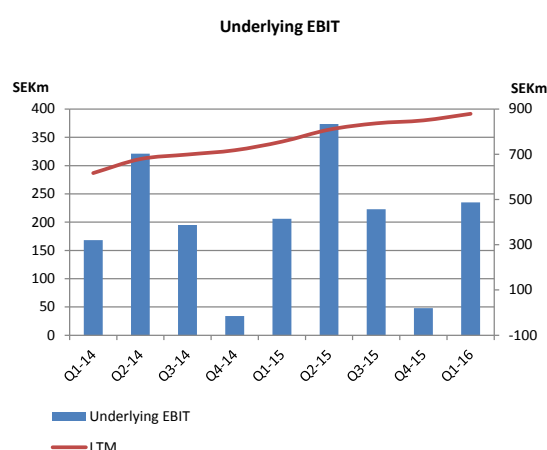
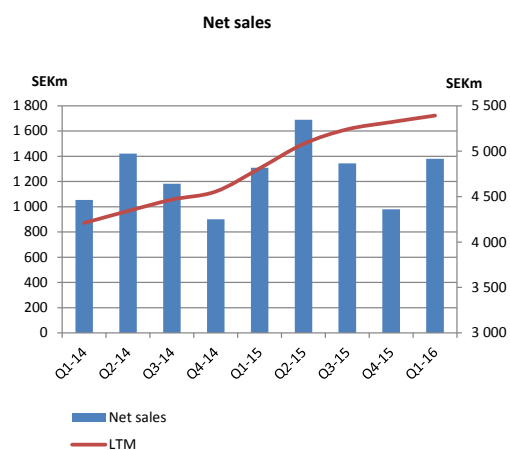


# Thule Group

## Interim report for the first quarter, January-March 2016<sup>1</sup>

- **Net sales** for the quarter amounted to SEK 1,380m (1,309) corresponding to an increase of 5.5 percent. Adjusted for exchange rate fluctuations, sales rose 6.0 percent.
- **Underlying EBIT** amounted to SEK 235m (206), corresponding to an increase of 13.8 percent and a margin of 17.0 percent (15.7). Adjusted for exchange rate fluctuations, underlying EBIT rose 15.0 percent and the margin improved 1.3 percentage points.
- **Net income** was SEK 169m (139).
- **Cash flow from operating activities<sup>2</sup>** was a negative SEK 31m (neg: 151).
- **Earnings per share before dilution** amounted to SEK 1.67 (1.39).

	Jan - Mar 2016	Jan - Mar 2015	%	LTM	Full-year 2015	%
Net sales, SEKm	1 380	1 309	+5.5	5 392	5 320	+1.3
Underlying EBIT, SEKm	235	206	+13.8	879	850	+3.3
Operating income (EBIT), SEKm	231	203	+14.3	854	825	+3.5
Net income from continuing operations, SEKm	169	139	+21.5	617	587	+5.1
Earnings per share, SEK	1.67	1.39	+20.1	-	5.87	-
Cash flow from operating activities, SEKm <sup>2</sup>	-31	-151	-	782	662	+18.1



<sup>1</sup> Unless otherwise stated, the comparative figures pertain to continuing operations, excluding the Snow Chain Division, which was divested in 2015.

<sup>2</sup> The comparative figures are based on the total operations, meaning both continuing operations and operations that were discontinued in 2015.

# CEO's comments

## A strong start to the year

The positive trend from 2015 continued in the first quarter of 2016, with a sales growth of 6 percent after currency adjustments and a sharp increase in profitability.

Similar to 2015 it was the Sport&Cargo Carriers and Other Outdoor&Bags product categories that drove growth, while Bags for Electronic Devices was more challenged. In terms of our geographic markets, Europe continued to be the company's growth engine, largely due to a number of successful product launches.

The many new products introduced during the quarter gave rise to higher launch costs than in the same period previous year. We were still able to improve our operating profit after currency adjustment by 15 percent driven by higher sales and a positive product mix. On a rolling annual basis, the underlying EBIT margin thus amounted to 16.3 percent (16.0 percent for the full-year 2015).

## Successful launches for Outdoor&Bags

Sales for Outdoor&Bags rose SEK 66m during the quarter, driven primarily by a number of successful major product launches in the end of the quarter. The most important of these launches were made in the bike carriers categories in Europe. The new model of the world's bestselling roof-mounted bike carrier Thule ProRide, and Thule VeloSpace (a tow bar mounted bike carrier for heavy e-bikes) have both generated a great deal of market interest. Other examples of successful launches included the new Thule Versant and Thule Stir hiking backpacks, which have been very well received.

## Europe continues to perform well

During the quarter, sales in Region Europe & ROW increased 11 percent after currency adjustment. We continued to capture market shares in the region in the largest category, Sport&Cargo Carriers. Furthermore, we continued to grow strongly in Other Outdoor&Bags due to the expanded range of backpacks in Sport&Travel Bags. We also increased the number of stores that sell our sports strollers and bicycle trailers during the quarter. In RV Products, we captured further market shares in a category that moreover displayed robust market growth.

