

Clas Ohlson: Interim Report

1 May 2010 – 31 October 2010

Second quarter

- * Sales totalled SEK 1,435 M (1,373), up 5%
- * Operating profit amounted to SEK 119 M (145), down 18%.
- * Profit after tax totalled SEK 86 M (106), down 19%
- * Earnings per share amounted to SEK 1.35 (1.64), down 18%

Six months

- * Sales totalled SEK 2,758 M (2,661), up 4%
- * Operating profit amounted to SEK 234 M (287), down 18%
- * Profit after tax totalled SEK 170 M (207), down 18%
- * Earnings per share amounted to SEK 2.66 (3.21), down 17%

Events after the end of the reporting period

- * Sales in November amounted to SEK 593 M (538), up 10%

CEO Klas Balkow comments:

Sales growth during the quarter was affected by a lower rate of expansion of new stores in our home markets, as well as negative exchange-rate effects. We can see a clearly positive effect on our gross margin from our work to increase the share of direct purchases without using intermediaries. As a result of our ongoing investments in the UK combined with higher start-up costs for new stores in our home markets, operating profit was lower than in the year-earlier period.

The sales growth in November reflects the positive reception of Clas Ohlson's Christmas and winter product range, as well as the increase in the number of new stores. During the current financial year, we will have opened 20 – 22 stores, including four new stores in the UK before Christmas.

	3 months 1 Aug 2010 - 31 Jan 2010	3 months 1 Aug 2010 - 31 Oct 2009	6 months 1 May 2010- 31 Oct 2010	6 months 1 Aug 2010 - 31 Oct 2009	Rolling 12 months 1 Nov 2009 - 31 Oct 2010	Latest annual accounts 1 May 2009 - 30 Apr 2010
Sales, SEK M	1 435	1 373	2 758	2 661	5 653	5 556
Operating profit, SEK M	119	145	234	287	538	591
Profit after tax, SEK M	86	106	170	207	396	433
Gross margin. %	41.4	40.5	41.7	40.0	41.6	40.8
Operating margin. %	8.3	10.6	8.5	10.8	9.5	10.6
Equity assets ratio. %	45	49	45	49	45	58
Earnings per share SEK	1.35	1.64	2.66	3.21	6.18	6.72

Operations

Operations comprise the sale of products in the categories of electrical, hardware, home, leisure and multimedia through the company's own retail stores and via mail order/Internet channels. The product range focuses on attractively priced products necessary for everyday life. Activities are pursued in Sweden, Norway, Finland and the UK. The number of stores at the end of the period was 126, including 59 in Sweden, 44 in Norway, 16 in Finland and seven in the UK.

During the second quarter, five (3) new stores were opened, three in Sweden and two in Norway.

Sales and profits

Second quarter (August-October)

Sales totalled SEK 1,435 M, up 5 per cent compared with SEK 1,373 M in the year-earlier period. In local currencies, sales rose 7 per cent. Compared with the year-earlier period, 15 (19) stores were added, and the total number of stores on 31 October 2010 was 126. Mail order/Internet sales amounted to SEK 22 M (27).

Sales growth during the second quarter was affected by a reduction in the number of new stores opened compared with the year-earlier period, lower sales in comparable stores and negative exchange-rate effects.

Sales were distributed as follows:

<u>Sales areas (SEK M)</u>	2010/11	2009/10	Percentage change	Percentage change, local currency
<u>Countries:</u>				
Sweden	711	687	+3	+3
Norway	564	556	+2	+5
Finland	109	112	-3	+7
UK	<u>51</u>	<u>18</u>	<u>+183</u>	<u>+193</u>
	1 435	1 373	+5	+7

The sales increase of 5 per cent was distributed as follows:

Comparable stores in local currency	-1 per cent
New stores	+ 8 per cent
<u>Exchange-rate effects</u>	<u>-2 per cent</u>
Summa	+ 5 per cent

The gross margin was 41.4 per cent, up 0.9 percentage points compared with the year-earlier period. The margin was affected positively by an increased share of direct purchases through our own purchasing companies, the sales mix (countries and products) and exchange-rate effects. Factors that affected outcomes negatively included increased freight and handling costs and increased depreciation (the distribution centre).

The share of selling expenses rose 3.6 percentage points to 30.8 per cent (27.2). The rise was primarily due to reduced sales in comparable stores, higher costs related to establishment in the UK compared to the year-earlier period and higher start-up costs.

