

Clas Ohlson: Interim report 1 May 2013 – 31 July 2013

First quarter

- * Sales totalled SEK 1,507 M (1,462), up 3%.
In local currencies, growth was 5%.
- * Operating profit amounted to SEK 92 M (101), down 8%
- * Profit after tax was SEK 69 M (72), down 5%
- * Earnings per share amounted to SEK 1.09 (1.14), down 4%
- * Cash flow from operating activities totalled SEK 109 M (95)

Events after the end of the reporting period

- * Sales in August amounted to SEK 561 M (530), up 6%.
In local currencies, growth was 7%.
- * Clas Ohlson is expanding internationally through franchising in the Gulf Cooperation Council (GCC) region

CEO Klas Balkow comments:

“We continued to strengthen our position in all markets and posted growth of 5 per cent measured in local currencies in our first quarter. Both sales and earnings were impacted by exchange-rate effects, mainly attributable to the weakening of the NOK.

With Clas Ohlson’s strong market position in the Nordic region and the company’s concept and financial position as a base, we see substantial potential to expand our concept to new markets and customer segments. In addition to those initiatives previously announced and with a new offering to corporate customers as well as the planned entry in the German market, no earlier than 2014, we are currently supplementing our establishment strategy with franchising to access new international markets. Through a franchising agreement with the Al Homaizi Group, the opening of two stores is planned for Kuwait or the United Arab Emirates in 2014, a number that could be increased to a minimum of 20 stores in the GCC region following evaluation of the first two stores.

The second quarter started successfully, with sales growth of 7 per cent measured in local currencies during August and we have many exciting new products in our product range,” says Klas Balkow, President and CEO.

	3 months 01/05/13- 31/07/13	3 months 01/05/12- 31/07/12	Rolling 12 months 01/08/12- 31/07/13	Latest annual accounts 01/05/12- 30/04/13
Sales, SEK M	1,507	1,462	6,563	6,519
Operating profit, SEK M	92	101	422	431
Profit after tax, SEK M	69	72	328	332
Gross margin, %	41.7	42.5	41.4	41.6
Operating margin, %	6.1	6.9	6.4	6.6
Equity/assets ratio, %	58	60	58	59
Earnings per share before dilution, SEK	1.09	1.14	5.19	5.23

Operations

Operations comprise the sale of house and home, technology and hobby products through the company's own stores and via mail order/Internet channels. The product range focuses on attractively priced products for everyday use. Activities are pursued in Sweden, Norway, Finland and the UK. The number of stores at the end of the period was 178, of which 73 were in Sweden, 64 in Norway, 29 in Finland and 12 in the UK.

Four new stores (5) were opened during the first quarter, two in Finland and two in Norway.

Sales and profits

The first quarter (May-July)

Sales totalled SEK 1,507 M, up 3 per cent compared with SEK 1,462 M in the year-earlier period. Measured in local currencies, sales rose 5 per cent. Compared with the same period in the preceding year, 16 new stores (19) were added and the total number of stores on 31 July 2013 was 178. Mail order/Internet sales amounted to SEK 23 M (29). In the year-earlier period, when the new online shopping platform was launched in Sweden and Norway, mail order/Internet was impacted by various opening offerings and sales rose significantly during the first quarter of 2012/13.

Sales were distributed as follows:

Sales areas (SEK M)

	2013/14	2012/13	Percentage change	Percentage change, local currency
<u>Countries</u>				
Sweden	703	692	+2	+2
Norway	605	593	+2	+7
Finland	143	121	+18	+20
UK	<u>56</u>	<u>56</u>	<u>-2</u>	<u>+7</u>
	1,507	1,462	+3	+5

The sales increase of 3 per cent was distributed as follows:

Comparable stores in local currency	0 per cent
New stores	+5 per cent
Exchange-rate effects	<u>-2 per cent</u>
Total	+ 3 per cent

The gross margin was 41.7 per cent, down 0.8 percentage points on the corresponding period in the preceding year (42.5 per cent). The margin was adversely impacted by exchange-rate effects (NOK).

