

clas ohlson

six-month report 2016/17

Second quarter

- Sales increased by 6% to 1,957 MSEK (1,846), 5% in local currencies
- Operating profit amounted to 127 MSEK (145)
- Profit after tax amounted to 96 MSEK (111)
- Earnings per share amounted to 1.53 SEK (1.76)
- Number of stores increased by 1 store (net) and establishment in the German market continued with the addition of a second store and e-com
- Recruitment of new CEO was initiated, as Klas Balkow has chosen to leave his position, Deputy CEO Peter Jelkeby assumes the position Acting CEO as of 1 January 2017



In October, the very first Clas Ohlson Compact Store opened in Hornstull in Stockholm, where tool renting is part of the offering.

Six months

- Sales increased by 3% to 3,720 MSEK (3,616), 4% in local currencies
- Operating profit amounted to 202 MSEK (250)
- Profit after tax amounted to 154 MSEK (192)
- Earnings per share amounted to 2.44 SEK (3.03)
- Cash flow from operating activities amounted to 44 MSEK (322)

+6%
sales growth

Events after the end of the reporting period

- November sales increased by 12% to 908 MSEK (809), 9% in local currencies
- The store portfolio was extended by a second franchise store in Dubai, a third store in Hamburg, and a further two stores in Finland

+12%
November sales

	3 Months			6 Months			12 Months	
	Aug 2016 - Oct 2016	Aug 2015 - Oct 2015	Percentage change	May 2016 - Oct 2016	May 2015 - Oct 2015	Percentage change	Nov 2015 - Oct 2016	May 2015 - Apr 2016
Sales, MSEK	1,957	1,846	6	3,720	3,616	3	7,705	7,602
Operating profit, MSEK*	127	145	-12	202	250	-19	458	506
Result before tax, MSEK*	127	145	-13	202	251	-19	459	508
Result after tax, MSEK*	96	111	-13	154	192	-20	341	379
Gross margin, %	41.5	43.9	-2.4 p.p	40.4	42.2	-1.8 p.p	41.5	42.4
Operating margin, %*	6.5	7.8	-1.3 p.p	5.4	6.9	-1.5 p.p	5.9	6.7
Return on capital employed, %*	-	-	-	-	-	-	21.4	23.6
Return on equity, %*	-	-	-	-	-	-	16.0	17.6
Equity/assets ratio, %*	49.3	52.6	-3.3 p.p	49.3	52.6	-3.3 p.p	49.3	54.5
Earnings per share before dilution, SEK*	1.53	1.76	-13	2.44	3.03	-19	5.41	6.00

*During previous year's first quarter 10.5 MSEK was attributable to costs for closing one store in the UK. During previous year (fourth quarter) a non-recurring cost of 107.0 MSEK related to the restructuring of the store network in the UK affected the result as well as a tax effect on non-deductible expenses estimated to 7.1 MSEK.

The 2016/17 financial year comprises the period from 1 May 2016 to 30 April 2017. 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. This is such information that Clas Ohlson AB (publ) is obliged to publish pursuant to the EU Market Abuse Regulation and the Swedish Securities Market Act. This information was submitted for publication, through the agency of the contact person set out above, on 7 December 2016 at 7:00 a.m. (CET)

Contact person: Sara Kraft Westrell
Director of Information and IR
Tel: +46 247-649 13 or ir@clasohlson.se

CEO's comments

Healthy underlying trend, but negative currency effect

During our second quarter, we continued to develop our business in the right direction and took new steps in Germany with online shopping and additional stores. However, results were strongly impacted by negative effects of currency hedging in NOK.

We are continuing to grow and sales increased by 6 per cent to 1,957 MSEK. We work continuously to strengthen our offering and have taken further key steps this quarter. These include the launch of our rent service, which we are now testing in a number of selected stores, and the opening of our first Clas Ohlson Compact Store at Hornstull in Stockholm, a new store format for enhanced accessibility.

In the autumn, we also completed the first stage of our establishment in the German market, with online shopping and three stores in prime locations in Hamburg. During the autumn, we also established a further franchise store in Dubai.

Stronger Norwegian krona has major consequences

Despite a healthy underlying trend, we have reported lower results mainly due to negative effects of currency hedging in NOK. In a short time, the NOK has strengthened significantly against the SEK, with the effect that our currency forwards and hedges through inventory delays have had a significant impact on results. Compared with the preceding year, when the currency trend was the opposite, currency hedging had a substantial negative impact on profit. However, I want to emphasise that a strengthened NOK is essentially very positive for Clas Ohlson since nearly 40 per cent of our sales are in NOK.

Good start to Christmas trading

Ahead of Christmas shopping, we have filled our sales channels with lots of great offers, both for Christmas celebrations and Christmas gifts. Today, we are reporting a great start to Christmas trading, with sales in November up 12 per cent to 908 MSEK.

For me personally, this report is my last, since I have chosen to leave my position at the end of the year. I am incredibly proud of all my fantastic colleagues and what we have achieved together in the nearly ten years I have been with Clas Ohlson. I look forward to following the company's continued development and expansion, albeit from more of a distance.



Klas Balkow

President and CEO of Clas Ohlson AB



“ We have had a fantastic start to Christmas trading in all of our sales

channels. Apart from the fact that we have everything you need for your Christmas celebrations, our range also offers attractive and affordable Christmas gifts for most people.

Content of financial statements	
Financial statements	10
Key ratios	14
Quarterly overview	15
Accounting policies	17
Key ratio definitions	18
The share	21

Financial information
Current financial information is available at about.clasohlson.com under "Investors."
Press and analyst conference
The six-month report will be presented on 7 December at 8:30 a.m. by teleconference or audio broadcast. The presentation can also be followed on about.clasohlson.com

Calendar	
15 March 2017	Nine-month Report 2016/17
8 June 2017	Year-end Report 2016/17
July 2017	Annual Report 2016/17
6 Sept 2017	Three-month Report 2017/18
9 Sept 2017	Annual General Meeting 2017
6 Dec 2017	Six-month Report 2017/18

Operations

Clas Ohlson is an international retail company with the business concept of selling a broad range of products at attractive prices that make it easy for people to solve everyday practical problems. 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, the UK and Germany via stores, online shopping, as well as through franchise in Dubai.

