

Agenda

- Q3 2010/11 (Nov-Jan)
- Nine month 2010/11 summary (May-Jan)
- Events after period-end
- Update on strategic priorities
- Q&A

Clas Ohlson today

- A retail chain with 138 stores in four countries
- Sales of SEK 5,7 billion
- 3,500 employees
- 57 million visitors – 29 million customers
- Product range that solves small practical problems of everyday life



Q3 2010/11 (November-January)

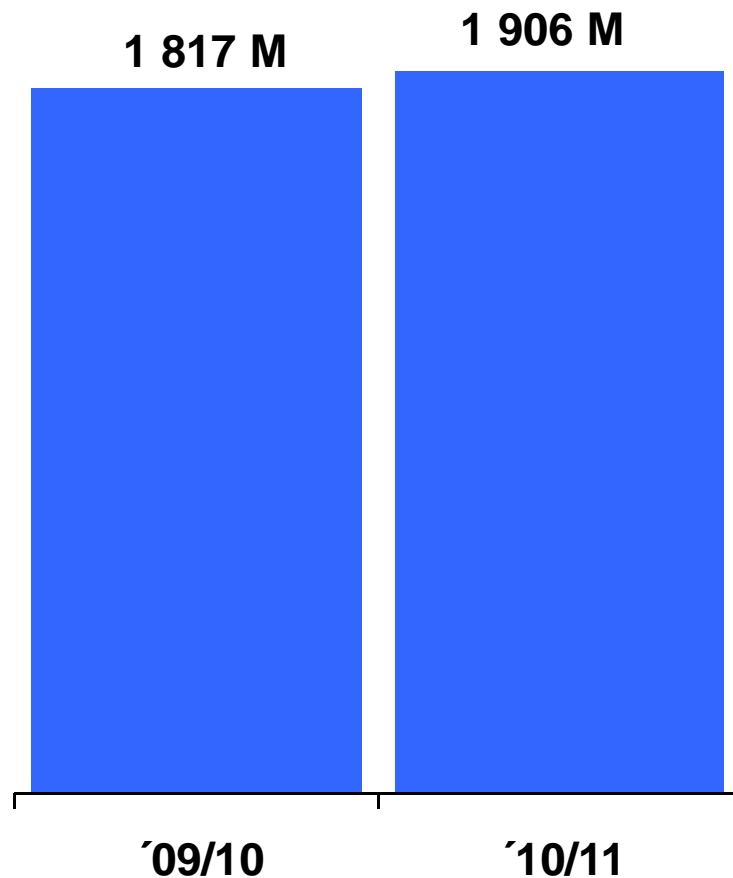
Cotech Reciprocating Saw.

Powerful all-purpose saw for wood, plastic, and metal. Soft-grip handle. Adjustable shoe. Smooth acceleration: 300-2700 spm. Stroke length: 30 mm. Cutting capacity: wood 115 mm, metal 90 mm. Power: 850 W. Weight: 3.4 kg.

Product number 40-7944 **Price: SEK 499**



Sales – Q3

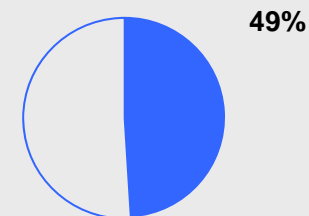


- Sales up 5% to SEK 1 906 M, +10% in local currencies
- 20 (16) more stores vs. Jan 10
 - Comparable stores in local currency -1%
 - New stores +11%
 - Currency effects -5%
- Mail order/Internet SEK 28 M (28 M)

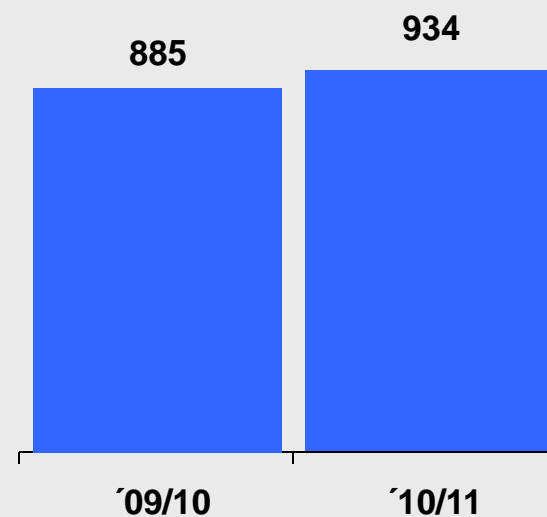
Sweden – Q3

- Sales up 5%
 - 2 new stores. Total of 61
 - 7 more stores compared to preceding Q3
- Majority of new stores double establishments
- Highly competitive and overall volatile market