The share of selling expenses was 32.6 per cent (32.6). Start-up costs for new and remodelled stores, including the disposal of fittings, amounted to SEK 8 M (11).

Depreciation for the period amounted to SEK 52 M compared with SEK 49 M for the year-earlier period. The increase was mainly due to depreciation pertaining to online shopping and IT-related support processes.

Operating profit amounted to SEK 92 M (101). The change was largely due to a lower gross margin compared with the year-earlier period.

The operating margin was 6.1 per cent (6.9).

Profit after financial items totalled SEK 92 M (99).

Spot exchange rates for key currencies averaged 1.12 for NOK and 6.61 for USD, compared with 1.17 and 7.02, 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 expected flows during a catalogue period.

Investments

During the quarter, investments totalled SEK 17 M (34). Of this amount, investments in new or remodelled stores accounted for SEK 8 M (11). Other investments were primarily IT investments and replacement investments. During the quarter, investments in IT-systems amounted to SEK 4 M (14).

Financing and liquidity

Cash flow from operating activities during the quarter totalled SEK 109 M (95). After investing and financing activities, cash flow for the quarter was SEK 71 M (neg: 5).

The average 12-month value of inventories was SEK 1,352 M (1,283). Over a rolling 12-month period, the stock turnover rate at the distribution centre was 7.0 times (6.4).

At the end of the quarter, the value of inventories was SEK 1,350 M (1,289). Compared with the same month a year earlier, 16 new stores were added.

During the quarter, buy-backs of the company's own shares to secure the LTI 2013 (Long Term Incentive Plan 2013) amounted to SEK 22 M (36).

At the end of the period, the Group's net cash, meaning cash and cash equivalents less interest-bearing liabilities, amounted to SEK 194 M (103). The equity/assets ratio was 58 per cent (60).

Number of shares

The number of registered shares is 65,600,000, unchanged compared with the year-earlier period. On 31 July 2013, the company held 2,522,192 shares (2,312,192) corresponding to 4 per cent of the total number of registered shares (4). The number of shares outstanding, net after buy-back, was 63,077,808 (63,287,808) at the end of the period.

On 2 May 2013, a total of 26,581 shares were allotted in accordance with the AGM's resolution regarding share matching of one share per share purchased to those participants in LTI 2010 who remained employed after the three-year qualification period.

To secure the company's commitment regarding conditional matching shares and employee stock options in connection with LTI 2013, Clas Ohlson bought back 236,581 shares during the first quarter of the 2013/14 financial year for a total of SEK 22 M at an average price of approximately SEK 92 per share.

Long-term incentive plan, LTI 2013

In May 2013, LTI 2013, the long-term incentive plan, was introduced, with 38 participants, following the same structure as previously implemented LTI plans. In May 2013, the participants purchased a total of 42,358 shares. The exercise price for the conditional employee stock options is set at SEK 94.30 per share, with exercise possible, following the three-year qualification period, between June 2016 and April 2020.

Employees

The number of employees in the Group averaged 2,562 (2,408), of whom 1,102 (1,011) were women. The distribution by country was 1,413 (1,324) in Sweden, 675 (635) in Norway, 233 (199) in Finland, 191 (210) in the UK and 50 (40) in China.

Parent Company

Parent Company sales totalled SEK 1,032 M (1,047) and the result after financial items was a negative SEK 87 M (negative 39).

Investments for the quarter totalled SEK 10 M (26). Contingent liabilities for the Parent Company amounted to SEK 274 M (272).

Events after the end of the period

In August, sales rose 6 per cent to SEK 561 M (530). Measured in local currencies, sales increased 7 per cent. Compared with the same month in the preceding year, 16 new stores (17) were added and the total number of stores on 31 August 2013 was 178. Mail order/Internet sales amounted to SEK 8 M (8).

Sales were distributed as follows:

Sales areas (SEK M)

	2013/14	2012/13	Percentage change	Percentage change, local currency
<u>Countries</u>				
Sweden	251	247	+2	+2
Norway	238	223	+7	+10
Finland	51	41	+24	+18
UK	<u>20</u>	<u>19</u>	<u>+5</u>	<u>+9</u>
	561	530	+6	+7

In the first four months of the financial year, sales totalled SEK 2,067 M (1,992), up 4 per cent.