The Bags for Electronic Devices category was negatively affected during the quarter. Sales of camera bags continued to decline and a number of smaller export markets had a weaker development.

During the quarter our Asian third-party distribution center was relocated from Hong Kong to Yantian on the Chinese mainland without any problems. The new structure will yield cost savings and more efficient management of goods sold in Asia.

## Region Americas in line with expectations

In Region Americas, sales declined by 4 percent in the quarter, which was in line with our expectations.

Aside from the continued negative trend for Bags for Electronic Devices, sales in Latin America were weak, largely attributable to the generally problematic economic situation and some degree of political unrest.

Sport&Cargo Carriers performed well, with roof racks and bike carriers as the strongest categories. The major new volume product was the tow bar mounted Thule T2 Pro bike carrier. Other Outdoor&Bags posted another quarter of strong growth, with our sport strollers and hiking backpacks proving to be particularly positive categories.

We inaugurated our new roof box plant in Chicago during the quarter. The new plant has a more efficient layout that facilitates greater flexibility and cost efficiency. We also opened a new third-party distribution center in the Western US. The new center is the first step in the sweeping reorganization of the North American distribution structure that we will implement over the coming 18-month period.

## Another strong quarter for Work Gear

Work Gear continued to perform well in the first quarter and sales increased SEK 6m (4 percent after currency adjustment) and underlying EBIT improved by SEK 10m. Our focus on profitable growth with an emphasis on an enhanced product mix and reduced product costs contributed to the profitability improvement.

## We look forward to an active spring and summer

With a good start to the year and many exciting new products at the retail level, we look forward to an interesting and highly active spring and summer season.



Magnus Welander,  
CEO and President

## Financial overview<sup>3</sup>

### Trend for the first quarter

#### Net sales

In the first quarter of 2016, net sales amounted to SEK 1,380m (1,309), representing an increase of 5.5 percent. Adjusted for exchange rate fluctuations, net sales for the Group rose 6.0 percent.

In the Outdoor&Bags segment, net sales totaled SEK 1,265m (1,200), corresponding to an increase of 5.5 percent or 6.2 percent after currency adjustments. In Region Europe & ROW, sales increased 11.0 percent after currency adjustment. Region Americas declined 4.3 percent after currency adjustment, continuing to be negatively impacted by weaker sales in the Bags for Electronic Devices product category.

In the Specialty segment, net sales totaled SEK 115m (109), up 5.4 percent or 3.9 percent after currency adjustments.

	Jan - Mar
Change in net sales	<b>2016</b>
Changes in exchange rates	-0.5%
Structural changes	0.0%
Organic growth	6.0%
<b>Total</b>	<b>5.5%</b>

#### Gross income

Gross income for the quarter totaled SEK 562m (517), corresponding to a gross margin of 40.7 percent (39.5). The improvement in the gross margin was generated by an advantageous change in the product mix for the larger product categories and by positive mix changes within product groups, such as bike carriers.

#### Operating income

Operating income totaled SEK 231m (203). Underlying EBIT was SEK 235m (206), corresponding to a margin of 17.0 percent (15.7). Changes in exchange rates had an overall negative impact of SEK 2m on underlying EBIT, compared with the first quarter of 2015. After currency adjustment, we achieved a year-on-year margin improvement of 1.3 percentage points in the quarter. The improvement was achieved due to a positive product mix and a number of efficiency enhancements in sourcing and logistics.

	Jan - Mar
Change in underlying EBIT-margin	
Underlying EBIT 2016	235
Underlying EBIT-margin 2016	17.0%
Underlying EBIT 2015	206
Underlying EBIT-margin 2015	15.7%
Underlying EBIT 2015, currency adjusted	204
Underlying EBIT-margin 2015, currency adjusted	15.7%
<b>Change in underlying EBIT-margin, currency adjusted</b>	<b>1.3%</b>

<sup>3</sup> Unless otherwise stated, the comparative figures in the overview pertain to continuing operations, excluding the Snow Chain Division, which was divested in 2015.

### Net financial items

In the first quarter, net financial items amounted to an expense of SEK 7m (expense: 20). Exchange rate differences on loans and cash and cash equivalents were SEK 5m (neg: 9). The interest expense for borrowings was SEK 12m (expense: 11).

### Net income for the period

In the first quarter, net income was SEK 169m, corresponding to earnings per share of SEK 1.67 before dilution (SEK 1.66 after dilution). For the corresponding year-earlier period, net income from continuing operations totaled SEK 139m, corresponding to earnings per share of SEK 1.39 before dilution (SEK 1.38 after dilution).

