

clas ohlson

six-month report 2014/2015

Second quarter

- Sales increased by 8% to 1,814 MSEK (1,678)
In local currencies, sales increased by 6%
- Operating profit increased by 20% to 151 MSEK (126)
- Profit after tax increased by 23% to 116 MSEK (94)
- Earnings per share increased by 23% to 1.84 SEK (1.49)
- The corporate Clas Office concept was introduced in Sweden and Norway



Six new stores opened during the quarter in Norway and Finland.

Six months

- Sales increased by 9% to 3,457 MSEK (3,184)
In local currencies, sales increased by 7%
- Operating profit increased by 16% to 253 MSEK (218)
- Profit after tax increased by 19% to 194 MSEK (164)
- Earnings per share increased by 19% to 3.07 SEK (2.59)
- Cash flow from operating activities amounted to 272 MSEK (172)

8%

sales increase

23%

increased profit after tax

Events after the end of the reporting period

- In November, sales increased by 6% to 746 MSEK (702)
In local currencies, sales increased by 5%
- The Club Clas customer loyalty program was launched in Finland

	3 Months			6 Months			12 Months	
	Aug 2014 - Oct 2014	Aug 2013 - Oct 2013	Percentage change	May 2014 - Oct 2014	May 2013 - Oct 2013	Percentage change	Nov 2013 - Oct 2014	May 2013 - Apr 2014
Sales, MSEK	1,814	1,678	8	3,457	3,184	9	7,080	6,808
Operating profit, MSEK	151	126	20	253	218	16	566	531
Profit before tax, MSEK	152	125	21	254	217	17	567	530
Profit after tax, MSEK	116	94	23	194	164	19	436	405
Gross margin, %	44.8	43.3	1.5p.p	42.8	42.5	0.3p.p	42.7	42.6
Operating margin, %	8.3	7.5	0.8p.p	7.3	6.8	0.5p.p	8.0	7.8
Return on capital employed, %	-	-	-	-	-	-	29.1	28.0
Return on equity, %	-	-	-	-	-	-	22.4	21.7
Equity/assets ratio, %	52.9	49.7	3.2p.p	52.9	49.7	3.2p.p	52.9	58.3
Earnings per share before dilution, SEK	1.84	1.49	23	3.07	2.59	19	6.91	6.42

The financial year 2014/15 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. This information was submitted for publication on 9 December 2014 at 07:00 a.m. (CET).

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Director of Information and IR
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CEO's comments

We are strengthening in all aspects and break new records

We are continuing to develop our business in the right direction and report healthy sales and earnings growth. In our home markets, we have strengthened our market position in all sales channels and we posted high growth figures in particular in countries outside the Nordic region.

The development of Clas Ohlson continues. We noted a positive trend in all sales channels and in all markets, and sales in comparable units increased by 3 per cent. Total sales increased by 8 per cent to 1,814 MSEK for the quarter.

We also noted positive growth in the gross margin, resulting from a favourable sales mix, particularly in Finland and the UK, and higher efficiency in the supply chain. Operating profit increased by more than 20 per cent.

Many new activities launched

We are proud to have introduced the Clas Office concept to our corporate customers in Sweden and Norway. We have also launched Club Clas in Finland in November and currently have more than 1.4 million members in our customer club. We are continuing to launch exciting new items in the product range, including the world's first eco-labelled tea light.

All the distinguished awards that we won during the quarter, including the second strongest store brand in Swedish retail, best customer reception on Facebook and the Nordic profile award of the year in Finland, strengthen us, internally in particular.

We are ready to take the next step

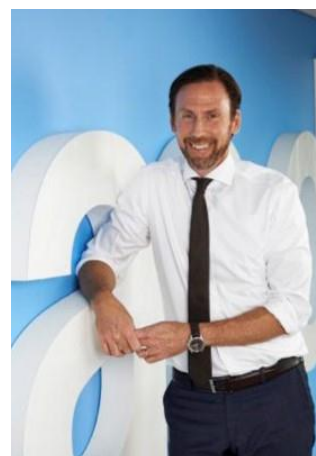
Christmas shopping has had a good start and November displayed a sales increase of 6 per cent. Our stores and online shopping platform are reporting high levels of activity as we are entering our most important quarter in terms of earnings.

Looking ahead, I can confirm that our plans for additional stores in the Gulf region and Germany in 2015 remain firm. During the next calendar year, we will also take the next step in the UK market by opening additional smaller stores close to London.



Klas Balkow

President and CEO of Clas Ohlson AB



” We leave a good quarter behind us in which we achieved both the highest sales and the best second-quarter results in the company's history.