Five (3) new stores were opened during the quarter. Start-up costs for new and remodelled stores, including the scrapping of fittings, amounted to SEK 27 M (12).

Depreciation/amortisation for the period amounted to SEK 39 M, compared with SEK 31 M for the corresponding period in the preceding year. The increase was primarily due to new and remodelled stores and the commissioning of Clas Ohlson's new sorting and crane facilities (January 2010).

Operating profit amounted to SEK 119 M (145). The decline in profit was due to costs related to expansion efforts in the UK, increased start-up costs and reduced sales in comparable stores.

The operating margin was 8.3 per cent (10.6).

Profit after financial items amounted to SEK 116 M (145).

Spot exchange rates for key currencies averaged SEK 1.17 for NOK and SEK 7.02 for USD, compared with 1.20 and 7.00 in the year-earlier period. Currency hedging was undertaken for USD, HKD and NOK. The company's policy is to hedge 50 per cent of expected flows during a catalogue period.

The first six months (May-October)

Sales totalled SEK 2,758 M, up 4 percent compared with SEK 2,661 M in the year-earlier period. In local currencies, sales rose 5 per cent. Mail order/Internet sales amounted to SEK 41 M, compared with SEK 46 M in the corresponding period of the preceding year.

Sales growth during the first half of the year was affected by a lower number of new stores compared with the year-earlier period, reduced sales in comparable stores and negative exchange-rate effects.

Sales were distributed as follows:

<u>Sales areas (SEK M)</u>	2010/11	2009/10	Percentage change	Percentage change, local currency
<u>Countries</u>				
Sweden	1 372	1 340	+2	+2
Norway	1 074	1 065	+1	+3
Finland	213	221	-3	+7
UK	<u>99</u>	<u>35</u>	<u>+183</u>	<u>+199</u>
	2 758	2 661	+4	+5

The sales increase of 4 per cent was distributed as follows:

Comparable stores in local currency	-2 per cent
New stores	+ 7 per cent
<u>Exchange-rate effects</u>	<u>- 1 per cent</u>
Total	+4 per cent

The gross margin was 41.7 per cent, compared with 40.0 per cent in the corresponding period of the preceding year. The increased margin was primarily attributable to exchange-rate effects (USD), an increased share of direct purchases through Clas Ohlson's purchasing company and the sales mix (countries and products). Factors that affected outcomes negatively included increased freight and handling costs and increased depreciation (of the distribution centre).

The share of selling expenses rose 3.7 percentage points to 30.4 per cent (26.7). The increase was primarily due to reduced sales in comparable stores, higher costs related to establishment in the UK compared with the year-earlier period and higher start-up costs, as well as higher marketing costs.

During the first half year, six (5) new stores were opened. The start-up costs for new and remodelled stores, including the scrapping of fittings, amounted to SEK 40 M (16).

Depreciation/amortisation for the period amounted to SEK 76 M, compared with SEK 59 M for the corresponding period in the preceding year. The increase was primarily due to new and remodelled stores and the commissioning of Clas Ohlson's new sorting and crane facilities (January 2010).

Operating profit amounted to SEK 234 M (287). The decrease in profit was due to costs related to expansion in the UK, reduced sales in comparable stores, and increased start-up costs.

The operating margin was 8.5 per cent (10.8).

Profit after financial items amounted to SEK 231 M (285).

Spot exchange rates for key currencies averaged SEK 1.18 for NOK and SEK 7.34 for USD, compared with 1.20 and 7.40 in the year-earlier period. Currency hedging was undertaken for USD, HKD and NOK. The company's policy is to hedge 50 per cent of expected flows during a catalogue period.

Investments

During the first half of 2010/11, investments totalled SEK 129 M (189). Of this amount, SEK 90 M (33) was attributable to investments in new or remodelled stores. The increase was due to the investments pertaining to more new stores than in the year-earlier period in addition to an increased share of investments for the adaptation of leased premises. SEK 21 M pertained to investments in store adjustments for which Clas Ohlson has received, in full or in part, one-off compensation and/or rent reductions. An additional SEK 8 M (124) pertained to the expansion of the distribution centre in Insjön. On 31 October 2010, SEK 580 M of current investments totalling SEK 615 M had been utilised. Other investments were mainly head-office and replacement investments.

