

Year-end report

1 May 2006 to 30 April 2007

12 months

- * Sales totalled SEK 4,101.2m (SEK 3,567.6m)
- * Profit after tax totalled SEK 385.8m (SEK 352.1m)
- * Earnings per share was SEK 5.88 (SEK 5.37)
- * Dividend of SEK 4.50 (SEK 3.00 + SEK 1.00) per share is proposed
- * Twelve new stores have been opened
- * Klas Balkow will take over as Chief Executive Officer by the end of the year.

Fourth quarter

- * Sales totalled SEK 870.9m (SEK 763.0m)
- * Profit after tax totalled SEK 44.0mm (SEK 33.0m)
- * Earnings per share was SEK 0.67 (SEK 0.50)



CLAS OHLSON

Sweden - Norway - Finland

Year-end report 1 May 2006 to 30 April 2007

Market and sales

The operation consists of the sale of products for house and home, technology and hobbies through the company's own retail outlets and by mail order/Internet. The company operates in Sweden, Norway and Finland. At the end of the period, the number of stores was 71, of which 38 were located in Sweden, 24 in Norway and 9 in Finland.

The market for the company's products developed well during the financial year. All parts of the range are showing good increases in sales in Sweden, Norway and Finland.

Twelve new stores were opened during the financial year, eight in Sweden and four in Norway. In addition, three stores have been refurbished, two in Sweden and one in Norway.

Sales totalled SEK 4,101.2m, compared with SEK 3,567.6m in the corresponding period of the previous year, a rise of 15 per cent.

Sales are broken down as follows:

	2006/07	2005/06	Percentage change
Sales channels			
Stores	3 985.7	3 445.2	+16
Mail order/Internet	115.5	122.4	- 6
	<u>4 101.2</u>	<u>3 567.6</u>	+15
Countries			
Sweden	2 345.4	2 127.2	+10
Norway	1 458.2	1 199.0	+22
Finland	297.6	241.4	+23
	<u>4 101.2</u>	<u>3 567.6</u>	+15

The 16 per cent increase in sales by the stores is broken down as follows:

Like-for-like stores, in local currency	+ 2 per cent
New stores	+ 16 per cent
Exchange-rate effects	- 2 per cent
Total	+ 16 per cent

The average price rise during the financial year was 2 per cent.

Internet orders accounted for 63 per cent of the total number of mail order/Internet orders, compared with 60 per cent in the previous year.

Profits

Gross margin was 39.7 per cent, compared with 39.9 per cent in the previous year.

Operating profit totalled SEK 530.9m, an increase of 10 per cent compared with the previous year (SEK 484.5m). The rise in profit is due to increased sales. Operating profit was SEK 525.0m (SEK 474.0m) for the stores and SEK 5.9m (SEK 10.5m) for mail order/Internet.

Operating margin was 12.9 per cent (13.6 per cent). Operating margin was 13.2 per cent (13.8 per cent) for the stores, while it was 5.1 per cent (8.6 per cent) for mail order/Internet.

Profit after financial items during the financial year totalled SEK 537.8m, a rise of 10 per cent on the previous year (SEK 491.0m).

The selling expense ratio has risen by 0.3 percentage points. The principal reason for this is that the increase in sales has been lower than expected. Profit has also been adversely affected to the tune of SEK 3.1m as a result of increased start-up costs for new stores. These total SEK 38.5m over the period.

Depreciation for the period totalled SEK 75.0m, compared with SEK 62.5m in the previous year.

The contractual retirement has taken place of Björn Haid (aged 61), who had been employed at Clas Ohlson since 1965. The total sum paid out is SEK 9.4m, which has been wholly provided for and carried as an expense among administrative expenses. The expense is of a non-recurring nature and provision was made for it during the second quarter.

The exchange rates for the most important currencies averaged 1.13 for the Norwegian krone and 7.20 for the US dollar, compared with 1.18 and 7.80 respectively in the previous year.

Hedging has been carried out in USD, HKD and NOK. This had a positive impact on earnings of SEK 10.2m compared with if trading had only been conducted at current rates (previous year SEK -0.7m).