Content of financial statements

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Financial information

Current financial information is available at om.clasohlson.com/en/ under the heading "Shareholders."

Press and analyst conference

Tuesday, 9 December at 08:30 a.m. 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

11 March 2015	Nine-month Report 2014/15
10 June 2015	Year-end Report 2014/15
Aug 2015	2014/15 Annual Report
9 Sept 2015	Three-month Report 2015/16
12 Sept 2015	2014/15 AGM
9 Dec 2015	Six-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 fix 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 conducted in Sweden, Norway, Finland, UK and Dubai via stores, online shopping, catalogues and telephone.

Business environment and market*

Retail in Sweden increased by 3.8 per cent at current prices compared with the same quarter in the preceding year (preceding quarter 2.4). During the quarter, consumer confidence in Sweden amounted to 99.0, a decline compared with the preceding quarter (100.7), but at the same level as the second quarter in the preceding year (99.0).

Retail in Norway increased by 3.2 per cent at current prices compared with the same quarter in the preceding year (preceding quarter 3.3). During the quarter, consumer confidence in Norway amounted to 0.9, a decline compared with the preceding quarter (2.5) and the second quarter in the preceding year (2.6).

Retail in Finland declined by 0.4 per cent at current prices compared with the same quarter in the preceding year (preceding quarter, -1.3). During the quarter, consumer confidence in Finland amounted to 0.6, a decline compared with the preceding quarter (8.9) and the second quarter in the preceding year (5.0).

Retail in the UK increased by 2.9 per cent at current prices compared with the same quarter in the preceding year (preceding quarter 3.5). During the quarter, consumer confidence in the UK was a negative 0.7, a decline compared with the preceding quarter (-0.3) and an increase compared with the second quarter in the preceding year (-11.3).

Sales

Second quarter

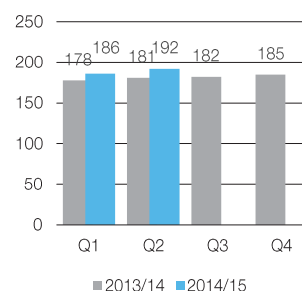
Sales increased to 1,814 MSEK, up 8 per cent compared with 1,678 MSEK in the preceding year. In local currencies, sales increased by 6 per cent.

During the quarter, six new stores (three) were opened, four in Norway and two in Finland. At the end of the quarter, the total number of stores amounted to 192, representing an increase of 11 stores compared with the year-earlier period.

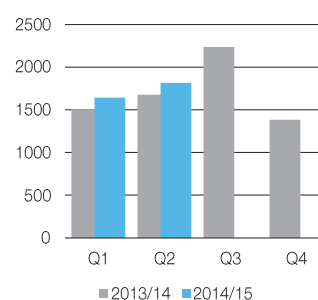
Six months

Sales increased to 3,457 MSEK, up 9 per cent compared with 3,184 MSEK in the preceding year. In local currencies, sales increased by 7 per cent. During the period, seven new stores (seven) were opened, five in Norway and two in Finland.

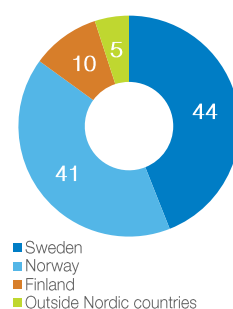
Total number of stores



Sales, MSEK



Distribution of sales, %



* Source: HUI, Konjunkturinstitutet, Office for National Statistics, Opinion, Statistikcentralen, Statistisk sentralbyrå, Trading Economics.

Distribution of sales

MSEK	3 Months				6 Months			
	Aug 2014 - Oct 2014	Aug 2013 - Oct 2013	Percentage change		May 2014 - Oct 2014	May 2013 - Oct 2013	Percentage change	
			local currency				local currency	
Sweden	803	771	4	4	1,563	1,474	6	6
Norway	750	684	10	7	1,395	1,289	8	7
Finland	177	158	13	7	338	300	13	7
Outside Nordic countries	84	65	30	15	161	121	34	19
Total	1,814	1,678	8	6	3,457	3,184	9	7

The sales trend in the UK continued in the right direction, with an increase in sales exceeding 10 per cent in comparable units in the second quarter.

Distribution of sales increase

Per cent	3 Months		6 Months	
	Aug 2014 - Oct 2014		May 2014 - Oct 2014	
Comparable units in local currency	3		4	
New stores	3		3	
Exchange-rate effects	2		2	
Total	8		9	

Results

Second quarter

The gross margin increased to 44.8 per cent, up 1.5 percentage points year-on-year (43.3 per cent). The gross margin was positively impacted mainly by a favourable sales mix and higher efficiency in the supply chain.