Portion of sales



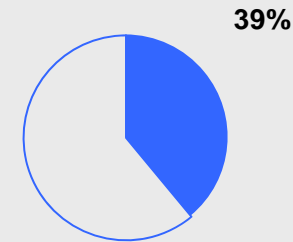
Sales, SEK M



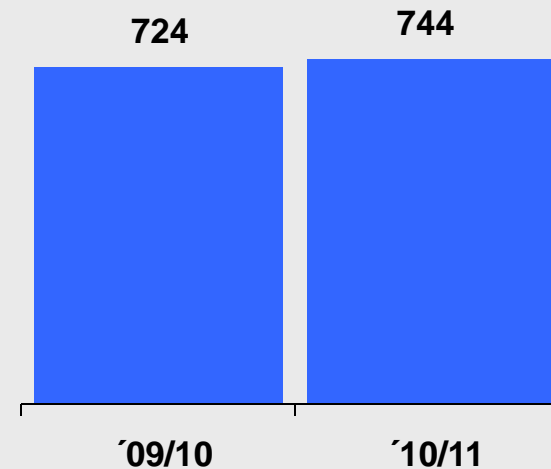
Norway – Q3

- Sales in SEK +3%
 - +11% in local currency
 - 3 new stores during Q3. Total of 47
 - 6 more stores compared to preceding Q3
- Strong Christmas sales
- Large variations in monthly traffic and sales growth

Portion of sales



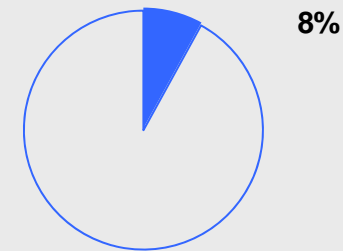
Sales, SEK M



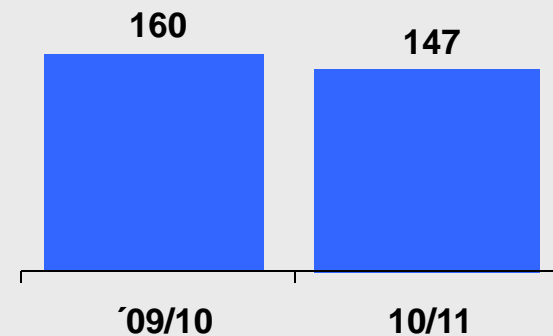
Finland – Q3

- Sales in SEK -8%
 - +5% in local currency
 - One new store during Q3. Total of 17
- First new store opening in 24 months and 3 new contracts signed
- Positive sales trend in local currencies
- Increased market share

Portion of sales



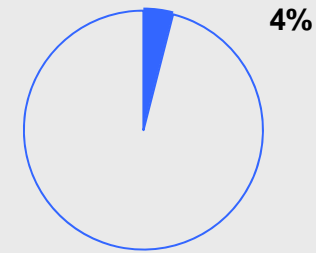
Sales, SEK M



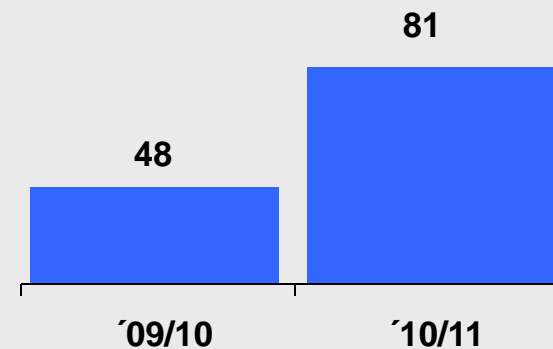
UK – Q3

- Sales in SEK +69%
 - +84% in local currency
 - 4 new stores during Q3.
Total of 11 stores
 - 6 more stores compared to preceding Q3
- UK-market burdened by weak economy, financial pressure on households and increased VAT

