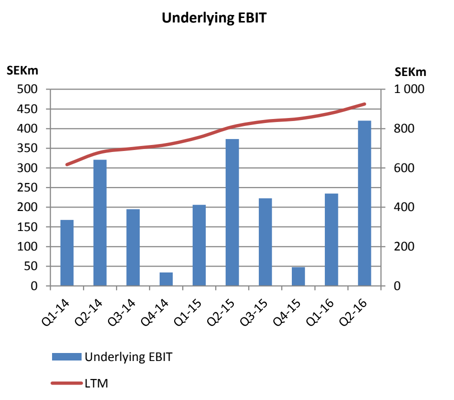
Interim report for the second quarter, April-June 2016[1]

- **Net sales** for the quarter amounted to SEK 1,795m (1,689), corresponding to an increase of 6.3 percent. Adjusted for exchange rate fluctuations, sales rose 8.2 percent.
- **Operating income** amounted to SEK 417m (370), corresponding to an increase of 12.7 percent and a margin of 23.2 percent (21.9). Underlying EBIT was SEK 420m (374) and adjusted for exchange rate fluctuations, underlying EBIT rose 9.9 percent and the margin improved 0.4 percentage points.
- **Net income** was SEK 308m (278).
- **Cash flow from operating activities[2]** totaled SEK 381m (248).
- **Earnings per share before dilution** amounted to SEK 3.05 (2.78).
- After the balance-sheet date, GMG B.V. – the leading manufacturer of child bike seats in the Benelux region – was acquired for EUR 10.0m on a debt-free basis. GMG B.V. had sales of EUR 6.1m in 2015.

	Apr-Jun 2016	Apr-Jun 2015	%	**Jan-Jun 2016**	Jan-Jun 2015	%	Full-year 2015
Net sales, SEKm	**1 795**	1 689	*+6.3*	**3 175**	2 997	*+5.9*	5 320
Underlying EBIT, SEKm	**420**	374	*+12.5*	**655**	580	*+12.9*	850
Operating income (EBIT), SEKm	**417**	370	*+12.7*	**649**	573	*+13.3*	825
Net income from continued operations, SEKm	**308**	278	*+11.1*	**477**	416	*+14.6*	587
Earnings per share, SEK	**3,05**	2.78	*+9.7*	**4,73**	4.16	*+13.7*	5.87
Cash flow from operating activities, SEKm[2]	**381**	248	*+53.6*	**350**	97	*+261.5*	662



[1] Unless otherwise stated, the comparative figures pertain to continuing operations, excluding the Snow Chain Division, which was divested in 2015. In addition to financial definitions under IFRS, alternative performance measures are used to describe the underlying development in operations and to enhance comparability between periods.

[2] The comparative figures are based on the total operations, meaning both continuing operations and operations that were discontinued in 2015.

CEO's comments

Strong growth in the first six months

We continued our strong growth in the second quarter of 2016, driven primarily by successful product launches. Sales growth in the second quarter was 8.2 percent (after currency adjustments), meaning that we posted growth of 7.2 percent for the first six months.

In the Sport&Cargo Carriers and Other Outdoor&Bags product categories, we accelerated our growth, predominantly in Europe.

This positive volume growth and product mix also enabled us to continue to increase profitability, despite a slightly weaker trend in the US, where the market was characterized by a certain degree of concern in the wake of the bankruptcy of two sporting goods chains.

Underlying EBIT increased 9.9 percent during the quarter after currency adjustment. On a rolling annual basis, the margin thus now amounts to 16.8 percent (16.0 percent for the full-year 2015).

Region Europe & ROW shows strong growth

We are very pleased about how well our various growth initiatives in Region Europe & ROW delivered during the quarter, with sales growth of 12.8 percent after currency adjustments.

We continued to drive market growth and capture market share in our largest category, Sport&Cargo Carriers, due to highly appreciated product launches and continued close cooperation at the retailer level. Furthermore, we continued to grow rapidly in Other Outdoor&Bags, driven by a steady rise in awareness of our test-winning products in Active with Kids, as well as the expanded range of backpacks in Sport&Travel Bags. In RV Products, we continued the positive trend seen in the first quarter, capturing market shares in a category that also displayed robust market growth.

As expected, the Bags for Electronic Devices category was slightly better than expected than in the first quarter due to reduced exposure to shrinking categories, such as camera bags.