Clas Ohlson expands internationally through franchising in the GCC region

Through franchising, as a complement to Clas Ohlson's primary establishment strategy based on wholly owned sales channels, additional growth opportunities are created in new markets.

A franchising agreement has been signed with Al Homaizi Group regarding the establishment of Clas Ohlson's retail concept in the GCC (Gulf Cooperation Council) region, which includes the United Arab Emirates, Kuwait, Saudi Arabia, Qatar, Oman and Bahrain. The agreement pertains to the establishment of two stores in Kuwait or the United Arab Emirates with opening scheduled during 2014. Following an evaluation of the initial stores that are established there, the ambition is to establish at least 20 stores in the region over a five-year period.

Al Homaizi Group, a family business based in Kuwait, was founded in 1961 and has long-standing experience of franchise operations in the GCC region, with concepts including IKEA, Burger King and Pizza Hut.

The partnership with Al Homaizi Group opens up potential for complementary business opportunities in an attractive region with more than 40 million inhabitants and an expansive retail market experiencing strong growth. Clas Ohlson has a unique and attractive concept that will satisfy a growing need in the region to find smart solutions to everyday practical problems.

Clas Ohlson chooses new business support software

Clas Ohlson has chosen Microsoft Dynamics AX to satisfy its future business support software needs. The decision is part of the planning process for a new IT platform that will support Clas Ohlson's operations and future growth and development. In preparation for a decision on the implementation of a new IT platform, a feasibility study is being initiated to determine the cost and time frames for implementing a new business system.

The total investment need for Clas Ohlson's IT systems, including the implementation of new business support software, is estimated at SEK 50-70 M annually over a five-year period.

Outlook

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

Growth in new markets will occur in accordance with the long-term financial objectives. During the coming years, establishment in new markets, both proprietary and through franchising, is expected to have a negative impact of up to 2 – 3 percentage points on Clas Ohlson's operating margin during a financial year.

During the next financial year of 2013/14, Clas Ohlson plans to establish 12–17 new stores. The share of new stores in mature markets is declining in pace with the development of programmes for new growing sales channels (online shopping).

Clas Ohlson expects it to take time to establish the brand and its position in new markets and expects the conversion rate, average purchase and turnover to gradually increase over the coming years.

The continued development of Clas Ohlson's product range, sales channels and new customer segment (corporate customers) generates additional opportunities for growth, in both established markets and new markets. The launch of the corporate market concept Clas office is scheduled for the first half of 2014, initially in Sweden and Norway.

Preparations are ongoing for entering the German market with one to two stores, initially in northern Germany, and online shopping with a planned launch no earlier than the 2014 calendar year. Through franchising, as a complement to Clas Ohlson's primary establishment strategy based on wholly owned sales channels, additional growth opportunities will be created in new markets, starting with the GCC region in 2014.

Long-term financial objectives

The objective for long-term sales growth is a minimum annual growth rate of 10 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. The margin objective includes the expected negative impact of 2 to 3 percentage points on new markets from the ongoing expansion.

Risks and uncertainties

Clas Ohlson's operations entail risks that could negatively impact the Group to varying extents. Work is continuously conducted to keep the Group's risk situation updated through a documented and systematic process in which risks are identified, assessed, monitored and reported. The highest priority is placed on risks deemed to have the most negative impact based on the probability of occurrence and the possible impact on operations. This work also contributes to the strategic and operational governance of the company.

Operational risks primarily comprise establishment 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 trends, wage inflation, raw-material prices, transport costs and exchange-rate exposure.

For a more detailed description of the Group's risks and risk management, refer to the pages 24-26 of the 2012/13 Annual Report. Apart from the risks described in the Annual Report, no other significant risks have arisen.

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 indicated in the section headed “Parent Company accounting policies” in the 2012/13 Annual Report on page 66. The same accounting policies and calculation methods are applied as in the latest annual report, except as listed below.