### Cash flow<sup>4</sup>

#### Cash flow for the period

Cash flow from operating activities in the first quarter was a negative SEK 31m (neg: 151). The significantly improved cash flow compared with previous year was partly the result of an improved operating income, but mainly due to a normalization effect from our inventory levels compared with the corresponding period in 2015. The change in working capital was negatively impacted in the first quarter of 2015 by the opening of a new eastern European distribution center, causing the Group to tie up more capital than in normal operating conditions. Investments in tangible assets amounted to SEK 33m (20). During the period, an issue valued at SEK 88m was carried out as a result of the exercise of warrants.

### Financial position

At March 31, 2016, the Group's equity amounted to SEK 3,402m (3,263). The equity ratio amounted to 47.3 percent (43.4).

Net debt was SEK 2,047m (2,722) at March 31, 2016. Total long-term borrowing amounted to SEK 2,349m (2,404), and comprised loans from credit institutions of SEK 2,346m (2,412), gross, capitalized financing costs of SEK 11m (14) and the long-term portion of financial derivatives of SEK 14m (5). Total current financial liabilities amounted to SEK 13m (401) and comprised the short-term portion of financial derivatives and finance lease liabilities.

SEKm	Mar 31 2016	Mar 31 2015	Dec 31 2015
Long-term loans, gross	2 346	2 412	2 361
Financial derivative liability, long-term	14	5	13
Short-term loans, gross	6	304	5
Financial derivative liability, short-term	7	18	13
Overdraft facilities	0	79	0
Capitalized financing costs	-11	-14	-11
Accrued interest	0	0	0
<b>Gross debt</b>	<b>2 363</b>	<b>2 805</b>	<b>2 381</b>
Financial derivative asset	-21	-7	-28
Cash and cash equivalents	-295	-75	-274
<b>Net debt</b>	<b>2 047</b>	<b>2 722</b>	<b>2 079</b>

Pledged assets for Thule Group amounted to SEK 21m (27).

At March 31, 2016, goodwill totaled SEK 3,973m. Goodwill pertaining to continuing operations totaled SEK 4,148m at March 31, 2015. The decrease was fully attributable to currency effects.

At March 31, 2016, inventories amounted to SEK 780m. At March 31, 2015, inventories pertaining to continuing operations amounted to SEK 795m.

<sup>4</sup>The comparative period is based on total operations, meaning both continuing and discontinued operations.

## Other information

### Seasonal variations

Thule Group's sales and operating income are partially affected by seasonal variations. During the first quarter, sales are affected in the Outdoor&Bags segment (roof boxes, ski-racks, snowsport backpacks, etc.) by winter conditions. In the second and third quarters, primarily Outdoor&Bags is impacted by how early the spring or summer arrives, while sales in individual quarters may be impacted by the quarter in which spring or summer occurs. In the fourth quarter, seasonal variations are primarily attributable to sales of winter-related products (roof boxes, ski-racks, snowsport backpacks, etc.) and sales of products in the Outdoor&Bags segment's bag category prior to major holidays.

### Employees

The average number of employees was 2,239 (2,128). The increase was mainly attributable to early staffing for the season at our Polish and Swedish plants to manage increased sales volumes.

### Events after the balance-sheet date

No significant events that could impact the operations occurred after the end of the reporting period.

### Thule Group's share

The shares of Thule Group AB are listed on the Nasdaq Stockholm Mid Cap list. At March 31, 2016, the total number of shares in issue was 101,036,455.

Thule Group's 2014/2016 warrants program ended on January 12, 2016 and this meant that the number of shares in the company increased by 1,036,455.

### Proposed dividend

The Board of Directors proposes a dividend of SEK 253m which, based on the number of shares outstanding at March 31, 2016, corresponds to a dividend of SEK 2.50 per share. Similar to the preceding year, it is proposed that dividends will be paid in two installments for a better adaptation to the Group's cash flow profile.

The proposed record date for the first dividend payment of SEK 1.25 per share is April 28, 2016 and the record date for the second payment of SEK 1.25 per share is proposed as October 7, 2016.

### Shareholders

At March 31, 2016, Thule Group AB had 2,629 shareholders. At this date, the largest shareholders were NC Outdoor VII AB (10.5 percent of the votes), AMF - Försäkring och Fonder (8.8 percent of the votes), Nordea Fonder (6.6 percent of the votes) and Lannebo Fonder (6.2 percent of the votes).

### Parent Company

Thule Group AB's principal activity pertains to head office functions such as Group-wide management and administration. The comments below refer to the period January 1-March 31, 2016. The Parent Company invoices its costs to Group companies. The Parent Company reported negative net income of SEK 2m (0).

Cash and cash equivalents and current investments amounted to SEK 0m (0). Long-term liabilities to credit institutions totaled SEK 2,325m (2,686).

The Parent Company's financial position is dependent on the financial position and development of its subsidiaries. The Parent Company is therefore indirectly impacted by the risks described in Note 6, Risks and uncertainties.