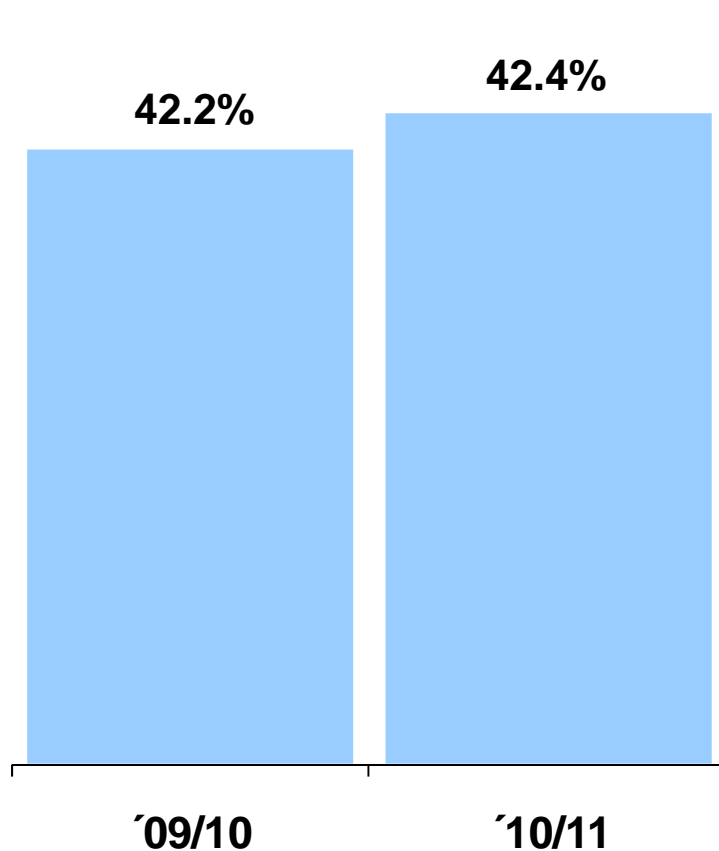
Portion of sales



Sales, SEK M



Gross margin – Q3



- Gross margin up 0.2 percentage points to 42.4%
- + Increased share of direct purchasing
 - Currency effects (NOK)