Investments

Net investments amounting to SEK 125.2m (SEK 139.6m) were made during the financial year. Of this sum, SEK 49.2m (SEK 50.7m) relates to investments in new stores. A further SEK 35.0m (SEK 51.5m) relates to investments in the enlargement of the central warehouse in Insjön. Other investments are mainly replacement investments.

Enlargement of the central warehouse in Insjön, stage 3, was completed in October. This facility now has capacity to deliver to 90 stores. Up to the end of April 2007, SEK 334.8m had been invested in stage 3 of the enlargement of the central warehouse out of a total planned investment of SEK 340m.

Financing and liquidity

There was a positive cash flow from operating activities during the financial year of SEK 405.1m (SEK 187.8m). Cash flow after deducting investment operations was SEK 280.0m (SEK 48.2m). Cash flow in the previous year was adversely affected by build-up of stocks and higher supplementary payment of tax.

Inventories increased during the financial year by SEK 77.7m to SEK 826.7m. Of this sum, SEK 67.7m relates to inventories in the twelve new stores opened during the financial year.

Cash and cash equivalents totalled SEK 347.9m (SEK 338.4m). There are no interest-bearing liabilities. The equity/assets ratio was 70.6 per cent (70.4 per cent).

Number of shares

The total number of shares is 65,600,000, which is the same as in the previous year.

Employees

The number of employees in the Group averaged 1,647 (1,439), of whom 659 (547) were women. The break-down by country is 1,131 (1,025) in Sweden, 370 (285) in Norway and 146 (129) in Finland.

Developments during the fourth quarter (February-April 2007)

Sales during the fourth quarter totalled SEK 870.9m, compared with SEK 763.0m for the same period of the previous year, a rise of 14 per cent.

Sales are broken down as follows:

Sales channels	2006/07	2005/06	Percentage change
Stores	847.8	737.0	+15
Mail order/Internet	23.1	26.0	-11
	<u>870.9</u>	<u>763.0</u>	+14
Countries			
Sweden	494.7	440.7	+12
Norway	312.6	266.1	+17
Finland	63.6	56.2	+13
	<u>870.9</u>	<u>763.0</u>	+14

The 15 per cent increase in sales by the stores is broken down as follows:

Like-for-like stores, in local currency	+ 4 per cent
New stores	+ 13 per cent
Exchange-rate effects	- 2 per cent
Total	+ 15 per cent

Gross margin during the fourth quarter was 39.2 per cent, compared with 38.9 per cent in the previous year.

Operating profit for the fourth quarter totalled SEK 61.5m, a rise of 36 per cent compared with the previous year (SEK 45.1m). Operating profit was SEK 60.7m (SEK 43.3m) for the stores and SEK 0.8m (SEK 1.8m) for mail order/Internet. The increase in profit is due to a combination of increased sales and a lower expense ratio.

Operating margin was 7.1 per cent (5.9 per cent). Operating margin was 7.2 per cent (5.9 per cent) for the stores, while it was 3.5 per cent (6.9 per cent) for mail order/Internet.

Profit after financial items during the financial year totalled SEK 63.1m, a rise of 34 per cent on the previous year (SEK 47.0m).

There was a negative cash flow from operating activities of SEK 51.6m (SEK -91.4m). The negative cash flow during the quarter was due firstly to supplementary payment of tax in February for the parent company in Sweden and secondly to five new stores having been opened during the period.

Parent Company

Parent Company turnover totalled SEK 3,424.7m (SEK 2,974.8m), and profit after financial items totalled SEK 491.0m (SEK 380.9m).

Liquidity has been good. Investments for the year totalled SEK 99.1m (SEK 89.9m).

Events after the end of the period

Sales during May totalled SEK 313.0m, compared with SEK 270.8m in the previous year, an increase of 16 per cent. Compared with the same month in the previous year, twelve stores have been added.

