Interim report
1 May 2005 – 31 January 2006

- Prepared in accordance with IFRS

* Sales amounted to SEK 2,804.6m (SEK 2,328.0m)
* Profit after tax amounted to SEK 319.1m (SEK 278.3m)
* Earnings per share amounted to SEK 4.86 (SEK 4.24)
* Five new stores have been opened
* Decision to open stores in the United Kingdom in 2008/09

CLAS OHLSON

Insjön - Stockholm: Gallerian, Farsta, Skärholmen, Täby, Kista, Haninge, Solna
Göteborg: Nordstan, Bäckebol - Malmö - Norrköping - Örebro - Sundsvall - Umeå - Uppsala
Halmstad - Västerås - Luleå - Eskilstuna - Borås - Jönköping - Väla - Gävle - Växjö - Linköping
Skellefteå - Östersund - Kalmar

Oslo: Torggata, Oslo City - Sandnes - Kristiansand
Bergen: Bergen Storsenter, Laguneparken, Åsane, Sartor - Strømmen - Trondheim: Solsiden, City Syd
Sandvika - Tønsberg - Haugesund - Ski - Ålesund - Fredrikstad

Helsingfors: Mannerheimsvägen, Östra Centrum - Tammerfors - Vasa - Kuopio - Åbo
Esbo - Vanda - Kamppi

Interim report 1 May 2005 – 31 January 2006

Market

The operations consist of the sale of DIY products for house and home, technology and hobby items through the company's own retail outlets and by mail order/Internet. The company operates in Sweden, Norway and Finland. At the end of the period, the number of stores was 53, 29 of which were located in Sweden, 16 in Norway and 8 in Finland.

The market for our products developed well during the period. All parts of our range are showing good increases in sales in Sweden, Norway and Finland. Christmas trading, which is the most important period for us, again proved a great success with several sales records being broken in our stores.

Another three new stores were opened during our third quarter, on 11 November in the Oslo City shopping centre in central Oslo, on 24 November in Baronen in central Kalmar and on 1 December in Bytorvet in central Fredrikstad in Norway. This means that we have so far opened five stores during the financial year. Two of these were opened during our second quarter.

Sales and profits

Our third quarter (November-January)

Sales amounted to SEK 1,164.8m, compared with SEK 955.3m in the corresponding period of the previous year, a rise of 22 per cent. Compared with the same period in the previous year, ten stores have been added.

Sales are broken down as follows:

	2005/06	2004/05	Percentage change
Stores	1 127.4	917.5	+23
Mail order/Internet	37.4	37.8	0
	1 164.8	955.3	+22
Sweden	689.2	593.2	+16
Norway	386.0	320.3	+21
Finland	89.6	41.8	+114
	1 164.8	955.3	+22

The 23 per cent increase in sales by the stores is broken down as follows:

Like-for-like stores, in local currency	+5 per cent
New stores	+15 per cent
Exchange-rate effects	+3 per cent
Total	+23 per cent

Operating profit amounted to SEK 204.5m, an increase of 13 per cent compared with the previous year (SEK 181.7m). Operating profit was SEK 199.7m (SEK 175.6m) for the stores and SEK 4.8m (SEK 6.1m) for mail order/Internet.

Operating margin amounted to 17.6 per cent (19.0 per cent). Operating margin was 17.7 per cent (19.1 per cent) for the stores, while it was 12.8 per cent (16.1 per cent) for mail order/Internet.

Gross margin is 1.5 percentage points lower than in the previous year. The margin on the products themselves as 0.9 percentage points lower due to lower sale prices and higher exchange rates for our purchasing currencies during the period.

Other factors which have had an impact on our gross margin are increased depreciation on the new storage facility and increased handling costs.

The average exchange rate for the US dollar was 7.90 during our third quarter, compared with 6.85 for the corresponding period of the previous year, making it 15 per cent more expensive. The average exchange rate for the Norwegian krone was 1.19, compared with 1.10 for the corresponding period of the previous year, a rise of 8 per cent.

