

# INTERIM REPORT

## 1 MAY 2007 - 31 OCT 2007



**CEO Klas Balkow comments:**

“Clas Ohlson is growing strongly. In order to further strengthen our competitiveness we are, as a first step, clarifying Clas Ohlson’s position as an everyday problem solver. It is a unique position which is based on our strengths and creates development opportunities for store concepts, product ranges and communication. This creates opportunities for us to continue to maintain a high long-term rate of growth, in both existing and new markets.”

**2nd quarter** \*Sales totalled SEK 1,146.1m (SEK 1,020.4m), up 12%

\*Operating profit totalled SEK 125.0m (SEK 111.3m), up 12%

\*Profit after tax totalled SEK 91.3m (SEK 81.3m), up 12%

\*Earnings per share was SEK 1.39 (SEK 1.24), up 12%

\*Klas Balkow took over as Chief Executive Officer at the Annual General Meeting held on 8 September 2007

\*Decision to strengthen and clarify Clas Ohlson’s market position

**6 months** \*Sales totalled SEK 2,178.0m (SEK 1,899.1m), up 15%

\*Operating profit totalled SEK 266.8m (SEK 219.4m), up 22%

\*Profit after tax totalled SEK 195.2m (SEK 160.4m), up 22%

\*Earnings per share was SEK 2.98 (SEK 2.45), up 22%

## OPERATIONS

The operations consist of the sale of 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 76, of which 40 were located in Sweden, 26 in Norway and ten in Finland.

Four new stores were opened during the second quarter, two in Norway, one in Sweden and one in Finland. During the first quarter one new store was opened in Sweden.

Klas Balkow took over as Chief Executive Officer at the Annual General Meeting held on 8 September 2007.

## SALES AND PROFITS

### The second quarter (August-October)

Sales totalled SEK 1,146.1m, compared with SEK 1,020.4m in the previous year, a rise of 12 per cent. Compared with the same period of the previous year, twelve stores have been added.

Clas Ohlson is continuing to grow and take market shares in all countries. In Sweden competition is increasing as a result of the opening of new stores and shopping centres. Clas Ohlson has also improved the market coverage which means that it takes longer for the positive effects of new stores to be achieved. Norway and Finland are continuing to develop well. As a result, our sales in like-for-like stores in the Group were unchanged in comparison with the corresponding period of the previous year.

Sales are broken down as follows:

Sales channels	2007/08	2006/07	Percentage change
Stores	1 112.6	987.2	+13
Mail order/Internet	33.5	33.2	+1
	<u>1 146.1</u>	<u>1 020.4</u>	+12
<u>Countries</u>			
Sweden	640.0	583.9	+10
Norway	425.2	365.7	+16
Finland	80.9	70.8	+14
	<u>1 146.1</u>	<u>1 020.4</u>	+12

The 13 per cent increase in sales by the stores is broken down as follows:

Like-for-like stores, in local currency	+ 0 per cent
New stores	+ 11 per cent
Exchange-rate effects	+ 2 per cent
Total	+ 13 per cent

Gross margin was 40.9 per cent, compared with 39.6 per cent in the corresponding period of the previous year. The improvement is principally due to changes in exchange rates and product mix.

Operating profit totalled SEK 125.0m, up 12 per cent on the corresponding period of the previous year (SEK 111.3m). The rise in profit is principally due to increased sales and improved gross margin. Operating profit was SEK 124.5m (SEK 112.3m) for the stores and SEK 0.5m (SEK -1.0m) for mail order/Internet.

Operating margin was 10.9 per cent (10.9 per cent). Operating margin was 11.2 per cent (11.4 per cent) for the stores, while it was 1.5 per cent (-3.0 per cent) for mail order/Internet.

Profit after financial items totalled SEK 126.9m, up 12 per cent on the corresponding period of the previous year (SEK 112.9m).

The share of selling expenses increased by 1.2 percentage points. Start-up costs for new stores totalled SEK 24.7m (SEK 15.2m). Four new stores opened during the second quarter (previous year five) and five new stores opened in November (previous year one). Start-up costs also partly include expenses for stores which opened in November.

Depreciation for the period totalled SEK 20.7m, compared with SEK 18.4m for the corresponding period of the previous year.

Remuneration up to the time of retirement in September 2008 for the former CEO Gert Karnberger, totalling SEK 10.9m, has been wholly provided for and carried as an expense among administrative expenses. This expense is of a non-recurring nature. A non-recurring expense was also included in the corresponding period of the previous year, relating to a pension of SEK 9.4m (Björn Haid).

