

Interim report 1 May 2013 – 31 October 2013

Second quarter 2013/14

- Sales increased by 4 % to 1,678 MSEK (1,614). In local currencies, growth was up 6 %
- Operating profit increased by 23 % to 126 MSEK (102)
- Profit after tax increased by 30 % to 94 MSEK (72)
- Earnings per share increased by 31 % to 1.49 SEK (1.14)

First six months 2013/14

- Sales increased by 4 % to 3,184 MSEK (3,076). In local currencies, growth was up 6 %
- Operating profit increased by 8 % to 218 MSEK (203)
- Profit after tax increased by 13 % to 164 MSEK (145)
- Earnings per share increased by 13 % to 2.59 SEK (2.29)
- Cash flow from operating activities totalled 172 MSEK (176)

Events after the end of the reporting period

- In November, sales increased by 6 % to 702 MSEK (662). In local currencies, growth was up 9 %

CEO comment

“We are pleased that our autumn range has received such a positive response and we are continuing to strengthen our market position. We are growing in all markets and have increased operating profit by 23 per cent during the quarter. It is also pleasing that we have had a favourable start to Christmas trading with high traffic of customers to our stores, which meant that sales in November increased by 9 per cent in local currencies.

“With our unique concept and leading Nordic market position as a basis, we are continuing to expand our operations through both new customer segments and new markets. Preparation for establishment in the Gulf region, Germany and the launch of Clas Office is fully underway and progressing according to plan”, says Klas Balkow, President and CEO, Clas Ohlson AB.

	3 months 01/08/13- 31/10/13	3 months 01/08/12- 31/10/12	6 months 01/05/13- 31/10/13	6 months 01/05/12- 31/10/12	Rolling 12 months 01/11/12- 31/10/13	Latest annual accounts 12 months 01/05/12- 30/04/13
Sales, MSEK	1,678	1,614	3,184	3,076	6,627	6,519
Operating profit, MSEK	126	102	218	203	446	431
Profit after tax, MSEK	94	72	164	145	350	332
Gross margin, %	43.3	42.0	42.5	42.2	41.7	41.6
Operating margin, %	7.5	6.3	6.8	6.6	6.7	6.6
Equity/assets ratio, %	50	49	50	49	50	59
Earnings per share before dilution, SEK	1.49	1.14	2.59	2.29	5.54	5.23

Operations

Operations comprise the sale of house and home, technology and hobby products through the company's own stores and via mail order/Internet channels. The product range focuses on attractively priced products for everyday use. Operations are pursued in Sweden, Norway, Finland and the UK. The number of stores at the end of the period was 181 (167), of which 75 in Sweden, 64 in Norway, 30 in Finland and 12 in the UK.

Second quarter 2013/14 (August-October)

Three new stores (5) opened during the second quarter; two in Sweden and one in Finland.

Sales

Sales increased to 1,678 MSEK, up 4 per cent compared with 1,614 MSEK in the preceding year. Measured in local currencies, sales increased by 6 per cent. Compared with 31 October 2012, 14 new stores (18) were added and the total number of stores on 31 October 2013 was 181. Mail order/Internet sales totalled 28 MSEK (31). In the year-earlier period, when the new online shopping platform was launched, mail order/Internet was impacted by various opening offerings.

Sales in the second quarter 2013/14 were distributed as follows:

Countries, MSEK	2013/14	2012/13	Percentage change	Percentage change, local currency
Sweden	771	742	+4	+4
Norway	684	669	+2	+8
Finland	158	140	+13	+10
UK	65	63	+3	+6
	1 678	1 614	+4	+6

The sales increase of 4 per cent was distributed as follows:

Comparable stores in local currency	+1 per cent
New stores	+5 per cent
<u>Exchange-rate effects</u>	<u>-2 per cent</u>
Total	+4 per cent

Profits

The gross margin increased to 43.3 per cent, up 1.3 percentage points year-on-year (42.0 per cent). The gross margin was positively affected by a favourable sales mix and lower sourcing costs. The gross margin was adversely impacted by exposure to the NOK but was largely offset by exposure to the USD.

The share of sales costs was 32.9 per cent (32.9). Start-up costs for new and remodelled stores, including the disposal of fittings, amounted to 9 MSEK (15).

Depreciation for the period amounted to 52 MSEK (49).

Operating profit increased by 23 per cent to 126 MSEK (102).