Sales are broken down as follows:

Sales channels	2007	2006	Percentage change
Stores	305.0	263.4	+16
Mail order/Internet	8.0	7.4	+8
	<u>313.0</u>	<u>270.8</u>	+16
Countries			
Sweden	186.4	156.3	+19
Norway	104.6	95.5	+10
Finland	22.0	19.0	+16
	<u>313.0</u>	<u>270.8</u>	+16

New Chief Executive Officer

Klas Balkow, aged 41, has been appointed by the Board as the new Chief Executive Officer of Clas Ohlson. He has most recently been managing director of a subsidiary of the Axell Johnson Group, where he has been responsible for AxImage, a business area that comprises several store chains and the agency for Fuji film in both Sweden and Norway. He was previously involved in building up the broadband company Bredbandsbolaget. Prior to that he held a number of senior positions in Procter & Gamble over a period of ten years in both the Nordic countries and the United States.

Klas began his employment on 1 June 2007 and will take over as Chief Executive Officer by the end of the year. The present Chief Executive Officer, Gert Karnberger, will remain in his position until that time.



LED-spotlights
No 36-2517

Year-end report 1 May 2006 to 30 April 2007

Future prospects

The Group's long-term objective is an annual rate of growth in sales of 15 per cent. This is to be attained through increased sales in existing stores and through continued opening of new stores in Sweden, Norway and Finland. During the 2008/09 financial year the objective is to establish a presence in the United Kingdom by opening 2-4 stores in city-centre locations in a concentrated geographical area.

It is planned that 15-20 new stores will be opened in the 2007/08 financial year and that 20-25 new stores, including the 2-4 in the United Kingdom, will be opened in 2008/09.

To date 15 new stores have been contracted, four in Sweden, eight in Norway and three in Finland.

The Group's long-term target with regard to profit is an operating margin of 13-15 per cent over an economic cycle.

There is to be a continued focus on own-brand goods. The target is for own-brand goods at the end of the 2008/09 financial year to account for 25 per cent of sales.

The Board has decided on a further enlargement of the central warehouse to create capacity for future expansion. The focus in continued work is on building up capacity to supply around 150 stores. The investment is estimated to total SEK 370m, and it is anticipated that parts of the facility will enter service in the spring of 2009.

Accounting policies

The year-end report has been prepared in accordance with IAS 34. The accounting policies applied are unchanged in comparison with the previous year.

In relation to segment reporting, the operation fully comprises the sale of products for house and home, technology and hobbies, and this is therefore regarded as a primary segment.

Dividend

The Board proposes to the Annual General Meeting that a dividend be paid for 2006/07 of SEK 4.50 per share (previous year SEK 3.00, plus extra dividend of SEK 1.00). The proposed dividend totals SEK 295.2m (SEK 262.4m).

Financial information and Annual General Meeting

Up-to-date financial information is available from the Clas Ohlson head office in Insjön, telephone +46 247-444 00, fax +46 247-444 25 and on the website, www.clasohlson.com.

It is anticipated that the interim report for the first quarter of 2007/08 will be published on 4 September.

The Annual General Meeting will be held in Insjön on Saturday 8 September 2007. It is anticipated that the annual report and notice of the AGM will be distributed in the second week of August and will be posted to all shareholders. Information on the nomination committee and notification of the AGM can be found on the website at www.clasohlson.com under Financial Information.

Insjön 14 June 2007

Gert Karnberger
Chief Executive Officer



GPS-reciver Wayfinder™
No 36-2292

Consolidated income statement (SEKm)

