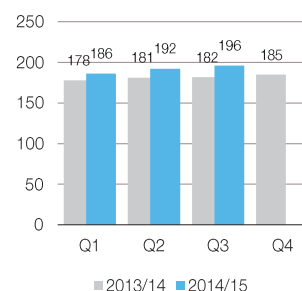
Four new stores (1) were opened during the quarter, two in Sweden and two in Norway. At the end of the quarter, the total number of stores was 196, representing an increase of 14 stores compared with the year-earlier period (10).

Nine months

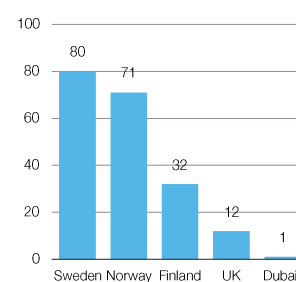
Sales increased to 5,831 MSEK, up 8 per cent compared with 5,422 MSEK in the preceding year. In local currencies, sales rose by 6 per cent.

11 new stores (8) were opened during the first nine months of the year; two in Sweden, seven in Norway and two in Finland.

Total number of stores

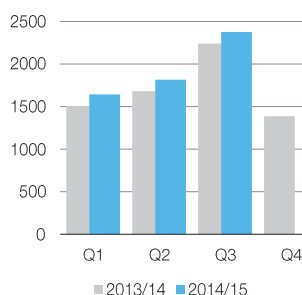


Distribution of number of stores

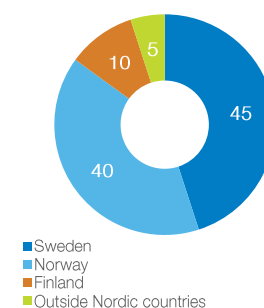


*Franchise store

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				9 Months			
	Nov 2014 - Jan 2015	Nov 2013 - Jan 2014	Percentage change		May 2014 - Jan 2015	May 2013 - Jan 2014	Percentage change	
			SEK	local currency			SEK	local currency
Sweden	1,056	1,042	1	1	2,619	2,516	4	4
Norway	940	869	8	9	2,335	2,158	8	8
Finland	259	230	13	7	597	530	13	7
Outside Nordic countries	120	96	24	12	281	217	29	16
Total	2,375	2,238	6	5	5,831	5,422	8	6

The sales trend in the UK continued in the right direction, with a sales increase exceeding 5 per cent in comparable units in the third quarter.

Distribution of sales increase

Per cent	3 Months	9 Months
	Nov 2014 - Jan 2015	May 2014 - Jan 2015
Comparable units in local currency	1	2
New stores	4	4
Exchange-rate effects	1	2
Total	6	8

Results

Third quarter

The gross margin increased to 44.2 per cent, up 0.5 percentage points year-on-year (43.7 per cent). The gross margin was positively impacted mainly by a favourable sales mix and higher efficiency in the supply chain and negatively impacted by currency movements. The effect of the sharp increase in the USD in the quarter was limited due to stock turnover rate, currency hedges and stronger sales currencies.

The share of selling expenses increased by 0.6 percentage points to 27.3 per cent (26.7), primarily due to higher marketing and start-up costs.

Operating profit increased by 6 per cent to 350 MSEK (330). The operating margin was 14.8 per cent (14.8). Profit after financial items increased by 6 per cent to 351 MSEK (331).

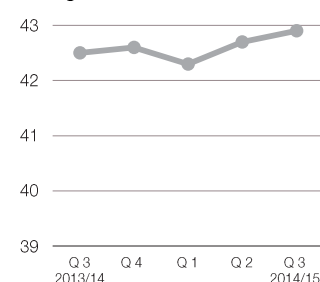
Depreciation for the period amounted to 59 MSEK (54).

Spot exchange rates for key currencies averaged 1.06 for NOK and 7.72 for USD, compared with 1.07 and 6.54, 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, normally in January/February and June/July, for forthcoming six-month periods.