Our first nine months (May-January)

Sales amounted to SEK 2,804.6m, compared with SEK 2,328.0m in the corresponding period of the previous year, a rise of 20 per cent. Compared with the same period in the previous year, ten stores have been added. Sales for the last twelve months amount to SEK 3,431.4m.

Sales are broken down as follows:

	2005/06	2004/05	Percentage change
Stores	2 708.2	2 234.1	+21
Mail order/Internet	96.4	93.9	+ 3
	2 804.6	2 328.0	+20
Sweden	1 686.5	1 467.1	+15
Norway	932.9	782.6	+19
Finland	185.2	78.3	+137
	2 804.6	2 328.0	+20

The 21 per cent increase in sales by the stores is broken down as follows:

Like-for-like stores, in local currency	+5 per cent
New stores	+13 per cent
Exchange-rate effects	+3 per cent
Total	+21 per cent

The share of Internet orders amounted to 60 per cent of all mail order/Internet orders (53 per cent).

Operating profit amounted to SEK 439.4m, an increase of 15 per cent compared with the previous year (SEK 383.6m). Operating profit was SEK 430.7m (SEK 373.9m) for the stores and SEK 8.7m (SEK 9.7m) for mail order/Internet. Operating profit for the last twelve months amounts to SEK 476.3m.

Operating margin amounted to 15.7 per cent (16.5 per cent). Operating margin was 15.9 per cent (16.7 per cent) for the stores, while it was 9.0 per cent (10.3 per cent) for mail order/Internet.

The principal reason why profits have improved in comparison with the previous year is the sharp increase in sales. On the other hand, increased start-up costs for new stores had a negative impact on profit of SEK 6.5m during the period. These amount to a total of SEK 20.7m over the period (previous year SEK 14.2m). Administrative expenses also rose by SEK 5.6m to SEK 58.1m and depreciation by SEK 12.1m to SEK 45.9m. Of this sum, SEK 9.0m relates to depreciation of the new storage facility.

Gross margin is 0.8 percentage points lower than in the previous year. The margin on the products themselves is unchanged in comparison with the previous year. The factors which have had an adverse impact on our gross margin are increased depreciation on the new storage facility and increased handling costs.

As regards our most important currencies, a higher exchange rate for the dollar during the period had an adverse impact, increasing our purchase prices. However, this was offset by the strength of the Norwegian krone, as 35 per cent of our sales are made in Norway. The average exchange rate for the US dollar was 7.70 during the period, compared with 7.25 for the corresponding period of the previous year, making it 6 per cent more expensive. The average exchange rate for the Norwegian krone was 1.18, compared with 1.10 for the corresponding period of the previous year, a rise of 7 per cent.

Hedging has been carried out in USD, HKD and NOK. This had an adverse impact on earnings of SEK 0.6m compared with if trading had been conducted at current rates only (previous year SEK -2.1m). Our policy is to hedge half the expected flow during the catalogue period, which now means August 2005 – August 2006.

Investments

Net investments of SEK 99.9m (SEK 163.2m) were made during our first nine months. Of this sum, SEK 32.3m (SEK 22.5m) relates to investments in new and future stores. A further SEK 36.5m (SEK 122.3m) relates to investments in the expansion of the central warehouse in Insjön. Other investments are mainly replacement investments.

Financing and liquidity

There was a positive cash flow from operating activities during our third quarter of SEK 209.8m (SEK 211.0m). Cash flow in the third quarter after deductions for investment operations was SEK 176.9m (SEK 120.2m).

There was a positive cash flow from operating activities during our first nine months of SEK 279.2m (SEK 342.1m). Cash flow after deductions for investment operations was SEK 179.3m (SEK 146.0m).

Inventories during our first nine months increased by SEK 192.2m to SEK 735.1m. Of this sum, SEK 44.3m relates to new stores. The remaining increase in inventories is attributable to increased sale volumes, earlier purchasing of spring products and the fact that we are increasing the proportion of direct purchases from Asia, which necessitates higher safety stocks due to longer delivery times.