The exchange rates for the most important currencies averaged 1.18 for the Norwegian krone and 6.65 for the US dollar, compared with 1.12 and 7.30 in the previous year. Hedging has been carried out in NOK, USD and HKD. This had a negative impact on profit of SEK 5.5m in comparison with current exchange rates (previous year SEK +9.3m). The company's policy is to hedge half the expected flow during the catalogue period, which now means August 2007 – August 2008.

The share of Internet orders was 66 per cent of all mail order/Internet orders during the second quarter (62 per cent).

### The first six months (May-October)

Sales totalled SEK 2,178.0m, compared with SEK 1,899.1m in the corresponding period of the previous year, a rise of 15 per cent. Compared with the same period of the previous year, twelve stores have been added. Sales for the last twelve months total SEK 4,380.1m.

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.

Sales are broken down as follows:

Sales channels	2007/08	2006/07	Percentage change
Stores	2 121.2	1 842.8	+15
Mail order/Internet	56.8	56.3	+ 1
	<u>2 178.0</u>	<u>1 899.1</u>	+15
<b>Countries</b>			
Sweden	1 234.0	1 088.3	+13
Norway	792.0	676.5	+17
Finland	152.0	134.3	+13
	<u>2 178.0</u>	<u>1 899.1</u>	+15

The 15 per cent increase in sales by the stores is broken down as follows:

Like-for-like stores, in local currency	+ 3 per cent
New stores	+ 11 per cent
Exchange-rate effects	+ 1 per cent
<b>Total</b>	<b>+ 15 per cent</b>

Gross margin was 40.2 per cent, compared with 39.1 per cent in the corresponding period of the previous year. The improvement is principally due to changes in exchange rates and product mix.

Operating profit totalled SEK 266.8m, up 22 per cent on the corresponding period of the previous year (SEK 219.4m). The rise in profit is principally due to increased sales and improved gross margin. Operating profit was SEK 263.5m (SEK 219.1m) for the stores and SEK 3.3m (SEK 0.3m) for mail order/Internet. Operating profit for the last twelve months totalled SEK 578.3m, up 23 per cent (SEK 469.0m).

Operating margin was 12.2 per cent (11.6 per cent). Operating margin was 12.4 per cent (11.9 per cent) for the stores, while it was 5.8 per cent (0.5 per cent) for mail order/Internet.

Profit after financial items totalled SEK 271.2m, up 22 per cent on the corresponding period of the previous year (SEK 222.9m).

The share of selling expenses increased by 0.4 percentage points. Start-up costs for new stores totalled SEK 28.0m (SEK 19.6m). Five new stores opened during the six months (previous year six) and five new stores opened in November (previous year one). Start-up costs also partly include expenses for stores which opened in November.

Depreciation for the period totalled SEK 40.9m, compared with SEK 36.3m for the corresponding period of the previous year.

Remuneration up to the time of retirement in September 2008 for the former CEO Gert Karnberger, totalling SEK 10.9m, has been wholly provided for and carried as an expense among administrative expenses. This expense is of a non-recurring nature. A non-recurring expense was also included in the corresponding period of the previous year, relating to pension of SEK 9.4m (Björn Haid).

The exchange rates for the most important currencies averaged 1.17 for the Norwegian krone and 6.70 for the US dollar, compared with 1.15 and 7.30 in the previous year. Hedging has been carried out in NOK, USD and HKD. This had a negative impact on profit of SEK 5.2m in comparison with current exchange rates (previous year SEK +11.2m). The company's policy is to hedge half the expected flow during the catalogue period, which now means August 2007 – August 2008.

## INVESTMENTS

Net investments totalling SEK 100.8m (SEK 87.3m) were made during the period. Of this sum, SEK 31.1m (SEK 28.6m) relates to investments in new and future stores. A further amount of SEK 52.8m (SEK 35.0m) relates to investment in the enlargement of the distribution centre in Insjön. Other investments are mainly replacement investments.

## FINANCING AND LIQUIDITY

There was a negative cash flow from operating activities during the second quarter of SEK -52.4m (SEK +35.2m). The difference is principally due to increased inventories. Cash flow after investing activities was SEK -124.9m (SEK -0.8m).