Clas Ohlson's new store concept was launched in November 2008 and is being implemented in all new stores that are opened. Existing stores will gradually be converted. During the period, four new stores (converted to the new store concept) were opened (0). As of 31 October, 2010, 37 of 126 stores had been remodelled to the new store concept.

Financing and liquidity

Cash flow from operating activities for the period was SEK 148 M (370). The change was primarily due to a decline in operating profit and an increase in inventories. Cash flow for the period, after investment and financing activities, amounted to SEK 84 M (119). The cash dividend paid to Clas Ohlson's shareholders in September 2010 amounted to SEK 239 M (193).

The average 12-month value of inventories was SEK 1,268 M (1,112).

At the end of the reporting period, inventories amounted to SEK 1,521 M (1,226). Compared with the same month in the preceding year, 15 stores have been opened. The increase in inventories was primarily due to stock accumulation before the Christmas shopping season, an increase in the share of direct purchases from Asia requiring earlier storage and an increased pace of expansion, with more stores opened in November and December compared with the year-earlier period.

Buy-backs of the company's own shares in order to secure LTI 2010 (Long Term Incentive program 2010) were undertaken in an amount of SEK 62 M (73) during the first quarter of the financial year.

Clas Ohlson's net debt, meaning interest-bearing debt less cash and cash equivalents, amounted to SEK 467 M (273). The equity/assets ratio was 45 per cent (49).

Number of shares

The number of registered shares is 65,600,000, unchanged compared with a year earlier. As of 31 October 2010, the company's holding of treasury shares amounted to 1,890,000 (1,320,000), corresponding to 3 per cent (2) of the total number of registered shares. The number of shares outstanding, net excluding treasury shares, was 63,710,000 at the end of the period.

To secure the company's commitment regarding conditional matching shares and employee stock options in connection with LTI 2010, Clas Ohlson bought back 570,000 shares during the first quarter of the 2010/11 financial year for a total of SEK 62 M at an average price of approximately SEK 109 per share.

Long-term incentive plan LTI 2010

In May 2010, the long-term incentive plan LTI 2010 plan was introduced. A total of 44 employees are participating in the programme by investing an amount corresponding to between 5 and 10 per cent of their annual fixed salaries in Clas Ohlson shares. The participants bought a total of 30,614 shares in May 2010. Participants who, after three years, are still employed in the company and hold initially invested shares will be allotted, free of charge, matching shares equal to the number of initially purchased shares. Depending on the degree of target fulfilment (growth in sales and increase in earnings per share), 0-15 options per share may be exercised. The exercise price for the conditional employee stock options has been established at SEK 141.30 per share, with exercise possible, following the three-year qualification period, between June 2013 and April 2017.

Employees

The number of employees in the Group averaged 2,060 (1,906), of whom 886 (781) were women. The distribution by country was 1,238 (1,231) in Sweden, 505 (459) in Norway, 164 (163) in Finland and 153 (53) in the UK.

Parent Company

Parent Company sales amounted to SEK 2,345 M (2,201) and profit after financial items was SEK 257 M (247).

Investments for the period totalled SEK 61 M (156). Contingent liabilities for the Parent Company amounted to SEK 236 M (214).

Events after the end of the period

Sales during November rose 10 per cent to SEK 593 M (538). In local currencies, sales increased 15 per cent. Compared with the same month in the preceding year, 19 (15) new stores were added, bringing the total number of stores to 132 as of 30 November 2010. Mail order/Internet sales amounted to SEK 9 M, compared with SEK 9 M in the corresponding year-earlier period.

Sales were distributed as follows:

<u>Sales areas (SEK M)</u>	2010	2009	Percentage change	Percentage change, local currency
<u>Countries</u>				
Sweden	297	269	+10	+10
Norway	233	215	+8	+16
Finland	43	45	-3	+8
UK	<u>20</u>	<u>9</u>	<u>+117</u>	<u>+136</u>
	593	538	+10	+15

Change of management

On 1 November, Göran Melin took office as the new CFO for Clas Ohlson. His most recent position was at PwC, where he had been a certified accountant since 1991 and a partner since 2001.

On 1 August, Tony Dahlström became the new purchasing manager for Clas Ohlson. His most recent position was as manager of the Multimedia product category at Clas Ohlson. Mats Bortas, the previous purchasing manager, has moved on to other assignments in preparation for his retirement.