Currency effects: Q3 10/11 vs. Q3 09/10

NOK/SEK

Sales:
Instant

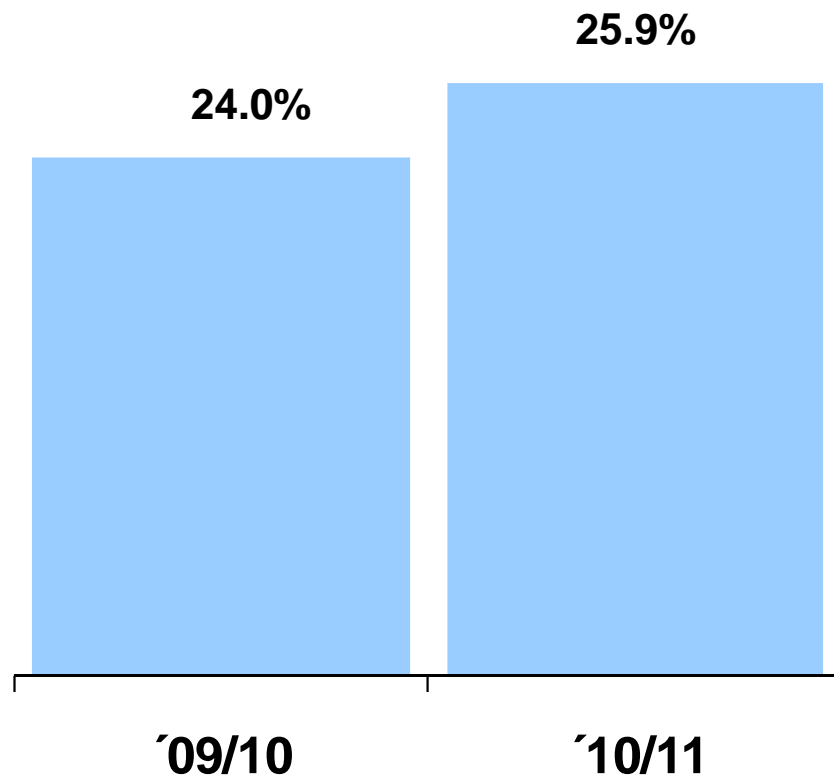


USD/SEK

Purchasing:
Time lag



Share of sales costs – Q3

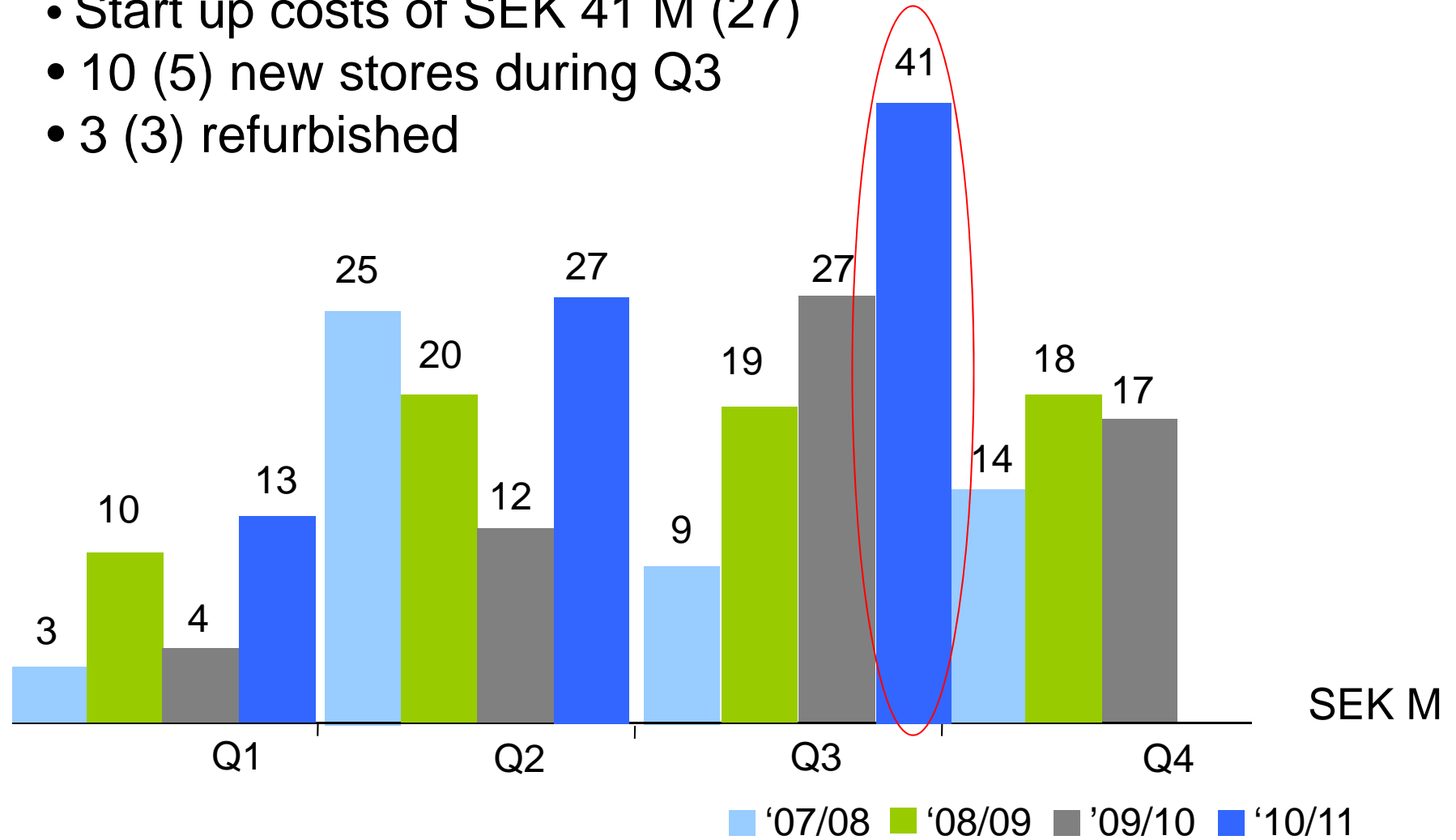


Share of sales costs up 1.9 percentage points to 25.9%

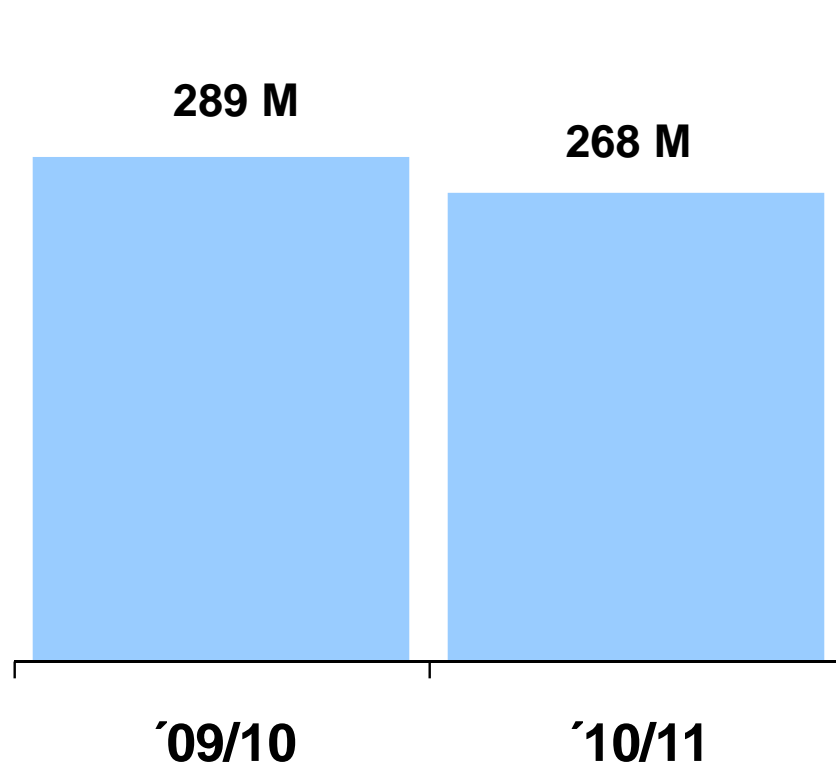
- Higher share of sales costs new markets (UK)
- Higher start up costs (10 new stores vs. 5 stores 2009/2010)

Start-up costs new stores Q3

- Start up costs of SEK 41 M (27)
- 10 (5) new stores during Q3