The operating margin increased 1.2 percentage points to 7.5 per cent (6.3).

Profit after financial items increased by 25 per cent to 125 MSEK (100).

Spot exchange rates for key currencies averaged 1.09 for NOK and 6.48 for USD, compared with 1.15 and 6.65, respectively, in the year-earlier period. Currency hedging was undertaken in USD and NOK. The company's policy is to hedge 50 per cent of expected flows, usually in January and June/July, for the forthcoming six-month period.

First six months 2013/14 (May-October)

Seven new stores (10) opened during the first six months of the year; two in Sweden, two in Norway and three in Finland.

Sales

Sales increased to 3,184 MSEK, up 4 per cent compared with 3,076 MSEK in the preceding year. Measured in local currencies, sales increased by 6 per cent. Mail order/Internet totalled 52 MSEK (60). In the year-earlier period, when the new online shopping platform was launched, mail order/Internet was impacted by various opening offers.

Sales for the first six months of 2013/14 were distributed as follows:

Countries, MSEK	2013/14	2012/13	Percentage change	Percentage change, local currency
Sweden	1,474	1,434	+3	+3
Norway	1,289	1,262	+2	+7
Finland	300	260	+15	+15
UK	121	120	+1	+7
	3,184	3,076	+4	+6

The sales increase of 4 per cent was distributed as follows:

Comparable stores in local currency	+1 per cent
New stores	+5 per cent
<u>Exchange-rate effects</u>	<u>-2 per cent</u>
Total	+4 per cent

Profits

The gross margin increased to 42.5 per cent, up 0.3 percentage points year-on-year (42.2 per cent). The gross margin was positively affected by a favourable sales mix, lower sourcing costs and negative currency effects (NOK).

The share of sales costs increased 0.1 percentage points to 32.8 per cent (32.7). Start-up costs for new and remodelled stores, including the disposal of fittings, amounted to 17 MSEK (26).

Depreciation for the period was 104 MSEK compared with 97 MSEK for the year-earlier period.

Operating profit increased by 8 per cent to 218 MSEK (203).

The operating margin increased 0.2 percentage points to 6.8 per cent (6.6).

Profit after financial items increased by 9 per cent to 217 MSEK (199).

Spot exchange rates for key currencies averaged 1.10 for NOK and 6.54 for USD, compared with 1.16 and 6.83, respectively, in the year-earlier period. Currency hedging was undertaken in USD and NOK. The company's policy is to hedge 50 per cent of expected flows, usually in January and June/July, for the forthcoming six-month period.

Investments

During the first six months, investments totalled 68 MSEK (94). Of this amount, investments in new or remodelled stores accounted for 34 MSEK (62). Other investments were primarily investments in IT and replacement investments. During the first six months, investments in IT systems amounted to 9 MSEK (22).

Financing and liquidity

Cash flow from operating activities during the period totalled 172 MSEK (176). After investing and financing activities, cash flow for the period was 14 MSEK (neg: 5). The cash dividend paid to Clas Ohlson's shareholders in September 2013 totalled 268 MSEK (269).

The average 12-month value of inventories was 1,377 MSEK (1,304). Over a rolling 12-month period, the stock turnover rate at the distribution centre was 6.9 times (6.6).

At the end of the period, the value of inventories was 1,599 MSEK (1,496). Compared with the preceding year, 14 new stores were added.

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

At the end of the period, the Group's net debt, meaning interest-bearing liabilities less cash and cash equivalents, amounted to 63 MSEK (142). The equity/assets ratio was 50 per cent (49).

Number of shares

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

Employees

The number of employees in the Group averaged 2,593 (2,448), of whom 1,115 (1,028) were women. The distribution by country was 1,432 (1,346) in Sweden, 681 (647) in Norway, 241 (206) in Finland, 189 (204) in the UK and 50 (45) in China.

Parent Company

Parent Company sales amounted to 2,444 MSEK (2,500) and profit after financial items totalled 54 MSEK (152).

Investments for the period totalled 51 MSEK (39). Contingent liabilities for the Parent Company amounted to 277 MSEK (282).

Events after the end of the period

In November, sales increased by 6 per cent to 702 MSEK (662). Measured in local currencies, sales increased by 9 per cent. Compared with the same month in the preceding year, 11 new stores (19) were added and the total number of stores on 30 November 2013 was 182. Mail order/Internet sales amounted to 13 MSEK (13).