A challenging market in Region Americas

In Region Americas, sales increased by 0.5 percent during the quarter (after currency adjustment), which was slightly down on expectations. We generated growth in Canada and Latin America, while the market situation in the US was less stable.

The bankruptcies of two major US retail chains in the sports and outdoor market during the spring has impacted overall confidence at the retail level, including the Sport&Cargo Carriers category. The performance of the bike market was also weaker than expected in the US.

Nevertheless, the signals in the market indicate that we are defending our market shares in Sport&Cargo carriers and are capturing market shares in Other Outdoor&Bags, in the somewhat weaker overall market.

Following very positive PR, the trend in Other Outdoor&Bags remained highly favorable in the Active with Kids category. This relates in particular to our sport strollers, a product range that is now growing rapidly. The trend for hiking backpacks also remained positive.

The Bags for Electronic Devices category was more stable during the second quarter, following a very weak first quarter. The focus on growth of bags for everyday use, such as smaller backpacks and laptop cases, continues.

Improved profitability in Work Gear

The focus on profitable growth via an improved product mix and enhanced production efficiency continued to bear fruit. During the second quarter, sales increased marginally by SEK 1m (after currency adjustment), while operating income rose by SEK 6m (after currency adjustment). The main growth driver was racks for pick-up trucks, a product for which our margins are higher.

Active with Kids acquisition strengthens portfolio

In early July, we acquired GMG B.V., the leading manufacturer of child bike seats in the Benelux region, with sales of EUR 6.1m in 2015. The products (sold under the Yepp brand) will be an excellent complement to our existing range of child bike seats and matches our strategy to grow in the Active with Kids category. GMG B.V. has operated with a lean, product-focused sales and marketing organization with six employees and we expect a swift and smooth integration.

An exciting trade show period and summer

With a solid start to the year, peak season and many exciting new products to exhibit during the summer's trade shows, Thule Group has much to look forward to in the period ahead.

Magnus Welander,
CEO and President

Financial overview[3]

Trend for the second quarter

Net sales

In the second quarter of 2016, net sales amounted to SEK 1,795m (1,689), representing an increase of 6.3 percent. Adjusted for exchange rate fluctuations, net sales for the Group rose 8.2 percent.

In the Outdoor&Bags segment, net sales totaled SEK 1,682m (1,574), corresponding to an increase of 6.8 percent or 8.7 percent after currency adjustments. In Region Europe & ROW, sales increased 12.8 percent after currency adjustment. Region Americas also increased its sales by 0.5 percent after currency adjustment.

In the Specialty segment, net sales totaled SEK 113m (114), up 1.2 percent after currency adjustments.

	Apr-Jun	Jan-Jun
Change in net sales	2016	2016
Changes in exchange rates	-1.9%	-1.3%
Structural changes	0.0%	0.0%
Organic growth	8.2%	7.2%
Total	**6.3%**	**5.9%**

Gross income

Gross income for the quarter totaled SEK 747m (685), corresponding to a gross margin of 41.6 percent (40.5). Gross income was positively impacted by currency effects (0.9 percentage points).

Operating income

Operating income totaled SEK 417m (370). Underlying EBIT was SEK 420m (374), corresponding to an underlying EBIT margin of 23.4 percent (22.1). Changes in exchange rates had an overall positive impact of SEK 9m on underlying EBIT, compared with the second quarter of 2015. After currency adjustment, we achieved a year-on-year margin improvement of 0.4 percentage points in the quarter. The improvement was the result of strong growth, a positive product mix and an efficient cost structure.

	Apr-Jun	Jan-Jun
Change in underlying EBIT-margin	2016	2016
Underlying EBIT 2016	420	655
Underlying EBIT-margin 2016	23.4%	20.6%
Underlying EBIT 2015	374	580
Underlying EBIT-margin 2015	22.1%	19.3%
Underlying EBIT 2015, currency adjusted	383	586
Underlying EBIT-margin 2015, currency adjusted	23.1%	19.8%
Change in underlying EBIT-margin, currency adjusted	**0.4%**	**0.8%**

[3] 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 second quarter, net financial items amounted to an expense of SEK 10m (expense: 15) and comprises in its entirety interest expense for borrowings.