Liquid assets and current investments amounted to SEK 453.0m (SEK 463.0m), while there are no interest-bearing liabilities at all. The equity/assets ratio amounted to 64.9 per cent (65.4 per cent).

Accounting principles

This interim report has been prepared in accordance with IAS 34.

Clas Ohlson has been applying the EU-approved International Financial Reporting Standards (IFRS) since 1 May 2005. Previously, the financial reports were prepared in accordance with applicable Swedish accounting principles. A detailed account of how IFRS has affected the Clas Ohlson income statement and balance sheet can be found in Annex 1 attached to this interim report.

With regard to segment reporting, our view is that the operation fully comprises the sale of do-it-yourself products, and it is therefore regarded as a primary segment.

Number of shares

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

Employees

The number of employees in the Group averaged 1,382 (1,200), of whom 512 (432) were women. Of the employees, 1,014 (898) are in Sweden, 263 (237) in Norway and 105 in Finland (65).

Interim report 1 May 2005 – 31 January 2006

Events after the end of the period

Sales during February amounted to SEK 238.5m, compared with SEK 202.7 in the previous year, an increase of 18 per cent. The sales figure breaks down into SEK 229.9m (SEK 193.3m) from stores and SEK 8.6m (SEK 9.4m) from mail order/Internet. The breakdown by country is SEK 139.8m (SEK 125.0m) in Sweden, SEK 81.6m (SEK 68.3m) in Norway and SEK 17.1m (SEK 9.4m) in Finland. Compared with the same month in the previous year, ten stores have been added.

Sales for the first ten months of the financial year thus amounted to SEK 3,043.1m, an increase of 20 per cent (SEK 2,530.7m).

Two new stores have been opened. These were on 16 February in Sartor outside Bergen in Norway and on 2 March in the Kamppi shopping centre in central Helsinki in Finland. Both stores have made a good start.

Future prospects

Our long-term objective is an annual growth rate of 15 per cent. This is to be achieved through increased sales in existing stores and through further new store openings. Expansion is to continue in Sweden, Norway and Finland.
The Board has decided on future store-opening targets. Our target for the 2006/07 financial year is to open 12-15 new stores, while the new target for 2007/08 is 15-20 new stores. During this time the organisation is to be prepared for continued growth in both existing and new markets.

A decision has also been taken to open stores in the United Kingdom. The Board's judgement is that the United Kingdom offers great long-term opportunities for Clas Ohlson. It is judged that the investment will yield good results in the future in terms of both increased sales and profit. The store openings will entail increased costs during the start-phase.

The preparations for store openings in the United Kingdom will begin immediately, and the objective is to open two to four stores in city-centre locations in a concentrated geographical area during the 2008/2009 financial year. The preparatory work includes building up the organisation, company formation, range adaptations with product variants, directions for use, safety instructions, production of catalogues and marketing material and searching for and contracting store locations.

The Board has also revised the objective with regard to earnings. Our new target is an operating margin of 13-15 per cent over an economic cycle (previous net margin 12 per cent).

In addition, the Board has decided on an increased commitment to own-brand goods. Our target is for the proportion of own-brand goods within three years to account for 25 per cent of sales (at present 12 per cent).

Future store openings contracted to date are Gjövik and Hamar in Norway in March 2006, Partille outside Gothenburg and Porsgrunn in Norway in April 2006, Sarpsborg in Norway in June 2006, Karlstad and Alna in Norway in September 2006, Moss in Norway in September/October 2006, Uddevalla and Nyköping in Sweden in October, Väsby in Stockholm in January-March 2007, Nacka outside Stockholm in April/May 2007, Kristianstad in May 2007, Kilden and Madla in Stavanger in Norway in spring 2007 and Skien in Norway in autumn 2007.