	3 months 1 Feb 07- 30 April 07	3 months 1 Feb 06- 30 April 06	12 months 1 may 06- 30 April 07	12 months 1 may 05- 30 April 06	12 months 1 may 04- 30 April 05
Sales	870,9	763,0	4 101,2	3 567,6	2 954,8
Cost of goods sold	-529,3	-465,9	-2 474,1	-2 144,5	-1 761,9
Gross profit	341,6	297,1	1 627,1	1 423,1	1 192,9
Selling expenses	-255,5	-227,8	-996,4	-855,6	-704,2
Administrative expenses	-24,7	-22,5	-100,0	-80,6	-68,0
Other operating income/expense	0,1	-1,7	0,2	-2,4	-0,2
Operating profit	61,5	45,1	530,9	484,5	420,5
Net financial income/expense	1,6	1,9	6,9	6,5	5,4
Profit after financial items	63,1	47,0	537,8	491,0	425,9
Tax	-19,1	-14,0	-152,0	-138,9	-120,6
Profit for the period	44,0	33,0	385,8	352,1	305,3
Gross margin (%)	39,2	38,9	39,7	39,9	40,4
Operating margin (%)	7,1	5,9	12,9	13,6	14,2
Operating margin stores (%)	7,2	5,9	13,2	13,8	14,5
Operating margin mail order/Internet (%)	3,5	6,9	5,1	8,6	8,6
Net margin (%)	7,2	6,2	13,1	13,8	14,4
Return on capital employed (%)	-	-	40,9	42,4	43,9
Return on equity (%)	-	-	29,4	30,4	31,4
Equity/assets ratio (%)	70,6	70,4	70,6	70,4	66,2
Sales per sq.m in stores, SEK thousand	-	-	45	48	48
Data per share					
Number of shares at end of period	65,6 milj	65,6 milj	65,6 milj	65,6 milj	65,6 milj
Earnings per share (SEK)	0,67	0,50	5,88	5,37	4,65
Gross cash flow per share (SEK)	0,98	0,76	7,02	6,32	5,40
Equity per share (SEK)	20,84	19,16	20,84	19,16	16,14
Share price 30 April (SEK)	-	-	150,50	149	139
Dividend per share (SEK)	-	-	4,50 *	4,00	2,50
P/E ratio	-	-	26	28	30
Price/gross cash flow	-	-	21	24	26
Price/equity	-	-	722 %	778 %	861 %
Yield	-	-	3,0 %	2,7 %	1,8 %
Dividend proportion	-	-	77 %	74 %	54 %

* proposed dividend

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Binoculars 8x42
No 34-3848



Digitalcamera, Nikon CoolPix
No 38-2388



Travel Steam Iron, Coline
No 34-4549



High Pressure Cleaner, Co/Tech
No 30-9299

Consolidated balance sheet (SEKm)

	30 April 07	30 April 06	30 April 05
Assets			
Tangible assets	678,7	637,2	558,0
Financial assets	4,8	5,4	5,7
Inventories	826,7	749,0	542,9
Other receivables	79,6	55,3	46,4
Liquid assets, current investments	347,9	338,4	445,2
Total assets	1 937,7	1 785,3	1 598,2
Equity and liabilities			
Equity	1 367,3	1 256,9	1 058,6
Long-term liabilities, Non-interest-bearing	23,9	22,8	18,3
Current liabilities, Non-interest-bearing	546,5	505,6	521,3
Total equity and liabilities	1 937,7	1 785,3	1 598,2

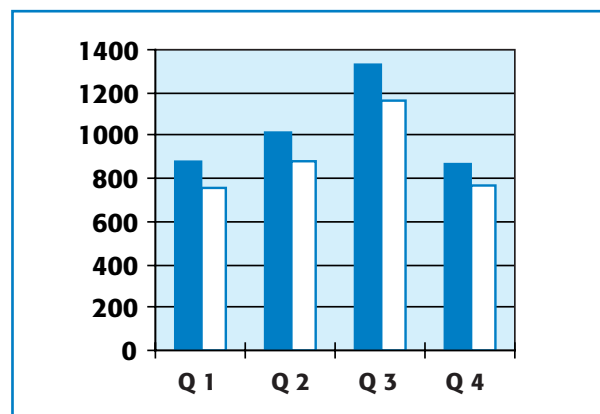
Consolidated cash flow (SEKm)