Net income for the period

In the second quarter, net income was SEK 308m, corresponding to earnings per share of SEK 3.05 before dilution and SEK 3.03 after dilution. For the corresponding year-earlier period, net income from continuing operations totaled SEK 278m, corresponding to earnings per share of SEK 2.78 before dilution (SEK 2.76 after dilution).

Trend for the first six months

Net sales

In the first half of 2015, net sales amounted to SEK 3,175m (2,997), representing an increase of 5.9 percent. Adjusted for exchange rate fluctuations, net sales for the Group rose 7.2 percent.

Sales for the Outdoor&Bags segment rose 10.8 percent in Region Europe & ROW, while the Group's sales in Region Americas – primarily the US – were negatively impacted by the sales trend mainly in the Bags for Electronic Devices product category. Net sales in the Specialty segment rose 2.0 percent.

Gross income

Gross income amounted to SEK 1,308m (1,202) corresponding to a gross margin of 41.2 percent (40.1). Gross income was positively impacted by currency effects (0.5 percentage points). The improvement in gross margin was brought about by a favorable change in the product mix of the major product categories, with a smaller share of sales in the product category with the lowest average gross margins, namely, Bags for Electronic Devices.

Operating income

Operating income totaled SEK 649m (573). Underlying EBIT was SEK 655m (580), corresponding to a margin of 20.6 percent (19.3). The improvement was achieved due to a positive product mix and initiatives to enhance sourcing and logistics efficiency.

Changes in exchange rates had an overall positive impact of SEK 7m on underlying EBIT, compared with the first six months of 2015. After currency adjustment, the Group achieved a year-on-year margin improvement of 0.8 percentage points.

Net financial items

In the first half of 2016, net financial items amounted to an expense of SEK 17m (expense: 35), and were impacted by exchange rate differences of SEK 5m (neg: 9) on loans and cash and cash equivalents. The interest expense for borrowings during the first half of 2015 was SEK 22m (expense: 26).

Net income for the period

For the first half of 2016, net income amounted to SEK 477m, corresponding to earnings per share of SEK 4.73 before dilution (SEK 4.70 after dilution). For the corresponding year-earlier period, net income from continuing operations totaled SEK 416m, corresponding to earnings per share of SEK 4.16 before dilution and SEK 4.15 after dilution.

Cash flow[4]

Net cash flow for the period

Cash flow from operating activities was SEK 350m (97) for the first six months. The sharp improvement in cash flow on the year-earlier period was the result of improvements in operating income and working capital. The change in working capital was negatively impacted in the first six months of 2015 by the opening of a new eastern European distribution center and a new third-party warehouse in the Netherlands. Investments in tangible assets amounted to an expense of SEK 49m (expense: 35). During the period, an issue valued at SEK 88m was carried out as a result of the exercise of warrants.

[4] The comparative period is based on total operations, meaning both continuing and discontinued operations.

Financial position

At June 30, 2016, the Group's equity amounted to SEK 3,507m (3,257). The equity ratio amounted to 45.6 percent (43.3).

At June 30, 2016, net debt amounted to SEK 1,880m (2,546). Total long-term borrowing amounted to SEK 2,408m (2,367), and comprised loans from credit institutions of SEK 2,400m (2,379), gross, capitalized financing costs of SEK 10m (expense: 13) and the long-term portion of financial derivatives of SEK 17m (1). Total current financial liabilities amounted to SEK 23m (316) and comprised the short-term portion of financial derivatives and finance lease liabilities.

SEKm	Jun 30 2016	Jun 30 2015	Dec 31 2015
Long-term loans, gross	2 400	2 379	2 361
Financial derivative liability, long-term	17	1	13
Short-term loans, gross	5	304	5
Financial derivative liability, short-term	18	12	13
Overdraft facilities	0	0	0
Capitalized financing costs	-10	-13	-11
Accrued interest	1	0	0
Gross debt	**2 431**	**2 684**	**2 381**
Finanial derivative asset	-19	-11	-28
Cash and cash equivalents	-532	-126	-274
Net debt	**1 880**	**2 546**	**2 079**

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

At June 30, 2016, goodwill totaled SEK 4,058m. Goodwill pertaining to continuing operations totaled SEK 4,088m at June 30, 2015. The decrease was fully attributable to currency effects.