The IASB (International Accounting Standards Board) has issued new and revised IFRSs as well as interpretations that apply from 1 May 2013. However, these IFRSs had no appreciable impact on the consolidated income statements and balance sheets.

For a more detailed description of the accounting policies applied for the Group and Parent Company in this interim report, refer to the 2012/13 Annual Report, pages 64-66.

Financial information

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

- The 2012/13 Annual General Meeting (AGM) will be held on Saturday, 7 September 2013, 11:00 a.m. at Clas Ohlson’s distribution centre in Insjön.
- The interim report for the second quarter of 2013/14 will be published on 11 December 2013.
- The interim report for the third quarter of 2013/14 will be published on 12 March 2014.
- The year-end report for 2013/14 will be published on 11 June 2014.
- The Annual Report for the 2013/14 financial year will be published in August 2014.

The company’s auditors have not reviewed this report.

Insjön, 4 September 2013

Klas Balkow
CEO

For further information, please contact:

Klas Balkow, President and CEO +46 (0) 247-444 00

John Womack, Director of Information and IR +46 (0) 247-444 05

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 4 September 2013 at 8:00 a.m. (CET).

Clas Ohlson in brief

Business concept

Our business concept is 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 the right quality according to need."

Vision and objectives

We want to develop a strong international retail chain characterised by high profitability and healthy growth in shareholder value. This will be achieved by being the self-evident choice for people's practical problem-solving in everyday life.

Sales growth of at least 10 per cent

The Group's long-term objective is that sales will grow annually at a rate of at least 10 per cent. The objective is measured in terms of the average annual increase in sales over five years. The growth target will be achieved through higher sales in existing sales channels and continuing new establishments in both existing and new markets.

Operating margin at least 10 per cent

The profitability objective is an operating margin of at least 10 per cent. In coming years, it is estimated that establishment in new markets (currently the UK) will have a negative impact on Clas Ohlson's operating margin by up to 2–3 percentage points over a financial year. Growth in new markets will occur in accordance with the long-term financial objectives.

Business concept and strategies

An affordable and attractive range

Our product range will be adapted to focus on meeting the needs of customers in their everyday lives. The products must be attractively priced and have the right quality according to need. Clas Ohlson's range should be versatile and contain smart and affordable solutions.

High level of service

We will provide a high service level through helpful and knowledgeable employees who guide customers to simple solutions. Our employees are to have broad and extensive knowledge of the product range. We will also offer DIY guides, inspiration, tips and advice through our website, social media and catalogues.

Accessible and inspiring

We will be present in attractive locations that people frequent in their everyday lives and via online shopping, catalogues and telephone. Customers should find it easy and inspiring to solve their everyday practical problems with us through the various sales and communications channels we offer. Our stores should preferably be located in strong central shopping centres or in attractive external store locations that complement our city stores.

Responsible for people and the environment

We take responsibility for our own operations and our impact on people and the environment. We also make demands on our suppliers with regard to working conditions, the work environment and environmental impact. Clas Ohlson is also involved in important social issues and supports local associations and objectives in Dalarna where the company has its roots. We also support a few selected national or international non-profit organisations where we can help to contribute in a broader context in the countries where we operate.

Seasonal fluctuations

Clas Ohlson's market and operations are subject to seasonal fluctuations where the third quarter (Nov–Jan) is generally the strongest, followed by the first and second quarters and finally, the fourth quarter, which is weakest in terms of sales and profits. Refer to diagram on sales and operating profit by quarter.