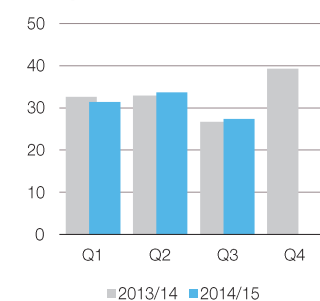
Nine months

The gross margin increased to 43.3 per cent, up 0.3 percentage points year-on-year (43.0 per cent). The gross margin was positively impacted mainly by a favourable sales mix and higher efficiency in the supply chain, while negatively impacted by exchange-rate effects.

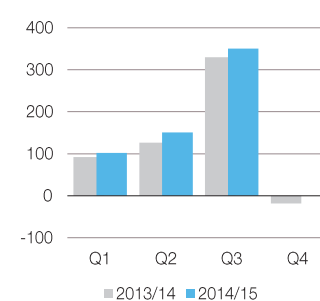
Gross margin rolling 12 months, %



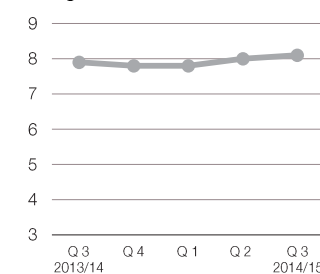
Share of selling expenses, %



Operating profit, MSEK



Operating margin rolling 12 months, %



The share of selling expenses increased by 0.1 percentage points to 30.4 per cent (30.3).

Operating profit increased by 10 per cent to 604 MSEK (549). The operating margin increased by 0.3 percentage points to 10.4 per cent (10.1). Profit after financial items increased by 10 per cent to 605 MSEK (548).

Depreciation for the period amounted to 174 MSEK (158).

Spot exchange rates for key currencies averaged 1.09 for NOK and 7.17 for USD, compared with 1.09 and 6.56, 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, normally in January/February and June/July, for forthcoming six-month periods.

Investments

During the nine-month period, investments totalled 147 MSEK (120). Of this amount, investments in new or refurbished stores accounted for 65 MSEK (44). Other investments were primarily IT and replacement investments. During the nine-month period, investments in IT systems amounted to 56 MSEK (26).

Financing and liquidity

Cash flow from operating activities during the nine-month period totalled 772 MSEK (652). Cash flow for the period, after investing and financing activities, was 316 MSEK (246). The cash dividend paid to Clas Ohlson's shareholders in September 2014 totalled 300 MSEK (268).

The average 12-month value of inventories was 1,436 MSEK (1,395). Over a rolling 12-month period, the stock turnover rate at the distribution centre was 7.1 times (6.9).

At the end of the period, the value of inventories was 1,458 MSEK (1,326). Compared with the preceding year, 13 own stores were added.

During the period, buy-backs of the company's own shares to secure the LTI 2014 (Long Term Incentive Plan 2014) amounted to 14 MSEK (22).

The Group's net cash holdings, meaning cash and cash equivalents less interest-bearing liabilities, amounted to 674 MSEK (367) at the end of the period. The equity/assets ratio was 57 per cent (59).

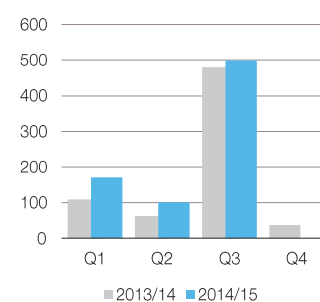
Sustainable development

During the quarter, we continued to further enhance the efficiency of the processes for auditing subsuppliers. We perform complete audits of new suppliers at an early stage of the approval process to ensure that they comply with Clas Ohlson's requirements. We also improved integration between the audit team and the purchasing organisation to achieve rapid improvements in supplier shortcomings.

We continued to develop our sustainable product range and during the quarter we could offer such products as the world's first eco-labelled tea lights and developed a rake made from 100 per cent recycled materials.