At June 30, 2016, inventories amounted to SEK 755m. At June 30, 2015, inventories pertaining to continuing operations amounted to SEK 754m.

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 2,301 (2,261). 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

On July 4, Thule Group acquired the Dutch company GMG B.V., the leading manufacturer of child bike seats in the Benelux markets. In 2015, GMG B.V. reported sales of EUR 6.1m, specializing in child bike seats under the Yepp brand. GMG B.V. has operated with a lean, product-focused sales and marketing organization with six employees and an office in Zwanenburg in the Netherlands. The total purchase consideration was EUR 10.0m on a debt-free basis.

Thule Group's share

The shares of Thule Group AB are listed on the Nasdaq Stockholm Mid Cap list. At June 30, 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.

Dividend

The Annual General Meeting on April 26 approved a dividend of SEK 253m, corresponding to SEK 2.50 per share based on the number of shares outstanding at June 30, 2016. Similar to the preceding year, dividends will be paid in two installments for a better adaptation to the Group's cash flow profile.

The record date for the first dividend payment of SEK 1.25 per share was April 28, 2016 and the record date for the second payment of SEK 1.25 per share was set at October 7, 2016.

Shareholders

At June 30, 2016, Thule Group AB had 2,691 shareholders. At this date, the largest shareholders were AMF – Försäkring och Fonder (10.1 percent of the votes), Lannebo Fonder (7.1 percent of the votes) and Nordea Fonder (5.9 percent of the votes).

Parent Company

Thule Group AB's principal activity pertains to head office functions such as Group common management and administration. The comments below refer to the period January 1-June 30, 2016. The Parent Company invoices its costs to Group companies. The Parent Company reported negative net income of SEK 5m (neg: 1).

Cash and cash equivalents and current investments amounted to SEK 0m (0). Long-term liabilities to credit institutions totaled SEK 2,379m (2,355).

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	Apr - Jun 2016	Apr - Jun 2015	Change Rep.	Change Adjust.[1]	Jan - Jun 2016	Jan - Jun 2015	Change Rep.	Change Adjust.[1]
Net sales	1 682	1 574	*6.8%*	*8.7%*	2 947	2 774	*6.3%*	*7.6%*
- Region Europe & ROW	1 158	1 039	*11.5%*	*12.8%*	2 070	1 867	*10.8%*	*12.0%*
- Region Americas	524	536	*-2.1%*	*0.5%*	878	907	*-3.2%*	*-1.5%*
Operating income	428	382	*12.2%*		667	602	*10.7%*	
Underlying EBIT	431	385	*12.0%*	*9.3%*	672	608	*10.5%*	*9.2%*
Operating margin, %	25.4%	24.2%			22.6%	21.7%		
Underlying EBIT margin, %	25.6%	24.4%			22.8%	21.9%		

[1] Adjustment for changes in exchange rates

In the second quarter of 2016, net sales in Outdoor&Bags rose to SEK 1,682m (1,574), an increase of 6.8 percent. Adjusted for exchange rate fluctuations, net sales rose 8.7 percent.

Sales in this business segment rose mainly due to a continued strong trend in Region Europe & ROW, which grew by 12.8 percent after currency adjustment, driven by the Sport&Cargo Carriers and Other Outdoor&Bags product categories. In the Sport&Cargo Carriers category, sales of bike carriers and roof boxes were extremely positive during the quarter.

The highly positive trend also continued for the Other Outdoor&Bags product category. Because of the strong market for sales of recreational vehicles and our increased market shares in the category, development in RV Products was highly favorable. The positive trend in Sport&Travel Bags and, to an even greater extent, Active with Kids, continued to deliver strong sales growth in especially technical packs, sport strollers and child bike seats.

In Region Americas, the trend in Sport&Cargo Carriers was weaker, primarily due to an unstable US market. The bankruptcy of two major general sporting goods retailers (Sports Authority with 140 stores and Sports Chalet with 47 stores) in the US during the spring has generally impacted the market, and thus also Thule Group. Although both of these retail chains mainly sold conventional sports equipment, and therefore were not key customers for Thule's outdoor-oriented products, their going-out-of-business sales of in-store stock and the general turmoil surrounding the closures led to uncertainty among other retail chains. During the period, a weaker bike category also impacted our sales, leading to that that we did not fully meet our expectations in the US during the quarter. Our North American sales were also affected by our decision to initiate a product recall of Thule Sprint (a roof-mounted bike carrier) during the quarter. A provision was made in profit for the second quarter for the anticipated costs associated with the product recall and this is not expected to have any material impact on the Group's earnings for 2016.