Consolidated Income Statement

SEKm	3 months 01/05/13- 31/07/13	3 months 01/05/12- 31/07/12	Rolling 12 months 12 months 01/08/12- 31/07/13	Latest annual accounts 12 months 01/05/12- 30/04/13	12 months 01/05/11- 30/04/12
Sales	1,506.5	1,462.1	6,563.3	6,518.9	6,260.0
Cost of goods sold	-878.5	-840.3	-3,847.7	-3,809.5	-3,623.7
Gross profit	628.0	621.8	2,715.6	2,709.4	2,636.3
Selling expenses	-491.8	-476.3	-2,118.9	-2,103.4	-1,906.6
Administrative expenses	-43.6	-44.7	-172.8	-173.9	-168.4
Other operating income/expense	-0.3	-0.3	-1.5	-1.5	-0.7
Operating profit	92.3	100.5	422.4	430.6	560.6
Net financial income/expense	-0.3	-1.2	-9.8	-10.7	-9.6
Profit after financial items	92.0	99.3	412.6	419.9	551.0
Income tax	-22.8	-26.8	-84.4	-88.4	-150.5
Profit for the period	69.2	72.5	328.2	331.5	400.5
Gross margin (%)	41.7	42.5	41.4	41.6	42.1
Operating margin (%)	6.1	6.9	6.4	6.6	9.0
Return on capital employed (%)	-	-	22.7	23.2	27.9
Return on equity (%)	-	-	18.1	18.3	23.1
Equity/assets ratio (%)	58.5	59.5	58.5	59.1	60.3
Sales per sq.m in stores, SEK thousand	-	-	31	31	34
Data per share					
Number of shares before dilution	63,260,888	63,531,536	63,281,023	63,349,241	63,635,998
Number of shares after dilution	63,317,874	63,579,842	63,330,295	63,421,154	63,702,052
Number of shares at end of period	63,077,808	63,287,808	63,077,808	63,287,808	63,615,000
Earnings per share before dilution (SEK)	1.09	1.14	5.19	5.23	6.29
Earnings per share after dilution (SEK)	1.09	1.14	5.18	5.23	6.29
Equity per share (SEK)	29.67	29.27	29.67	29.02	28.98

Consolidated comprehensive income statement

SEKm	3 months 01/05/13- 31/07/13	3 months 01/05/12- 31/07/12	Rolling 12 months 12 months 01/08/12- 31/07/13	Latest annual accounts 12 months 01/05/12- 30/04/13	12 months 01/05/11- 30/04/12
Profit for the period	69.2	72.5	328.2	331.5	400.5
Other comprehensive income, net of tax:					
Items that later can be reversed back to the Consolidated income statement:					
Exchange rate differences	-5.9	-38.0	-5.1	-37.2	20.9
Cash flow hedging	-4.1	11.3	-12.8	2.6	8.0
Other comprehensive income, net of tax:	-10.0	-26.7	-17.9	-34.6	28.9
Total comprehensive income for the period	59.2	45.8	310.3	296.9	429.4

Consolidated Balance Sheet

SEKm	31/07/13	31/07/12	30/04/13
Assets			
Intangible assets	110.0	98.1	111.0
Tangible assets	1,311.5	1,388.0	1,350.6
Financial assets	4.3	3.6	3.2
Inventories	1,349.9	1,289.2	1,303.9
Other receivables	231.2	231.1	214.9
Liquid assets	194.2	103.4	124.6
Total assets	3,201.1	3,113.4	3,108.2
Equity and liabilities			
Equity	1,871.8	1,852.6	1,836.5
Long-term liabilities, Non-interest-bearing	191.7	197.6	185.7
Current liabilities, Non-interest-bearing	1,137.6	1,063.2	1,086.0
Total equity and liabilities	3,201.1	3,113.4	3,108.2

Consolidated Cash Flow

SEKm	3 months 01/05/13- 31/07/13	3 months 01/05/12- 31/07/12	12 months 01/05/12- 30/04/13
Operating profit	92.3	100.5	430.6
Adjustment for items not included in cash flow	50.9	54.7	203.2
Interest received	0.6	0.4	1.9
Interest paid	-0.9	-1.6	-12.6
Tax paid	-15.4	-35.1	-172.7
Cash flow from operating activities before changes in working capital	127.5	118.9	450.4
Change in working capital	-18.4	-23.5	67.4
Cash flow from operating activities	109.1	95.4	517.8
Investments in tangible assets	-13.0	-20.8	-130.3
Investments in intangible assets	-3.7	-13.6	-36.8
Change in current investments	0.0	0.0	0.6
Cash flow from investing activities	-16.7	-34.4	-166.5
Change in current liabilities, Interest-bearing	0.0	-30.0	-30.0
Borrowings	0.0	0.0	150.0
Repayment of loans	0.0	0.0	-150.0
Repurchase of own shares	-21.7	-36.2	-36.2
Sale of own shares	0.0	0.0	0.8
Dividend to shareholders	0.0	0.0	-269.0
Cash flow from financing activities	-21.7	-66.2	-334.4
Cash flow for the period	70.7	-5.2	16.9
Liquid assets at the start of the period	124.6	111.8	111.8
Exchange rate difference for liquid assets	-1.1	-3.2	-4.1
Liquid assets at the end of the period	194.2	103.4	124.6