Establishment in the UK

Clas Ohlson has established seven stores in the UK market (Croydon, Manchester, Reading, Kingston, Watford, Liverpool and Leeds). Following the close of the report period, new stores were opened in Birmingham in November and in Norwich, Cardiff and Doncaster during December. During the second quarter, the UK economy was strained by fiscal cutbacks designed to improve government finances. The weaker trend in the UK retail sector is presenting continued opportunities for contracting attractive locations for new stores. Clas Ohlson is evaluating potential new locations carefully and is balancing the rate of expansion to match the prevailing market conditions. On the whole, this means that the current plan is to open four to six stores (previously six to ten) during the 2010/11 financial year.

The customer response to the stores opened in the UK market is positive, and the number of visitors and customers in the British stores exceeds the Group average. The conversion rate and average purchase in the UK continue to be lower than the Group average, which is generally the case in conjunction with the penetration of new markets. Clas Ohlson anticipates that establishing its brand name and position in a completely new market will take time and that the conversion rate, average purchases and sales revenues will gradually increase in coming years.

Start-up costs for new stores in the UK amount to approximately SEK 5-6 M per store, compared with approximately SEK 2 M to SEK 3 M in the Nordic countries. The higher costs are primarily due to the need for more extensive marketing activities in establishing the Clas Ohlson brand in a new market where it is not previously known. The share of selling expenses in relation to sales will initially be higher in the UK compared with Nordic markets where the company is already established. As a result of this, Clas Ohlson expects that it will take significantly longer for a new store in the UK to reach the break-even point, given the higher rental and marketing costs necessary, compared with opening a new store in the established markets in the Nordic region.

Outlook

Clas Ohlson's business concept of offering a broad and attractively priced product range that conveniently solves the little practical problems of everyday life is highly attractive in established markets. The concept is unique in Europe and has potential for expansion to several countries, as well as for increasing market shares in existing markets.

Over the coming years, establishment in new markets (currently the UK) is expected to have a negative effect on Clas Ohlson's operating margin of up to two to three percentage points during a financial year. Continued growth in new markets in Europe will take place in accordance with the long-term financial objectives.

Clas Ohlson plans to open a total of 20 to 22 new stores during the 2010/11 financial year, of which four to six will be in the UK.

Introduction of Clas Ohlson's new store concept in new and existing stores, together with new store formats, is creating additional growth opportunities for the company in its primary markets in the Nordic countries, where Clas Ohlson has achieved high market penetration.

Clas Ohlson will continue its endeavours to simplify and enhance the efficiency of its entire operations and adapt costs to the trend in the retail sector and the growth rate of the company.

Long-term financial objectives

The objective for long-term sales growth is 15 per cent, measured as the average annual sales increase over a five-year period. The profitability objective is to achieve an operating margin of at least 10 per cent annually.

Risks and uncertainties

A number of factors could affect the company's profits and operations. Most of these are managed through internal procedures, while others are governed to a greater degree by external circumstances. Clas Ohlson's business operations are exposed to financial and operational risks. Financial risks primarily comprise wage inflation, raw-material prices and exchange-rate exposure, while operational risks relate to establishment in the UK, purchasing in Asia, economic conditions, competition, logistics, strikes, key employees, social responsibility, product range and shrinkage.

For a more detailed description of the Group's risks and risk management, refer to the 2009/10 Annual Report. Apart from the risks described in the Annual Report, no other material risks have arisen.

Accounting policies

Clas Ohlson applies the International Financial Reporting Standards (IFRS) adopted by the EU. This interim report was prepared in accordance with the Swedish Annual Accounts Act, IAS 34 Interim Financial Reporting and RFR 1.3 Supplementary Accounting Rules for Groups.

The Parent Company's accounts were prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's Recommendation RFR 2.3. The same accounting policies are applied as for the Group, except in those cases indicated in the section headed "Parent Company accounting policies" in the 2009/10 Annual Report on page 66.

The IASB (International Accounting Standards Board) has issued new and revised IFRSs and interpretations that

apply from 1 January 2010. However, these have had no discernible effect on the consolidated income statement or balance sheet.

For a more detailed description of the accounting policies applied to the Group and Parent Company in this interim report, refer to the Annual Report for the 2009/10 financial year, pages 64-66.