As expected, both regions reported relatively weak sales in Bags for Electronic Devices. However, the trend in this category was significantly better than in the first quarter, with a significantly larger share of sales of more general bags for everyday use (such as smaller backpacks and laptop cases) and a smaller share of bags for specific electronic devices.

Operating income in the second quarter of 2016 amounted to SEK 428m (382) and underlying EBIT to SEK 431m (385), corresponding to a margin of SEK 25.6 percent (24.4). After currency adjustment, this represents a year-on-year improvement of 0.1 percentage points.

Specialty

SEKm	Apr - Jun 2016	2015	Change Rep.	Adjust.[1]	Jan - Jun 2016	2015	Change Rep.	Adjust.[1]
Net sales	113	114	*-1.3%*	*1.2%*	227	223	*2.0%*	*2.6%*
- Work Gear	113	114	*-1.3%*	*1.2%*	227	223	*2.0%*	*2.6%*
Operating income	18	12	*46.7%*		40	24	*67.9%*	
Underlying EBIT	18	12	*46.7%*	*54.8%*	40	24	*67.9%*	*72.2%*
Operating margin, %	15.6%	10.5%			17.6%	10.7%		
Underlying EBIT margin, %	15.6%	10.5%			17.6%	10.7%		

[1] Adjustment for changes in exchange rates

Net sales for the second quarter amounted to SEK 113m (114), corresponding to a decrease of 1.3 percent. Adjusted for exchange rate fluctuations, net sales rose 1.2 percent.

Underlying EBIT for the second quarter totaled SEK 18m (12) and the operating margin was 15.6 percent (10.5). The sharp improvement in EBIT was driven by lower raw material costs, further efficiency improvements in production and a positive product and customer mix.

Our strategic review of the US Work Gear operation is ongoing.

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.

July 21, 2016

Stefan Jacobsson Chairman of the Board	Bengt Baron Board member	Hans Eckerström Board member
Lilian Fossum Biner Board member	Liv Forhaug Board member	David Samuelson Board member
Heléne Mellquist Board member	Magnus Welander CEO	

Review report

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

Key products during the period

Yepp Maxi – the core product in GMG's product portfolio. The company was acquired by Thule Group in July.

Thule BackSpace mounted on **Thule VeloSpace** – a practical semi-hard foldable cargo box that adds extra loading space for such items as golf bags or strollers, fitted on 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

		Apr - Jun		Jan - Jun			Full-year
	Note	2016	2015	2016	2015	LTM	2015
Continuing operations							
Net sales	2	1 795	1 689	3 175	2 997	5 498	5 320
Cost of goods sold		-1 048	-1 004	-1 867	-1 796	-3 340	-3 269
Gross income		**747**	**685**	**1 308**	**1 202**	**2 158**	**2 051**
Other operating revenue		0	1	0	3	-2	1
Selling expenses		-252	-242	-504	-478	-954	-927
Administrative expenses		-74	-75	-148	-151	-296	-299
Other operating expenses		-4	1	-8	-4	-5	-2
Operating income	2	**417**	**370**	**649**	**573**	**901**	**825**
Net interest expense/income		-10	-15	-17	-35	-41	-60
Income before taxes		**407**	**355**	**632**	**538**	**860**	**765**
Taxes	5	-99	-77	-155	-121	-212	-178
Net income from continued operations		**308**	**278**	**477**	**416**	**648**	**587**
Discontinued operations							
Net income from discontinued operations	3	-	-23	-	-21	-122	-143
Net income		**308**	**254**	**477**	**396**	**526**	**444**
Consolidated net income pertaining to:							
Shareholders of Parent Company		308	254	477	396	526	444
of which, pertaining to continuing operations		308	278	477	416	648	587
of which, pertaining to discontinued operations		-	-23	-	-21	-122	-143
Net income		**308**	**254**	**477**	**396**	**526**	**444**
Earnings per share continuing operations, SEK before dilution		3.05	2.78	4.73	4.16		5.87
Earnings per share continuing operations, SEK after dilution		3.03	2.76	4.70	4.15		5.84
Earnings per share, SEK before dilution		3.05	2.54	4.73	3.96		4.44
Earnings per share, SEK after dilution		3.03	2.53	4.70	3.94		4.42
Average number of shares (millions)		101.0	100.0	101.0	100.0		100.0