The share of selling expenses increased by 0.8 percentage points to 33.7 per cent (32.9). The share increased primarily as a result of increased marketing and start-up costs.

Operating profit increased by 20 per cent to 151 MSEK (126). The operating margin increased by 0.8 percentage points to 8.3 per cent (7.5). Profit after financial items increased by 21 per cent to 152 MSEK (125).

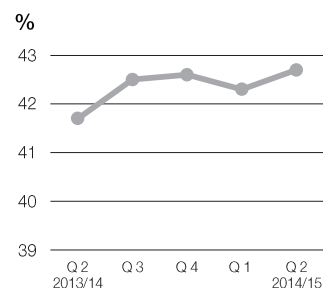
Depreciation for the period amounted to 58 MSEK (52).

Spot exchange rates for key currencies averaged 1.11 for NOK and 7.09 for USD, compared with 1.09 and 6.48, 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.

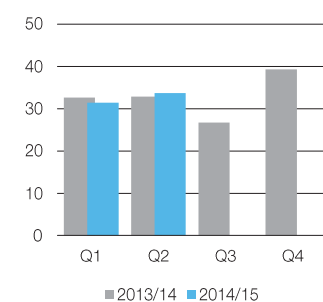
Six months

The gross margin increased to 42.8 per cent, up 0.3 percentage points year-on-year (42.5). The gross margin was positively impacted mainly by a favourable sales mix and higher efficiency in the supply chain, as well as negatively impacted by exchange-rate effects.

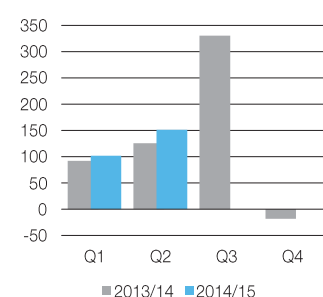
Gross margin rolling 12 months, %



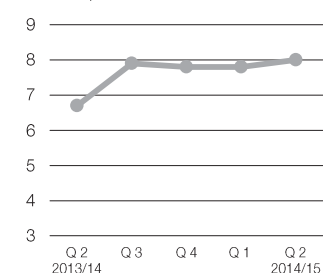
Share of selling expenses, %



Operating profit, MSEK



Operating margin rolling 12 months, %



The share of selling expenses declined by 0.2 percentage points to 32.6 per cent (32.8).

Operating profit increased by 16 per cent to 253 MSEK (218). The operating margin increased by 0.5 percentage points to 7.3 per cent (6.8). Profit after financial items increased by 17 per cent to 254 MSEK (217).

Depreciation for the period amounted to 114 MSEK (104).

Spot exchange rates for key currencies averaged 1.11 for NOK and 6.89 for USD, compared with 1.10 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.

Investments

During the six-month period, investments totalled 107 MSEK (68). Of this amount, investments in new or refurbished stores accounted for 48 MSEK (34). Other investments were primarily IT and replacement investments. During the six-month period, investments in IT systems amounted to 46 MSEK (9).

Financing and liquidity

Cash flow from operating activities during the six-month period totalled 272 MSEK (172). Cash flow for the period, after investing and financing activities, totalled a negative 147 MSEK (+14 MSEK). The cash dividend paid to Clas Ohlson's shareholders in September 2014 totalled 300 MSEK (268).

The average 12-month value of inventories was 1,403 MSEK (1,377). Over a rolling 12-month period, the stock turnover rate at the distribution centre was 7.0 times (6.9).

At the end of the period, the value of inventories was 1,609 MSEK (1,599). Compared with the preceding year, 10 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 213 MSEK (net debt 63 MSEK) at the end of the period. The equity/assets ratio was 53 per cent (50).

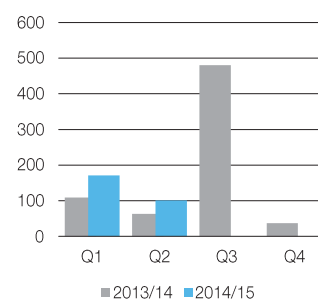
Sustainable development

Our efforts to integrate environmental and social aspects into our business development continue.

A key objective is to develop innovative products for a more sustainable lifestyle and for Clas Ohlson to become even better at offering and guiding customers towards a more sustainable product choice. We continue to launch new sustainable products and develop our workshops and our spare-parts offering.

Our focus remains on ensuring that suppliers comply with human rights, matters concerning the rights of children, as well as laws and international conventions about labour conditions. We noted positive measurable effects of our audit efforts and are now taking another step by developing an educational tool. This will be used by suppliers to increase the level of knowledge of health and safety, fire safety and the rights and obligations of employer and employee. We tested a first prototype in China with very positive results.