Business environment and market¹

Retail in Sweden increased by 2.4 per cent at current prices compared with the same quarter in the preceding year (preceding quarter +2.8). During the quarter, consumer confidence in Sweden amounted to 100.2, an increase compared with the preceding quarter (96.7) and the same quarter in the preceding year (99.1).

Retail in Norway increased by 2.5 per cent at current prices compared with the same quarter in the preceding year (preceding quarter 3.2). During the quarter, consumer confidence in Norway amounted to 5.7, an increase compared with the preceding quarter (1.5) and the same quarter in the preceding year (-8.3).

Retail in Finland decreased by 0.1 per cent at current prices compared with the same quarter in the preceding year (preceding quarter +1.1). During the quarter, consumer confidence in Finland amounted to 15.3, an increase compared with the preceding quarter (13.5) and the same quarter in the preceding year (4.6).

Retail in the UK increased by 4.2 per cent at current prices compared with the same quarter in the preceding year (preceding quarter +2.5). During the quarter, consumer confidence in the UK was -3.7, an increase compared with the preceding quarter (-4.7) and a decline compared with the same quarter in the preceding year (4.0).

Sales

Second quarter

Sales increased to 1,957 MSEK, up 6 per cent compared with 1,846 MSEK in the year-earlier period. Measured in local currencies, sales increased by 5 per cent.

During the quarter, the net store portfolio was expanded by 1 store (3). At the end of the quarter, the total number of stores was 208, representing an increase of 6 stores compared with the year-earlier period (10).

Six months

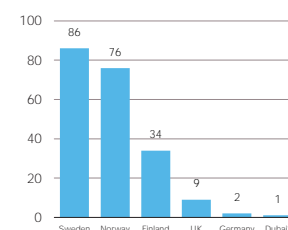
Sales increased to 3,720 MSEK, up 3 per cent compared with 3,616 MSEK in the year-earlier period. In local currencies, sales rose by 4 per cent.

During the first six months of the financial year, the net store portfolio was expanded by 3 stores (4).

Total number of stores

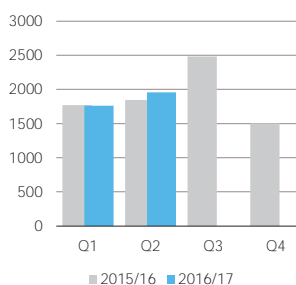


Distribution of numbers of stores

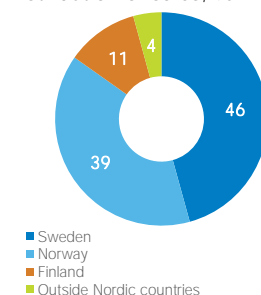


*Franchise store

Sales, MSEK



Distribution of sales, %



¹Source: HUI, National Institute of Economic Research, Office for National Statistics, Opinion, Statistics Finland, Statistics Norway, Trading Economics.

Distribution of sales

MSEK	3 Months				6 Months			
	Aug 2016 - Oct 2016	Aug 2015 - Oct 2015	Percentage change		May 2016 - Oct 2016	May 2015 - Oct 2015	Percentage change	
			SEK	local currency			SEK	local currency
Sweden	879	847	4	4	1,704	1,653	3	3
Norway	779	716	9	6	1,457	1,419	3	4
Finland	223	190	17	15	409	366	12	10
Outside Nordic countries*	75	93	-20	-8	150	179	-16	-6
Total	1,957	1,846	6	5	3,720	3,616	3	4

*Effected by store optimization in the UK

Distribution of sales increase

Per cent	3 Months		6 Months	
	Aug 2016 - Oct 2016	Aug 2015 - Oct 2015	May 2016 - Oct 2016	May 2015 - Oct 2015
Comparable units in local currency	3	3	1	1
New stores	2	2	3	3
Exchange-rate effects	1	1	-1	-1
Total	6	6	3	3

Results

Second quarter

The gross margin declined to 41.5 per cent, down 2.4 percentage points year-on-year (43.9). The lower gross margin is attributable to negative effects from currency hedging (NOK), comprising currency forwards and currency effects related to delays in inventory. The decline was offset slightly by a stronger sales currency (NOK).

The share of selling expenses declined by 1.0 percentage point to 32.4 per cent (33.4). The share declined primarily as a result of reduced costs in the UK, which were partly offset by costs for establishment in the German market, but also as a result of lower marketing spend which will be balanced during 2016/17.

Operating profit amounted to 127 MSEK (145). The operating margin was 6.5 per cent (7.8). Profit after financial items totalled 127 MSEK (145).

Depreciation for the period amounted to 58 MSEK (59).

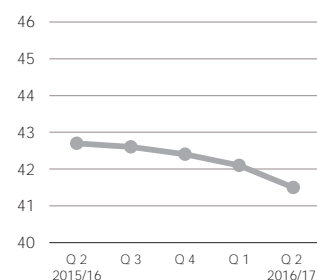
Spot exchange rates for key currencies averaged 1.04 for NOK and 8.60 for USD, compared with 1.02 and 8.41, respectively, in the year-earlier period.

Currency hedging was undertaken in USD and NOK. The company's policy is to hedge 50 per cent of the expected flow in each currency every month, with six-month maturities.

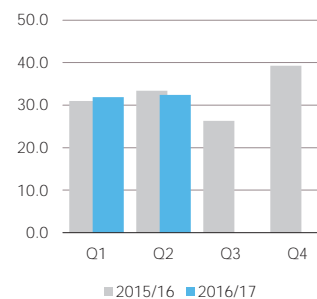
Six months

The gross margin declined to 40.4 per cent, down 1.8 percentage points year-on-year (42.2). The lower gross margin is attributable to negative effects from currency hedging (NOK), comprising forwards and currency effects related to delays in inventory and a lower sales currency (NOK). The decline was reduced slightly by lower sourcing costs.

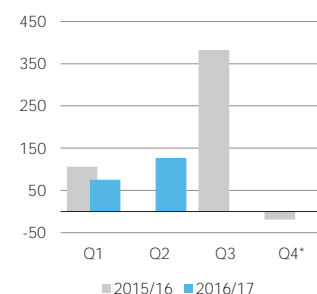
Gross margin rolling 12 months, %



Share of selling expenses, %

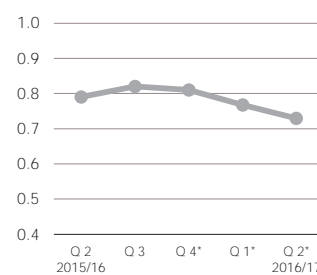


Operating profit, MSEK



* Excluding non-recurring expense of 107 MSEK

Operating margin rolling 12 months, %



* Excluding non-recurring expense of 107 MSEK

The share of selling expenses declined by 0.1 percentage points to 32.2 per cent (32.3).