Consolidated Statement of Comprehensive Income

	Apr - Jun		Jan - Jun			Full-year
	2016	2015	2016	2015	LTM	2015
Net income	308	254	477	396	526	444
Items that have been carried over or can be carried over to net income						
Foreign currency translation	126	-119	57	74	-7	9
Cash flow hedges	-13	14	-26	29	-21	34
Net investment hedge	-51	32	-39	12	-29	21
Translation differences from foreign currency translation and net investments recognized in net income	0	0	0	0	-26	-26
Period change in fair value of available for sale financial assets	-24	0	-24	0	-24	0
Tax on components in other comprehensive income	16	3	13	-19	13	-20
Tax on components in other comprehensive income recognized in net income	0	0	0	0	-6	-6
Items that cannot be carried over to net income						
Revaluation of defined-benefit pension plans	-6	13	-14	0	-10	4
Tax pertaining to items that cannot be carried over to net income	1	-3	3	0	2	-1
Other comprehensive income	**49**	**-60**	**-29**	**95**	**-107**	**17**
Total comprehensive income	**358**	**194**	**448**	**491**	**418**	**461**
Total comprehensive income pertaining to:						
Shareholders of Parent Company	358	194	448	491	418	461
Total comprehensive income	**358**	**194**	**448**	**491**	**418**	**461**

Consolidated Balance Sheet

	Jun 30 2016	Jun 30 2015	Dec 31 2015
Assets			
Intangible assets	4 080	4 125	4 061
Tangible assets	523	559	485
Long-term receivables	31	6	51
Deferred tax receivables	521	523	508
Total fixed assets	**5 156**	**5 213**	**5 106**
Inventories	755	915	722
Tax receivables	4	6	12
Accounts receivable	1 064	1 103	610
Prepaid expenses and accrued income	54	54	54
Other receivables	121	100	121
Cash and cash equivalents	532	126	274
Total current assets	**2 530**	**2 303**	**1 794**
Total assets	**7 686**	**7 517**	**6 899**
Equity and liabilities			
Equity	**3 507**	**3 257**	**3 228**
Long-term interest-bearing liabilities	2 408	2 367	2 363
Provision for pensions	136	138	120
Deferred income tax liabilities	173	151	184
Total long-term liabilities	**2 716**	**2 656**	**2 666**
Short-term interest-bearing liabilities	23	316	18
Accounts payable	592	552	449
Taxes	242	131	129
Other liabilities	161	142	28
Accrued expenses and deferred income	414	381	341
Provisions	31	80	40
Total short-term liabilities	**1 463**	**1 604**	**1 005**
Total liabilities	**4 179**	**4 260**	**3 671**
Total equity and liabilities	**7 686**	**7 517**	**6 899**

Consolidated Statement of Changes in Equity

	Jan - Jun		Full-Year
	2016	2015	2015
Opening balance, January 1	3 228	2 966	2 966
Net income	477	396	444
Total other comprehensive income	-29	95	17
Total comprehensive income	**448**	**491**	**461**
Transactions with the Group's owners			
New share issue	88	0	0
Dividend	-253	-200	-200
Other	-4	0	0
Closing balance	**3 507**	**3 257**	**3 228**

Consolidated Statement of Cash Flow[5]

	Apr - Jun		Jan - Jun	
	2016	2015	2016	2015
Income before taxes	407	355	632	538
Income from discontinued operations before taxes	-	-23	-	-21
Adjustments for items not included in cash flow	32	23	43	49
Paid income taxes	-17	-25	-52	-57
Cash flow from operating activities prior to changes in working capital	**423**	**330**	**623**	**509**
Cash flow from changes in working capital				
Increase(-)/Decrease (+) in inventories	47	13	-17	-119
Increase(-)/Decrease (+) in receivables	-181	-97	-465	-385
Increase(+)/Decrease (-) in liabilities	92	2	210	92
Cash flow from operating activities	**381**	**248**	**350**	**97**
Investing activities				
Acquisition/divestment of tangible assets	-17	-17	-49	-35
Cash flow from investing activities	**-17**	**-17**	**-49**	**-35**
Financing activities				
New issue of shares	-	-	88	-
Other	-	-	-4	-
Dividend	-126	-100	-126	-100
Debt repaid/new loans	0	-81	0	50
Cash flow from financing activities	**-126**	**-181**	**-42**	**-50**
Net cash flow	238	51	258	12
Cash and cash equivalents at beginning of period	295	75	274	114
Effect of exchange rates on cash and cash equivalents	-1	-1	-1	0
Cash and cash equivalents at end of period	**532**	**126**	**532**	**126**

[5]Comparative figures are based on total operations, meaning both continuing and discontinued operations.