Stage 3 of the enlargement of our central warehouse in Insjön is in progress, and the first part of our new sorting facility entered service in January 2006. The facility now has capacity to supply 67 stores and will be expanded during 2006 so that it has capacity for 90 stores. Up to the end of January 2006, SEK 284.8m has been invested in the enlargement of our central warehouse out of a total planned investment of SEK 340m.

Financial information and AGM

The intended publication date for the press release containing unaudited annual earnings figures for 2005/06 is 14 June 2006.

The AGM will be held in Insjön on 9 September 2006. It is anticipated that the annual report and notice of the AGM will be distributed in the second week of August and posted to all shareholders. Information on the nomination committee and notification can be found on our website at www.clasohlson.com under financial information.

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

This interim report has not been reviewed by the company's auditors.

Insjön, 9 March 2006

Clas Ohlson AB (publ)

Gert Karnberger
Chief Executive Officer

Digital Notebook
No 38-1474

Consolidated income statement (SEKm)

	3 months 1 Nov 05- 31 Jan 06	3 months 1 Nov 04- 31 Jan 05	**9 months 1 May 05- 31 Jan 06**	9 months 1 May 04- 31 Jan 05	Rolling 12 months 12 months 1 Feb 05- 31 Jan 06	Latest annual accounts 12 months 1 May 04- 30 April 05
Sales	**1 164,8**	955,3	**2 804,6**	2 328,0	3 431,4	2 954,8
Cost of goods sold	**-700,8**	-561,1	**-1 678,6**	-1 376,2	-2 064,3	-1 761,9
Gross profit	**464,0**	394,2	**1 126,0**	951,8	1 367,1	1 192,9
Selling expenses	**-238,7**	-193,8	**-627,8**	-515,8	-816,2	-704,2
Administrative expenses	**-20,6**	-18,8	**-58,1**	-52,5	-73,6	-68,0
Other operating income/expense	**-0,2**	0,1	**-0,7**	0,1	-1,0	-0,2
Operating profit	**204,5**	181,7	**439,4**	383,6	476,3	420,5
Net financial income/expense	**1,5**	1,2	**4,6**	3,9	6,1	5,4
Profit after financial items	**206,0**	182,9	**444,0**	387,5	482,4	425,9
Tax	**-57,9**	-51,5	**-124,9**	-109,2	-136,3	-120,6
Profit for the period	**148,1**	131,4	**319,1**	278,3	346,1	305,3
Number of shares at end of period	**65,6 milj**	65,6 milj	**65,6 milj**	65,6 milj	65,6 milj	65,6 milj
Earnings per share (SEK)	**2,26**	2,00	**4,86**	4,24	5,28	4,65
Equity per share (SEK)	**18,45**	15,65	**18,45**	15,65	18,45	16,14
Gross margin (%)	**39,8**	41,3	**40,1**	40,9	39,8	40,4
Operating margin (%)	**17,6**	19,0	**15,7**	16,5	13,9	14,2
Operating margin stores (%)	**17,7**	19,1	**15,9**	16,7	14,1	14,5
Operating margin mail order/Internet (%)	**12,8**	16,1	**9,0**	10,3	7,6	8,6
Net margin (%)	**17,7**	19,1	**15,8**	16,6	14,1	14,4
Return on capital employed (%)	**-**	-	**-**	-	43,2	43,9
Return on equity (%)	**-**	-	**-**	-	30,9	31,4
Equity/assets ratio (%)	**64,9**	65,4	**64,9**	65,4	64,9	66,2
Sales per sq.m in stores, SEK thousand	**-**	-	**-**	-	48	48

Consolidated balance sheet (SEKm)