Operating profit amounted to 202 MSEK (250). The operating margin amounted to 5.4 per cent (6.9). Profit after financial items amounted to 202 MSEK (251).

Depreciation for the period amounted to 116 MSEK (119).

Spot exchange rates for key currencies averaged 1.03 for NOK and 8.48 for USD, compared with 1.04 and 8.40, 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 in each currency every month, with six-month maturities.

Investments

During the six-month period, investments totalled 126 MSEK (115). Of this amount, investments in new or refurbished stores accounted for 64 MSEK (40). Other investments were primarily IT and replacement investments. During the six-month period, investments in IT systems amounted to 44 MSEK (56).

Financing and liquidity

Cash flow from operating activities during the quarter totalled 44 MSEK (322). Cash flow for the period, after investing and financing activities, was a negative -389 MSEK (neg: 155). The cash dividend paid to Clas Ohlson's shareholders in September 2016 totalled 362 MSEK (331).

The average 12-month value of inventories was 1,706 MSEK (1,581). Over a rolling 12-month period, the stock turnover rate at the distribution centre was 6.4 times (6.4).

At the end of the period, the value of inventories was 1,989 MSEK (1,764). The increase in inventories was primarily attributable to accumulation ahead of Christmas shopping and new stores. Compared with the preceding year, a net of six own stores was added.

During the period, buy-backs of the company's own shares to secure the LTI 2016 (Long Term Incentive Plan 2016) amounted to 76 MSEK (48).

The Group's net cash holdings, meaning cash and cash equivalents less interest-bearing liabilities, amounted to 100 MSEK (354) at the end of the period. The equity/assets ratio was 49 per cent (53).

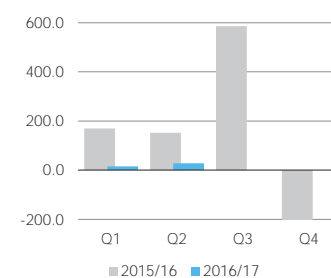
Sustainable development

We can change customer attitudes and behaviour through the products we sell and the knowledge we convey. Developing our customer offering, in terms of both products and services, to help customers maintain a more sustainable lifestyle thus remains a priority.

Over the course of the past year, we have been collecting more than 30,000 empty ink cartridges and toner cassettes for re-use every month via our store network. During the quarter, we reached a milestone when all ink cartridges sold under the Clas Ohlson brand had been refilled at least once.

In September, the Clas Ohlson Product Innovation Challenge was launched. This is an initiative to identify new innovative products. It aims to make reality of good product ideas for a more sustainable lifestyle and to provide innovators the

Cash flow, MSEK*



* from operating activities



Today, all Clas Ohlson branded ink cartridges are collected and refilled at least once.

opportunity to launch their products using Clas Ohlson's sales channels. The winner will be announced at the beginning of 2017.

Employees

The average number of employees in the Group was 2,814 (2,769). The increase was mainly related to new stores.

Parent Company

Parent Company sales during the six-month period amounted to 3,116 MSEK (2,886) and profit after financial items totalled 230 MSEK (136).

Investments during the period totalled 76 MSEK (85). The Parent Company's contingent liabilities amounted to 254 MSEK (316).

Events after the end of the reporting period

Sales in November

Sales in November increased by 12 per cent to 908 MSEK (809). In local currencies, sales increased by 9 per cent.

At the end of the month, the total number of stores was 212, representing a net increase of 7 stores compared with the year-earlier period (9).

Distribution of sales

MSEK	Nov 2016	Nov 2015	Percentage change	
			SEK	local currency
Sweden	410	373	10	10
Norway	360	302	19	10
Finland	109	94	16	9
Outside Nordic countries*	28	39	-29	-20
Total	908	809	12	9

*Effected by store optimization in the UK

In the first seven months of the financial year (May-November), total sales increased by 5 per cent to 4,628 MSEK (4,426). In local currencies, sales increased by 5 per cent.

Update regarding new business system

Clas Ohlson is implementing a new IT platform, sCORE, Systems for Clas Ohlson Retail Efficiency, which will change our way of working with, for example, purchasing, supply chain, sales, finance and HR. The programme will last for five years, from the 2013/14 financial year until 2018/19, in a controlled roll-out and the cost has been estimated at 50-70 MSEK per year. More than half-way through the programme, updated estimates indicate investments in the upper portion of this range.

In addition to the implementation of the IT platform, it has been decided to continue to upgrade the IT environment linked to the warehouse and transport system, customer data, and e-com. Accordingly, the scope of sCORE is being extended by a supplementary yearly investment of approximately 75 MSEK over a two-year period.

Overall, sCORE will enhance the efficiency of the supply chain, increase the level of service, better meet customer demand and changed purchasing patterns, and support our international expansion by making it easier to open new stores in more countries and to work with new customer segments. The sCORE programme is a strategically important initiative that will further strengthen Clas Ohlson.

Expansion

During the 2016/17 financial year, Clas Ohlson plans to establish 3-8 new stores net. For the number of future contracted store establishments, see page 20.

Update on establishment in Germany

Clas Ohlson established its first store in the German market in central Hamburg in May, followed by further stores in Altona in September and Alstertal in November. Online shopping was launched in the German market in October.

Update on optimisation of UK store network

Clas Ohlson will focus on strengthening its presence in the London region with smaller format stores.

Clas Ohlson has announced plans to close a total of seven stores in the UK during the 2016/17 financial year as part of the optimisation of the existing store network. In the first quarter, two stores were closed (Cardiff and Norwich). During the second quarter, another two stores were closed (Doncaster and Leeds). An additional three stores in the UK will be closed in 2016/17. These are the stores in Watford (not later than March 2017) and Croydon (date not confirmed), as well as one other store (negotiations in progress). Total annual cost savings are estimated to amount to 70 MSEK when the restructuring generates a full effect in the 2017/18 financial year.

Update on expansion in the Gulf region

A second franchise store in Dubai was established during November in one of Dubai's most popular shopping centres, the Mercato shopping mall.