# Performance by business segment

## Outdoor&Bags

SEKm	Jan - Mar		Change		Full-year	
	2016	2015	Rep.	Adjust. <sup>1</sup>	LTM	2015
Net sales	1 265	1 200	5.5%	6.2%	4 927	4 862
- Region Europe & ROW	912	828	10.1%	11.0%	3 239	3 156
- Region Americas	353	371	-4.8%	-4.3%	1 688	1 706
Operating income	239	221	8.1%		890	872
Underlying EBIT	241	224	7.9%	9.0%	913	895
Operating margin, %	18.9%	18.4%			18.1%	17.9%
Underlying EBIT margin, %	19.1%	18.7%			18.5%	18.4%

<sup>1</sup> Adjustment for changes in exchange rates

In the first quarter of 2016, net sales in Outdoor&Bags rose to SEK 1,265m (1,200), an increase of 5.5 percent. Adjusted for exchange rate fluctuations, net sales rose 6.2 percent.

Sales in this business segment rose mainly due to a continued strong trend in Region Europe & ROW, which increased 11.0 percent after currency adjustment, driven by the Sport&Cargo Carriers and Other Outdoor&Bags product categories. The bike carrier category performed particularly strongly in Europe, with the new Thule ProRide roof-mounted bike carrier and Thule VeloSpace (a tow bar mounted bike carrier for heavy e-bikes), both rapidly driving sales growth in the largest category.

In Region Europe & ROW, we also continued to grow rapidly in Other Outdoor&Bags. With a strong underlying market in recreational vehicles and our increased market shares in the category, RV Products developed rapidly. For Sport&Travel Bags our positive performance continued through new products for the season such as the new Thule Versant and Thule Stir hiking backpacks. The positive reception to our sport strollers and bicycle trailers among consumers in 2015 also convinced additional stores to offer the products in 2016.

These product categories also performed positively in Region Americas. However, as expected, both regions continued to be impacted by weak sales in Bags for Electronic Devices. The trend in this category has a greater impact on Region Americas, due to the larger share of sales in this category. The camera market remained weak, thereby affecting our camera bag sales. Aside from the weak US market, we were negatively impacted during the quarter by the fact that a number of smaller countries with relatively substantial sales in Bags for Electronic Devices posted poor sales performances in the year-earlier period, primarily Turkey (due to new import duties), South Africa (as a result of a significantly weaker local currency) and Latin America (on account of the challenging macro-economic environment).

It is also noteworthy that two major general sporting goods retailers in the US (Sports Authority with 140 stores and Sports Chalet with 47 stores) have filed for Chapter 11 bankruptcy protection in the past two months. While both of these retailers were customers of Thule Group, they principally retail conventional sports clothing and some equipment and were thus not key customers of Thule's more outdoor-oriented products. We continue to work proactively to ensure that we will not be impacted in any significant manner by the Chapter 11 processes. Furthermore, we do not anticipate any marked impact on sales moving forward, given that consumers can visit several alternative stores.

Our long-term improvement efforts in relation to our global manufacturing and distribution structure continued with a number of major steps taken during the quarter. During the quarter, our Asian third-party distribution center was relocated from Hong Kong to Yantian on the Chinese mainland. In North America, we opened a new third-party distribution center for the Western US. The new center is the first step in the complete reorganization of the North American distribution structure that we will implement over the coming 18-month period.

We also inaugurated our new roof box plant in Chicago, in the US. The new plant has a more efficient layout that facilitates greater flexibility and cost efficiency in our manufacturing processes.

In the first quarter of 2016, underlying EBIT amounted to SEK 241m (224), corresponding to a margin of 19.1 percent (18.7). After currency adjustment, this represents a year-on-year improvement of 0.5 percentage points, despite an intensified focus on product launches compared with the corresponding quarter in 2015. The improvements were achieved via a positive product mix and a number of efficiency enhancements in sourcing and logistics.

## Specialty

SEKm	Jan - Mar		Change		Full-year	
	2016	2015	Rep.	Adjust. <sup>1</sup>	LTM	2015
Net sales	115	109	5.4%	3.9%	463	458
- Work Gear	115	109	5.4%	3.9%	463	458
Operating income	22	12			71	60
Underlying EBIT	22	12	89.4%	88.8%	71	60
Operating margin, %	19.6%	10.9%			15.3%	13.1%
Underlying EBIT margin, %	19.6%	10.9%			15.3%	13.1%

<sup>1</sup> Adjustment for changes in exchange rates

Net sales for the first quarter amounted to SEK 115m (109), corresponding to an increase of 5.4 percent, driven primarily by rack solutions for pick-up trucks. Adjusted for exchange rate fluctuations, net sales rose 3.9 percent.

Underlying EBIT for the first quarter totaled SEK 22m (12) and the operating margin was 19.6 percent (10.9). The sharp improvement in EBIT was due in part to specifically higher production-related costs for the comparative period in the preceding year that were related to the work carried out in recent years to enhance the efficiency of our plant in Florida, in the US. Furthermore, raw material costs were lower during the quarter at the same time as efficiency within production was improved and the customer mix was positive.