During the quarter, we initiated an in-store campaign to support Save the Children's projects in China and Save the Children's disaster relief fund. We also began a long-term partnership with ECPAT (End Child Prostitution, Child Pornography, and Trafficking of Children for Sexual Purposes).

Cash flow, MSEK*



* from operating activities



Clas Ohlson recycles broken plastic crates and converts more than 1 tonne of plastic per year into rakes.

Club Clas enters new markets

The Club Clas loyalty programme was introduced to the Finnish market during the quarter. The offering was well received, with successful recruitment of customers to date.

Employees

The average number of employees in the Group was 2,706 (2,607), of whom 1,153 (1,121) were women.

Parent Company

Parent Company sales during the nine-month period amounted to 4,574 MSEK (4,373) and profit after financial items totalled 410 MSEK (476).

Investments during the period totalled 87 MSEK (99). The Parent Company's contingent liabilities amounted to 312 MSEK (277).

Events after the end of the reporting period

Sales in February

In February, sales increased by 9 per cent to 478 MSEK (438). In local currencies, sales increased by 6 per cent. Compared with the same month in the preceding year, 14 stores (10) were added and the total number of stores at 28 February 2015 was 196 (182).

Distribution of sales

MSEK	Feb 2015	Feb 2014	Percentage change, SEK	Percentage change, local currency
Sweden	210	201	4	4
Norway	196	171	14	10
Finland	49	41	19	11
Outside Nordic countries*	24	25	-2	-17
Total	478	438	9	6

*Of which 6 MSEK during February 2014 pertains to sale to franchisee from stock build-up. With stock build-up excluded, sales increase Outside Nordic countries was 9% in local currency.

In the first ten months of the financial year (May-February), sales increased by 8 per cent to 6,310 MSEK (5,860). In local currencies, sales increased by 6 per cent.

Transfer pricing

A tax audit concerning transfer pricing was conducted in Norway. A decision was received from the Norwegian tax authority at the beginning of March 2015, under which additional tax of 49 MNOK was charged for the years 2008 to 2010. The assessment is that this tax can be deducted against tax paid in Sweden.

Hedging

The principles for the company's hedging in NOK and USD will change from March 2015. Hedging will take place on a monthly basis with maturities of six months for half of the expected flow in each currency.



A new store was opened in Barkarby in Stockholm, becoming Clas Ohlson's 196th store.

Store expansion

In the current 2014/15 financial year, Clas Ohlson will establish a total of 13 stores. This figure is in line with the planned establishment of 10-15 new stores, which was previously communicated. The number of future store establishments under contract and communicated totals 8 stores.

During the coming 2015/16 financial year, Clas Ohlson plans to establish 10-15 new stores.

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 is preparing to establish a couple of smaller stores in the London area.

Clas Ohlson is preparing for entry into the German market with retail stores and online shopping. The initial plan is for one to two stores in northern Germany during the 2015 calendar year.

Initial plans are to establish at least one more store in the Gulf region during 2015 through a franchise partnership. Future continued expansion will be determined following an evaluation. The Group's assessment is that the potential exists to establish a minimum of 20 stores in the Gulf region over a five-year period.

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

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. Exchange rate fluctuations, such as for example the recent sharp strengthening of the US dollar, have an impact on our purchase prices.