- 3 (3) refurbished



Profit after financial items & EPS – Q3



- Profit SEK 268 M (289)
 - Negative currency effects (NOK)
 - Costs for new market entry (UK)
 - Higher start up costs for new stores
- Earnings per share SEK 3.05 (3.32)

Nine-months 2010/11 summary (May-Jan)

Cotech 5 t Log Splitter

with adjustable splitting length 35-52 cm.

Two hand operating system.

Preset auto return. Splitting force

5 tonnes. 230 V/ 1500 W motor.

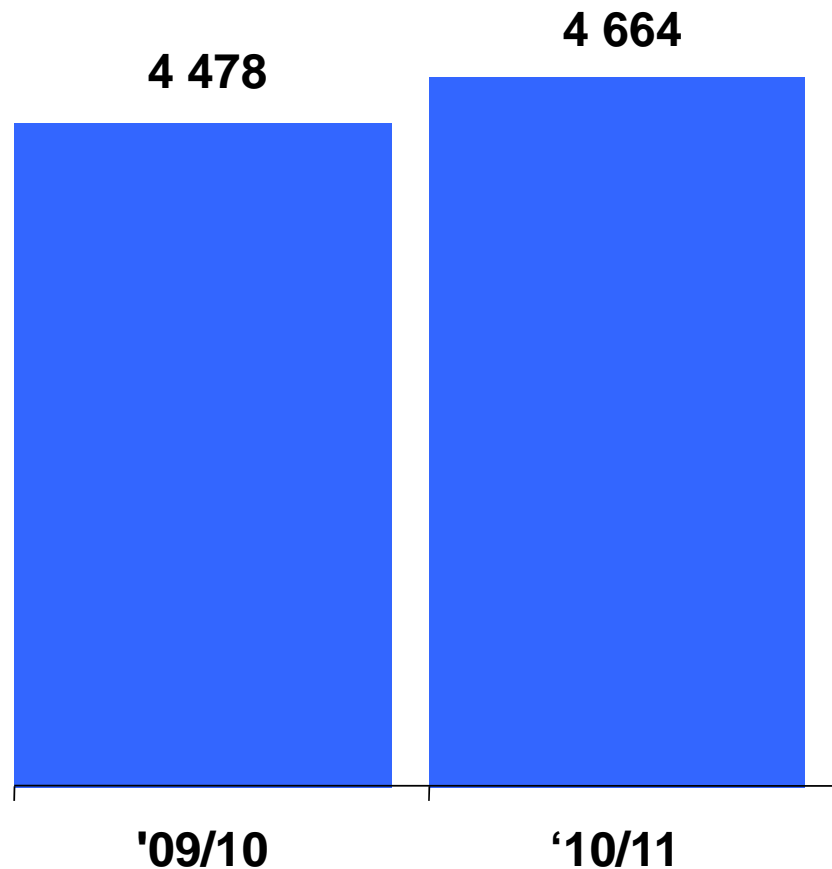
Weight 50 kg. Size 122x25x48 cm.