There was a positive cash flow from operating activities during the first six months of SEK +146.9m (SEK +206.6m). Cash flow after deducting investment activities was SEK +46.9m (SEK +119.4m).

Inventories during the first six months increased by SEK 245.3m to SEK 1,072.0m. Of this increase, SEK 68.9m pertains to inventories in new stores. The remainder largely consists of build-up of stocks ahead of Christmas trading.

In the previous year, at 31 October 2006, inventories totalled SEK 863.8m. Compared with the same month of the previous year, twelve stores have been added.

Cash and cash equivalents totalled SEK 99.2m (SEK 185.6m). There are no interest-bearing liabilities. The equity/assets ratio was 61.5 per cent (62.8 per cent).

## NUMBER OF SHARES

The total number of shares is 65,600,000, which is unchanged in comparison with the previous year.

## EMPLOYEES

The number of employees in the Group averaged 1,724 (1,560), of whom 690 (593) were women. The breakdown by country is 1,208 (1,092) in Sweden, 370 (341) in Norway and 146 (127) in Finland.

## PARENT COMPANY

Parent Company sales during the first six months totalled SEK 1,930.3m (SEK 1,575.4m), and profit after financial items totalled SEK 430.2m (SEK 265.4m). Profit has been positively affected by increased dividend from subsidiaries and changes in internal prices.

Liquidity has been good. Investments have totalled SEK 76.4m (SEK 64.4m).

## EVENTS AFTER THE END OF THE PERIOD

### NEW STORES

Five new stores opened in November, two in Norway, two in Finland and one in Sweden.

### SALES IN NOVEMBER

Sales during November totalled SEK 449.2m, compared with SEK 401.4m in the previous year, a rise of 12 per cent. Compared with the same month of the previous year, thirteen stores have been added. Sales are broken down as follows:

Sales channels	2007	2006	Percentage change
Stores	434.4	388.8	+12
Mail order/Internet	14.8	12.6	+17
	449.2	401.4	+12
<u>Countries</u>			
Sweden	248.2	231.9	+7
Norway	166.2	140.5	+18
Finland	34.8	29.0	+20
	449.2	401.4	+12

## FUTURE PROSPECTS

The Group's long-term objective is an annual rate of growth in sales of 15 per cent. This is to be attained through increased sales in existing stores and through continued opening of new stores in Sweden, Norway and Finland. During the 2008/09 financial year the objective is to establish a presence in the United Kingdom by opening 2-4 stores in central locations in a concentrated geographical area.

Fifteen to twenty new stores are planned for the 2007/08 financial year and 20-25 new stores for



2008/09, including the two to four in the United Kingdom.

Ten new stores have been contracted to date, of which four are in Sweden and six in Norway.

The Group's long-term profit target is an operating margin of 13-15 per cent over an economic cycle.

Clas Ohlson will strengthen its position as the everyday problem solver. This provides a foundation for the development of store concepts, products ranges and communication. This positioning also facilitates faster expansion to more markets.

A decision has been taken to establish a wholly-owned purchasing company in Shanghai (China). The Board's judgement is that this will further strengthen the company's competitiveness in its continued expansion. The objective is for the company to be operational during the 2008/09 financial year.

Further enlargement of the distribution centre in Insjön is under way to create capacity for future expansion. The focus in continued work is on building up capacity to supply around 150 stores. The investment is estimated to total SEK 370m, and it is anticipated that parts of the facility will enter service in the spring of 2009.

## RISK AND FACTORS OF UNCERTAINTY

There are a number of factors that can affect the company's profits and operations. Most of these are managed through internal routines, while others are governed to a greater degree by external circumstances. Continuous work is taking place in the company on these issues.

Clas Ohlson's business is subject to risks relating to both finance and operations. Risks of a financial nature primarily comprise exchange-rate exposure, while risks of an operational nature comprise product range, competition, the economic climate, Christmas trading and the start-up in the United Kingdom. The financial risks are described and

quantified in the annual report for 2006/07 in Note 2 and on page 37. Risks of an operational nature are described on page 36. No material risks are judged to have arisen in addition to the risks described in the annual report.

## 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 RR 31 Interim Reporting for Groups. New or revised IFRS standards or IFRIC interpretations that have come into force since 1 January 2007 do not have any significant impact on the consolidated income statement or balance sheet. Accounting policies in accordance with IFRS are described in the annual report for 2006/07 financial year, pages 51-53.