	31 Jan 06	31 Jan 05	30 April 05
Assets			
Tangible assets	**611,9**	536,5	558,0
Financial assets	**5,5**	5,0	5,7
Inventories	**735,1**	528,4	542,9
Other receivables	**60,4**	38,4	46,4
Current investments	**0,0**	94,3	0,0
Liquid assets	**453,0**	368,7	445,2
Total assets	**1 865,9**	1 571,3	1 598,2
Equity and liabilities			
Equity	**1 210,4**	1 026,9	1 058,6
Long-term liabilities, Non-interest-bearing	**18,0**	61,7	18,3
Current liabilitie, Non-interest-bearing	**637,5**	482,7	521,3
Total equity and liabilities	**1 865,9**	1 571,3	1 598,2

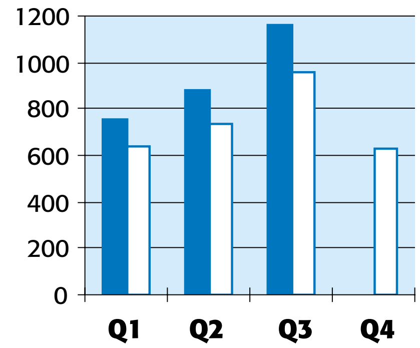
Water Tube Proaqua
No 31-3886

Portable DVD-player
No 38-1476

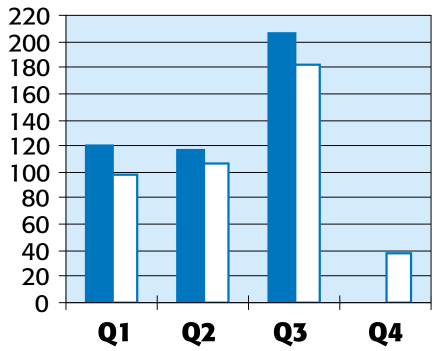
Specification of change in results
(After financial items, in SEKm)

	3 months 1 Nov 05- 31 Jan 06	9 months 1 may 05- 31 Jan 06
Profit from sales	49,2	101,5
Change in gross profit margin	-16,5	-20,7
Increased administrative expenses	-1,8	-5,6
Increased expansion costs new stores	-4,5	-6,5
Increased depreciation	-3,3	-12,1
Improved financial income/expense	0,3	0,7
Other	-0,3	-0,8
Total	23,1	56,5

Sales (SEKm)



Profit after net financial income/ expense (SEKm)



Shaded bar = Financial year 1 May 05 – 30 Apr 06
White bar = Financial year 1 May 04 – 30 Apr 05

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

Change in equity (SEKm)