Our strategic review of the US Work Gear operation is ongoing and focus remains on continued increased profitable growth.

The Board of Directors and the President provide their assurance that this interim report provides a fair and accurate view of the Group's and the Parent Company's operations, financial position and earnings, and describes the material risks and uncertainties faced by the Parent Company and other companies in the Group.

April 26, 2016

Board of Directors

**Review report**

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



A selection of product launches during the period



**Thule Versant** – a lightweight and versatile hiking backpack that is customizable for a perfect fit.



**Thule VeloSpace** – the ideal bike carrier for heavy mountain bikes or e-bikes.

# Financial statements

(Unless otherwise stated, all amounts are in SEK m)

## Consolidated Income Statement

	Note	Jan - Mar 2016	2015	LTM	Full-year 2015
<b>Continuing operations</b>					
Net sales	2	1 380	1 309	5 392	5 320
Cost of goods sold		-819	-792	-3 296	-3 269
<b>Gross income</b>		<b>562</b>	<b>517</b>	<b>2 096</b>	<b>2 051</b>
Other operating revenue		0	2	-1	1
Selling expenses		-252	-236	-944	-927
Administrative expenses		-74	-76	-298	-299
Other operating expenses		-4	-5	-1	-2
<b>Operating income</b>	2	<b>231</b>	<b>203</b>	<b>854</b>	<b>825</b>
Net interest expenses/revenue		-7	-20	-46	-60
<b>Income before taxes</b>		<b>225</b>	<b>183</b>	<b>807</b>	<b>765</b>
Taxes	5	-56	-44	-190	-178
<b>Net income from continuing operations</b>		<b>169</b>	<b>139</b>	<b>617</b>	<b>587</b>
<b>Discontinued operations</b>					
Net income from discontinued operations	3	-	3	-146	-143
<b>Net income</b>		<b>169</b>	<b>142</b>	<b>472</b>	<b>444</b>
Net income pertaining to:					
Shareholders of Parent Company		169	142	472	444
of which, pertaining to continuing operations		169	139	617	587
of which, pertaining to discontinued operations		-	3	-146	-143
<b>Net income</b>		<b>169</b>	<b>142</b>	<b>472</b>	<b>444</b>
Earnings per share continuing operations, SEK before dilution		1.67	1.39		5.87
Earnings per share continuing operations, SEK after dilution		1.66	1.38		5.84
Earnings per share, SEK before dilution		1.67	1.42		4.44
Earnings per share, SEK after dilution		1.66	1.41		4.42
Average number of shares (millions)		100.9	100.0		100.0

## Consolidated Statement of Comprehensive Income

	Jan - Mar 2016	2015	LTM	Full-year 2015
Net income	169	142	472	444
<b>Items that have been carried over or can be carried over to net income</b>				
Foreign currency translation	-68	193	-252	9
Cash flow hedges	-14	15	6	34
Net investment hedge	13	-20	54	21
Translation differences from foreign currency translation and net investments recognized in net income	-	-	-26	-26
Tax on components in other comprehensive income	-3	-22	-1	-20
Tax on components in other comprehensive income recognized in net income	-	-	-6	-6
<b>Items that cannot be carried over to net income</b>				
Revaluation of defined-benefit pension plans	-8	-13	9	4
Tax pertaining to items that cannot be carried over to net income	2	3	-2	-1
<b>Other comprehensive income</b>	<b>-79</b>	<b>155</b>	<b>-217</b>	<b>17</b>
<b>Total comprehensive income</b>	<b>90</b>	<b>297</b>	<b>254</b>	<b>461</b>
Total comprehensive income pertaining to:				
Shareholders of Parent Company	90	297	254	461
<b>Total comprehensive income</b>	<b>90</b>	<b>297</b>	<b>254</b>	<b>461</b>

## Consolidated Balance Sheet

	Mar 31 2016	Mar 31 2015	Dec 31 2015
<b>Assets</b>			
Intangible assets	3 998	4 189	4 061
Tangible assets	513	575	485
Long-term receivables	52	7	51
Deferred tax receivables	507	546	508
<b>Total fixed assets</b>	<b>5 070</b>	<b>5 316</b>	<b>5 106</b>
Inventories	780	954	722
Tax receivables	8	11	12
Accounts receivable	860	1 027	610
Prepaid expenses and accrued income	53	53	54
Other receivables	124	74	121
Cash and cash equivalents	295	75	274
<b>Total current assets</b>	<b>2 120</b>	<b>2 195</b>	<b>1 794</b>
<b>Total assets</b>	<b>7 189</b>	<b>7 511</b>	<b>6 899</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>3 402</b>	<b>3 263</b>	<b>3 228</b>
Long-term interest-bearing liabilities	2 349	2 404	2 363
Provisions for pensions	129	148	120
Deferred tax liabilities	173	154	184
<b>Total long-term liabilities</b>	<b>2 651</b>	<b>2 706</b>	<b>2 666</b>
Short-term interest-bearing liabilities	13	401	18
Accounts payable	535	558	449
Taxes liabilities	164	89	129
Other liabilities	39	43	28
Accrued expenses and deferred income	354	360	341
Provisions	32	92	40
<b>Total short-term liabilities</b>	<b>1 136</b>	<b>1 542</b>	<b>1 005</b>
<b>Total liabilities</b>	<b>3 787</b>	<b>4 248</b>	<b>3 671</b>
<b>Total equity and liabilities</b>	<b>7 189</b>	<b>7 511</b>	<b>6 899</b>