The Parent Companies accounts have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Accounting Standards Council's Recommendation 32:06. 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 annual report for 2006/07, page 53.

In relation to segment reporting, the operation entirely comprises the sale of products for house and home, technology and hobby items, and this is therefore regarded as a primary segment.

## 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 the company's website, [www.clasohlson.se](http://www.clasohlson.se).

The interim report for the third quarter of 2007/08 will be published on 11 March 2008. The year-end report for 2007/08 will be published on 12 June 2008.

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## CERTIFICATION

The six-month report presents a fair picture of the operations, financial position and earnings of the Parent Company and the Group and describes material risks and factors of uncertainty which the Parent Company and the companies which form part of the Group face.

Insjön, 5 December 2007

**ANDERS MOBERG**  
Chairman of the Board

**BJÖRN HAID**

**ELISABET SALANDER BJÖRKLUND**

**LOTTIE SVEDENSTEDT**

**URBAN JANSSON**

**CECILIA TUFVESSON MARLOW**

**SÖLWE JOHNSON**

**CAROLINE PERSSON**

**KLAS BALKOW**  
Chief Executive Officer



Interior from Sello Shoppingmall in Esbo, Finland

## REVIEW REPORT

We have reviewed this report for the period 1 May 2007 to 31 October 2007 for Clas Ohlson AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Report 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 is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden, RS, and other generally accepted auditing standards in Sweden. The procedures per-

formed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Insjön, 5 December 2007

PricewaterhouseCoopers

Annika Wedin  
Authorised  
Public Accountant  
Auditor in charge

Peter Bladh  
Authorised  
Public Accountant

## CONSOLIDATED INCOME STATEMENT

SEKm	3 months 01/08/07- 31/10/07	3 months 01/08/06- 31/10/06	6 months 01/05/07- 31/10/07	6 months 01/05/06- 31/10/06	Rolling 12 months 12 months 01/11/06- 31/10/07	Latest annual accounts 12 months 01/05/06- 30/04/07	12 months 01/05/05- 30/04/06
Sales	1 146.1	1 020.4	2 178.0	1 899.1	4 380.1	4 101.2	3 567.6
Cost of goods sold	-676.8	-616.0	-1 301.7	-1 156.1	-2 619.7	-2 474.1	-2 144.5
Gross profit	469.3	404.4	876.3	743.0	1 760.4	1 627.1	1 423.1
Selling expenses	-308.0	-261.9	-550.5	-472.2	-1 074.7	-996.4	-855.6
Administrative expenses	-36.2	-30.7	-59.0	-50.9	-108.1	-100.0	-80.6
Other operating income/expense	-0.1	-0.5	0.0	-0.5	0.7	0.2	-2.4
Operating profit	125.0	111.3	266.8	219.4	578.3	530.9	484.5
Net financial income/expense	1.9	1.6	4.4	3.5	7.8	6.9	6.5
Profit after financial items	126.9	112.9	271.2	222.9	586.1	537.8	491.0
Tax	-35.6	-31.6	-76.0	-62.5	-165.5	-152.0	-138.9
Profit for the period	91.3	81.3	195.2	160.4	420.6	385.8	352.1
Gross margin (%)	40.9	39.6	40.2	39.1	40.2	39.7	39.9
Operating margin (%)	10.9	10.9	12.2	11.6	13.2	12.9	13.6
Operating margin stores (%)	11.2	11.4	12.4	11.9	13.4	13.2	13.8
Operating margin mail order/Internet (%)	1.5	-3.0	5.8	0.5	7.7	5.1	8.6
Net margin (%)	11.1	11.1	12.5	11.7	13.4	13.1	13.8
Return on capital employed (%)	-	-	-	-	48.9	40.9	42.4
Return on equity (%)	-	-	-	-	35.0	29.4	30.4
Equity/assets ratio (%)	61.5	62.8	61.5	62.8	61.5	70.6	70.4
Sales per sq.m in stores. SEK thousand	-	-	-	-	45	45	48
Data per share							
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	65.6 milj
Earnings per share (SEK)	1.39	1.24	2.98	2.45	6.41	5.88	5.37
Equity per share (SEK)	19.13	17.46	19.13	17.46	19.13	20.84	19.16