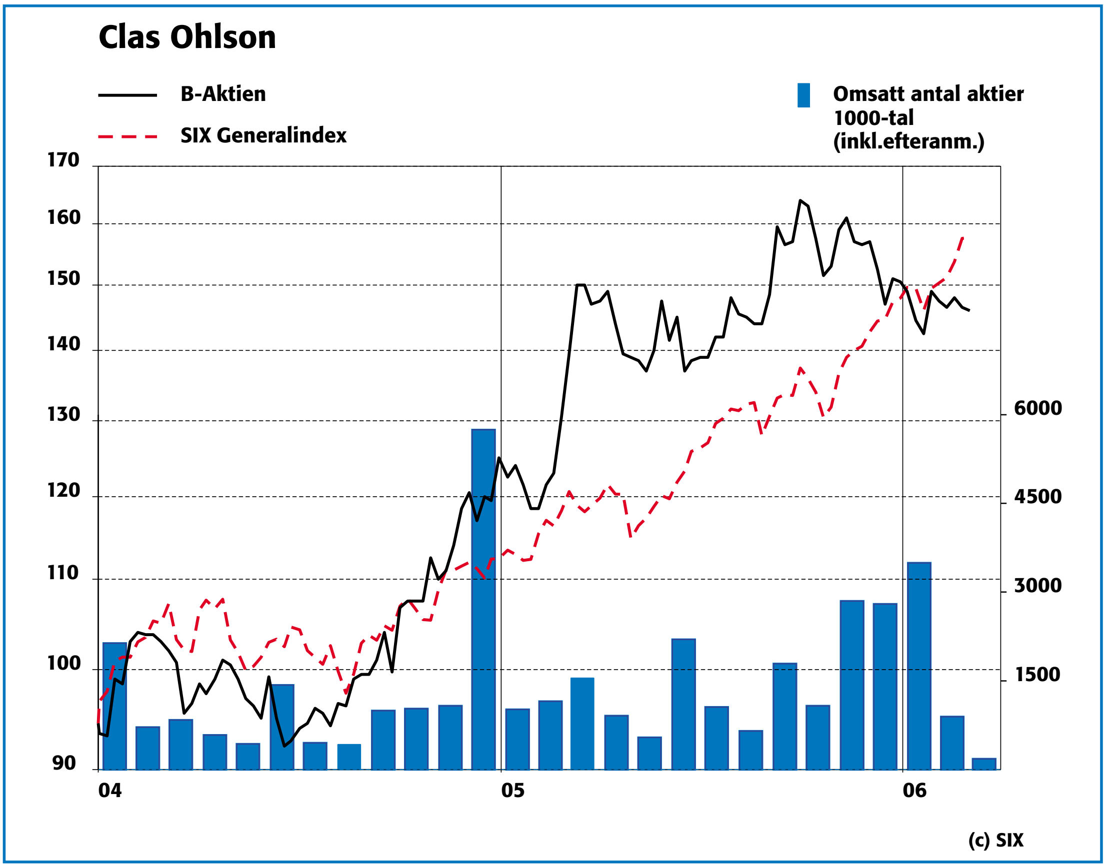
	9 months 1 May 05- 31 Jan 06	9 months 1 May 04- 31 Jan 05
Equity brought forward	1058,6	883,7
Dividend paid	-164,0	-131,2
Change in hedging reserve according to IAS 39	1,4	-
Change in translation difference	-4,7	-3,9
Net profit for the period	319,1	278,3
Equity carried forward	1210,4	1026,9

Results per quarter (SEKm)

	Q 3 03/04	Q 4 03/04	Q 1 04/05	Q 2 04/05	Q 3 04/05	Q 4 04/05	Q 1 05/06	Q 2 05/06	Q 3 05/06
Sales	805,6	548,6	635,3	737,4	955,3	626,8	759,4	880,4	1164,8
Cost of goods sold	-471,8	-342,7	-378,8	-436,3	-561,1	-385,7	-453,3	-524,5	-700,8
Other operating expenses	-182,0	-166,7	-160,2	-195,5	-212,5	-204,2	-187,4	-239,7	-259,5
Net financial income/expense	1,6	2,1	1,5	1,2	1,2	1,5	1,6	1,5	1,5
Profit after financial items	153,4	41,3	97,8	106,8	182,9	38,4	120,3	117,7	206,0
Net margin	19,0%	7,5%	15,4%	14,5%	19,1%	6,1%	15,8%	13,4%	17,7%

Consolidated cash flow (SEKm)

	3 months 051101-060131	3 months 041101-050131	**9 months 050501-060131**	9 months 040501 050131
Profit after financial items	**206,0**	182,9	**444,0**	387,5
Adjustment for items not included in cash flow	**12,4**	13,5	**44,5**	34,1
Tax paid	**-26,5**	-7,7	**-45,4**	-18,8
Cash flow from operating activitie before changes in working capital	**191,9**	188,7	**443,1**	402,8
Change in working capital	**17,9**	22,3	**-163,9**	-60,7
Cash flow from operating activities	**209,8**	211,0	**279,2**	342,1
Investments	**-32,9**	-55,1	**-99,9**	-163,2
Change in current investments	**0,0**	-35,7	**0,0**	-32,8
Change in financial assets	**0,0**	0,0	**0,0**	-0,1
Cash flow from investing activities	**-32,9**	-90,8	**-99,9**	-196,1
Divided to shareholders	**-**	-	**-164,0**	-131,2
Cash flow from financing activities	**0,0**	0,0	**-164,0**	-131,2
Cash flow for the period	**176,9**	120,2	**15,3**	14,8
Liquid assets at the start of the period	**304,6**	248,7	**445,2**	357,1
Exchange rate difference for liquid assets	**-28,5**	-0,2	**-7,5**	-3,2
Liquid assets at the end of the period	**453,0**	368,7	**453,0**	368,7
Interest received during the period	**3,5**	2,6	**4,3**	4,6
Interest paid during the period	**0,4**	0,2	**0,4**	0,3