For a detailed description of the Group's risks and risk management, refer to pages 38-39 of the 2013/14 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, 11 March 2015

Klas Balkow

President and CEO of Clas Ohlson AB

Financial statements

Consolidated Income Statement

MSEK	3 Months		9 Months		12 Months	
	Nov 2014 - Jan 2015	Nov 2013 - Jan 2014	May 2014 - Jan 2015	May 2013 - Jan 2014	Feb 2014 - Jan 2015	May 2013 - Apr 2014
Sales	2,374.9	2,237.6	5,831.5	5,421.8	7,217.4	6,807.7
Cost of goods sold	-1,325.8	-1,258.9	-3,304.4	-3,089.4	-4,120.3	-3,905.3
Gross profit	1,049.1	978.7	2,527.1	2,332.4	3,097.1	2,902.4
Selling expenses	-648.1	-598.5	-1,775.5	-1,642.9	-2,320.7	-2,188.1
Administrative expenses	-48.8	-48.1	-144.4	-138.2	-184.8	-178.6
Other operating income/expenses	-1.8	-1.7	-3.5	-2.8	-5.9	-5.2
Operating profit	350.4	330.4	603.7	548.5	585.7	530.5
Net financial income/expense	0.4	0.4	0.8	-0.3	0.8	-0.3
Profit after financial items	350.8	330.8	604.5	548.2	586.5	530.2
Income tax	-81.1	-76.7	-140.9	-130.6	-135.1	-124.8
Profit for the period	269.7	254.1	463.6	417.6	451.4	405.4

Consolidated Comprehensive Income Statement

MSEK	3 Months		9 Months		12 Months	
	Nov 2014 - Jan 2015	Nov 2013 - Jan 2014	May 2014 - Jan 2015	May 2013 - Jan 2014	Feb 2014 - Jan 2015	May 2013 - Apr 2014
Profit for the period	269.7	254.1	463.6	417.6	451.4	405.4
Other comprehensive income, net of tax: Items that later can be reversed back to the Consolidated income statement:						
Exchange rate differences	-8.8	-14.2	0.9	-23.1	30.8	6.8
Cash flow hedging	-3.0	2.2	11.8	-4.3	7.7	-8.4
Total	-11.8	-12.0	12.7	-27.4	38.5	-1.6
Items that later can not be reversed back to the Consolidated income statement:						
Reevaluation of net pension obligations	0.0	0.0	0.0	0.0	1.0	1.0
Total	0.0	0.0	0.0	0.0	1.0	1.0
Total other comprehensive income, net of tax	-11.8	-12.0	12.7	-27.4	39.5	-0.6
Total comprehensive income for the period	257.9	242.1	476.3	390.2	490.9	404.8

Data per share

	3 Months		9 Months		12 Months	
	Nov 2014 - Jan 2015	Nov 2013 - Jan 2014	May 2014 - Jan 2015	May 2013 - Jan 2014	Feb 2014 - Jan 2015	May 2013 - Apr 2014
Number of shares before dilution	63,099,994	63,082,802	63,113,799	63,140,499	63,116,958	63,137,148
Number of shares after dilution	63,334,080	63,167,088	63,364,656	63,220,521	63,361,923	63,243,692
Number of shares at end of period	63,118,341	63,116,852	63,118,341	63,116,852	63,118,341	63,140,994
Earnings per share before dilution, SEK	4.27	4.03	7.35	6.61	7.15	6.42
Earnings per share after dilution, SEK	4.26	4.02	7.32	6.61	7.12	6.41
Comprehensive income per share, SEK	4.09	3.84	7.55	6.18	7.78	6.41

Consolidated Balance Sheet

MSEK	31 Jan 2015	31 Jan 2014	30 Apr 2014
Assets			
Intangible assets	166.3	122.9	133.0
Tangible assets	1,237.5	1,292.5	1,291.2
Non-current receivables	8.1	4.3	8.1
Inventories	1,457.8	1,325.9	1,348.2
Other receivables	206.9	176.4	229.5
Liquid assets	674.3	367.1	358.3
Total assets	3,750.9	3,289.1	3,368.3
Equity and liabilities			
Equity	2,140.3	1,944.7	1,964.9
Long-term liabilities, Non-interest-bearing	204.0	159.5	206.5
Current liabilities, Non interest-bearing	1,406.6	1,184.9	1,196.9
Total equity and liabilities	3,750.9	3,289.1	3,368.3