## Consolidated Statement of Changes in Equity

	Jan - Mar 2016	2015	Full-Year 2015
Opening balance, January 1	3 228	2 966	2 966
Net income	169	142	444
Other comprehensive income	-79	155	17
<b>Total comprehensive income</b>	<b>90</b>	<b>297</b>	<b>461</b>
Transactions with the Group's owners:			
New share issue	88	-	-
Dividend	-	-	-200
Other	-4	-	-
<b>Closing balance</b>	<b>3 402</b>	<b>3 263</b>	<b>3 228</b>

## Consolidated Statement of Cash Flow<sup>5</sup>

	Jan - Mar 2016	2015	Full-Year 2015
Income before taxes	225	183	765
Income from discontinued operations before taxes	-	3	-146
Adjustments for items not included in cash flow	10	26	216
Paid income taxes	-35	-31	-137
<b>Cash flow from operating activities prior to changes in working capital</b>	<b>200</b>	<b>180</b>	<b>697</b>
<b>Cash flow from changes in working capital</b>			
Increase(-)/Decrease (+) in inventories	-64	-132	-81
Increase(-)/Decrease (+) in receivables	-284	-289	81
Increase(+)/Decrease (-) in liabilities	118	90	-36
<b>Cash flow from operating activities</b>	<b>-31</b>	<b>-151</b>	<b>662</b>
<b>Investing activities</b>			
Sale of subsidiaries	-	-	62
Acquisition/divestment of tangible assets	-33	-20	-99
<b>Cash flow from investing activities</b>	<b>-33</b>	<b>-20</b>	<b>-36</b>
<b>Financing activities</b>			
New issue of shares	88	-	-
Other	-4	-	0
Dividend	-	-	-200
Debt repaid/new loans	0	131	-265
<b>Cash flow from financing activities</b>	<b>84</b>	<b>131</b>	<b>-465</b>
Net cash flow	21	-40	160
Cash and cash equivalents at beginning of period	274	114	114
Effect of exchange rates on cash and cash equivalents	0	2	-0
<b>Cash and cash equivalents at end of period</b>	<b>295</b>	<b>75</b>	<b>274</b>

<sup>5</sup>Comparative figures are based on total operations, meaning both continuing and discontinued operations.

## Parent Company Income Statement

	Jan - Mar 2016	2015	Full-year 2015
Other operating revenue	5	6	24
Other operating expenses	0	0	0
Administrative expenses	-8	-7	-32
<b>Operating income</b>	<b>-4</b>	<b>-1</b>	<b>-9</b>
Net interest expense/income	1	1	4
<b>Income after financial items</b>	<b>-3</b>	<b>0</b>	<b>-4</b>
Appropriations	0	0	2
<b>Net income before taxes</b>	<b>-3</b>	<b>0</b>	<b>-3</b>
Taxes	0	0	1
<b>Net income</b>	<b>-2</b>	<b>0</b>	<b>-2</b>

## Parent Company Balance Sheet

	Mar 31 2016	Mar 31 2015	Dec 31 2015
<b>Assets</b>			
Financial fixed assets	4 932	4 994	4 946
<b>Total fixed assets</b>	<b>4 932</b>	<b>4 994</b>	<b>4 946</b>
Other current receivables	2	8	4
Cash and cash equivalents	0	0	0
<b>Total current assets</b>	<b>2</b>	<b>8</b>	<b>4</b>
<b>Total assets</b>	<b>4 934</b>	<b>5 002</b>	<b>4 950</b>
<b>Equity and liabilities</b>			
<b>Equity</b>	<b>1 550</b>	<b>1 670</b>	<b>1 469</b>
Other provisions	2	0	2
Liabilities to credit institutions	2 325	2 686	2 338
Liabilities to Group companies	368	368	368
<b>Total long-term liabilities</b>	<b>2 695</b>	<b>3 054</b>	<b>2 708</b>
Liabilities to credit institutions	0	264	0
Liabilities to Group companies	672	0	757
Other current liabilities	17	14	15
<b>Total short-term liabilities</b>	<b>689</b>	<b>277</b>	<b>773</b>
<b>Total equity and liabilities</b>	<b>4 934</b>	<b>5 002</b>	<b>4 950</b>

## Disclosures, accounting policies and risk factors

Disclosures in accordance with Paragraph 16A of IAS 34 *Interim Financial Reporting* can be found in the financial statements and the associated notes as well as in other sections of the interim report.