Clas Ohlson's transition to IFRS 2005

Clas Ohlson has been using the EU-approved International Financial Reporting Standards (IFRS) since 1 May 2005. Previously, the financial reports were drawn up in accordance with applicable Swedish accounting principles. Financial reports that apply to periods starting on or after 1 May 2005 have therefore been drawn up to comply with IFRS. This has also been applied retroactively to data from 2004/2005 for comparison purposes, with the exception of reporting on financial instruments (IAS 39). This information has not been adapted, because retroactive application of this accounting principle is not required.

The 2005/2006 annual report and the interim reports are to include a year for comparison purposes that will be re-calculated in accordance with IFRS. As a result, 1 May 2004 was therefore Clas Ohlson's transition date to IFRS. Two standards, IAS 32 and IAS 39, were introduced on 1 May 2005.

The information below on expected effects is preliminary and may change, because it is possible that the IFRS recommendations will be updated in the course of 2005. We will update re-calculated information if and when any changes are made.

Principles for introduction if IFRS

IFRS 1, the first time that IFRS is applied, covers transitional regulations that apply to the introduction of IFRS. IFRS 1 requires a year for comparison purposes and an opening balance according to IFRS per the transition date.

The accounting principles that are applied in the opening balance must in general comply with each IFRS that applies at the time of reporting. Some exceptions from complete, retroactive application are permitted. In reporting the opening balance for IFRS, Clas Ohlson has applied the transitional stipulations in the following way:

· Tangible assets (IAS 16 – Property, Plant and Equipment): previous acquisition value with deductions for accumulated depreciation has been used, i.e. no re-calculation has taken place.

· Remuneration to employees (IAS 19 – Employee Benefits): the introduction of IAS 19 is not considered as a transitional effect, because recommendation RR29 from the Swedish Financial Accounting Standards Council has already been applied since 1 May 2004. Accumulated actuarial gains and losses for defined-benefit pension plans were set to zero in conjunction with the transition and were reported in full in pension liabilities and equity. The introduction had no significant effect on equity in the Clas Ohlson group.

· IAS 32 and IAS 39 were introduced on 1 May 2005, and no re-calculation of comparative periods is required. Financial assets, liabilities and derivatives have been reported according to IAS 32 and IAS 39 as from 1 May 2005.

· Translation differences regarding investments in operations abroad must, according to IAS 21, be reported as a separate item in equity. In the sale of operations based abroad, accumulated translation differences must be reported as part of the result of the sale. Clas Ohlson has reported the translation differences separately since the operations abroad were started, and will continue to report these accumulated translation differences, i.e. previous accumulated translation differences will not be set to zero.

Until and including 30 April 2005 Clas Ohlson has drawn up the group's financial reports in accordance with the recommendations of the Swedish Financial Accounting Standards Council, which have in recent years largely been adapted to IAS/IFRS. Together with the voluntary exceptions described above, this entails that the effects of the transition to IFRS are limited to reclassification in the balance sheet of current investments and provisions, which is described in more detail below.

Reporting of derivatives at their actual value in the balance sheet according to IAS 39 and gains and losses, which arise due to revaluation concerning derivatives that qualify for cash flow hedging, are recorded in hedging reserves within equity as from 1 May 2005.

Changed accounting principles

IAS 16 Tangible fixed assets (property, plant and equipment)

This recommendation stipulates that the acquisition value of fixed assets is divided up into principle components and that each component is depreciated separately over the course of its estimated useful life. The accounting has already been adapted to this in 2004/05 and the change has only had a marginal effect.