Cash flow, MSEK*



* from operating activities



Clas Ohlson is involved in developing an educational tool that will be used by suppliers.

Employees

The average number of employees in the Group was 2,676 (2,593), of whom 1,140 (1,115) were women.

Parent Company

Parent Company sales during the six-month period amounted to 2,819 MSEK (2,444) and profit after financial items totalled 265 MSEK (54).

Investments during the period totalled 63 MSEK (51). The Parent Company's contingent liabilities amounted to 308 MSEK (277).

Events after the end of the reporting period

Sales in November

In November, sales increased by 6 per cent to 746 MSEK (702). In local currencies, sales increased by 5 per cent. Compared with the year-earlier period, 14 new stores (11) were added and the total number of stores on 30 November 2014 was 196.

Distribution of sales

MSEK	Nov 2014	Nov 2013	Percentage change	
				local currency
Sweden	339	329	3	3
Norway	293	274	7	6
Finland	79	71	11	6
Outside Nordic countries	36	28	28	16
Total	746	702	6	5

In the first seven months of the financial year (May-November), sales increased by 8 per cent to 4,203 MSEK (3,886). In local currencies, sales increased by 7 per cent.

Launch of Club Clas in Finland

In November, the Club Clas customer loyalty program was launched to Finnish consumers and was well received.

Transfer pricing

A tax audit is currently being conducted in Norway concerning transfer pricing. In early November, an official letter containing proposals on additional taxes was received. It has been deemed that a tax reduction in Sweden could be obtained corresponding to the extent tax is imposed in Norway.

Changes to Clas Ohlson's Board of Directors

In conjunction with the 2014 Annual General Meeting, Göran Sundström took office as a new member of Clas Ohlson's Board of Directors. Kenneth Bengtsson assumed the position of Chairman of the Board.



Clas Ohlson is able to offer customers the world's first eco-labelled tea light, a modern and sustainable option to traditional tea lights.

Clas Ohlson's Nomination Committee appointed

In accordance with the resolution of the Annual General Meeting, the four largest shareholders are each to appoint a member to the Nomination Committee. The two largest owner groups, the Haid and Tidstrand families, each appoint one member and the next largest shareholders then appoints one member each to the Nomination Committee.

Prior to the 2015 Annual General Meeting, Clas Ohlson's Nomination Committee will comprise the following members: Jonas Bergh, representing the Haid owner family, Göran Sundström, representing the Tidstrand owner family, Ricard Wennerklint, If Skadeförsäkring AB, Erik Durhan, Nordea Investment Funds, and Kenneth Bengtsson, Chairman of the Board of Clas Ohlson AB.

The composition of the Nomination Committee is based on the owner relationship on 30 September 2014. The Nomination Committee represents approximately 70 per cent of the total number of company shares (votes). The above Nomination Committee will serve until a new Nomination Committee has been elected.

The Nomination Committee's assignment is to present to the forthcoming Annual General Meeting proposals concerning the election of the Chairman of the Board and other Board members and regarding the choice of auditors, as well as fees and other remuneration to be paid for Board assignments to each of the Board members and to the auditors. The Nomination Committee is also to submit proposals concerning the Chairman of the Annual General Meeting.

Shareholders who wish to submit proposals to the Nomination Committee can do so by post to: Clas Ohlson AB, Valberedningen, SE-793 85 Insjön, Sweden or by e-mail to: valberedningen@clasohlson.se

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.

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

Clas Ohlson is preparing an 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.

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 close to London.

Preparations are proceeding according to plan for a new IT platform to support the company's operations and future growth and development.

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 38-39 of the 2013/14 Annual Report. Apart from the risks described in the Annual Report, no other significant risks have arisen.

Assurance

The six-month report provides a fair review of the Parent Company's and the Group's operations, position and earnings and describes the material risks and uncertainties facing the Parent Company and the companies included in the Group.

Insjön, Sweden, 9 December 2014

Kenneth Bengtsson
Chairman of the Board

Björn Haid

Sanna Suvanto-Harsaae

Cecilia Marlow

Edgar Rosenberger

Katarina Sjögren Petrini

Göran Sundström

Klas Balkow
President and CEO

Johan Åhlberg
Employee representative
Handels

Henrik Andersson
Employee representative
Unionen

Review report

Introduction

We have reviewed the interim report of Clas Ohlson AB (publ) for the period 1 May 2014 to 31 October 2014. The Board of Directors and the President 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.