Parent Company Income Statement

	Apr - Jun		Jan - Jun		Full-year
	2016	2015	2016	2015	2015
Other operating revenue	5	6	9	12	24
Administrative expenses	-9	-8	-17	-15	-32
Operating income	**-4**	**-2**	**-8**	**-3**	**-9**
Net interest expense/income	1	1	2	2	4
Income after financial items	**-3**	**-1**	**-6**	**-1**	**-4**
Appropriations	0	0	0	0	2
Net income before taxes	**-3**	**-1**	**-6**	**-1**	**-3**
Taxes	0	0	0	0	1
Net income	**-3**	**-1**	**-5**	**-1**	**-2**

Parent Company Balance Sheet

	Jun 30 2016	Jun 30 2015	Dec 31 2015
Assets			
Financial fixed assets	4 986	4 963	4 946
Total fixed assets	**4 986**	**4 963**	**4 946**
Other current receivables	3	2	4
Cash and cash equivalents	0	0	0
Total current assets	**3**	**2**	**4**
Total assets	**4 989**	**4 966**	**4 950**
Equity and liabilities			
Equity	**1 295**	**1 469**	**1 469**
Other provisions	3	1	2
Liabilities to credit institutions	2 379	2 355	2 338
Liabilities to Group companies	368	368	368
Total long-term liabilities	**2 750**	**2 724**	**2 708**
Liabilities to credit institutions	0	300	0
Liabilities to Group companies	804	0	757
Other current liabilities	140	473	15
Total short-term liabilities	**944**	**773**	**773**
Total equity and liabilities	**4 989**	**4 966**	**4 950**

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. As of July 3, 2016, the European Securities and Markets Authority's (ESMA) Guidelines on Alternative Performance Measures have been applied. In accordance with these guidelines, disclosures have been expanded to include financial performance indicators not defined under IFRS. Alternative performance measures published in this report should not be regarded as a substitute for financial performance indicators defined in accordance with IFRS but rather as a complement and these do not need to be comparable with similarly entitled performance measures presented by other companies.

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	
	Apr - Jun		Apr - Jun		Apr - Jun		Apr - Jun		Apr - Jun	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Sales to customers	**1 682**	**1 574**	**113**	**114**	**0**	**0**			**1 795**	**1 689**
Intercompany sales	1	3	0	0	0	0	-1	-3	0	0
Underlying EBITDA	**446**	**398**	**19**	**13**	**-27**	**-22**			**437**	**389**
Operating depreciation/amortization	-15	-13	-1	-1	-1	-1			-17	-16
Underlying EBIT	**431**	**385**	**18**	**12**	**-28**	**-23**			**420**	**374**
Other depreciation/amortization	-3	-3	0	0	0	0			-3	-4
Items affecting comparability	0	0	0	0	0	0			0	0
Operating income	**428**	**382**	**18**	**12**	**-28**	**-23**			**417**	**370**
Net interest expense/income									-10	-15
Taxes									-99	-77
Net income from discontinued operations									0	-23
Consolidated net income									**308**	**254**

	Outdoor&Bags		Specialty		Group common		Eliminations		Group	
	Jan - Jun		Jan - Jun		Jan - Jun		Jan - Jun		Jan - Jun	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Sales to customers	**2 947**	**2 774**	**227**	**223**	**1**	**1**			**3 175**	**2 997**
Intercompany sales	2	4	0	0			-2	-4	0	0
Underlying EBITDA	**701**	**634**	**42**	**27**	**-56**	**-51**			**687**	**610**
Operating depreciation/amortization	-29	-26	-2	-3	-2	-2			-33	-30
Underlying EBIT	**672**	**608**	**40**	**24**	**-58**	**-53**			**655**	**580**
Other depreciation/amortization	-6	-6	0	0	-1	-1			-6	-7
Items affecting comparability	0	0	0	0	0	0			0	0
Operating income	**667**	**602**	**40**	**24**	**-58**	**-53**	**0**	**0**	**649**	**573**
Net interest expense/income									-17	-35
Taxes									-155	-121
Net income from discontinued operations									0	-21
Consolidated net income									**477**	**396**