Consolidated Cash Flow

MSEK	3 Months		9 Months		12 Months	
	Nov 2014 - Jan 2015	Nov 2013 - Jan 2014	May 2014 - Jan 2015	May 2013 - Jan 2014	Feb 2014 - Jan 2015	May 2013 - Apr 2014
Operating profit	350.4	330.4	603.7	548.5	585.7	530.5
Adjustment for items not included in cash flow	76.4	67.6	198.1	174.6	255.5	232.0
Interest received	0.7	0.8	1.7	1.9	1.8	2.0
Interest paid	-0.2	-0.9	-0.9	-2.3	-1.0	-2.4
Tax paid	-30.4	-30.4	-72.4	-68.3	-94.2	-90.1
Cash flow from operating activities before changes in working capital	396.9	367.5	730.2	654.4	747.8	672.0
Change in working capital	102.8	113.0	41.8	-2.2	61.1	17.1
Cash flow from operating activities	499.7	480.5	772.0	652.2	808.9	689.1
Investments in intangible assets	-10.7	-17.4	-56.3	-26.3	-70.9	-40.9
Investments in tangible assets	-29.1	-35.3	-90.4	-94.0	-127.6	-131.2
Change in current investments	0.0	0.2	0.1	0.2	0.2	0.3
Cash flow from investing activities	-39.8	-52.5	-146.6	-120.1	-198.3	-171.8
Borrowings	0.0	0.0	0.0	200.0	0.0	200.0
Repayment of loans	0.0	-200.0	0.0	-200.0	0.0	-200.0
Repurchase of own shares	0.0	0.0	-13.7	-21.7	-13.7	-21.7
Sale of own shares	3.3	3.9	4.2	3.9	6.5	6.2
Dividend to shareholders	0.0	0.0	-299.6	-268.1	-299.6	-268.1
Cash flow from financing activities	3.3	-196.1	-309.1	-285.9	-306.8	-283.6
Cash flow for the period	463.2	231.9	316.3	246.2	303.8	233.7
Liquid assets at the start of the period	212.9	136.9	358.3	124.6	367.1	124.6
Exchange rate difference for liquid assets	-1.8	-1.7	-0.3	-3.7	3.4	0.0
Liquid assets at the end of the period	674.3	367.1	674.3	367.1	674.3	358.3

Sales by segment

	3 Months		9 Months	
	Nov 2014 - Jan 2015	Nov 2013 - Jan 2014	May 2014 - Jan 2015	May 2013 - Jan 2014
MSEK				
Sweden	1,056.1	1,041.9	2,618.7	2,516.3
Norway	940.4	869.4	2,335.2	2,158.4
Finland and outside Nordic countries	378.4	326.3	877.6	747.1
Group functions	695.6	887.4	1,946.2	1,856.8
Sales to other segments	-695.6	-887.4	-1,946.2	-1,856.8
Total	2,374.9	2,237.6	5,831.5	5,421.8

Operating profit by segment

	3 Months		9 Months	
	Nov 2014 - Jan 2015	Nov 2013 - Jan 2014	May 2014 - Jan 2015	May 2013 - Jan 2014
MSEK				
Sweden	43.7	44.6	105.3	95.6
Norway	41.6	40.0	97.6	86.0
Finland and outside Nordic countries	15.2	9.0	28.5	18.9
Group functions	249.9	236.8	372.3	348.0
Total	350.4	330.4	603.7	548.5

Specification of change in profits*

	3 Months	9 Months
	Nov 2014 - Jan 2015	May 2014 - Jan 2015
MSEK		
Profit from sales	21.8	66.2
Increased gross margin	10.0	18.5
Increased administrative expenses	-0.7	-6.2
Increased expansion costs stores	-6.3	-7.4
Increased depreciation	-4.7	-15.2
Change in other operating income/expense	-0.1	-0.7
Change in financial income/expense	0,0	1.1
Change in profit after financial items	20.0	56.3