Changes to Clas Ohlson's Board of Directors and management

In conjunction with the 2016 Annual General Meeting on 10 September, Ros-Marie Grusén was elected as a new member of Clas Ohlson's Board of Directors.

On 8 September, it was announced that President and CEO Klas Balkow had decided to leave his position and the recruitment of a new CEO has been initiated. On 10 November, it was announced that Deputy CEO Peter Jelkeby will take over as Acting CEO from 1 January 2017.

Outlook

Clas Ohlson's vision is to develop the company into a leading international modern hardware retailer, with high profitability that adds value for all stakeholders. Growth will occur in accordance with the Group's long-term financial targets.

The continued development of Clas Ohlson's product range, sales channels and new customer segments will provide growth opportunities, in both established and new markets. Clas Ohlson is reviewing and optimising the current store network in the UK and strengthening its presence in the London region with smaller format



The opening of Clas Ohlson's second store in Hamburg took place on 15 September.

stores, and establishing stores and online shopping in the German market, beginning in Hamburg.

A new IT platform is being implemented, a process that is expected to continue until 2018, 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 44-47 of the 2015/16 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, 7 December 2016

Klas Balkow
President and CEO

Kenneth Bengtsson
Chairman of the Board

Ros-Marie Grusén

Mathias Haid

Sanna Suvanto-Harsaae

Cecilia Marlow

Göran Näsholm

Göran Sundström

Robert Flahiff
Employee representative
Handels

Henrik Andersson
Employee representative
Unionen

Review Report

Introduction

We have reviewed the interim report for Clas Ohlson AB (publ) for the period 1 May 2016 to 31 October 2016. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with the International 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 is substantially less in 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 based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Insjön, Sweden, 7 December 2016

Deloitte AB

Kent Åkerlund
Authorized Public Accountant

Financial statements

Consolidated Income Statement						
MSEK	3 Months		6 Months		12 Months	
	Aug 2016 - Oct 2016	Aug 2015 - Oct 2015	May 2016 - Oct 2016	May 2015 - Oct 2015	Nov 2015 - Oct 2016	May 2015 - Apr 2016
Sales	1,956.6	1,846.5	3,720.0	3,616.3	7,705.4	7,601.6
Cost of goods sold	-1,144.1	-1,035.4	-2,218.6	-2,089.4	-4,505.6	-4,376.3
Gross profit	812.5	811.1	1,501.4	1,526.9	3,199.7	3,225.3
Selling expenses	-634.4	-617.4	-1,197.3	-1,166.4	-2,439.4	-2,408.5
Administrative expenses	-49.4	-49.2	-98.8	-98.4	-190.9	-190.6
Other operating income/expenses*	-1.8	-0.0	-3.0	-11.8	-111.1	-119.8
Operating profit*	127.0	144.5	202.3	250.3	458.3	506.4
Financial income	0.1	0.5	0.3	0.9	1.3	1.9
Financial expense	-0.5	-0.3	-0.6	-0.4	-0.9	-0.7
Profit after financial items*	126.5	144.8	202.0	250.9	458.8	507.6
Income tax*	-30.2	-33.7	-47.8	-59.2	-117.5	-128.8
Profit for the period*	96.4	111.1	154.2	191.7	341.3	378.8

Consolidated Comprehensive Income Statement						
MSEK	3 Months		6 Months		12 Months	
	Aug 2016 - Oct 2016	Aug 2015 - Oct 2015	May 2016 - Oct 2016	May 2015 - Oct 2015	Nov 2015 - Oct 2016	May 2015 - Apr 2016
Profit for the period*	96.4	111.1	154.2	191.7	341.3	378.8
Other comprehensive income, net of tax:						
Items that later can be reversed back to the Consolidated income statement:						
Exchange rate differences	35.4	-29.0	47.4	-41.0	25.6	-62.8
Cash flow hedging	-20.3	18.2	2.2	50.8	-44.3	4.3
Total	15.1	-10.8	49.6	9.8	-18.7	-58.5
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	0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0
Total other comprehensive income, net of tax	15.1	-10.8	49.6	9.8	-18.7	-58.5
Total comprehensive income for the period*	111.5	100.3	203.8	201.5	322.6	320.3

Data per share						
	3 Months		6 Months		12 Months	
	Aug 2016 - Oct 2016	Aug 2015 - Oct 2015	May 2016 - Oct 2016	May 2015 - Oct 2015	Nov 2015 - Oct 2016	May 2015 - Apr 2016
Number of shares before dilution	62,952,770	63,098,409	63,119,614	63,201,260	63,134,254	63,167,924
Number of shares after dilution	63,184,710	63,346,934	63,376,226	63,462,268	63,390,541	63,461,923
Number of shares at end of period	62,956,869	63,101,875	62,956,869	63,101,875	62,956,869	63,376,420
Earnings per share before dilution, SEK*	1.53	1.76	2.44	3.03	5.41	6.00
Earnings per share after dilution, SEK*	1.53	1.75	2.43	3.02	5.38	5.97
Comprehensive income per share, SEK*	1.77	1.59	3.23	3.19	5.11	5.07

*During previous year's first quarter 10.5 MSEK was attributable to costs for closing one store in the UK. During previous year (fourth quarter) a non-recurring cost of 107.0 MSEK related to the restructuring of the store network in the UK affected the result as well as a tax effect on non-deductible expenses estimated to 7.1 MSEK.