	3 months 1 Feb 07- 30 Apr 07	3 months 1 Feb 06- 30 Apr 06	12 months 1 May 06- 30 Apr 07	12 months 1 May 05- 30 Apr 06
Operating profit	61,5	45,1	530,9	484,5
Adjustment for items not included in cash flow	19,9	19,0	75,2	64,2
Interest received	0,9	2,8	6,3	7,1
Interest paid	-0,1	0,0	-0,2	-0,4
Tax paid	-81,0	-132,2	-143,2	-177,6
Cash flow from operating activities before changes in working capital	1,2	-65,3	469,0	377,8
Change in working capital	-52,8	-26,1	-63,9	-190,0
Cash flow from operating activities	-51,6	-91,4	405,1	187,8
Investments	-19,8	-39,7	-126,3	-140,7
Change in current investments	1,1	0,0	1,1	1,1
Change in financial assets	0,0	0,0	0,1	0,0
Cash flow from investing activities	-18,7	-39,7	-125,1	-139,6
Divided to shareholders	-	-	-262,4	-164,0
Cash flow from financing activities	0,0	0,0	-262,4	-164,0
Cash flow for the period	-70,3	-131,1	17,6	-115,8
Liquid assets at the start of the period	413,3	453,0	338,4	445,2
Exchange rate difference for liquid assets	4,9	16,5	-8,1	9,0
Liquid assets at the end of the period	347,9	338,4	347,9	338,4

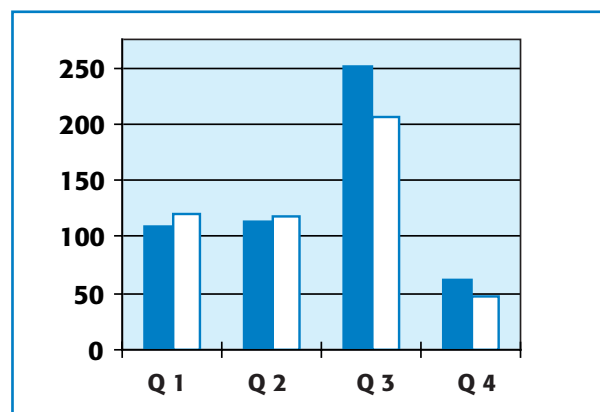
Specification of change in results (After financial items, in SEKm)

	3 months 1 Feb 07- 30 April 07	12 months 1 May 06- 30 April 07
Profit from sales	17,4	87,6
Change in gross profit margin	2,6	-8,7
Non-recurring cost	0,0	-9,4
Increased administrative expenses	-2,2	-10,0
Increased expansion costs new stores	-0,6	-3,1
Increased depreciation	-3,4	-12,5
Change in financial income/expense	-0,3	0,4
Other	2,6	2,5
Total	16,1	46,8

Sales (SEKm)



Profit after net financial income/expense (SEKm)



Shaded bar = Financial year 1 May 06 – 30 Apr 07
White bar = Financial year 1 May 05 – 30 Apr 06
Quarter 1 relates to period May-Jul, quarter 2 Aug-Oct,
quarter 3 Nov-Jan and quarter 4 the period Feb-Apr.

Change in equity (SEKm)