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

Change in equity

(attributable to the Parent company shareholders)

	9 Months	
	May 2014 - Jan 2015	May 2013 - Jan 2014
MSEK		
Equity brought forward	1,964.9	1,836.5
Dividend to shareholders	-299.6	-268.1
Repurchase of own shares	-13.7	-21.7
Sale of own shares	4.2	3.9
Paid-in option premiums:		
Value of employee services	8.2	3.9
Total comprehensive income	476.3	390.2
Equity carried forward	2,140.3	1,944.7

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 Jan 2015	31 Jan 2014
Sell/buy		
NOK/SEK	1.0	0.0
NOK/USD	8.9	0.0
SEK/USD	0.0	0.0
Total	9.9	0.0

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. Forwards for last year were done in the beginning of February compared to late January this year, why outstanding forwards are missing to date 31 January 2014. As per 31 January, 2015 there are both positive and negative market values in the currency pairs. Forward contracts with negative market value totalled 0.2 MSEK (0.0), which was recognized in the item Current liabilities, non-interest-bearing. Forward contracts with positive market values amounted to 10.1 MSEK (0.0), which is recognized in the item Other receivables. Deferred tax of 2.2 MSEK (0.0) was taken into account and the remaining fair value of 7.7 MSEK (0.0) was recognized in the hedging reserve within equity.

Key ratios

	3 Months		9 Months		12 Months	
	Nov 2014 - Jan 2015	Nov 2013 - Jan 2014	May 2014 - Jan 2015	May 2013 - Jan 2014	Feb 2014 - Jan 2015	May 2013 - Apr 2014
MSEK						
Sales growth, %	6.1	3.2	7.6	3.4	7.8	4.4
Gross margin, %	44.2	43.7	43.3	43.0	42.9	42.6
Operating margin, %	14.8	14.8	10.4	10.1	8.1	7.8
Return on capital employed, %	-	-	-	-	29.5	28.0
Return on equity, %	-	-	-	-	22.7	21.7
Equity/assets ratio, %	57.1	59.1	57.1	59.1	57.1	58.3
Sales per sq.m in stores, SEK thousand	-	-	-	-	30	30
Number of stores at period end	196	182	196	182	196	185
Number of employees at period end	2,706	2,607	2,706	2,607	2,706	2,629
Data per share						
Number of shares before dilution	63,099,994	63,082,802	63,113,799	63,140,499	63,116,958	63,137,148
Number of shares after dilution	63,334,080	63,167,088	63,364,656	63,220,521	63,361,923	63,243,692
Number of shares at period end	63,118,341	63,116,852	63,118,341	63,116,852	63,118,341	63,140,994
Earnings per share before dilution, SEK	4.27	4.03	7.35	6.61	7.15	6.42
Earnings per share after dilution, SEK	4.26	4.02	7.32	6.61	7.12	6.41
Comprehensive income per share, SEK	4.09	3.84	7.55	6.18	7.78	6.41
Cash flow per share*, SEK	7.92	7.62	12.23	10.33	12.82	10.91
Equity per share, SEK	33.91	30.81	33.91	30.81	33.91	31.12

*From operating activities.