Focus and scope of the review

We conducted our review in accordance with the Standard on Review Engagements ISRE 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 ISA 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.

Conclusion

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 for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the Parent Company, in accordance with the Swedish Annual Accounts Act.

Insjön, Sweden, 9 December 2014

Deloitte AB

Kent Åkerlund
Authorised Public Accountant

Financial statements

Consolidated Income Statement						
MSEK	3 Months		6 Months		12 Months	
	Aug 2014 - Oct 2014	Aug 2013 - Oct 2013	May 2014 - Oct 2014	May 2013 - Oct 2013	Nov 2013 - Oct 2014	May 2013 - Apr 2014
Sales	1,814.4	1,677.7	3,456.6	3,184.2	7,080.1	6,807.7
Cost of goods sold	-1,001.1	-952.0	-1,978.6	-1,830.5	-4,053.4	-3,905.3
Gross profit	813.3	725.7	1,478.0	1,353.7	3,026.7	2,902.4
Selling expenses	-611.0	-552.6	-1,127.4	-1,044.4	-2,271.1	-2,188.1
Administrative expenses	-49.7	-46.5	-95.6	-90.1	-184.1	-178.6
Other operating income/expenses	-1.2	-0.8	-1.7	-1.1	-5.8	-5.2
Operating profit	151.4	125.8	253.3	218.1	565.7	530.5
Net financial income/expense	0.2	-0.4	0.4	-0.7	0.8	-0.3
Profit after financial items	151.6	125.4	253.7	217.4	566.5	530.2
Income tax	-35.8	-31.1	-59.8	-53.9	-130.7	-124.8
Profit for the period	115.8	94.3	193.9	163.5	435.8	405.4

Consolidated Comprehensive Income Statement						
MSEK	3 Months		6 Months		12 Months	
	Aug 2014 - Oct 2014	Aug 2013 - Oct 2013	May 2014 - Oct 2014	May 2013 - Oct 2013	Nov 2013 - Oct 2014	May 2013 - Apr 2014
Profit for the period	115.8	94.3	193.9	163.5	435.8	405.4
Other comprehensive income, net of tax:						
Items that later can be reversed back to the Consolidated income statement:						
Exchange rate differences	0.8	-3.0	9.7	-8.9	25.4	6.8
Cash flow hedging	7.4	-2.4	14.8	-6.5	12.9	-8.4
Total	8.2	-5.4	24.5	-15.4	38.3	-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	8.2	-5.4	24.5	-15.4	39.3	-0.6
Total comprehensive income for the period	124.0	88.9	218.4	148.1	475.1	404.8

Data per share						
	3 Months		6 Months		12 Months	
	Aug 2014 - Oct 2014	Aug 2013 - Oct 2013	May 2014 - Oct 2014	May 2013 - Oct 2013	Nov 2013 - Oct 2014	May 2013 - Apr 2014
Number of shares before dilution	63,083,858	63,077,808	63,120,702	63,169,348	63,112,625	63,137,148
Number of shares after dilution	63,240,818	63,149,013	63,295,458	63,238,247	63,267,115	63,243,692
Number of shares at end of period	63,083,894	63,077,808	63,083,894	63,077,808	63,083,894	63,140,994
Earnings per share before dilution, SEK	1.84	1.49	3.07	2.59	6.91	6.42
Earnings per share after dilution, SEK	1.83	1.49	3.06	2.59	6.89	6.41
Comprehensive income per share, SEK	1.97	1.41	3.46	2.34	7.53	6.41

Consolidated Balance Sheet

MSEK	31 Oct 2014	31 Oct 2013	30 Apr 2014
Assets			
Intangible assets	164.2	110.5	133.0
Tangible assets	1,259.7	1,310.2	1,291.2
Non-current receivables	8.1	4.3	8.1
Inventories	1,608.7	1,599.1	1,348.2
Other receivables	287.2	245.0	229.5
Liquid assets	212.9	136.9	358.3
Total assets	3,540.8	3,406.0	3,368.3
Equity and liabilities			
Equity	1,874.4	1,693.8	1,964.9
Long-term liabilities, Non-interest-bearing	198.0	189.3	206.5
Current liabilities, interest-bearing	0.0	200.0	0.0
Current liabilities, Non interest-bearing	1,468.4	1,322.9	1,196.9
Total equity and liabilities	3,540.8	3,406.0	3,368.3