Consolidated Balance Sheet

MSEK	31 Oct 2016	31 Oct 2015	30 Apr 2016
Assets			
Intangible assets	297.6	209.7	270.6
Tangible assets	1,101.8	1,158.0	1,127.2
Non-current receivables	18.6	11.5	18.1
Inventories	1,988.8	1,763.6	1,639.2
Other receivables	269.0	288.4	263.4
Liquid assets	220.2	353.6	604.3
Total assets	3,896.0	3,784.9	3,922.8
Equity and liabilities			
Equity	1,921.0	1,989.1	2,138.8
Long-term liabilities, Non-interest-bearing	174.4	221.1	195.1
Current liabilities, interest-bearing	120.3	0.0	0.0
Current liabilities, Non interest-bearing	1,680.3	1,574.7	1,588.9
Total equity and liabilities	3,896.0	3,784.9	3,922.8

Consolidated Cash Flow

MSEK	3 Months		6 Months		12 Months	
	Aug 2016 - Oct 2016	Aug 2015 - Oct 2015	May 2016 - Oct 2016	May 2015 - Oct 2015	Nov 2015 - Oct 2016	May 2015 - Apr 2016
Operating profit	127.0	144.5	202.3	250.3	458.4	506.4
Adjustment for items not included in cash flow	60.1	60.7	108.8	136.1	340.8	368.1
Interest received	0.1	0.5	0.3	0.9	1.3	1.9
Interest paid	-0.5	-0.3	-0.6	-0.4	-1.0	-0.8
Tax paid	-32.6	-31.2	-73.6	-51.4	-155.3	-133.0
Cash flow from operating activities before changes in working capital	154.0	174.2	237.2	335.5	644.3	742.6
Change in working capital	-125.9	-22.1	-193.3	-13.9	-217.2	-38.0
Cash flow from operating activities	28.2	152.1	43.9	321.6	427.1	704.6
Investments in intangible assets	-20.5	-21.4	-43.9	-55.8	-121.5	-133.4
Investments in tangible assets	-45.0	-41.5	-81.7	-59.2	-163.5	-141.0
Change in current investments	0.0	0.3	0.1	0.3	0.1	0.3
Cash flow from investing activities	-65.4	-62.6	-125.5	-114.7	-285.0	-274.1
Change in current liabilities, interest-bearing	120.3	0.0	120.3	0.0	120.3	0.0
Repurchase of own shares	0.0	0.0	-75.7	-47.9	-75.7	-47.9
Sale of own shares	0.9	0.8	10.1	17.2	36.2	43.3
Dividend to shareholders	-362.0	-331.3	-362.0	-331.3	-362.0	-331.3
Cash flow from financing activities	-240.8	-330.5	-307.2	-362.1	-281.2	-335.9
Cash flow for the period	-278.0	-241.0	-388.8	-155.2	-139.0	94.6
Liquid assets at the start of the period	494.7	600.8	604.3	517.4	353.6	517.4
Exchange rate difference for liquid assets	3.5	-6.2	4.6	-8.6	5.6	-7.7
Liquid assets at the end of the period	220.2	353.6	220.2	353.6	220.2	604.3

Sales by segment

	3 Months		6 Months	
	Aug 2016 - Oct 2016	Aug 2015 - Oct 2015	May 2016 - Oct 2016	May 2015 - Oct 2015
MSEK				
Sweden	879.4	847.0	1,704.3	1,653.0
Norway	779.4	716.5	1,456.9	1,418.6
Finland	223.2	190.4	408.8	366.1
Outside Nordic countries	74.6	92.6	150.1	178.6
Group functions	833.7	712.2	1,405.1	1,228.0
Sales to other segments	-833.7	-712.2	-1,405.1	-1,228.0
Total	1,956.6	1,846.5	3,720.0	3,616.3

* Effected by store optimization in the UK

Operating profit by segment

	3 Months		6 Months	
	Aug 2016 - Oct 2016	Aug 2015 - Oct 2015	May 2016 - Oct 2016	May 2015 - Oct 2015
MSEK				
Sweden	34.3	32.2	66.6	63.9
Norway	31.4	28.5	58.7	56.5
Finland	6.9	6.1	12.6	11.5
Outside Nordic countries	2.1	2.8	4.3	5.2
Group functions	52.3	74.9	60.1	113.2
Total	127.0	144.5	202.3	250.3

Specification of change in profits*

	3 Months	6 Months
	Aug 2016 - Oct 2016	May 2016 - Oct 2016
MSEK		
Profit from sales	28.8	25.2
Decreased gross margin	-45.1	-69.4
Increased administrative expenses	-0.1	-0.3
Increased expansion costs stores	-1.0	-15.6
Decreased depreciation	1.5	3.2
Change in other operating income/expense**	-1.7	8.9
Increased in financial income/expense	-0.6	-0.8
Change in profit after financial items	-18.2	-48.9

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

** Include start-up costs of the business operations in Germany during the first quarter 2016/17.

*** During the first quarter 2015/16 is 10.5 MSEK attributable to costs for closing one store in the UK.

Change in equity

(attributable to the Parent company shareholders)	6 Months	
	May 2016 - Oct 2016	May 2015 - Oct 2015
MSEK		
Equity brought forward	2,138.8	2,144.5
Dividend to shareholders	-362.0	-331.3
Repurchase of own shares	-75.7	-47.9
Sale of own shares	10.1	17.2
Paid-in option premiums:		
Value of employee services	5.9	5.1
Total comprehensive income	203.8	201.5
Equity carried forward	1,921.0	1,989.1

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)	31 Oct 2016	31 Oct 2015
MSEK		
Sell/buy		
NOK/SEK	-19.2	8.2
NOK/USD	0.7	30.4
SEK/USD	0.2	0.0
Total	-18.3	38.6

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 balance-sheet date, meaning, level 2 in the fair value hierarchy according to IFRS 13. As per 31 October 2016 there are both positive and negative market values in the currency pairs. Forward contracts with negative market value totalled MSEK 20.7 (0.0), which was recognized in the item Current liabilities, non-interest-bearing. Forward contracts with positive market values amounted to MSEK 2.4 (38.6), which is recognized in the item Other receivables. The company hedge the expected flow in each currency every month, with six-month maturities. A deferred tax asset of MSEK 4.0 (previous year a deferred tax liabilities of 8.5) was taken into account and the remaining fair value of MSEK -14.3 (30.1) was recognized in the hedging reserve within equity. The amount for forward contracts NOK/USD of 0.7 MSEK (30.4) is allocated on the currency pair NOK/SEK with -26.8 MSEK (23.6) and on the currency pair SEK/USD with 27.5 MSEK (6.8).