Sales in November were distributed as follows:

Countries, MSEK	2013/14	2012/13	Percentage change	Percentage change, local currency
Sweden	329	307	+7	+7
Norway	274	267	+3	+11
Finland	71	60	+18	+14
UK	28	28	+1	+2
	702	662	+6	+9

In the first seven months of the financial year (May-November 2013), sales increased by 4 per cent to 3,886 MSEK (3,738).

Changes to Clas Ohlson's Board of Directors

In connection to the Annual General Meeting 2013 on 7 September, Kenneth Bengtsson and Katarina Sjögren Petrini became members of Clas Ohlson's Board of Directors.

Clas Ohlson's Nomination Committee appointed

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

Prior to the 2014 Annual General Meeting, Clas Ohlson's Nomination Committee will comprise the following members: Carl von Schantz, representing the Haid owner family, Göran Sundström, representing the Tidstrand owner family, Johan Held, representing AFA Försäkring (Chairman of Clas Ohlson's Nomination Committee), Ricard Wennerklint, representing If Skadeförsäkring AB and Anders Moberg, Chairman of the Board of Clas Ohlson AB.

The composition of the Nomination Committee is based on the owner relationship at 30 September 2013. The Nomination Committee represents approximately 70 per cent of the total number of company shares (votes). The above Nomination Committee will serve until a new Nomination Committee has been elected.

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

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

Outlook

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

Growth in new markets will occur in accordance with the long-term financial objectives. During the coming years, establishment in new markets, both proprietary and through franchising, is expected to have a negative impact of up to 2-3 percentage points on Clas Ohlson's operating margin during a financial year. During financial year 2013/14 Clas Ohlson plans to establish 12-17 new stores.

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

Two stores are planned to be established in either Kuwait or the United Arab Emirates in 2014 on the basis of a franchising agreement signed with Al Homaizi Group regarding the establishment of Clas Ohlson's retail concept in the GCC (Gulf Cooperation Council) region. Following an evaluation of the initial stores that are established there, the ambition is to establish at least 20 stores in the region over a five-year period.

Preparations are also ongoing for entering the German market with one to two stores, initially in northern Germany, and online shopping with a planned launch no earlier than the 2014 calendar year.

The preparations for the implementation of a new IT platform that will support Clas Ohlson's operations and future growth and development are under way.

Long-term financial objectives

The objective for long-term sales growth is a minimum annual growth rate of 10 per cent, measured as the average annual sales increase over a five-year period. The profitability objective is to achieve an operating margin of at least 10 per cent annually. The margin objective includes the expected negative impact of 2 to 3 percentage points on new markets from the ongoing expansion.

Risks and uncertainties

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

Operational risks primarily comprise establishment in new markets, purchasing in Asia, IT systems, competition, logistics, strikes, key employees, social responsibility, product range and shrinkage, while financial risks mainly comprise economic trends, wage inflation, raw-material prices, transport costs and exchange-rate exposure.

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

Accounting policies

Clas Ohlson applies the International Financial Reporting Standards (IFRS) adopted by the EU. This interim report has been prepared in accordance with the Swedish Annual Accounts Act, IAS 34 Interim Financial Reporting and RFR 1 Supplementary Accounting Rules for Groups.

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's Recommendation RFR 2. The

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

The IASB (International Accounting Standards Board) has issued new and revised IFRSs as well as interpretations that apply from 1 May 2013. However, they 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 2012/13 Annual Report, pages 64-66.

Financial information

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

Press and analyst conference

A press and analyst conference will be held on Wednesday, 11 December at 10:00 a.m. at Operaterassen in Stockholm, Sweden, and can also be followed on the Clas Ohlson website <http://om.clasohlson.com> or www.financialhearings.com

Financial information

- The interim report for the third quarter of 2013/14 will be published on 12 March 2014
- The year-end report for 2013/14 will be published on 11 June 2014
- The Annual Report for the 2013/14 financial year will be published in August 2014
- The 2013/14 Annual General Meeting will be held on 13 September 2014 in Insjön, Sweden

For further information, please contact:

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Sara Kraft Westrell, Director of Information and Investor Relations, +46 (0)247-649 13

The information in this interim report is such that Clas Ohlson is obligated to publish according to the Securities Market Act. This information was submitted for publication on 11 December 2013 at 08:00 a.m. (CET).