Quarterly overview

MSEK	Q3 12/13	Q4 12/13	Q1 13/14	Q2 13/14	Q3 13/14	Q4 13/14	Q1 14/15	Q2 14/15	Q3 14/15
Sales	2,169.1	1,273.5	1,506.5	1,677.7	2,237.6	1,385.9	1,642.2	1,814.4	2,374.9
Cost of goods sold	-1,274.8	-757.6	-878.5	-952.0	-1,258.9	-815.9	-977.5	-1,001.1	-1,325.8
Gross profit	894.3	515.9	628.0	725.7	978.7	570.0	664.7	813.3	1,049.1
Selling expenses	-599.8	-496.5	-491.8	-552.6	-598.5	-545.2	-516.4	-611.0	-648.1
Administrative expenses	-46.9	-37.7	-43.6	-46.5	-48.1	-40.4	-45.9	-49.7	-48.8
Other operating income/expenses	-0.2	-1.0	-0.3	-0.8	-1.7	-2.4	-0.5	-1.2	-1.8
Operating profit	247.4	-19.3	92.3	125.8	330.4	-18.0	101.9	151.4	350.4
Net financial income/expense	-6.7	-0.9	-0.3	-0.4	0.4	0.0	0.2	0.2	0.4
Profit after financial items	240.7	-20.2	92.0	125.4	330.8	-18.0	102.1	151.6	350.8
Income tax	-36.7	2.8	-22.8	-31.1	-76.7	5.8	-24.0	-35.8	-81.1
Profit for the period	204.0	-17.4	69.2	94.3	254.1	-12.2	78.1	115.8	269.7
Key ratios for the period									
Gross margin, %	41.2	40.5	41.7	43.3	43.7	41.1	40.5	44.8	44.2
Operating margin, %	11.4	-1.5	6.1	7.5	14.8	-1.3	6.2	8.3	14.8
Earnings per share before dilution, SEK	3.22	-0.27	1.09	1.49	4.03	-0.19	1.24	1.84	4.27
Earnings per share after dilution, SEK	3.22	-0.27	1.09	1.49	4.02	-0.19	1.23	1.83	4.26
Equity per share, SEK	29.40	29.02	29.67	26.85	30.81	31.12	32.46	29.71	33.91

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		9 Months		12 Months	
		Nov 2014 - Jan 2015	Nov 2013 - Jan 2014	May 2014 - Jan 2015	May 2013 - Jan 2014	Feb 2014 - Jan 2015	May 2013 - Apr 2014
Sales		1,754.7	1,929.3	4,573.9	4,373.1	5,595.6	5,394.8
Cost of goods sold	1	-1,271.0	-1,180.5	-3,221.9	-3,003.4	-3,991.2	-3,772.7
Gross profit		483.7	748.8	1,352.0	1,369.7	1,604.4	1,622.1
Selling expenses	1	-301.6	-286.3	-828.4	-779.1	-1,086.8	-1,037.5
Administrative expenses	1	-36.8	-37.5	-111.3	-108.1	-143.8	-140.6
Other operating income/expenses		-0.3	-1.7	-0.7	-2.8	-1.4	-3.5
Operating profit		145.0	423.3	411.6	479.7	372.4	440.5
Net financial income/expense		-0.6	-0.8	-1.9	-3.4	1.8	0.3
Profit after financial items		144.4	422.5	409.7	476.3	374.2	440.8
Appropriations		0.0	0.0	0.0	0.0	-139.2	-139.2
Profit before tax		144.4	422.5	409.7	476.3	235.0	301.6
Income tax		-33.1	-94.7	-92.8	-107.0	-54.1	-68.3
Profit for the period		111.3	327.8	316.9	369.3	180.9	233.3

Parent Company Comprehensive Income Statement

MSEK	3 Months		9 Months		12 Months	
	Nov 2014 - Jan 2015	Nov 2013 - Jan 2014	May 2014 - Jan 2015	May 2013 - Jan 2014	Feb 2014 - Jan 2015	May 2013 - Apr 2014
Profit for the period	111.3	327.8	316.9	369.3	180.9	233.3
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	7.7	4.7	16.0	8.8	21.2	14.0
Other comprehensive income, net of tax	7.7	4.7	16.0	8.8	21.2	14.0
Total comprehensive income	119.0	332.5	332.9	378.1	202.1	247.3

Note 1 Depreciation

Depreciation during the first nine months amounts to 116.5 MSEK (105.0)

Depreciation during the third quarter amounts to 39.7 MSEK (36.8)