Key ratios*

	3 Months		6 Months		12 Months	
	Aug 2016 - Oct 2016	Aug 2015 - Oct 2015	May 2016 - Oct 2016	May 2015 - Oct 2015	Nov 2015 - Oct 2016	May 2015 - Apr 2016
MSEK						
Sales growth, %	6.0	1.8	2.9	4.6	2.9	3.7
Gross margin, %	41.5	43.9	40.4	42.2	41.5	42.4
Operating margin, %	6.5	7.8	5.4	6.9	5.9	6.7
Return on capital employed, %	-	-	-	-	21.4	23.6
Return on equity, %	-	-	-	-	16.0	17.6
Equity/assets ratio, %	49.3	52.6	49.3	52.6	49.3	54.5
Sales per sq.m in stores, SEK thousand	-	-	-	-	31	30
Number of stores at period end	208	202	208	202	208	205
Number of employees at period end	2,814	2,769	2,814	2,769	2,814	2,787
Data per share						
Number of shares before dilution	62,952,770	63,098,409	63,119,614	63,201,260	63,134,254	63,167,924
Number of shares after dilution	63,184,710	63,346,934	63,376,226	63,462,268	63,390,541	63,461,923
Number of shares at period end	62,956,869	63,101,875	62,956,869	63,101,875	62,956,869	63,376,420
Earnings per share before dilution, SEK	1.53	1.76	2.44	3.03	5.41	6.00
Earnings per share after dilution, SEK	1.53	1.75	2.43	3.02	5.38	5.97
Comprehensive income per share, SEK	1.77	1.59	3.23	3.19	5.11	5.07
Cash flow per share*, SEK	0.45	2.41	0.70	5.09	6.77	11.15
Equity per share, SEK	30.51	31.52	30.51	31.52	30.51	33.75

*During previous year's first quarter 10.5 MSEK was attributable to costs for closing one store in the UK. During previous year (fourth quarter) a non-recurring cost of 107.0 MSEK related to the restructuring of the store network in the UK affected the result as well as a tax effect on non-deductible expenses estimated to 7.1 MSEK.

** From the operating activities

Quarterly overview

MSEK	Q2 14/15	Q3 14/15	Q4 14/15	Q1* 15/16	Q2 15/16	Q3 15/16	Q4** 15/16	Q1 16/17	Q2 16/17
Sales	1,814.4	2,374.9	1,498.3	1,769.8	1,846.5	2,481.5	1,503.9	1,763.5	1,956.6
Cost of goods sold	-1,001.1	-1,325.8	-877.5	-1,054.0	-1,035.4	-1,396.1	-890.8	-1,074.5	-1,144.1
Gross profit	813.3	1,049.1	620.8	715.8	811.1	1,085.4	613.1	689.0	812.5
Selling expenses	-611.0	-648.1	-586.1	-549.0	-617.4	-651.8	-590.3	-563.0	-634.4
Administrative expenses	-49.7	-48.8	-44.2	-49.2	-49.2	-49.0	-43.2	-49.4	-49.4
Other operating income/expenses	-1.2	-1.8	1.8	-11.8	0.0	-2.2	-105.8	-1.2	-1.8
Operating profit	151.4	350.4	-7.7	105.8	144.5	382.3	-126.2	75.4	127.0
Financial income	0.4	0.6	0.6	0.4	0.5	0.6	0.4	0.2	0.1
Financial expense	-0.3	-0.2	-0.2	-0.1	-0.3	-0.2	-0.2	-0.1	-0.5
Profit after financial items	151.6	350.8	-7.3	106.1	144.8	382.7	-126.0	75.5	126.5
Income tax	-35.8	-81.1	2.6	-25.5	-33.7	-88.3	18.6	-17.6	-30.2
Profit for the period	115.8	269.7	-4.7	80.6	111.1	294.4	-107.4	57.9	96.4

Assets

Intangible assets	164.2	166.3	171.0	196.8	209.7	244.4	270.6	285.6	297.6
Tangible assets	1,259.7	1,237.5	1,228.9	1,181.5	1,158.0	1,137.8	1,127.2	1,104.6	1,101.8
Non-current receivables	8.1	8.1	11.6	11.5	11.5	11.4	18.1	18.2	18.6
Inventories	1,608.7	1,457.8	1,569.3	1,531.7	1,763.6	1,540.2	1,639.2	1,720.6	1,988.8
Other receivables	287.2	206.9	242.5	261.4	288.4	266.6	263.4	263.8	269.0
Liquid assets	212.9	674.3	517.4	600.8	353.6	861.4	604.3	494.7	220.2
Total assets	3,540.8	3,750.9	3,740.7	3,783.7	3,784.9	4,061.8	3,922.8	3,887.4	3,896.0

Equity and liabilities

Equity	1,874.4	2,140.3	2,144.5	2,217.1	1,989.1	2,252.5	2,138.8	2,166.8	1,921.0
Long-term liabilities, Non-interest-bearing	198.0	204.0	213.3	214.1	221.1	208.7	195.1	197.1	174.4
Current liabilities, interest-bearing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	120.3
Current liabilities, Non interest-bearing	1,468.4	1,406.6	1,382.9	1,352.5	1,574.7	1,600.6	1,588.9	1,523.6	1,680.3
Total equity and liabilities	3,540.8	3,750.9	3,740.7	3,783.7	3,784.9	4,061.8	3,922.8	3,887.4	3,896.0

Key ratios for the period

Gross margin, %	44.8	44.2	41.4	40.4	43.9	43.7	40.8	39.1	41.5
Operating margin, %	8.3	14.8	-0.5	6.0	7.8	15.4	-8.4	4.3	6.5
Earnings per share before dilution, SEK	1.84	4.27	-0.07	1.27	1.76	4.66	-1.70	0.91	1.53
Earnings per share after dilution, SEK	1.83	4.26	-0.07	1.27	1.75	4.65	-1.69	0.91	1.53
Equity per share, SEK	29.71	33.91	33.92	35.14	31.52	35.68	33.75	34.42	30.51

* During the first quarter 2015/16 is 10.5 MSEK attributable to costs for closing one store in the UK.

** During the fourth quarter 2015/16 a non-recurring cost of 107.0 MSEK related to the restructuring of the store network in the UK affected the result. In addition, there was a tax effect on non-deductible expenses estimated to 7.1 MSEK.

Seasonal fluctuations

Clas Ohlson's market and operations are influenced by consumer purchasing behaviour. The company's product range is particularly well suited to Christmas preparations and Christmas shopping, which means that the third quarter (Nov-Jan) is generally the strongest quarter of the financial year. This is followed by the second and first quarters and, finally, the fourth quarter, which is the weakest in terms of sales and profit.