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, 11 December 2013

Anders Moberg
Chairman of the Board

Kenneth Bengtsson

Björn Haid

Sanna Suvanto-Harsaae

Urban Jansson

Cecilia Marlow

Edgar Rosenberger

Katarina Sjögren Petrini

Klas Balkow
President and CEO

Johan Åhlberg
Employee representative (Handels)

Henrik Andersson
Employee representative (Unionen)

Review report

Introduction

We have reviewed the interim report for the period 1 May 2013 – 31 October 2013 for Clas Ohlson AB (publ). The board of directors and the Chief Executive Officer 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.

Scope of review

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410 *Review of Interim Financial Information Performed by Company's Auditors*. 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 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 prepared, in all material respects, 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, 11 December 2013

Deloitte AB

Kent Åkerlund
Authorised Public Accountant

Clas Ohlson in brief

Business concept

Our business concept is to make it easy for people to solve their everyday practical problems. This business concept is based on an original saying by the founder Clas Ohlson: “We will sell dependable products at low prices and the right quality according to need.”

Vision and objectives

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

Sales growth of at least 10 per cent

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

Operating margin at least 10 per cent

The profitability objective is an operating margin of at least 10 per cent. During the coming years, establishment in new markets is expected to have a negative impact of up to 2-3 percentage points on Clas Ohlson’s operating margin during a financial year. Growth in new markets will occur in accordance with the long-term financial objectives.

Business model and strategies

An affordable and attractive range

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

High level of service

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

Accessible and inspiring

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

Responsible for people and the environment

We take responsibility for our own operations and our impact on people and the environment. We also make demands on our suppliers with regard to working conditions, the work environment and environmental impact. Clas Ohlson is involved in key social issues and works together with Save the Children to make a contribution in a greater context.

Seasonal fluctuations

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

Consolidated Income Statement

SEKm	3 months		6 months		Rolling 12 months 01/11/12- 31/10/13	Latest annual accounts	
	01/08/13- 31/10/13	3 months 01/08/12- 31/10/12	01/05/13- 31/10/13	6 months 01/05/12- 31/10/12		12 months 01/05/12- 30/04/13	12 months 01/05/11- 30/04/12
Sales	1,677.7	1,614.2	3,184.2	3,076.3	6,626.8	6,518.9	6,260.0
Cost of goods sold	-952.0	-936.8	-1,830.5	-1,777.1	-3,862.9	-3,809.5	-3,623.7
Gross profit	725.7	677.4	1,353.7	1,299.2	2,763.9	2,709.4	2,636.3
Selling expenses	-552.6	-530.8	-1,044.4	-1,007.1	-2,140.7	-2,103.4	-1,906.6
Administrative expenses	-46.5	-44.6	-90.1	-89.3	-174.7	-173.9	-168.4
Other operating income/expenses	-0.8	0.0	-1.1	-0.3	-2.3	-1.5	-0.7
Operating profit	125.8	102.0	218.1	202.5	446.2	430.6	560.6
Net financial income/expenses	-0.4	-1.9	-0.7	-3.1	-8.3	-10.7	-9.6
Profit after financial items	125.4	100.1	217.4	199.4	437.9	419.9	551.0
Income tax	-31.1	-27.7	-53.9	-54.5	-87.8	-88.4	-150.5
Profit for the period	94.3	72.4	163.5	144.9	350.1	331.5	400.5
Gross margin (%)	43.3	42.0	42.5	42.2	41.7	41.6	42.1
Operating margin (%)	7.5	6.3	6.8	6.6	6.7	6.6	9.0
Return on capital employed (%)	-	-	-	-	23.9	23.2	27.9
Return on equity (%)	-	-	-	-	19.6	18.3	23.1
Equity/assets ratio (%)	49.7	49.3	49.7	49.3	49.7	59.1	60.3
Sales per sq.m in stores, SEK thousand	-	-	-	-	30	31	34
Data per share							
Number of shares before dilution	63,077,808	63,287,808	63,169,348	63,409,672	63,228,091	63,349,241	63,635,998
Number of shares after dilution	63,149,013	63,340,428	63,238,247	63,464,513	63,288,593	63,421,154	63,702,052
Number of shares at end of period	63,077,808	63,287,808	63,077,808	63,287,808	63,077,808	63,287,808	63,615,000
Earnings per share before dilution (SEK)	1.49	1.14	2.59	2.29	5.54	5.23	6.29
Earnings per share after dilution (SEK)	1.49	1.14	2.59	2.28	5.53	5.23	6.29
Equity per share (SEK)	26.85	26.26	26.85	26.26	26.85	29.02	28.98