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.

Turnover by segments

SEKm	3 months 01/05/13- 31/07/13	3 months 01/05/12- 31/07/12
Sweden	703.0	691.5
Norway	605.3	593.4
Finland and UK	198.2	177.2
Group functions	328.5	355.4
Sales to other segments	-328.5	-355.4
Total	1,506.5	1,462.1

Operating profits by segments

SEKm	3 months 01/05/13- 31/07/13	3 months 01/05/12- 31/07/12
Sweden	22.8	22.2
Norway	20.1	19.8
Finland and UK	4.5	4.4
Group functions	44.9	54.1
Total	92.3	100.5

Forward contracts

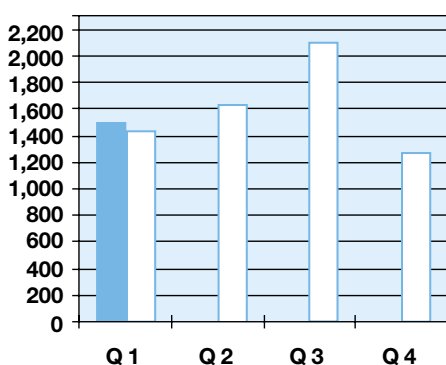
As per the balance-sheet date, outstanding cash-flow hedging existed according to the following table.

Currency pair SEKm	Carrying amount and fair value	
Sell/buy	31/07/13	31/07/12
NOK/SEK	2.6	25.9
USD/SEK	-2.3	-8.3
Total	0.3	17.6

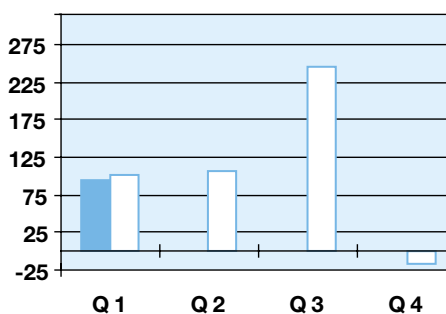
Results per quarter

SEKm	Q 1 13/14	Q 4 12/13	Q 3 12/13	Q 2 12/13	Q 1 12/13	Q 4 11/12	Q 3 11/12	Q 2 11/12	Q 1 11/12
Sales	1,506.5	1,273.5	2,169.1	1,614.2	1,462.1	1,271.9	2,048.6	1,552.5	1,387.0
Cost of goods sold	-878.5	-757.6	-1,274.8	-936.8	-840.3	-751.7	-1,179.7	-896.5	-795.8
Other operating expenses	-535.7	-535.2	-646.9	-575.4	-521.3	-510.0	-561.7	-532.4	-471.6
Operating profit	92.3	-19.3	247.4	102.0	100.5	10.2	307.2	123.6	119.6
Operating margin (%)	6.1	-1.5	11.4	6.3	6.9	0.8	15.0	8.0	8.6
Data per share									
Equity per share (SEK)	29.67	29.02	29.40	26.26	29.27	28.98	28.69	25.28	27.47

Sales (SEKm)



Operating profit (SEKm)



Shaded bar = Financial year
01/05/13– 30/04/14
White bar = Financial year
01/05/12 – 30/04/13

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

Specification of change in results

(After financial items, in SEKm)	3 months 01/05/13- 31/07/13
Profit from sales	3.3
Change in gross profit margin	-12.7
Change in administrative expenses	1.1
Decreased expansion costs stores	3.3
Increased depreciation	-3.2
Change in financial income/expense	0.9
Total	-7.3