Parent Company Income Statement

MSEK	Note	3 Months		6 Months		12 Months	
		Aug 2016 - Oct 2016	Aug 2015 - Oct 2015	May 2016 - Oct 2016	May 2015 - Oct 2015	Nov 2015 - Oct 2016	May 2015 - Apr 2016
Sales		1,716.8	1,562.5	3,116.0	2,886.2	6,303.7	6,073.8
Cost of goods sold	1	-1,205.3	-1,118.3	-2,235.7	-2,135.6	-4,411.1	-4,311.0
Gross profit		511.5	444.2	880.3	750.6	1,892.6	1,762.8
Selling expenses	1	-301.5	-285.7	-572.2	-536.8	-1,181.4	-1,145.9
Administrative expenses	1	-38.5	-39.1	-77.0	-76.2	-145.9	-145.0
Other operating income/expenses		-0.1	0.1	-0.4	-0.6	-114.0	-114.2
Operating profit		171.4	119.6	230.6	137.0	451.2	357.7
Dividends from group companies		0.0	0.0	0.0	0.0	99.1	99.1
Financial income		0.2	0.2	0.2	0.2	1.7	1.8
Financial expense		-0.8	-0.7	-1.0	-1.1	-2.9	-3.0
Profit after financial items		170.8	119.1	229.8	136.2	549.2	455.6
Appropriations		0.0	0.0	0.0	0.0	37.2	37.2
Profit before tax		170.8	119.1	229.8	136.2	586.3	492.7
Income tax		-38.7	-27.0	-52.0	-30.8	-103.5	-82.3
Profit for the period		132.1	92.1	177.7	105.3	482.8	410.4

Parent Company Comprehensive Income Statement

MSEK	3 Months		6 Months		12 Months	
	Aug 2016 - Oct 2016	Aug 2015 - Oct 2015	May 2016 - Oct 2016	May 2015 - Oct 2015	Nov 2015 - Oct 2016	May 2015 - Apr 2016
Profit for the period	132.1	92.1	177.7	105.3	482.8	410.4
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	0.7	-3.9	2.2	2.8	-11.3	-10.7
Other comprehensive income, net of tax	0.7	-3.9	2.2	2.8	-11.3	-10.7
Total comprehensive income	132.8	88.2	180.0	108.1	471.6	399.7

Note 1 Depreciations

	3 Months		6 Months		12 Months	
	Aug 2016 - Oct 2016	Aug 2015 - Oct 2015	May 2016 - Oct 2016	May 2015 - Oct 2015	Nov 2015 - Oct 2016	May 2015 - Apr 2016
Depreciations for the period	39.7	39.5	79.3	78.9	158.0	157.6

Parent Company Balance Sheet

MSEK	31 Oct 2016	31 Oct 2015	30 Apr 2016
Assets			
Intangible assets	297.6	209.7	270.6
Tangible assets	807.3	855.7	837.4
Financial assets	186.2	213.9	179.8
Inventories	1,298.9	1,186.5	1,104.7
Other receivables	327.0	444.9	416.5
Liquid assets	145.0	253.3	515.4
Total assets	3,062.0	3,164.0	3,324.4
Equity and liabilities			
Equity	729.4	648.5	971.0
Untaxed reserves	972.3	1,009.5	972.3
Provisions	50.0	42.8	47.6
Long-term liabilities, Non-interest-bearing	5.0	5.0	5.0
Current liabilities, interest-bearing	120.3	0.0	0.0
Current liabilities, Non interest-bearing	1,184.9	1,458.2	1,328.4
Total equity and liabilities	3,062.0	3,164.0	3,324.4
Pledged assets	0.0	0.0	0.0
Contingent liabilities	253.7	315.5	237.5

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. Disclosures in accordance with IAS 34 Interim Financial Reporting are provided in both notes and elsewhere in this interim report. The ESMA's Guidelines on Alternative Performance Measures are applied from 3 July 2016, which entail disclosure requirements for financial measures that are not defined in accordance with IFRS.

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 2015/16 Annual Report on page 70. 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 2016. 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 2015/16 Annual Report, pages 66-70.

Key ratio definitions

Clas Ohlson uses certain financial measures in this interim report that are not defined in accordance with IFRS. Clas Ohlson believes that these key ratios are relevant to users of the financial report as a supplement for assessing Clas Ohlson's performance. These financial measures are not always comparable with the measures used by other companies since not all companies calculate such financial measures in the same way. Accordingly, these financial measures are not to be regarded as a replacement for measures defined according to IFRS. The measures not defined according to IFRS are presented below, unless otherwise stated.

Average inventory value

Average inventory value is calculated as the total inventories for the most recent 12 months divided by 12.

Capital employed

Balance-sheet total (total assets) less current 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 divided by the average number of shares before dilution.

Comprehensive income per share

Comprehensive income divided by average number of shares before dilution.

Earnings per share (before and after dilution)*

Profit for the period divided by the number of shares (before and after dilution).

Equity/assets ratio

Equity at the end of the period divided by the balance-sheet total (total assets).

Equity per share

Equity divided by the number of shares outstanding at the end of the period.

Dividend yield

Dividend per share divided by the year-end share price.

Gross margin

Gross profit divided by sales for the period.

Gross profit

Gross profit is calculated as the total of sales minus cost of goods sold.

Operating margin

Operating profit divided by sales for the period.

Operating profit

Operating profit consists of profit before financial items and tax.

Payout ratio

Dividend divided by earnings per share before dilution.

P/E ratio

Share price at year-end divided by earnings per share before dilution.

Return on capital employed

Operating profit plus financial income expressed as a percentage of average capital employed. Average capital employed is calculated as the total capital employed for the most recent 12 months divided by 12.

*Defined according to IFRS

Return on equity

Net profit for the period expressed as a percentage of average equity. Average equity is calculated as the total equity for the most recent 12 months divided by 12.

Sales growth

Sales in relation to sales during the year-earlier period.

Working capital

The total of current assets, minus cash and cash equivalents (inventories and current receivables), less current non-interest-bearing liabilities.

Glossary

Average receipt

Average amount per purchase.

Clas Office

Our concept that facilitates purchases for our corporate customers.

Club Clas

Our loyalty program, our loyalty club.

Code of Conduct

The standards we set for ourselves, and the suppliers of our products and services, regarding working conditions, workplace health and safety and the environment.

Comparable units

Units that have been in operation during the current period and the entire year-earlier period.

Conversion rate

The percentage of visitors who make a purchase.

Franchise

Concept whereby we “rent” our brand to an external player, who operates a store under our name.