Consolidated comprehensive income statement

SEKm	3 months		6 months		Rolling 12 months 01/11/12- 31/10/13	Latest annual accounts	
	01/08/13- 31/10/13	3 months 01/08/12- 31/10/12	01/05/13- 31/10/13	6 months 01/05/12- 31/10/12		12 months 01/05/12- 30/04/13	12 months 01/05/11- 30/04/12
Profit for the period	94.3	72.4	163.5	144.9	350.1	331.5	400.5
Other comprehensive income, net of tax:							
Items that later can be reversed back to the Consolidated income statement:							
Exchange differences	-3.0	17.6	-8.9	-20.4	-25.7	-37.2	20.9
Cash flow hedging	-2.4	-12.3	-6.5	-1.0	-2.9	2.6	8.0
Other comprehensive income, net of tax:	-5.4	5.3	-15.4	-21.4	-28.6	-34.6	28.9
Total comprehensive income for the period	88.9	77.7	148.1	123.5	321.5	296.9	429.4

Consolidated Balance Sheet

SEKm	31/10/13	31/10/12	30/04/13
Assets			
Intangible assets	110.5	102.9	111.0
Tangible assets	1,310.2	1,401.4	1,350.6
Financial assets	4.3	3.6	3.2
Inventories	1,599.1	1,496.0	1,303.9
Other receivables	245.0	259.1	214.9
Liquid assets	136.9	106.0	124.6
Total assets	3,406.0	3,369.0	3,108.2
Equity and liabilities			
Equity	1,693.8	1,662.0	1,836.5
Long-term liabilities, Non-interest-bearing	189.3	179.2	185.7
Current liabilities, Interest-bearing	200.0	248.3	0.0
Current liabilities, Non-interest-bearing	1,322.9	1,279.5	1,086.0
Total equity and liabilities	3,406.0	3,369.0	3,108.2

Consolidated Cash Flow

SEKm	3 months 01/08/13- 31/10/13	3 months 01/08/12- 31/10/12	6 months 01/05/13- 31/10/13	6 months 01/05/12- 31/10/12	12 months 01/05/12- 30/04/13
Operating profit	125.8	102.0	218.1	202.5	430.6
Adjustment for items not included in cash flow	56.1	49.7	107.0	104.4	203.2
Interest received	0.5	0.3	1.1	0.7	1.9
Interest paid	-0.5	-1.8	-1.4	-3.4	-12.6
Tax paid	-22.5	-28.3	-37.9	-63.4	-172.7
Cash flow from operating activities before changes in working capital	159.4	121.9	286.9	240.8	450.4
Change in working capital	-96.8	-41.6	-115.2	-65.1	67.4
Cash flow from operating activities	62.6	80.3	171.7	175.7	517.8
Investments in tangible assets	-45.7	-52.0	-58.7	-72.8	-130.3
Investments in intangible assets	-5.2	-7.9	-8.9	-21.5	-36.8
Change in current investments	0.0	0.2	0.0	0.2	0.6
Cash flow from investing activities	-50.9	-59.7	-67.6	-94.1	-166.5
Change in current liabilities, Interest-bearing	0.0	98.3	0.0	68.3	-30.0
Borrowings	200.0	150.0	200.0	150.0	150.0
Repayment of loans	0.0	0.0	0.0	0.0	-150.0
Repurchase of own shares	0.0	0.0	-21.7	-36.2	-36.2
Sale of own shares	0.0	0.8	0.0	0.8	0.8
Dividend to shareholders	-268.1	-269.0	-268.1	-269.0	-269.0
Cash flow from financing activities	-68.1	-19.9	-89.8	-86.1	-334.4
Cash flow for the period	-56.4	0.7	14.3	-4.5	16.9
Liquid assets at the start of the period	194.2	103.4	124.6	111.8	111.8
Exchange rate difference for liquid assets	-0.9	1.9	-2.0	-1.3	-4.1
Liquid assets at the end of the period	136.9	106.0	136.9	106.0	124.6

This interim report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish and the translation, the former shall have precedence.