## CONSOLIDATED BALANCE SHEET

SEKm	31/10/07	31/10/06	30/04/07
<b>Assets</b>			
Tangible assets	743.0	678.0	678.7
Financial assets	5.6	6.3	4.8
Inventories	1 072.0	863.8	826.7
Other receivables	121.0	89.2	79.6
Liquid assets	99.2	185.6	347.9
Total assets	2 040.8	1 822.9	1 937.7
Equity and liabilities			
Equity	1 254.6	1 145.4	1 367.3
Long-term liabilities, Non-interest-bearing	23.9	21.0	23.9
Current liability, Non-interest-bearing	762.3	656.5	546.5
Total equity and liabilities	2 040.8	1 822.9	1 937.7





## SPECIFICATION OF CHANGE IN RESULTS

(After financial items. in SEKm)	3 months 01/08/07- 31/10/07	6 months 01/05/07- 31/10/07
Profit from sales	15.8	43.8
Change in gross profit margin	14.8	24.2
Increased administrative expenses	-4.0	-6.6
Difference in non-recurring pension costs	-1.5	-1.5
Increased expansion costs new stores	-9.5	-8.4
Increased depreciation	-2.3	-4.6
Improved financial income/expense	0.3	0.9
Other	0.4	0.5
Total	14.0	48.3

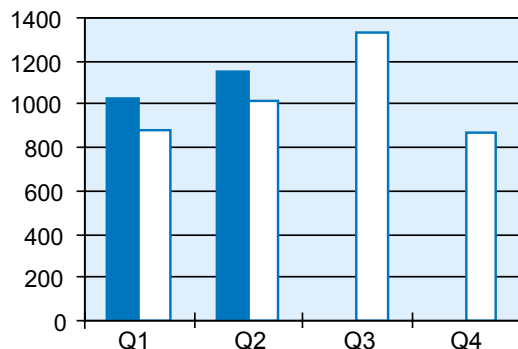
## CHANGE IN EQUITY

SEKm	6 months 01/05/07- 31/10/07	6 months 01/05/06- 31/10/06
Equity brought forward	1 367.3	1 256.9
Dividend to shareholders	-295.2	-262.4
Change in hedging reserve according to IAS 39	-26.8	9.1
Change in hedging reserve according to IAS 39	6.4	-1.4
Change in translation difference	7.7	-17.2
Net profit for the period	195.2	160.4
Equity carried forward	1 254.6	1 145.4

## RESULT PER QUARTER

SEKm	Q 2 05/06	Q 3 05/06	Q 4 05/06	Q 1 06/07	Q 2 06/07	Q 3 06/07	Q 4 06/07	Q 1 07/08	Q 2 07/08
Sales	880.4	1 164.8	763.0	878.7	1 020.4	1 331.2	870.9	1 031.9	1 146.1
Cost of goods sold	-524.5	-700.8	-465.9	-540.1	-616.0	-788.7	-529.3	-624.9	-676.8
Other operating expenses	-239.7	-259.5	-252.0	-230.5	-293.1	-292.5	-280.1	-265.2	-344.3
Net financial income/expense	1.5	1.5	1.9	1.9	1.6	1.8	1.6	2.5	1.9
Profit after financial items	117.7	206.0	47.0	110.0	112.9	251.8	63.1	144.3	126.9
Net margin	13.4%	17.7%	6.2%	12.5%	11.1%	18.9%	7.2%	14.0%	11.1%

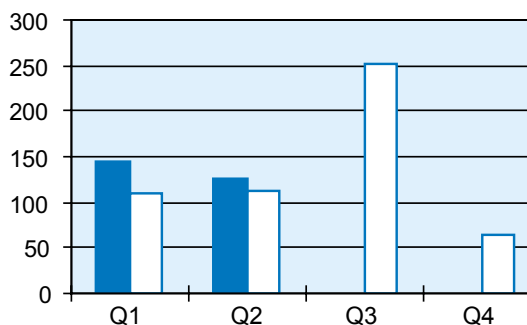
### SALES (SEKm)



Shaded bar = Financial year 1 May 07 – 30 Apr 08  
White bar = Financial year 1 May 06 – 30 Apr 07