GRI

The Global Reporting Initiative, a global standard for sustainability reporting.

Nasdaq Stockholm

Marketplace for trading with securities, where Clas Ohlson’s series B share is listed.

Omni-channel

A shopping experience where customers perceive a seamless interaction between physical stores, the online store and telephone sales.

Products for a more sustainable lifestyle

Products with a positive, or significantly lower, environmental impact throughout their life cycle than a standard product.

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.

sCORE

Systems for Clas Ohlson Retail Efficiency, our project for the introduction of a new business system.

Store traffic

Number of visitors.

Store portfolio

Stores established during the second quarter

- Altona, Hamburg, Germany, opened in September 2016
- Stovner, Oslo, Norway, opened in October 2016
- Hornstull, Stockholm, Sweden, opened in October 2016

For more information, refer to the detailed list on the website om.clasohlson.com

Stores closed during the second quarter

- Doncaster, closed in September 2016
- Leeds, closed in October 2016

New stores after the end of the period

- Kaivotalo, Helsinki, Finland, opened in November 2016
- Jyväskylä, Helsinki, Finland, opened in November 2016
- Dubai, United Arab Emirates, opened in November 2016 (franchise)
- Alstertal, Hamburg, Germany, opened in November 2016

Future store openings as of report date

- Svolvær, Norway, scheduled to open in December 2016
- Vinstra, Norway, scheduled to open February 2017
- Ängelholm, Sweden, scheduled to open in March 2017
- Lillestrom, Norway, scheduled to open in March 2017
- Espoo, Finland, scheduled to open in spring of 2017
- Farsund, Norway, scheduled to open in summer of 2017
- Varberg, Sweden, scheduled to open in summer of 2017
- Trondheim, Norway, scheduled to open in autumn of 2017
- Tampere, Finland, scheduled to open in April 2018
- Helsinki, Finland, scheduled to open in September 2018

For more information, refer to the detailed list on the website om.clasohlson.com

The share

Clas Ohlson Series B shares have been listed on Nasdaq Stockholm since 1999 and are included in the Consumer Services sector index. The price paid on 31 October 2016 was 128 SEK per share.

Number of shares

The number of registered shares totalled 65,600,000, unchanged from the preceding year. On 31 October 2016, the company held 2,643,131 shares (2,498,125) 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 buy-back, was 62,956,869 (63,101,875).

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 of the company's financial position.

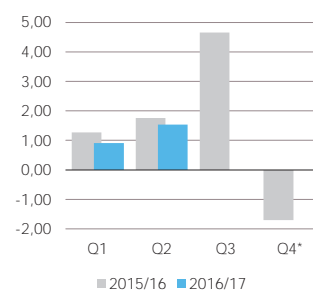
The largest shareholders 31 October 2016

Owner	Number of A-shares	Number of B-shares	Equity, %	Votes, %
Helena Tidstrand	1,368,060	6,179,828	12	17
Björn Haid	1,007,960	4,732,834	9	13
Johan Tidstrand	1,368,060	900,000	3	12
Peter Haid	1,007,960	3,685,243	7	12
Claus-Toni Haid	1,007,960	3,465,916	7	12
Nordea	0	3,351,268	5	3
If Skadeförsäkring AB	0	3,114,337	5	3
Odin Sverige	0	1,612,392	2	1
Afa Försäkring	0	1,442,757	2	1
Swedbank Robur fonder	0	1,098,071	2	1
Other shareholders	0	30,257,354	46	26
Total	5,760,000	59,840,000	100	100

Share data

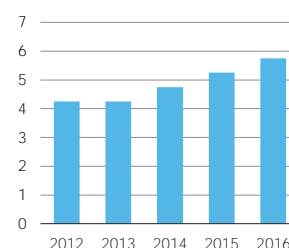
Listing	Nasdaq Stockholm Mid Cap
Ticker	Clas B
Industry	Consumer Services
ISIN code	SE0000584948

Earnings per share, SEK



* Including non-recurring expense of 107 MSEK

Dividend per share, SEK



clas ohlson in brief

Our business model

Clas Ohlson offers a broad range of smart products at attractive prices, knowledgeable and available customer service, and an inspirational shopping experience.

■ Development of product range

Based on knowledge about our customers and their needs, we continuously develop our product range. We offer products and services that make everyday life easy, with demands placed on function, price, quality, product safety and sustainability in five categories: Hardware, Electrical, Multimedia, Home and Leisure.

■ Purchasing

An efficient purchasing organisation, with our own offices in China, and a close relationship with our suppliers enable us to have an attractively priced and sustainable offering. We conduct extensive product testing and ensure that our products meet all legislative requirements before they reach our sales channels.

■ Inventory and distribution

A sustainable flow of goods is one of Clas Ohlson's most important success factors. We consolidate shipments for increased efficiency and lower environmental impact. Our distribution centre in Insjön, Sweden, coordinates distribution and logistics, and ensures the best possible inventory management and service level.

■ Sales and service

Clas Ohlson offers easily accessible and inspiring sales channels and provides excellent customer service. Most of our sales currently occur through our stores, but we offer our products and meet customers in several integrated sales channels. We help our customers to make well-informed choices to buy smart products with superior environmental performance.

■ Product use and reuse

Our products are to be easy to use, reuse and recycle, which places requirements on materials, chemicals, packaging material and packages. We believe in wear but not waste and our range of 10,000 spare parts is popular among cost and environmentally conscious customers.

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 3-8 new stores net during the 2016/17 financial year
- An operating margin of at least 10 per cent

Sustainability targets

- The proportion of products for a more sustainable lifestyle should represent at least 12 per cent of sales by 2020
- Relative emissions of CO₂ attributable to freight should be reduced by not less than 50 per cent during the 2007-2020 period

Strategic focus areas

Customer offering

We will be the natural choice for practical solutions

Customer interaction

We will increase customer loyalty and attract new customers

Expansion

We will continue to expand operations

Supply chain

We will continue to optimise our supply chain

Our ways of working

We will rationalize and simplify ways of working

Our people

We will be high performers and customer-oriented



Our business concept

We will sell dependable products at low prices and with the right quality according to need.

www.clasohlson.com

Clas Ohlson AB | SE-793 85 Insjön, Sweden | Telephone +46 (0)247-444 00 | Corp. Reg. No. 556035-8672