Note 3 Discontinued operations

	Jan - Jun
	2015
Revenue	68
Expenses	-89
Income before taxes	**-21**
Taxes	0
Net income from discontinued operations	**-21**
Earnings per share, discontinued operations, SEK	-0.21

	Jan - Jun
	2015
Cash flow from discontinued operations	
Operating cash flow before investments	48
Operating cash flow after investments	47

Note 4 Fair value of financial instruments

	Fair value	
	Jun 30 2016	Jun 30 2015
Assets - Financial derivatives		
Long-term financial receivables	24	0
Currency forward contracts	7	4
Currency swaps	7	1
Currency options	5	3
Interest rate swaps	0	4
Total derivative assets	**43**	**11**
Liabilities - Financial derivatives		
Currency forward contracts	-7	-6
Currency swaps	-6	-1
Currency options	-6	-5
Interest rate swaps	-17	-1
Total derivative liabilities	**-36**	**-13**

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 variable interest rates, which means that changes in the basic interest rate will not have a 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-June 2016 period was 24.5 percent compared with 22.5 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

	Apr - Jun		Jan - Jun		Full-year
	2016	**2015**	**2016**	**2015**	**2015**
Net sales, SEKm	1 795	1 689	3 175	2 997	5 320
Net sales growth, %	6.3%	18.9%	5.9%	21.2%	16.8%
Net sales growth, adjusted %[1]	8.2%	5.4%	7.2%	6.8%	5.1%
Gross margin, %	41.6%	40.5%	41.2%	40.1%	38.6%
Underlying EBIT, SEKm	420	374	655	580	850
Underlying EBIT margin, %	23.4%	22.1%	20.6%	19.3%	16.0%
Operating income (EBIT), SEKm	417	370	649	573	825
Operating margin, %	23.2%	21.9%	20.4%	19.1%	15.5%
Earnings per share, SEK	3.05	2.78	4.73	4.16	5.87
Earnings per share, SEK (total operations)	3.05	2.54	4.73	3.96	4.44
Equity ratio, %[2]	45.6%	43.3%	45.6%	43.3%	46.8%
Working capital, SEKm[2]	1 091	1 016	1 091	1 016	807
Leverage ratio[2]	1.9	2.9	1.9	2.9	2.3

[1] Adjustment for changes in exchange rates

[2] Comparative periods, second quarter 2015 and first six months 2015, are based on total operations (incl. discontinued operations)

Alternative performance measures

Alternative performance measures are used to describe the underlying development of operations and to enhance comparability between periods. These are not defined under IFRS but correspond to the methods applied by Group Management and Board of directors to measure the company's financial performance. The alternative performance measures used are net debt (see table on page 5), underlying EBIT and underlying EBITDA. Underlying denotes that we have made adjustments for specific items, see Note 2 Operating segments. For further information, please refer to the Definitions section. These performance measures should not be viewed as a substitute for financial information presented in accordance with IFRS but rather as a complement.

Definitions

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

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.

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

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 margin Gross income as a percentage of net sales.

Gross income Net sales less cost of goods sold.

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

Items affecting comparability Profit/loss items that are by their very nature unusual and significantly impact profit or loss and important part in understanding the underlying business performance.

Leverage ratio Net debt divided by the underlying rolling 12-month EBITDA.

LTM Rolling12-month.

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

Net debt Gross debt less cash and cash equivalents.

Operational depreciation/amortization The Group’s total depreciation/amortization excluding depreciation/amortization of consolidated excess values. Other depreciation/amortization comprises depreciation/amortization of consolidated excess values.

Underlying EBITDA EBITDA excluding items affecting comparability.

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

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

Interim report, July – September 2016	October 28, 2016
Year-end report	February 10, 2017

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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 140 markets and in 2015, sales amounted to SEK 5.3 billion. www.thulegroup.com

Thule Group

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