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

### PROFIT AFTER NET FINANCIAL INCOME/EXPENSE (SEKm)



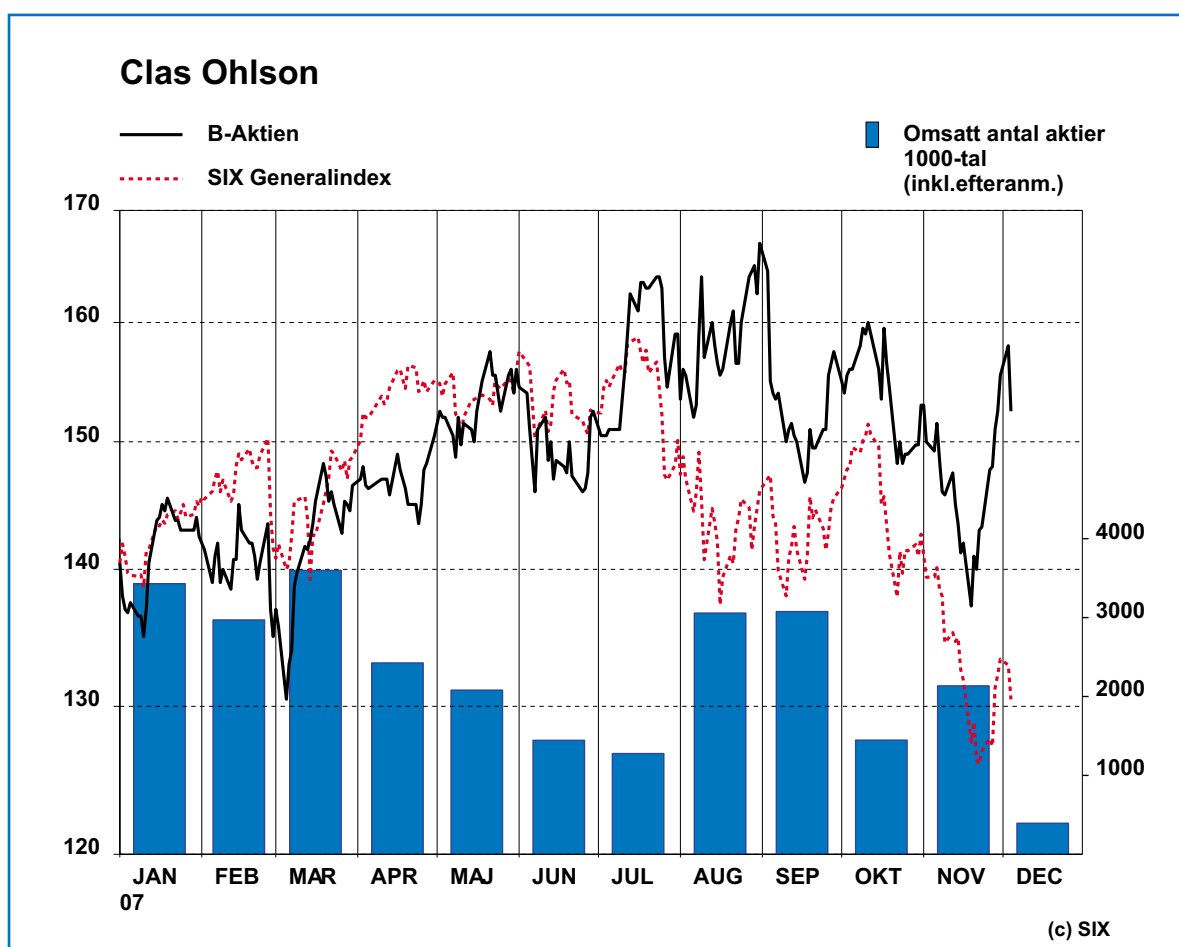
## CLAS OHLSON IN BRIEF

Clas Ohlson is a retailing company with sales in Sweden, Norway and Finland. At the end of the financial year there were 71 stores, a mail-order operation and e-commerce. We offer a broad range of products in the areas of electrical & electronics, mobile phones, computer accessories, hifi/stereo, tools, household, home and storage.

We have 15,000 different products in our range. The company is listed on the Nordic Exchange. The head office and distribution centre are located in Insjön in Sweden. Our sales exceed SEK 4 billion and we have a total of around 2,600 employees. We will open our first stores in the United Kingdom in 2008/09.