Parent Company Balance Sheet			
MSEK	31 Jan 2015	31 Jan 2014	30 Apr 2014
Assets			
Intangible assets	166.3	122.9	133.0
Tangible assets	905.6	980.1	968.7
Financial assets	205.3	243.0	212.4
Inventories	967.6	884.3	884.0
Other receivables	295.7	414.4	293.9
Liquid assets	587.3	308.0	281.5
Total assets	3,127.8	2,952.7	2,773.5
Equity and liabilities			
Equity	772.4	865.7	740.5
Untaxed reserves	963.2	824.0	963.2
Provisions	41.8	29.5	31.4
Long-term liabilities, Non-interest-bearing	5.0	5.0	5.0
Current liabilities, Non interest-bearing	1,345.4	1,228.5	1,033.4
Total equity and liabilities	3,127.8	2,952.7	2,773.5
Pledged assets	0.0	0.0	0.0
Contingent liabilities	311.6	277.1	287.7

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 2013/14 Annual Report on page 56. 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 2014. 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 2013/14 Annual Report, pages 54-56.

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 full corresponding period last year.

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 the number of shares (before and after dilution).

Equity per share

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

Equity/assets ratio

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

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 equity

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

Return on capital employed

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

Sales growth

Sales in relation to sales during the corresponding 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.

The share

Clas Ohlson series B shares have been listed on the Nasdaq OMX Nordic since 1999 and are included in the Consumer Services sector index. The price paid on 31 January was 128 SEK per share.

Number of shares

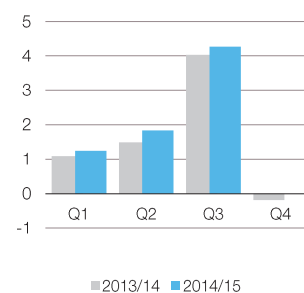
The number of registered shares totalled 65,600,000, unchanged from the preceding year. At 31 January 2015, the company held 2,481,659 shares (2,483,148) corresponding to 4 per cent (4) of the total number of registered shares. At the end of the period, the number of shares outstanding, net after buyback, was 63,118,341 (63,116,852).

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 for the company's financial position.

Share data	
Listing	NASDAQ Nordic Mid Cap
Ticker	Clas B
Industry	Consumer Services
ISIN code	SE0000584948

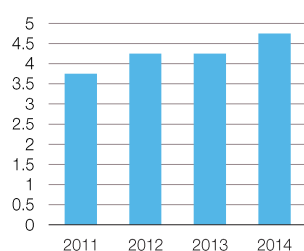
Earnings per share, SEK



The largest shareholders 31 January 2015

Owner	Number of A-shares	Number of B-shares	Equity, %	Votes, %
Helena Ek-Tidstand	1,368,060	6,179,828	12	17
Johan Tidstrand	1,368,060	1,290,000	4	13
Björn Haid	1,007,960	4,732,834	9	13
Claus-Toni Haid	1,007,960	3,793,983	7	12
Peter Haid	1,007,960	3,785,243	7	12
Nordea Investment Funds		3,266,641	5	3
IF Skadeförsäkring		3,114,337	5	3
Swedbank Robur fonder		2,033,027	3	2
AFA Försäkring		1,402,111	2	1
Anders Moberg		1,400,000	2	1
Other shareholders		28,841,996	44	25
Total	5,760,000	59,840,000	100	100

Dividend per share, SEK



clas ohlson in brief

Our business model

A broad offering of smart and simple, practical and affordable solutions.

■ 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 about the customer and their needs, we continuously develop our product range. An efficient purchasing organisation, with proprietary offices in Asia, a close relationship with suppliers and large volumes enable us to have an affordable and sustainable offering.

■ Inventory and distribution

Our distribution centre in Insjön, Sweden, 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, such as telephone, catalogue, website and mobile app.

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

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 the operation

Our supply network
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

To make it easy for people to solve their everyday practical problems. This business concept is based on an original saying by the founder Clas Ohlson: "We will sell dependable products at low prices and with the right quality according to need."

www.clasohlson.se

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