Financial information and Annual General Meeting

Up-to-date financial information is available on the company's website: <http://about.clasohlson.com> under the tab "shareholders", and from Clas Ohlson AB's head office in Insjön, telephone +46 (0)247-444 00, fax +46 (0)247-444 25.

- The interim report for the third quarter of 2010/11 will be published on 9 March 2011.
- The Year-end Report for the 2010/11 financial year will be published on 9 June 2011.
- The 2010/11 Annual Report will be published in August 2011.

For further information, contact:

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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 14 December 2010 at 8:00 a.m. CET.

CERTIFICATION

This six-month report presents a fair and accurate impression of the operations, financial position and earnings of the Parent Company and the Group and describes material risks and factors of uncertainty faced by the Parent Company and the companies constituting the Group.

Insjön, 14 December 2010

Anders Moberg
Chairman of the Board

Björn Haid

Sanna Suvanto-Harsaae

Lottie Svedenstedt

Urban Jansson

Cecilia Marlow

Edgar Rosenberger

Mikael Öberg
Employee Representative
(Commercial Employees Union)

Caroline Persson
Employee Representative
(Unionen)

Klas Balkow
CEO

Review Report

We have reviewed the interim report of Clas Ohlson AB (publ) for the period 1 May 2010 to 31 October 2010. The Board of Directors and the Chief Executive Officer are responsible for the preparation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on the interim financial information based on our review.

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and a substantially more limited scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not provide the same level of assurance as a conclusion expressed on the basis of an audit.

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not, in all material aspects, been compiled in accordance with IAS 34 Interim reporting and the Swedish Annual Accounts Act.