### Note 1 Accounting policies

This condensed consolidated interim report has been prepared in accordance with IAS 34, *Interim Financial Reporting*, and the applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act on interim financial reporting. The same accounting policies and calculation methods have been applied for the Group and Parent Company as in the most recent Annual Report. Other new and revised IFRSs that became effective in 2016 have had no material impact on the Group's earnings and financial position.

### Note 2 Operating segments

The Snow Chain Division that was previously included in the Specialty operating segment was divested in 2015 and is reported as a discontinued operation. Refer to Note 3 Discontinued operations. Comparative figures for the Snow Chain Division have been excluded retroactively.

	Outdoor&Bags		Specialty		Group common		Eliminations		Group	
	Jan - Mar		Jan - Mar		Jan - Mar		Jan - Mar		Jan - Mar	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>Sales to customers</b>	<b>1 265</b>	<b>1 200</b>	<b>115</b>	<b>109</b>	<b>0</b>	<b>0</b>			<b>1 380</b>	<b>1 309</b>
Intercompany sales	1	2	0	0	0	0	-1	-2	0	0
<b>Underlying EBITDA</b>	<b>256</b>	<b>237</b>	<b>24</b>	<b>13</b>	<b>-29</b>	<b>-29</b>			<b>250</b>	<b>220</b>
Operating depreciation/amortization	-14	-13	-1	-1	-1	0			-16	-14
<b>Underlying EBIT</b>	<b>241</b>	<b>224</b>	<b>22</b>	<b>12</b>	<b>-29</b>	<b>-30</b>			<b>235</b>	<b>206</b>
Other depreciation/amortization	-3	-3	0	0	0	0			-3	-4
Items affecting comparability	0	0	0	0	0	0			0	0
<b>Operating income</b>	<b>239</b>	<b>221</b>	<b>22</b>	<b>12</b>	<b>-30</b>	<b>-30</b>			<b>231</b>	<b>203</b>
Net interest expense/income									-7	-20
Taxes									-56	-44
Net income from discontinued operations									0	3
<b>Consolidated net income</b>									<b>169</b>	<b>142</b>

### Note 3 Discontinued operations

	Jan - Mar 2015
Revenue	57
Expenses	-55
<b>Income before taxes</b>	<b>3</b>
Taxes	0
<b>Net income from discontinued operations</b>	<b>3</b>
Earnings per share, discontinued operations, SEK	0.03

	Jan - Mar 2015
<b>Cash flow from discontinued operations</b>	
Operating cash flow before investments	23
Operating cash flow after investments	24

## Note 4 Fair value of financial instruments

	Fair value	
	Mar 31	Mar 31
	2016	2015
<hr/>		
Assets - Financial derivatives		
Long-term financial receivables	46	0
Currency forward contracts	9	3
Currency swaps	5	1
Currency options	7	4
Interest rate swaps	0	0
<b>Total financial assets</b>	<b>67</b>	<b>7</b>
<hr/>		
Liabilities - Financial derivatives		
Currency forward contracts	-2	-9
Currency swaps	-1	-2
Currency options	-4	-7
Interest rate swaps	-14	-5
<b>Total financial liabilities</b>	<b>-22</b>	<b>-24</b>

The carrying amount is an approximation of the fair value for all financial assets and liabilities. The Group's long-term liabilities are subject to floating interest rates, which means that changes in the basic interest rate will have no significant impact on the fair value of the liabilities. According to the company's assessment, neither have there been any changes in the credit margins that would significantly impact the fair value of the liabilities. The financial instruments measured at fair value in the balance sheet consist of derivatives held to hedge the Group's exposure to interest rates, currency rates and raw material prices. All derivatives belong to Level 2. The Group's financial asset pertaining to the additional purchase consideration that has arisen in conjunction with the divestment of the Snow Chain division belongs to Level 3 of the hierarchy for measuring fair value as described in IFRS 13.

## Note 5 Taxes

The company is involved in an ongoing tax dispute in Germany. Regarding the tax audits for the years 2005 – 2008, the tax agency in Germany has made a decision that corresponds with its earlier view of this issue. As the company announced earlier, the German tax agency has issued a judgment on an increase in the tax base, which would add another approximately EUR 17.6m in further taxes and accrued interest for the company. The company has appealed the decision of the German tax agency regarding Thule Deutschland Holding GmbH. In total, the Group has made a provision of SEK 46m for tax/interest rates attributable to the above dispute. A tax payment of SEK 42m pertaining to a partial payment of the German tax agency claim was made in 2015. In addition, a tax audit is ongoing in Germany for the 2009 – 2012 period. The German tax agency has yet to take a decision regarding these years.