Product number 30-8710

Price: SEK 1999

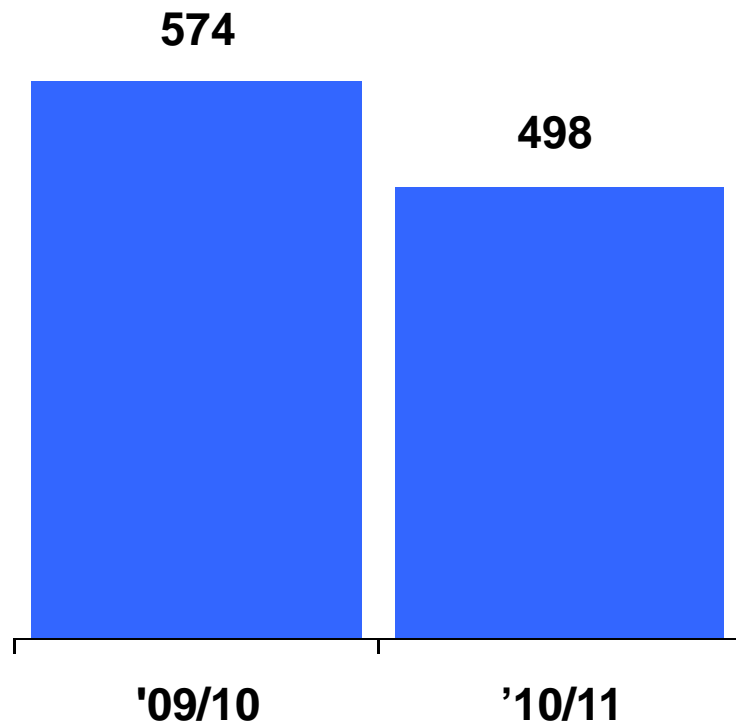


Sales – nine months 2010/11



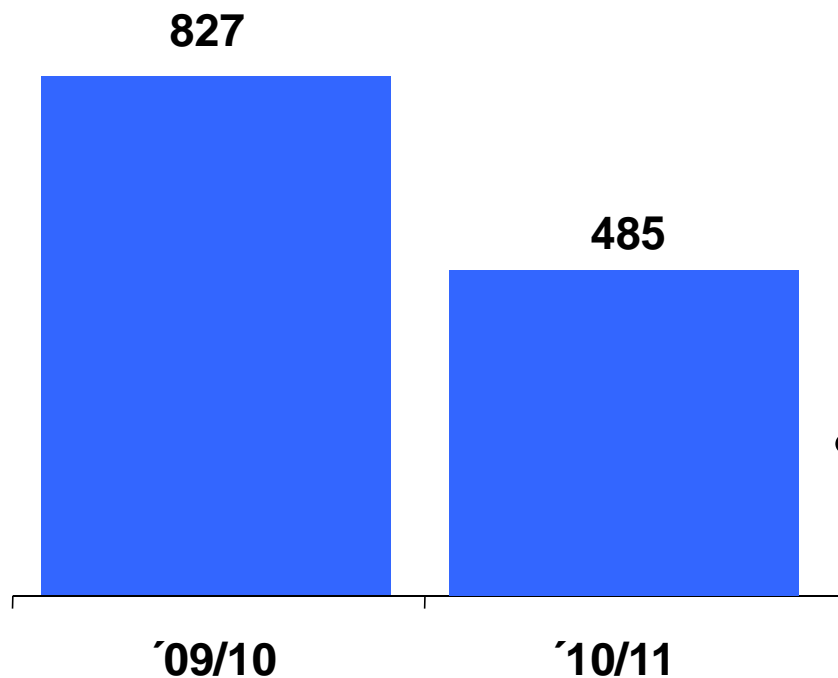
- Sales +4% to SEK 4 664 M, + 7% in local currencies
 - Comparable stores in local currencies -2%
 - New stores +9%
 - Currency effects -3%
- Mailorder/Internet SEK 69 M (74 M)

