

Clas Ohlson nine-month report 2015/16

Third quarter

- Sales increased by 4% to 2,482 MSEK (2,375), 7% in local currencies
- Operating profit increased by 9% to 382 MSEK (350)
- Profit after tax increased by 9% to 294 MSEK (270)
- Earnings per share increased by 9% to 4.66 SEK (4.27)
- The store portfolio was expanded by 3 new stores (net)

Nine months

- Sales increased by 5% to 6,098 MSEK (5,831), 7% in local currencies
- Operating profit increased by 5% to 633 MSEK (604)
- Profit after tax increased by 5% to 486 MSEK (464)
- Earnings per share increased by 5% to 7.70 SEK (7.35)
- Cash flow from operating activities amounted to 908 MSEK (772)

Events after the end of the reporting period

- Sales in February increased by 3% to 495 MSEK (478), 8% in local currencies
- During the coming 2016/17 financial year, Clas Ohlson plans to establish 10-15 new stores

CEO's comments

Record Christmas sales and high level of activity

Clas Ohlson closed its third and most important quarter by breaking new records as a result of strong Christmas sales figures. Currencies remain a challenge, although a number of measures have limited the negative impact on earnings for the quarter.

Clas Ohlson had an intense Christmas shopping season, with a high level of activity in all of our sales channels, which increased sales in the quarter by 7 per cent in local currencies to 2,482 MSEK. The sharp increase in the USD and the weaker NOK remained a challenge for us, but by sustaining our focus on developing the sales mix and increasing cost efficiency, we succeeded again this quarter in reducing the negative impact.

The healthy sales trend continued into the fourth quarter and we can report February sales that were up 8 per cent in local currency. Burdened by the further weakening of the NOK, this corresponds to a sales increase of 3 per cent in SEK.

New milestone and more satisfied customers than ever before

We reached a new milestone during the quarter when our Club Clas loyalty program, now established in Sweden and Finland, surpassed 2 million members – something that we are very proud of. Brand new customer surveys also show that customer appreciation remained at a very high level. Our service level and offering received particularly high marks in the survey, showing that our focus on developing our customer interaction and our range of products and services has yielded results.

Next step on the journey of growth

During the quarter, we continued to open stores in Sweden, Finland and the UK, and have seen robust growth in our online channel. This spring, we are particularly looking forward to finally opening our first store in Germany, when we inaugurate the Jungfernstieg store in Hamburg in May. It will be a day that will go down in history as yet another key milestone in Clas Ohlson's journey of growth.

Klas Balkow, President and CEO of Clas Ohlson AB

Press and analyst conference

A press and analyst conference will be held on Wednesday, 16 March at 08:30 a.m. at Clas Ohlson's store at Drottninggatan 53 in Stockholm, Sweden, and can also be followed on about.clasohlson.com or www.financialhearings.com

For more information, please contact:

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The financial year 2015/16 comprises the period from 1 May 2015 to 30 April 2016.

***Clas Ohlson** was founded in 1918 as a mail order business based in Insjön, Sweden. Today, the company offers products and services for the small everyday practical problems, in five countries via its over 200 stores and online. Clas Ohlson offers a wide range of affordable products in five product areas: Hardware, Electrical, Home, Multimedia and Leisure. The company is listed on Nasdaq Stockholm, has sales of over 7.5 billion SEK and more than 4,700 employees. Visit Clas Ohlson at www.clasohlson.com*