Consolidated Cash Flow

MSEK	3 Months		6 Months		12 Months	
	Aug 2014 - Oct 2014	Aug 2013 - Oct 2013	May 2014 - Oct 2014	May 2013 - Oct 2013	Nov 2013 - Oct 2014	May 2013 - Apr 2014
Operating profit	151.4	125.8	253.3	218.1	565.7	530.5
Adjustment for items not included in cash flow	62.6	56.1	121.7	107.0	246.7	232.0
Interest received	0.4	0.5	1.0	1.1	1.9	2.0
Interest paid	-0.3	-0.5	-0.7	-1.4	-1.7	-2.4
Tax paid	-21.1	-22.5	-42.0	-37.9	-94.2	-90.1
Cash flow from operating activities before changes in working capital	193.0	159.4	333.3	286.9	718.4	672.0
Change in working capital	-91.9	-96.8	-61.0	-115.2	71.3	17.1
Cash flow from operating activities	101.1	62.6	272.3	171.7	789.7	689.1
Investments in intangible assets	-11.4	-5.2	-45.6	-8.9	-77.6	-40.9
Investments in tangible assets	-39.7	-45.7	-61.3	-58.7	-133.8	-131.2
Change in current investments	0.0	0.0	0.1	0.0	0.4	0.3
Cash flow from investing activities	-51.1	-50.9	-106.8	-67.6	-211.0	-171.8
Borrowings	0.0	200.0	0.0	200.0	0.0	200.0
Repayment of loans	0.0	0.0	0.0	0.0	-200.0	-200.0
Repurchase of own shares	0.0	0.0	-13.7	-21.7	-13.7	-21.7
Sale of own shares	0.3	0.0	0.9	0.0	7.1	6.2
Dividend to shareholders	-299.6	-268.1	-299.6	-268.1	-299.6	-268.1
Cash flow from financing activities	-299.3	-68.1	-312.4	-89.8	-506.2	-283.6
Cash flow for the period	-249.3	-56.4	-146.9	14.3	72.5	233.7
Liquid assets at the start of the period	462.4	194.2	358.3	124.6	136.9	124.6
Exchange rate difference for liquid assets	-0.2	-0.9	1.5	-2.0	3.5	0.0
Liquid assets at the end of the period	212.9	136.9	212.9	136.9	212.9	358.3

Sales by segment

	3 Months		6 Months	
	Aug 2014 - Oct 2014	Aug 2013 - Oct 2013	May 2014 - Oct 2014	May 2013 - Oct 2013
MSEK				
Sweden	802.5	771.4	1,562.6	1,474.4
Norway	750.1	683.7	1,394.8	1,289.0
Finland and outside Nordic countries	261.8	222.6	499.2	420.8
Group functions	723.8	640.9	1,250.6	969.4
Sales to other segments	-723.8	-640.9	-1,250.6	-969.4
Total	1,814.4	1,677.7	3,456.6	3,184.2

Operating profit by segment

	3 Months		6 Months	
	Aug 2014 - Oct 2014	Aug 2013 - Oct 2013	May 2014 - Oct 2014	May 2013 - Oct 2013
MSEK				
Sweden	31.7	28.2	61.6	51.0
Norway	29.9	25.9	56.0	46.0
Finland and outside Nordic countries	6.7	5.4	13.3	9.9
Group functions	83.1	66.3	122.4	111.2
Total	151.4	125.8	253.3	218.1

Specification of change in profits*

	3 Months	6 Months
	Aug 2014 - Oct 2014	May 2014 - Oct 2014
MSEK		
Profit from sales	10.7	44.4
Increased gross margin	28.4	8.5
Increased administrative expenses	-3.2	-5.5
Increased expansion costs stores	-3.8	-1.1
Increased depreciation	-6.1	-10.5
Change in other operating income/expense	-0.4	-0.6
Change in financial income/expense	0.6	1.1
Change in profit after financial items	26.2	36.3

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

Change in equity

(attributable to the Parent company shareholders)

MSEK	6 Months	
	May 2014 - Oct 2014	May 2013 - Oct 2013
Equity brought forward	1,964.9	1,836.5
Divident to shareholders	-299.6	-268.1
Repurchase of own shares	-13.7	-21.7
Sale of own shares	0.9	0.0
Paid-in option premiums:		
Value of employee services	3.5	-1.0
Total comprehensive income	218.4	148.1
Equity carried forward	1,874.4	1,693.8

Forward contracts

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

MSEK	31 Oct 2014	31 Oct 2013
Sell/buy		
NOK/SEK	-1.8	2.7
NOK/USD	15.6	0.0
SEK/USD	0.0	-5.6
Total	13.8	-2.9

Forward contracts belong to the derivate category, which is used for hedging purposes. All derivates 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 7. As per 31 october, 2014 there are both positive and negative market values in the currency pairs. Forward contracts with negative market value totalled MSEK 1.8 (5.8), which was recognized in the item Current liabilities, non-interest-bearing. Forward contracts with positive market values amounted to MSEK 15.6 (2.9), which is recognized in the item Other receivables. Deferred tax of MSEK 3.0 was taken into account and the remaining fair value of MSEK 10.8 was recognized in the hedging reserve within equity.