Turnover by segments

	3 months 01/08/13- 31/10/13	3 months 01/08/12- 31/10/12	6 months 01/05/13- 31/10/13	6 months 01/05/12- 31/10/12
SEKm				
Sweden	771.4	742.2	1,474.4	1,433.7
Norway	683.7	669.0	1,289.0	1,262.4
Finland and UK	222.6	203.0	420.8	380.2
Group functions	640.9	711.3	969.4	1,066.7
Sales to other segments	-640.9	-711.3	-969.4	-1,066.7
Total	1,677.7	1,614.2	3,184.2	3,076.3

Operating profits by segments

	3 months 01/08/13- 31/10/13	3 months 01/08/12- 31/10/12	6 months 01/05/13- 31/10/13	6 months 01/05/12- 31/10/12
SEKm				
Sweden	28.2	25.0	51.0	47.2
Norway	25.9	23.2	46.0	43.0
Finland and UK	5.4	5.1	9.9	9.5
Group functions	66.3	48.7	111.2	102.8
Total	125.8	102.0	218.1	202.5

Forward contracts

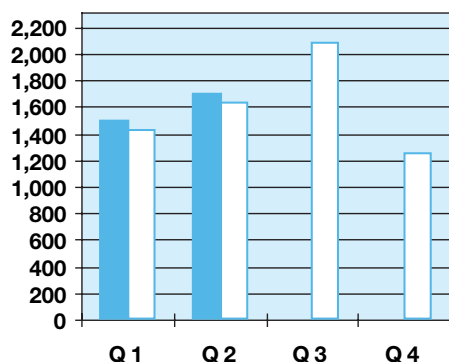
As per the balance-sheet date, outstanding cash-flow hedging existed according to the following table.

Currency pair SEKm	Carrying amount and fair value	
Sell/buy	31/10/13	31/10/12
NOK/SEK	2.7	5.3
SEK/USD	-5.6	-4.3
Total	-2.9	1.0

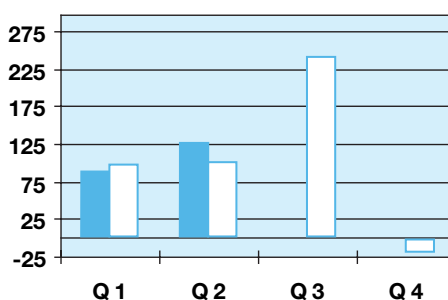
Results per quarter

	Q 2 13/14	Q 1 13/14	Q 4 12/13	Q 3 12/13	Q 2 12/13	Q 1 12/13	Q 4 11/12	Q 3 11/12	Q 2 11/12
SEKm									
Sales	1,677.7	1,506.5	1,273.5	2,169.1	1,614.2	1,462.1	1,271.9	2,048.6	1,552.5
Cost of goods sold	-952.0	-878.5	-757.6	-1,274.8	-936.8	-840.3	-751.7	-1,179.7	-896.5
Other operating expenses	-599.9	-535.7	-535.2	-646.9	-575.4	-521.3	-510.0	-561.7	-532.4
Operating profit	125.8	92.3	-19.3	247.4	102.0	100.5	10.2	307.2	123.6
Operating margin (%)	7.5	6.1	-1.5	11.4	6.3	6.9	0.8	15.0	8.0
Data per share									
Equity per share (SEK)	26.85	29.67	29.02	29.40	26.26	29.27	28.98	28.69	25.28

Sales (SEKm)



Operating profit (SEKm)



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

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

Specification of change in results

(After financial items, in SEKm)	3 months 01/08/13- 31/10/13	6 months 01/05/13- 31/10/13
Profit from sales	2.8	6.1
Change in gross margin	21.6	8.9
Increased administrative expenses	-1.9	-0.8
Decreased expansion costs stores	5.5	8.8
Increased depreciation	-3.4	-6.6
Change in financial income/expenses	1.5	2.4
Change in other operating income/expenses	-0.8	-0.8
Total	25.3	18.0

Change in equity

(attributable to the Parent company shareholders)

SEKm	6 months 01/05/13- 31/10/13	6 months 01/05/12- 31/10/12
Equity brought forward	1,836.5	1,843.8
Dividend to shareholders	-268.1	-269.0
Repurchase of own shares	-21.7	-36.2
Sale of own shares	0.0	0.8
Paid-in option premiums	-1.0	-0.9
Total comprehensive income	148.1	123.5
Equity carried forward	1,693.8	1,662.0