Profit after financial items & EPS – nine months 2010/11



- Profit SEK 498 M (574)
 - UK market investments
 - Start up costs SEK 82 M (43)
- Financial items of SEK -5 M (-2)
- EPS SEK 5.71 (6.53)

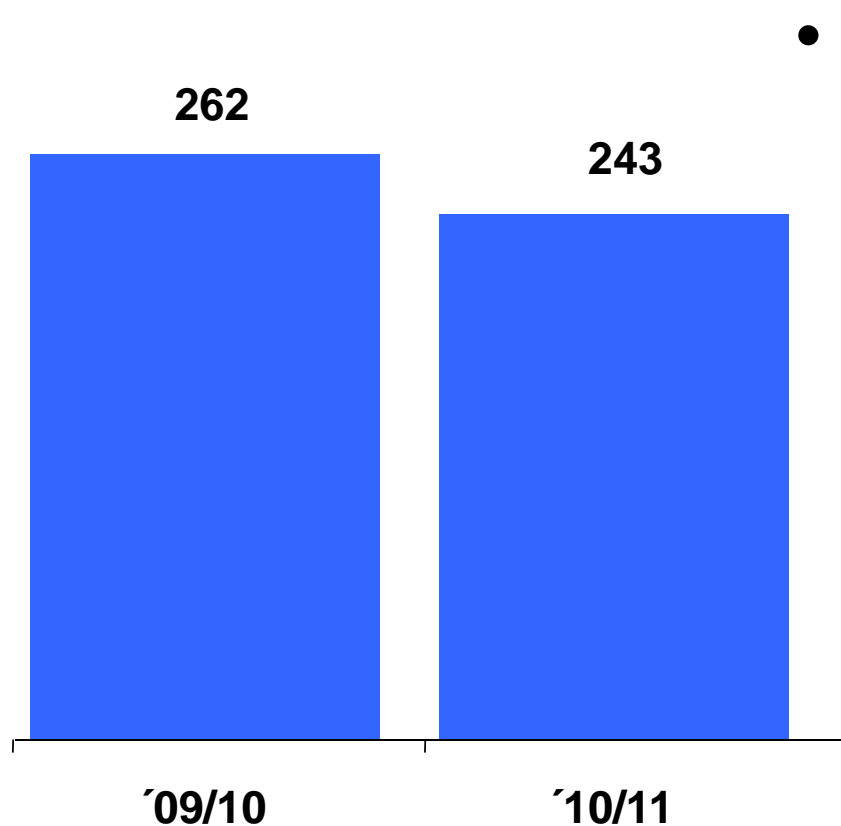
Cash flow – nine months 2010/11



- Cash flow from operating activities SEK 485 M (827)
- Inventory: SEK 1 375 M (1 066)
 - Average inventory R12 +19%
 - 20 new stores compared to 2009/10
 - Increased direct purchasing from Asia with earlier inbound delivery and more goods in transit
- Cash flow for the period SEK 92 M (66)

■ Cash flow from operating activities, SEK M

Investments – nine months 2010/11



- Investments of SEK 243 M (262) of which:
 - New/refurb. Stores: SEK 183 M (79)
 - Distribution Center: SEK 9 M (138)
 - Other investments: SEK 51 M (45)