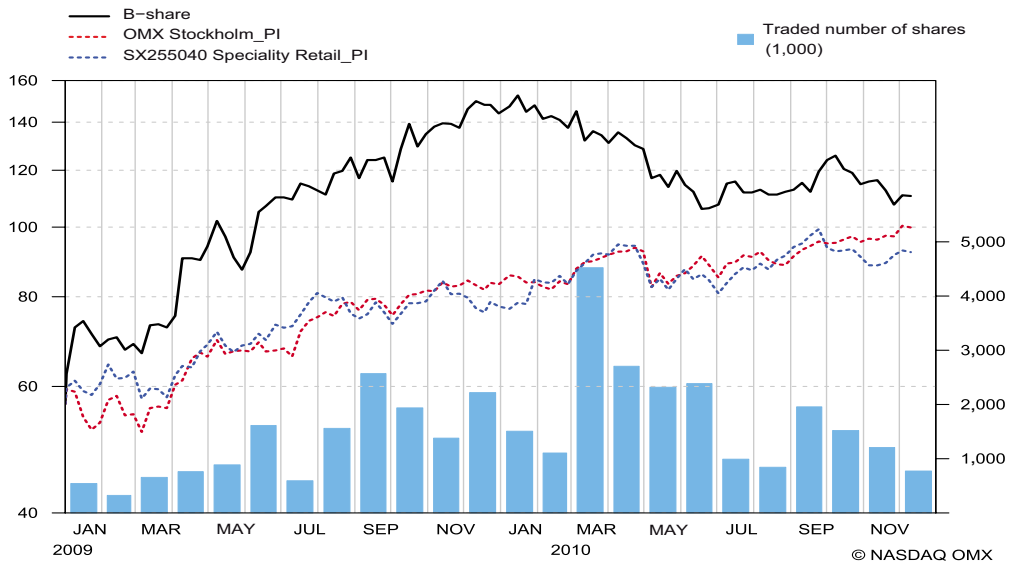
Insjön, 14 December 2010

Öhrlings PricewaterhouseCoopers

Annika Wedin
Authorised Public Accountant
Auditor-in-charge

Lennart Danielsson
Authorised Public Accountant

Clas Ohlson



Consolidated Income Statement

SEKm	3 months	3 months	6 months	6 months	Rolling 12 months	Latest annual accounts	12 months
	01/08/10-31/10/10	01/08/09-31/10/09	01/05/10-31/10/10	01/05/09-31/10/09	01/11/09-31/10/10	12 months	12 months
						01/05/09-30/04/10	01/05/08-30/04/09
Sales	1,434.9	1,372.5	2,758.4	2,660.8	5,653.4	5,555.8	4,930.2
Cost of goods sold	-840.2	-816.1	-1,609.2	-1,595.8	-3,301.3	-3,287.9	-2,916.5
Gross profit	594.7	556.4	1,149.2	1,065.0	2,352.1	2,267.9	2,013.7
Selling expenses	-442.0	-373.0	-838.9	-710.8	-1,659.8	-1,531.7	-1,388.7
Administrative expenses	-35.3	-35.4	-75.5	-66.0	-147.9	-138.4	-119.4
Other operating income/expense	1.1	-2.6	-0.8	-1.6	-6.5	-7.3	-2.8
Operating profit	118.5	145.4	234.0	286.6	537.9	590.5	502.8
Net financial income/expense	-2.3	-0.9	-3.5	-1.7	-4.1	-2.3	1.0
Profit after financial items	116.2	144.5	230.5	284.9	533.8	588.2	503.8
Tax	-30.4	-38.8	-60.3	-78.0	-137.7	-155.4	-138.3
Profit for the period	85.8	105.7	170.2	206.9	396.1	432.8	365.5
Gross margin (%)	41.4	40.5	41.7	40.0	41.6	40.8	40.8
Operating margin (%)	8.3	10.6	8.5	10.8	9.5	10.6	10.2
Return on capital employed (%)	-	-	-	-	27.9	32.6	32.6
Return on equity (%)	-	-	-	-	25.2	28.0	24.4
Equity/assets ratio (%)	44.6	48.7	44.6	48.7	44.6	57.9	58.1
Sales per sq.m in stores, SEK thousand	-	-	-	-	36	38	38
Data per share:							
Number of shares before dilution	63,710,000	64,280,000	63,892,955	64,486,118	64,084,887	64,383,906	65,065,008
Number of shares after dilution	63,769,614	64,326,847	63,952,112	64,524,825	64,144,451	64,432,321	65,075,701
Number of shares at end of period	63,710,000	64,280,000	63,710,000	64,280,000	63,710,000	64,280,000	64,955,000
Earnings per share before dilution (SEK)	1.35	1.64	2.66	3.21	6.18	6.72	5.62
Earnings per share after dilution (SEK)	1.35	1.64	2.66	3.21	6.18	6.72	5.62
Equity per share (SEK)	23.27	22.26	23.27	22.26	23.27	25.61	22.99

Consolidated comprehensive income statement

SEKm	3 months	3 months	6 months	6 months	Rolling 12 months	Latest annual accounts	12 months
	01/08/10-31/10/10	01/08/09-31/10/09	01/05/10-31/10/10	01/05/09-31/10/09	01/11/09-31/10/10	12 months	12 months
						01/05/09-30/04/10	01/05/08-30/04/09
Profit for the period	85.8	105.7	170.2	206.9	396.1	432.8	365.5
Other comprehensive income, net of tax: Exchange differences on translating foreign operations	-21.4	15.8	-35.1	1.5	-56.5	-19.9	10.1
Cash flow hedging	2.9	-6.5	0.9	-7.1	9.4	1.4	-0.7
Other comprehensive income	-18.5	9.3	-34.2	-5.6	-47.1	-18.5	9.4
Total comprehensive income for the period	67.3	115.0	136.0	201.3	349.0	414.3	374.9

Consolidated Balance Sheet

SEKm	31/10/10	31/10/09	30/04/10
Assets			
Tangible assets	1,399.0	1,324.1	1,365.5
Intangible assets	3.8	0.0	0.0
Financial assets	0.6	0.7	1.0
Inventories	1,521.3	1,226.4	1,204.1
Other receivables	234.0	180.1	173.4
Liquid assets	166.2	204.7	98.8
Total assets	3,324.9	2,936.0	2,842.8
Equity and liabilities			
Equity	1,482.5	1,430.6	1,646.1
Long-term liabilities, Non-interest-bearing	122.7	41.2	90.3
Long-term liabilities, Interest-bearing	300.0	300.0	100.0
Current liabilities, Interest-bearing	332.8	177.6	171.4
Current liabilities, Non-interest-bearing	1,086.9	986.6	835.0
Total equity and liabilities	3,324.9	2,936.0	2,842.8