Key ratios

	3 Months		6 Months		12 Months	
	Aug 2014 - Oct 2014	Aug 2013 - Oct 2013	May 2014 - Oct 2014	May 2013 - Oct 2013	Nov 2013 - Oct 2014	May 2013 - Apr 2014
MSEK						
Sales growth, %	8.1	3.9	8.6	3.5	6.8	4.4
Gross margin, %	44.8	43.3	42.8	42.5	42.7	42.6
Operating margin, %	8.3	7.5	7.3	6.8	8.0	7.8
Return on capital employed, %	-	-	-	-	29.1	28.0
Return on equity, %	-	-	-	-	22.4	21.7
Equity/assets ratio, %	52.9	49.7	52.9	49.7	52.9	58.3
Sales per sq.m in stores, SEK thousand	-	-	-	-	30	30
Number of stores at period end	192	181	192	181	192	185
Number of employees at period end	2,676	2,593	2,676	2,593	2,676	2,629
Data per share						
Number of shares before dilution	63,083,858	63,077,808	63,120,702	63,169,348	63,112,625	63,137,148
Number of shares after dilution	63,240,818	63,149,013	63,295,458	63,238,247	63,267,115	63,243,692
Number of shares at period end	63,083,894	63,077,808	63,083,894	63,077,808	63,083,894	63,140,994
Earnings per share before dilution, SEK	1.84	1.49	3.07	2.59	6.91	6.42
Earnings per share after dilution, SEK	1.83	1.49	3.06	2.59	6.89	6.41
Comprehensive income per share, SEK	1.97	1.41	3.46	2.34	7.53	6.41
Cash flow per share*, SEK	1.60	0.99	4.31	2.72	12.51	10.91
Equity per share, SEK	29.71	26.85	29.71	26.85	29.71	31.12

*From operating activities.

Quarterly overview									
MSEK	Q2 12/13	Q3 12/13	Q4 12/13	Q1 13/14	Q2 13/14	Q3 13/14	Q4 13/14	Q1 14/15	Q2 14/15
Sales	1,614.2	2,169.1	1,273.5	1,506.5	1,677.7	2,237.6	1,385.9	1,642.2	1,814.4
Cost of goods sold	-936.8	-1,274.8	-757.6	-878.5	-952.0	-1,258.9	-815.9	-977.5	-1,001.1
Gross profit	677.4	894.3	515.9	628.0	725.7	978.7	570.0	664.7	813.3
Selling expenses	-530.8	-599.8	-496.5	-491.8	-552.6	-598.5	-545.2	-516.4	-611.0
Administrative expenses	-44.6	-46.9	-37.7	-43.6	-46.5	-48.1	-40.4	-45.9	-49.7
Other operating income/expenses	0.0	-0.2	-1.0	-0.3	-0.8	-1.7	-2.4	-0.5	-1.2
Operating profit	102.0	247.4	-19.3	92.3	125.8	330.4	-18.0	101.9	151.4
Net financial income/expense	-1.9	-6.7	-0.9	-0.3	-0.4	0.4	0.0	0.2	0.2
Profit after financial items	100.1	240.7	-20.2	92.0	125.4	330.8	-18.0	102.1	151.6
Income tax	-27.7	-36.7	2.8	-22.8	-31.1	-76.7	5.8	-24.0	-35.8
Profit for the period	72.4	204.0	-17.4	69.2	94.3	254.1	-12.2	78.1	115.8
Key ratios for the period									
Gross margin, %	42.0	41.2	40.5	41.7	43.3	43.7	41.1	40.5	44.8
Operating margin, %	6.3	11.4	-1.5	6.1	7.5	14.8	-1.3	6.2	8.3
Earnings per share before dilution, SEK	1.14	3.22	-0.27	1.09	1.49	4.03	-0.19	1.24	1.84
Earnings per share after dilution, SEK	1.14	3.22	-0.27	1.09	1.49	4.02	-0.19	1.23	1.83
Equity per share, SEK	26.26	29.40	29.02	29.67	26.85	30.81	31.12	32.46	29.71