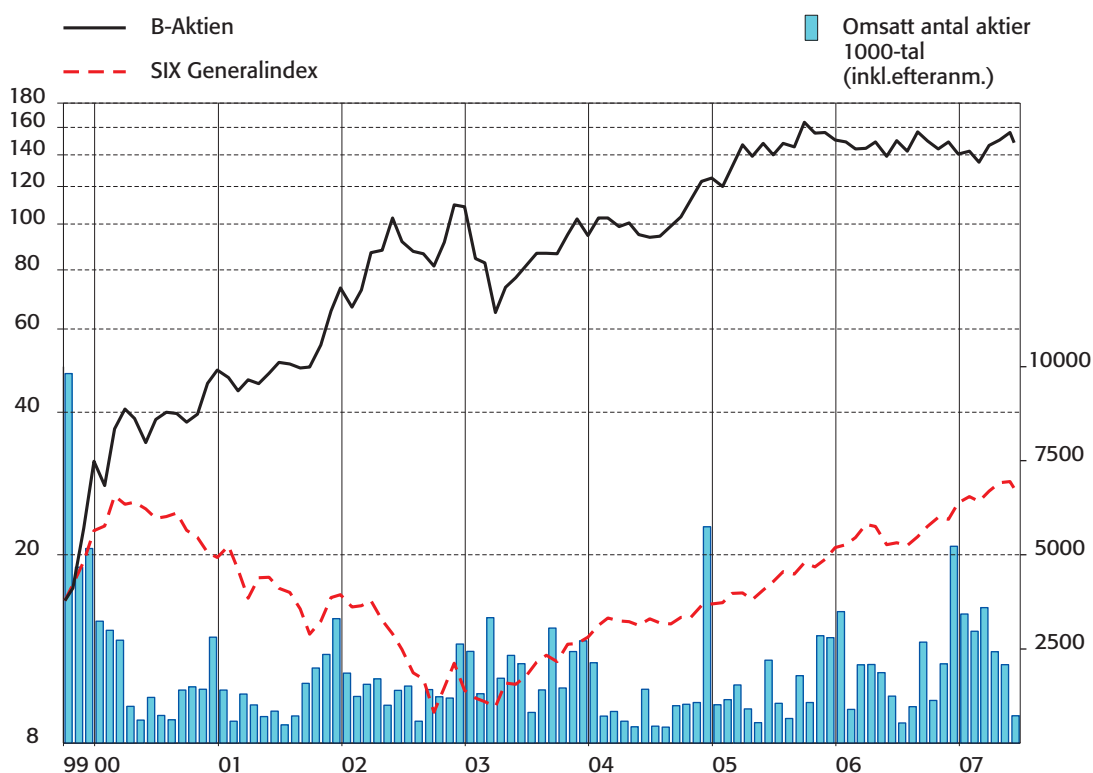
	12 months 1 May 06- 30 April 07	12 months 1 May 05- 30 April 06
Equity brought forward	1 256,9	1 058,6
Dividends paid	-262,4	-164,0
Cash flow hedging recognised in equity, after tax	9,1	5,8
Cash flow hedging recognised in income statement, after tax	-7,5	-4,8
Cash flow hedging included in inventories	-1,6	-1,0
Change in translation difference	-13,0	10,2
Net profit for the period	385,8	352,1
Equity carried forward	1 367,3	1 256,9

Results per quarter (SEKm)

	Q 4 04/05	Q 1 05/06	Q 2 05/06	Q 3 05/06	Q 4 05/06	Q 1 06/07	Q 2 06/07	Q 3 06/07	Q 4 06/07
Sales	626,8	759,4	880,4	1 164,8	763,0	878,7	1 020,4	1 331,2	870,9
Cost of goods sold	-385,7	-453,3	-524,5	-700,8	-465,9	-540,1	-616,0	-788,7	-529,3
Other operating expenses	-204,2	-187,4	-239,7	-259,5	-252,0	-230,5	-293,1	-292,5	-280,1
Net financial income/expense	1,5	1,6	1,5	1,5	1,9	1,9	1,6	1,8	1,6
Profit after financial items	38,4	120,3	117,7	206,0	47,0	110,0	112,9	251,8	63,1
Net margin	6,1%	15,8%	13,4%	17,7%	6,2%	12,5%	11,1%	18,9%	7,2%

The quarter figures before Q1 2005/06 has not been established according to IFRS.

Clas Ohlson



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Annual General Meeting

The Annual General Meeting will be held in Insjön on 8 September 2007. It is anticipated that the annual report and notice of the AGM will be distributed in the second week of August and posted to all shareholders.

Coming information

The annual report will also be available in the second week of August at the Clas Ohlson head office in Insjön, telephone +46 247-444 00, fax +46 247 444 25. Annual reports and other relevant financial information are also available on our website at www.clasohlson.se. The interim report for the first quarter of 2007/08 will be issued on 4 September 2007. The interim report for the second quarter of 2007/08 will be issued on 6 December 2007. The interim report for the third quarter of 2007/08 will be issued on 11 March 2008. The full year report of 2007/08 will be issued on 12 June 2008.

CLAS OHLSON

Clas Ohlson AB (publ), 793 85 INSJÖN

Telephone +46 247-444 00 • Fax +46 247-444 25

E-mail: order@clasohlson.se • Internet: www.clasohlson.com

Corp. id. 556035-8672