IAS 7 Cash flow statement

Clas Ohlson has previously reported cash and bank balances as well as current investments separately in the balance sheet according to the Swedish Annual Accounts Act. In conjunction with the transition, current investments that are defined as liquid investment (assets) according to IAS 7 will be reported together with bank balances under the liquid assets heading in the balance sheet. Clas Ohlson has previously classified cash and bank balances and current investments with a term of up to 12 months as liquid assets in the cash flow statement. According to IAS 7 only liquid assets that at the time of acquisition had a remaining term not exceeding three months may be reported as liquid assets. Furthermore, accrued interest on current investments, previously reported among interim receivables, will now be reported on the row for liquid assets and current investments respectively.

Provisions

Reclassification of provisions will also be made, entailing a distribution between current and long-term liabilities, in accordance with IAS 1.

IAS 39 Financial instruments and hedge accounting

IAS 39 includes regulations on valuation of currency forward contracts. At year-end 30 April 2005 there were no outstanding currency forward contracts. However, such contracts do usually run during the year. Currency forward contracts were not previously valued continuously (off balance). As from 1 May 2005 the Clas Ohlson group has instead applied hedge accounting for such items. The effect on equity per 31 October 2005 is described in more detail under the next heading.

According to IAS 39 derivatives must always be taken up at their actual value in the balance sheet. Actual value corresponds to the market value on the financial markets at year-end. If the derivative is not an instrument in a currency hedging, changes in actual value must be reported in the income statement. In hedging cash flow qualified for hedge accounting, changes in the actual value of the hedging instruments must be reported under equity until the underlying hedge item is reported, whereby all appurtenant hedging items in equity are to be simultaneously transferred to the income statement. Current investments will be classified as financial assets, valued at their actual value via the income statement. According to previous principles, these have been valued at the accrued acquisition value. As from 1 May 2005 these will instead be valued at market value. The application of IAS 39 does not affect the opening balance for 1 May 2005, because there were no derivative instruments as at that date, and the effect of changed valuation of short-term investments is insignificant.

Effects of transition to IFRS

The preliminary effects of how the re-calculation has affected the comparative figures in the balance sheet in 2004/05 are shown in the following table. No effect was produced in the transition to IFRS in terms of equity and the income statement for 2004/2005.

Hedge accounting is used for currency forward contracts, and on the closing date 31 Jan 2006, the net value of this hedging reserve in equity amounted to SEK +1,4m. Currency forward contracts were not previously valued continuously (off balance). At year-end 30 April 2005 there were no outstanding currency forward contracts.

31 Jan 2005	Swedish accounting principles	Effect of transition to IFRS	IFRS
Accrued income	23,6	-0.2	23,4
Current investments	123,2	-28.9	94,3
Cash and bank balances	339,6	-339,6	-
Liquid assets	-	+368,7	368,7
Other current assets	543,4	-	543,4
Total current assets	**1029,8**	**0.0**	**1029,8**
Provisions	65,9	-65,9	-
Long-term liabilities	0.0	+61,7	61,7
Current liabilities	478,5	+4.2	482,7
Total provisions and liabilities	**544,4**	**0.0**	**544,4**

The Group's cash flow has been adjusted for the corresponding items. This means that the cash flow from operating activities for the nine-month period decreased by SEK 0.5 million, and that cash flow from investments decreased by SEK 32,8 million. For the three-month period this means that the cash flow from operating activities decreased by SEK 0.4 million, and that cash flow from investments decreased by SEK 35,7 million.

Parent company

Per 1 January 2005 the parent company applies recommendation RR 32 on accounting for legal entities of the Swedish Financial Accounting Standards Councils, with a retroactive affect as from 1 January 2004. The recommendation means that legal entities whose securities are listed on the Swedish stock exchange on the balance sheet date shall, as a main rule, apply the IFRSs that are applied in the consolidated accounts. The transition to RR 32 has not had an impact on the result reported for 2004/2005.

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