The effective tax rate for the January-March 2016 period was 24.9 percent compared with 23.9 percent for the year-earlier period. No significant events affecting the Group's effective tax rate occurred during the period.

## Note 6 Risks and uncertainties

Thule Group is an international company and its operations may be affected by a number of risk factors in the form of operational and financial risks. The operational risks are managed by the operational units and the financial risks by the central finance department. The operational risks comprise the overall economic trend, as well as consumption by both consumers and professional users, primarily in North America and Europe, where most of the Group's sales are conducted. An economic downturn in these markets could have a negative impact on the Group's sales and earnings. Changes in product technology and sales channel shifts could also affect the Group's sales and earnings negatively.

Thule Group's operations are also exposed to seasonal variations. Demand for consumer products for an active outdoor lifestyle (such as bike carriers or water sport-related products) is greatest during the warmer months of the year, while demand for cases for electronic products is greatest when schools start, at the end of the year and when new electronic products are launched. Thule Group has adapted its production processes and supply chain in response to these variations.

Other relevant risk factors are described in Thule Group's Annual Report and pertain to industry and market-related risks, operating risks and financial risks.



## Key figures

	Jan - Mar		Full-year	
	2016	2015	LTM	2015
Net sales, SEKm	1 380	1 309	5 392	5 320
Net sales growth, %	5.5%	24.2%	-	16.8%
Net sales growth, adjusted % <sup>1</sup>	6.0%	8.7%	-	5.1%
Gross margin, %	40.7%	39.5%	38.9%	38.6%
Underlying EBIT, SEKm	235	206	879	850
Underlying EBIT margin, %	17.0%	15.7%	16.3%	16.0%
Operating income (EBIT), SEKm	231	203	854	825
Operating margin, %	16.8%	15.5%	15.8%	15.5%
Earnings per share, SEK	1.67	1.39	-	5.87
Earnings per share, SEK (total operations)	1.67	1.42	-	4.44
Equity ratio, % <sup>2</sup>	47.3%	43.4%	47.3%	46.8%
Working capital, SEKm <sup>2</sup>	997	1 053	997	807
Debt/equity ratio <sup>2</sup>	2.2	3.4	2.2	2.3

<sup>1</sup> Adjustment for changes in exchange rates

<sup>2</sup> Comparative period, first quarter 2015, is based on total operations (incl. discontinued operations)

## Definitions

**Continuing operations** Comprises the Outdoor & Bags and Specialty operating segments.

**Debt/equity ratio** Net debt divided by the underlying rolling 12-month EBITDA.

**Discontinued operations** Comprises the Snow Chain division.

**Earnings per share** Net income for the period divided by the average number of shares during the period.

**EBIT** (Earnings Before Interest and Taxes) Income before net financial items and taxes.

**EBITDA** (Earnings before interest, taxes, depreciation and amortization) Income before net financial items, taxes and depreciation/amortization and impairment of tangible and intangible assets.

**EBITDA margin** EBITDA as a percentage of net sales.

**EBIT margin** EBIT as a percentage of net sales.

**Equity per share** Equity divided by the number of shares at the end of the period.

**Equity ratio** Equity as a percentage of total assets.

**Gross debt** Total long and short-term borrowing including overdraft facilities, financial derivatives, capitalized financing costs and accrued interest.

**Gross income** Net sales less cost of goods sold.

**Gross margin** Gross income as a percentage of net sales.

**Net debt** Gross debt less cash and cash equivalents.

**Net investments** Investments in tangible and intangible assets adjusted for disposals.

**R12** Rolling 12-month.

**Underlying EBIT** EBIT excluding items affecting comparability and depreciation/amortization of consolidated excess values.

**Underlying EBITDA** EBITDA excluding items affecting comparability.

**Working capital** Comprises inventories, tax receivables, accounts receivable, prepaid expenses and accrued income, other receivables, cash and cash equivalents less accounts payable, income tax liabilities, other liabilities, accrued expenses and deferred income and provisions.

## Financial calendar

Thule Group AGM (Malmö)  
Interim report April-June 2016  
Interim report, July-September 2016

April 26, 2016  
July 21, 2016  
October 28, 2016

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## About Thule Group

Thule Group is a world leader in products that make it easy to bring the things you care for – easily, securely and in style – when living an active life. Under the motto *Active Life, Simplified* – we offer products within two segments: **Outdoor&Bags** (e.g. equipment for cycling-, water- and winter sports, roof boxes, bike trailers, sport strollers, child bike seats, laptop and camera bags, backpacks and cases for mobile handheld devices) and **Specialty** (pick-up truck tool boxes).

Thule Group has about 2,000 employees at nine production facilities and 35 sales offices worldwide. The Group's products are sold in 139 markets and in 2015, sales amounted to SEK 5.3 billion. [www.thulegroup.com](http://www.thulegroup.com)



# Thule Group»

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