Consolidated Cash Flow

SEKm	3 months 01/08/10- 31/10/10	3 months 01/08/09- 31/10/09	6 months 01/05/10- 31/10/10	6 months 01/05/09- 31/10/09	12 months 01/05/09- 30/04/10
Operating profit	118.5	145.4	234.0	286.6	590.5
Adjustment for items not included in cash flow	37.6	31.4	81.6	64.4	142.7
Interest received	0.7	1.3	1.1	1.8	1.0
Interest paid	-2.4	-1.6	-4.0	-2.9	-4.7
Tax paid	-32.2	2.4	-62.5	-31.7	-96.5
Cash flow from operating activities before changes in working capital	122.2	178.9	250.2	318.2	633.0
Change in working capital	-91.0	-8.0	-102.5	51.4	-30.2
Cash flow from operating activities	31.2	170.9	147.7	369.6	602.8
Investments in tangible assets	-75.1	-105.5	-125.2	-189.4	-316.7
Investments in intangible assets	-3.8	-	-3.8	-	-
Change in current investments	-	0.1	0.0	0.5	0.9
Change in financial assets	-	-0.6	0.1	-0.6	0.0
Cash flow from investing activities	-78.9	-106.0	-128.9	-189.5	-315.8
Change in current liabilities, Interest-bearing	247.6	177.7	161.4	-30.9	-37.2
Change in long-term liabilities, Interest-bearing	-	-	200.0	235.0	35.0
Change in long-term liabilities, Non-interest-bearing	5.0	-	5.0	-	-
Repurchase of own shares	-	-	-62.4	-72.9	-72.9
Dividend to shareholders	-238.9	-192.8	-238.9	-192.8	-192.8
Cash flow from financing activities	13.7	-15.1	65.1	-61.6	-267.9
Cash flow for the period	-34.0	49.8	83.9	118.5	19.1
Liquid assets at the start of the period	212.7	154.1	98.8	92.0	92.0
Exchange rate difference for liquid assets	-12.5	0.8	-16.5	-5.8	-12.3
Liquid assets at the end of the period	166.2	204.7	166.2	204.7	98.8

Turnover by segments

	3 months 01/08/10- 31/10/10	3 months 01/08/09- 31/10/09	6 months 01/05/10- 31/10/10	6 months 01/05/09- 31/10/09
SEKm				
Sweden	711.0	686.8	1,372.1	1,339.5
Norway	564.4	556.0	1,074.4	1,065.3
Finland and UK	159.5	129.7	311.9	256.0
Group functions	491.5	519.9	972.6	861.6
Sales to other segments	-491.5	-519.9	-972.6	-861.6
Total	1,434.9	1,372.5	2,758.4	2,660.8

Specification of change in results

	3 months 01/08/10- 31/10/10	6 months 01/05/10- 31/10/10
(After financial items. in SEKm)		
Profit from sales	-20.6	-47.7
Change in gross profit margin	13.1	45.1
Change in administrative expenses	0.1	-9.5
Change in expansion costs stores	-15.3	-24.5
Increased depreciation	-7.9	-16.8
Change in financial income/expense	-1.4	-1.8
Other	3.7	0.8
Total	-28.3	-54.4

Operating profits by segments

	3 months 01/08/10- 31/10/10	3 months 01/08/09- 31/10/09	6 months 01/05/10- 31/10/10	6 months 01/05/09- 31/10/09
SEKm				
Sweden	26.4	23.5	51.2	49.0
Norway	21.1	21.1	39.7	42.5
Finland and UK	4.1	3.4	8.2	6.9
Group functions	66.9	97.4	134.9	188.2
Total	118.5	145.4	234.0	286.6

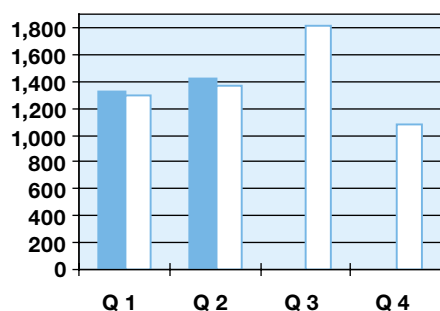
Change in equity

	6 months 01/05/10- 31/10/10	6 months 01/05/09- 31/10/09
SEKm		
Equity brought forward	1,646.1	1,493.1
Dividend to shareholders	-238.9	-192.8
Repurchase of own shares	-62.4	-72.9
Paid-in option premiums	1.7	1.9
Total comprehensive income	136.0	201.3
Equity carried forward	1,482.5	1,430.6