Change in equity

(attributable to the Parent company shareholders)

SEKm	3 months 01/05/13- 31/07/13	3 months 01/05/12- 31/07/12
Equity brought forward	1,836.5	1,843.8
Repurchase of own shares	-21.7	-36.2
Paid-in option premiums	-2.2	-0.8
Total comprehensive income	59.2	45.8
Equity carried forward	1,871.8	1,852.6

Forward contracts belong to the derivative category, which is used for hedging purposes. All derivatives are measured at fair value, established by using forward contract prices on the balance-sheet date, meaning, level 2 in the fair value hierarchy according to IFRS 7. As per 31 July, 2013, there are both positive and negative market values in the currency pairs. Forward contracts with negative market values totalled SEK 3.9 M (8.3), which was recognised in the item Current liabilities, non-interest-bearing. Forward contracts with positive market values amounted to SEK 4.2 M (25.9), which is recognised in the item Other receivables. Deferred tax of SEK 0.1 M was taken into account and the remaining fair value of SEK 0.2 M was recognised in the hedging reserve within equity.

Parent company Income Statement

SEKm	Note	3 months 01/05/13- 31/07/13	3 months 01/05/12- 31/07/12	Rolling 12 months 01/08/12- 31/07/13	Latest annual accounts 01/05/12- 30/04/13
Sales		1,031.5	1,047.0	5,141.9	5,157.4
Cost of goods sold	1	-852.8	-818.1	-3,773.5	-3,738.8
Gross profit		178.7	228.9	1,368.4	1,418.6
Selling expenses	1	-230.1	-228.9	-968.9	-967.7
Administrative expenses	1	-34.8	-35.5	-133.4	-134.1
Other operating income/expenses		-0.3	-0.3	-0.8	-0.8
Operating profit		-86.5	-35.8	265.3	316.0
Net financial items		-0.9	-2.7	-7.2	-9.0
Profit after financial item		-87.4	-38.5	258.1	307.0
Appropriations		0.0	0.0	-100.9	-100.9
Profit before tax		-87.4	-38.5	157.2	206.1
Income tax		19.0	11.2	-52.3	-60.1
Profit for the period		-68.4	-27.3	104.9	146.0

Parent company comprehensive income statement

SEKm		3 months 01/05/13- 31/07/13	3 months 01/05/12- 31/07/12	Rolling 12 months 01/08/12- 31/07/13	Latest annual accounts 01/05/12- 30/04/13
Profit for the period		-68.4	-27.3	104.9	146.0
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		0.1	-19.2	-1.7	-21.0
Other comprehensive income, net of tax:		0.1	-19.2	-1.7	-21.0
Total comprehensive income for the period		-68.3	-46.5	103.2	125.0

Parent company Balance Sheet

SEKm	31/07/13	31/07/12	30/04/13
Assets			
Intangible assets	110.0	98.1	111.0
Tangible assets	975.5	1,052.4	998.8
Financial assets	234.1	235.9	233.9
Inventories	906.4	905.7	867.0
Other receivables	401.1	561.2	293.8
Liquid assets	109.0	32.2	26.8
Total assets	2,736.1	2,885.5	2,531.3
Equity and liabilities			
Equity	677.4	862.9	769.6
Untaxed reserves	824.0	723.1	824.0
Provisions	22.0	16.4	18.2
Long-term liabilities, Non-interest-bearing	5.0	5.0	5.0
Current liabilities, Non-interest-bearing	1,207.7	1,278.1	914.5
Total equity and liabilities	2,736.1	2,885.5	2,531.3
Pledged assets	0.0	0.0	0.0
Contingent liabilities	273.9	272.4	275.3

Note 1 Depreciation

Depreciation for the first quarter amounts to 34.0 SEKm (32.0 SEKm).

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Clas Ohlson AB (publ), 793 85 INSJÖN

Telephone +46 247-444 00 • Fax +46 247-444 25 • E-mail: ir@clasohlson.se • Internet: about.clasohlson.com • Corp. id. 556035-8672