## CONSOLIDATED CASH FLOW

SEKm	3 months 01/08/07- 31/10/07	3 months 01/08/06- 31/10/06	6 months 01/05/07- 31/10/07	6 months 01/05/06- 31/10/06	12 months 01/05/06- 30/04/07
Profit after financial items	125.0	111.3	266.8	219.4	530.9
Adjustment for items not included in cash flow	19.7	18.2	39.7	35.5	75.2
Interest received	2.3	0.0	2.7	0.0	6.3
Interest paid	-0.5	0.0	-0.5	0.0	-0.2
Tax paid	-20.9	-13.6	-41.7	-26.8	-143.2
<b>Cash flow from operating activities before changes in working capital</b>	<b>125.6</b>	<b>115.9</b>	<b>267.0</b>	<b>228.1</b>	<b>469.0</b>
Change in working capital	-178.0	-80.7	-120.1	-21.5	-63.9
<b>Cash flow from operating activities</b>	<b>-52.4</b>	<b>35.2</b>	<b>146.9</b>	<b>206.6</b>	<b>405.1</b>
Investments	-72.9	-36.0	-100.8	-87.3	-126.3
Change in current investments	0.4	0.0	0.8	0.0	1.1
Change in long term receivables	0.0	0.0	0.0	0.1	0.1
<b>Cash flow from investing activities</b>	<b>-72.5</b>	<b>-36.0</b>	<b>-100.0</b>	<b>-87.2</b>	<b>-125.1</b>
Dividend to shareholders	-295.2	-262.4	-295.2	-262.4	-262.4
<b>Cash flow from financing activities</b>	<b>-295.2</b>	<b>-262.4</b>	<b>-295.2</b>	<b>-262.4</b>	<b>-262.4</b>
<b>Cash flow for the period</b>	<b>-420.1</b>	<b>-263.2</b>	<b>-248.3</b>	<b>-143.0</b>	<b>17.6</b>
Liquid assets at the start of the period	518.8	452.7	347.9	338.4	338.4
Exchange rate difference for liquid assets	0.5	-3.9	-0.4	-9.8	-8.1
Interest paid during the period	99.2	185.6	99.2	185.6	347.9



## PARENT COMPANY INCOME STATEMENT

SEKm	Note	3 months 01/08/07- 31/10/07	3 months 01/08/06- 31/10/06	6 months 01/05/07- 31/10/07	6 months 01/05/06- 31/10/06	Rolling 12 months 12 months 01/11/06- 31/10/07	Latest annual accounts 12 months 01/05/06- 30/04/07
Sales		1 063.5	876.1	1 930.3	1 575.4	3 779.6	3 424.7
Cost of goods sold	1	-708.9	-649.9	-1 298.7	-1 164.4	-2 584.6	-2 450.3
Gross profit		354.6	226.2	631.6	411.0	1 195.0	974.4
Selling expenses	1	-173.5	-150.6	-317.0	-266.3	-612.2	-561.5
Administrative expenses	1	-32.3	-22.4	-52.4	-39.6	-97.7	-84.9
Other operating income/expenses		-0.1	-0.3	0.0	-0.2	0.5	0.3
Operating profit		148.7	52.9	262.2	104.9	485.6	328.3
Dividend from Group companies		0.0	0.0	165.8	159.4	165.8	159.4
Net financial items		0.8	0.6	2.2	1.1	4.4	3.3
Profit after financial items		149.5	53.5	430.2	265.4	655.8	491.0
Appropriations		-	-	-	-	-26.9	-26.9
Profit before tax		149.5	53.5	430.2	265.4	628.9	461.1
Income tax		-41.8	-15.0	-74.0	-29.7	-131.0	-86.7
Net profit for the year		107.7	38.5	356.2	235.7	497.9	377.4

## PARENT COMPANY BALANCE SHEET

SEKm	31/10/07	31/10/06	30/04/07
<b>Assets</b>			
Tangible assets	613.7	562.0	567.8
Financial assets	30.5	30.5	30.5
Inventories	835.4	682.7	636.1
Other receivables	269.7	192.8	103.1
Liquid assets	13.1	69.9	200.4
Total assets	1 762.4	1 537.9	1 537.9
<b>Equity and liabilities</b>			
Equity	1 068.8	880.6	1 021.1
Untaxed reserves	136.6	109.7	136.6
Provisions	14.0	12.6	10.6
Current liabilities, Non-interest-bearing	543.0	535.0	369.6
Total equity and liabilities	1 762.4	1 537.9	1 537.9
Pledged assets	67.0	67.0	67.0
Contingent liabilities	162.7	132.8	158.0

### Note 1 Depreciation

Depreciation in Parent Company during the first six months amounts to 29.8 SEKm (26.1 SEKm).

Depreciation for the second quarter amounts to 15.0 SEKm (13.3 SEKm).

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