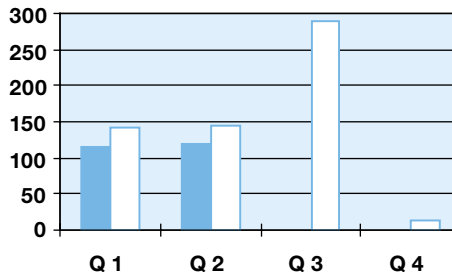
Results per quarter

	Q 2 08/09	Q 3 08/09	Q 4 08/09	Q 1 09/10	Q 2 09/10	Q 3 09/10	Q 4 09/10	Q 1 10/11	Q 2 10/11
SEKm									
Sales	1,223.9	1,538.6	1,053.4	1,288.3	1,372.5	1,817.3	1,077.7	1,323.5	1,434.9
Cost of goods sold	-724.6	-888.9	-633.4	-779.7	-816.1	-1,049.6	-642.5	-769.0	-840.2
Other operating expenses	-384.1	-408.0	-381.6	-367.4	-411.0	-477.9	-421.1	-439.0	-476.2
Operating profit	115.2	241.7	38.4	141.2	145.4	289.8	14.1	115.5	118.5
Operating margin	9.4%	15.7%	3.6%	11.0%	10.6%	15.9%	1.3%	8.7%	8.3%

Sales (SEKm)



Operating profit (SEKm)



Shaded bar = Financial year
01/05/10– 30/04/11
White bar = Financial year
01/05/09 – 30/04/10

Quarter 1 relates to period May-Jul,
quarter 2 Aug-Oct, quarter 3 Nov-Jan
and quarter 4 the period Feb-Apr.

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.

Parent company Income Statement

SEKm	Note	3 months 01/08/10- 31/10/10	3 months 01/08/09- 31/10/09	6 months 01/05/10- 31/10/10	6 months 01/05/09- 31/10/09	Rolling 12 months 12 months 01/11/09- 31/10/10	Latest annual accounts 12 months 01/05/09- 30/04/10
Sales		1,202.4	1,206.8	2,344.7	2,201.2	4,896.5	4,753.0
Cost of goods sold	1	-875.1	-817.3	-1,613.1	-1,537.2	-3,277.4	-3,201.5
Gross profit		327.3	389.5	731.6	664.0	1,619.1	1,551.5
Selling expenses	1	-216.8	-182.5	-408.5	-358.3	-802.0	-751.8
Administrative expenses	1	-30.1	-27.6	-62.2	-54.3	-116.6	-108.7
Other operating income/expenses		1.1	-2.7	0.4	-1.7	-3.9	-6.0
Operating profit		81.5	176.7	261.3	249.7	696.6	685.0
Dividend from Group companies		-	-	-	-	0.1	0.1
Net financial items		-2.8	-1.6	-4.5	-2.9	-4.8	-3.2
Profit after financial items		78.7	175.1	256.8	246.8	691.9	681.9
Appropriations		-	-	-	-	-210.6	-210.6
Profit before tax		78.7	175.1	256.8	246.8	481.3	471.3
Income tax		-20.5	-46.1	-67.4	-65.0	-127.2	-124.8
Profit for the period		58.2	129.0	189.4	181.8	354.1	346.5

Parent company Balance Sheet

SEKm	31/10/10	31/10/09	30/04/10
Assets			
Tangible assets	1,132.0	1,085.5	1,127.4
Intangible assets	3.8	0.0	0.0
Financial assets	457.9	275.9	360.5
Inventories	1,154.4	911.0	866.3
Other receivables	405.0	159.0	191.6
Liquid assets	82.2	60.5	62.1
Total assets	3,235.3	2,491.9	2,607.9
Equity and liabilities			
Equity	1,024.2	996.9	1,150.8
Untaxed reserves	459.6	249.0	459.6
Provisions	16.4	15.9	12.6
Long-term liabilities, Interest-bearing	300.0	300.0	100.0
Long-term liabilities, Non-interest-bearing	5.0	0.0	0.0
Current liabilities, Interest-bearing	332.8	177.6	171.4
Current liabilities, Non-interest-bearing	1,097.3	752.5	713.5
Total equity and liabilities	3,235.3	2,491.9	2,607.9
Pledged assets	97.0	97.0	97.0
Contingent liabilities	236.1	214.3	226.8

Note 1 Depreciation

Depreciation for the first quarter amounts to 52.4 SEKm (40.1 SEKm).

Depreciation for the second quarter amounts to 26.4 SEKm (21.4 SEKm).

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