Seasonal fluctuations

Clas Ohlson's market and operations are influenced by consumer purchasing behavior. 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		6 Months		12 Months	
		Aug 2014 - Oct 2014	Aug 2013 - Oct 2013	May 2014 - Oct 2014	May 2013 - Oct 2013	Nov 2013 - Oct 2014	May 2013 - Apr 2014
Sales		1,529.3	1,412.3	2,819.2	2,443.8	5,770.2	5,394.8
Cost of goods sold	1	-1,032.1	-970.1	-1,950.9	-1,822.9	-3,900.7	-3,772.7
Gross profit		497.2	442.2	868.3	620.9	1,869.5	1,622.1
Selling expenses	1	-279.4	-262.7	-526.8	-492.8	-1,071.5	-1,037.5
Administrative expenses	1	-38.1	-35.8	-74.5	-70.6	-144.5	-140.6
Other operating income/expenses		-0.2	-0.8	-0.4	-1.1	-2.8	-3.5
Operating profit		179.5	142.9	266.6	56.4	650.7	440.5
Net financial income/expense		-0.8	-1.7	-1.3	-2.6	1.6	0.3
Profit after financial items		178.7	141.2	265.3	53.8	652.3	440.8
Appropriations		-	-	-	-	-139.2	-139.2
Profit before tax		178.7	141.2	265.3	53.8	513.1	301.6
Income tax		-40.2	-31.3	-59.7	-12.3	-115.7	-68.3
Profit for the period		138.5	109.9	205.6	41.5	397.4	233.3

Parent Company Comprehensive Income Statement

MSEK	3 Months		6 Months		12 Months	
	Aug 2014 - Oct 2014	Aug 2013 - Oct 2013	May 2014 - Oct 2014	May 2013 - Oct 2013	Nov 2013 - Oct 2014	May 2013 - Apr 2014
Profit for the period	138.5	109.9	205.6	41.5	397.4	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	1.1	4.0	8.3	4.1	18.2	14.0
Other comprehensive income, net of tax	1.1	4.0	8.3	4.1	18.2	14.0
Total comprehensive income	139.6	113.9	213.9	45.6	415.6	247.3

Note 1 Depreciation

Depreciation during the first six months amounts to 76.8 MSEK (68.2)

Depreciation during the second quarter amounts to 39.0 MSEK (34.2)

Parent Company Balance Sheet			
MSEK	31 Oct 2014	31 Oct 2013	30 Apr 2014
Assets			
Intangible assets	164.2	110.5	133.0
Tangible assets	924.0	981.2	968.7
Financial assets	220.7	238.0	212.4
Inventories	1,087.9	1,100.2	884.0
Other receivables	510.5	582.5	293.9
Liquid assets	133.4	65.5	281.5
Total assets	3,040.7	3,077.9	2,773.5
Equity and liabilities			
Equity	645.5	524.4	740.5
Untaxed reserves	963.2	824.0	963.2
Provisions	32.3	26.1	31.4
Long-term liabilities, Non-interest-bearing	5.0	5.0	5.0
Current liabilities, interest-bearing	0.0	200.0	0.0
Current liabilities, Non interest-bearing	1,394.7	1,498.4	1,033.4
Total equity and liabilities	3,040.7	3,077.9	2,773.5
Pledged assets	0.0	0.0	0.0
Contingent liabilities	308.2	277.5	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 October was 127.50 SEK per share.

Number of shares

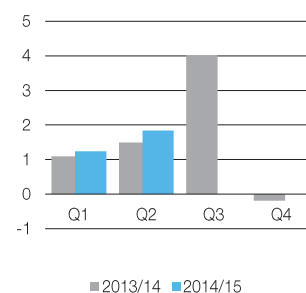
The number of registered shares totalled 65,600,000, unchanged from the preceding year. At 31 October 2014, the company held 2,516,106 shares (2,522,192), corresponding to 4 per cent (4) of the total number of registered shares. At the end of the period, the number of shares outstanding, net after buyback, was 63,083,894 (63,077,808).

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 OMX Nordic Mid Cap
Ticker	Clas B
Industry	Consumer Services
ISIN code	SE0000584948

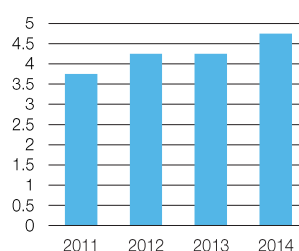
Earnings per share, SEK



The largest shareholders 31 October 2014

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
IF Skadeförsäkring		3,114,337	5	3
Placeringsfond Småbolagsfond, Norden		2,043,438	3	2
Anders Moberg		1,460,000	2	1
AFA Sjukförsäkrings AB		1,265,686	2	1
JPM Chase		913,819	1	1
Other shareholders		31,260,832	48	27
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 2014/15 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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