Forward contracts belong to the derivative category, which is used for hedging purposes. All derivatives are measured at fair value, established by using forward contract prices on the balance-sheet date, meaning, level 2 in the fair value hierarchy according to IFRS 7. As per 31 October, 2013, there are both positive and negative market values in the currency pairs. Forward contracts with negative market values totalled SEK 5.8 M (4.3), which was recognised in the item Current liabilities, non-interest-bearing. Forward contracts with positive market values amounted to SEK 2.9 M (5.3), which is recognised in the item Other receivables. Deferred tax of SEK 0.6 M was taken into account and the remaining fair value of SEK 2.3 M was recognised in the hedging reserve within equity.

Parent company Income Statement

SEKm	Note	3 months 01/08/13- 31/10/13	3 months 01/08/12- 31/10/12	6 months 01/05/13- 31/10/13	6 months 01/05/12- 31/10/12	Rolling 12 months 01/11/12- 31/10/13	Latest annual accounts 12 months 01/05/12- 30/04/13
Sales		1,412.3	1,453.4	2,443.8	2,500.4	5,100.8	5,157.4
Cost of goods sold	1	-970.1	-986.1	-1,822.9	-1,804.2	-3,757.5	-3,738.8
Gross profit		442.2	467.3	620.9	696.2	1,343.3	1,418.6
Selling expenses	1	-262.7	-239.4	-492.8	-468.3	-992.2	-967.7
Administrative expenses	1	-35.8	-34.3	-70.6	-69.8	-134.9	-134.1
Other operating income/expenses		-0.8	-0.2	-1.1	-0.5	-1.4	-0.8
Operating profit		142.9	193.4	56.4	157.6	214.8	316.0
Net financial items		-1.7	-2.9	-2.6	-5.6	-6.0	-9.0
Profit after financial items		141.2	190.5	53.8	152.0	208.8	307.0
Appropriations		0.0	0.0	0.0	0.0	-100.9	-100.9
Profit before tax		141.2	190.5	53.8	152.0	107.9	206.1
Income tax		-31.3	-51.3	-12.3	-40.1	-32.3	-60.1
Profit for the period		109.9	139.2	41.5	111.9	75.6	146.0

Parent company comprehensive income statement

SEKm		3 months 01/08/13- 31/10/13	3 months 01/08/12- 31/10/12	6 months 01/05/13- 31/10/13	6 months 01/05/12- 31/10/12	Rolling 12 months 01/11/12- 31/10/13	Latest annual accounts 12 months 01/05/12- 30/04/13
Profit for the period		109.9	139.2	41.5	111.9	75.6	146.0
Other comprehensive income, net of tax:							
Items that later can be reversed back to the Consolidated income statement:							
Income from hedge of net investment in foreign operations		4.0	3.5	4.1	-15.7	-1.2	-21.0
Other comprehensive income, net of tax:		4.0	3.5	4.1	-15.7	-1.2	-21.0
Total comprehensive income for the period		113.9	142.7	45.6	96.2	74.4	125.0

Parent company Balance Sheet

SEKm	31/10/13	31/10/12	30/04/13
Assets			
Intangible assets	110.5	102.8	111.0
Tangible assets	981.2	1,029.1	998.8
Financial assets	238.0	239.4	233.9
Inventories	1,100.2	1,015.3	867.0
Other receivables	582.5	501.1	293.8
Liquid assets	65.5	31.6	26.8
Total assets	3,077.9	2,919.3	2,531.3
Equity and liabilities			
Equity	524.4	739.8	769.6
Untaxed reserves	824.0	723.1	824.0
Provisions	26.1	16.5	18.2
Long-term liabilities, Non-interest-bearing	5.0	5.0	5.0
Current liabilities, Interest-bearing	200.0	248.3	0.0
Current liabilities, Non-interest-bearing	1,498.4	1,186.6	914.5
Total equity and liabilities	3,077.9	2,919.3	2,531.3
Pledged assets	0.0	0.0	0.0
Contingent liabilities	277.5	281.8	275.3

Note 1 Depreciation

Depreciation for the first six months amounts to 68.2 SEKm (64.3 SEKm).

Depreciation for the second quarter amounts to 34.2 SEKm (32.3 SEKm).

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