■ Investments, SEK M

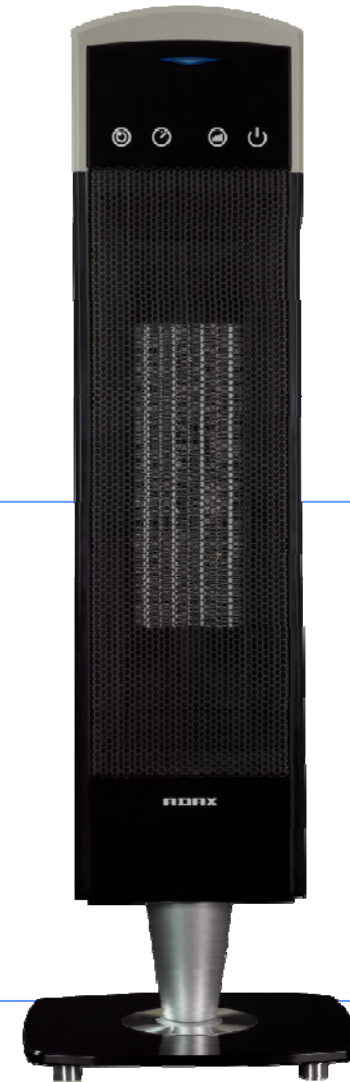
Events after period-end

Adax VV 20 Ceramic Fan Heater.

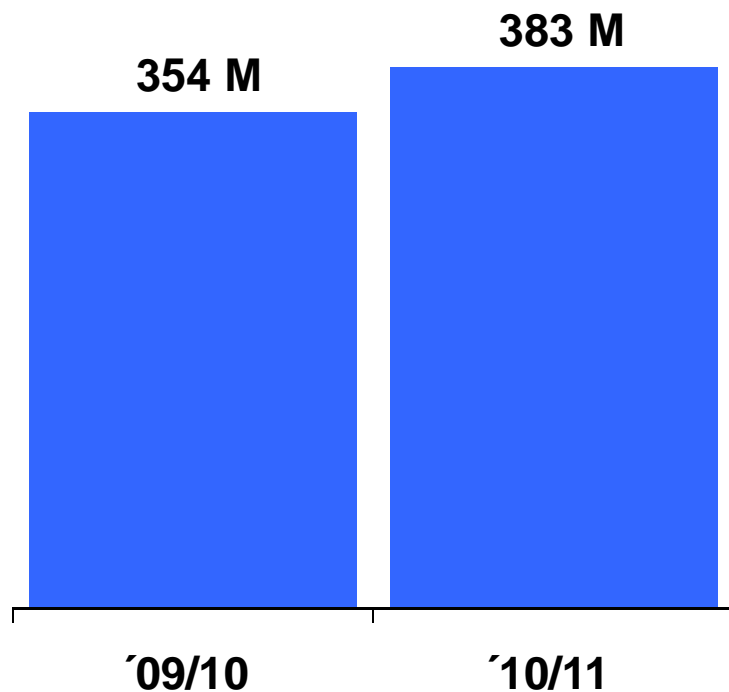
Upright heater with glass foot. Touch control display. Two power settings: 1200 W and 2000 W. Oscillation feature for a more even heat distribution. Timer for up to 7.5 hours. Safety tip-over switch and remote control. Size: 850x180x110 mm.

Product number 36-4159

Price: SEK 799



Sales – February



- Sales up to SEK 383 M (354) +8%.
+14% in local currencies
- 22 (14) more stores vs. Feb 2010
- Sales in local currencies +14%
 - Sweden +10%
 - Norway +14%
 - Finland +12%
 - UK +63%
- Mail order/Internet: SEK 7 M (7)

Spring events

- Launch spring catalogue – End of March (95th edition)
- Over 1 000 product news
- Nominated: Best print catalogue (Dagens Media)
- Nominated: Retail Chain of the year (Sweden)
- Nominated: Store concept of the year (Sweden)



Årets butikskedja

Update on strategic priorities

Trend Micro™ Internet Security.

Complete protection for your mini-PC, netbook or laptop on a USB memory. Protects up to three computers from viruses, spyware and other Internet threats. Automatically blocks harmful malware before it invades your system. Scans and cleans up attached e-mail files, SMS text messages and material downloaded from the Internet.

Product number 38-3573

Price: SEK 349



UK – New stores

- Four new stores during Q3 to total of 11 stores:
 - Birmingham
 - Cardiff
 - Norwich
 - Doncaster



UK – Market

- Pressure on UK retail market
- Fiscal budget cuts
- Increasing unemployment rates
- VAT-increase
- Recent events in UK-retail market
 - HMV (Closing 60 stores)
 - 02 Retail (Closing 40 stores)
 - LFL-decline for competition



High Street sales at 15-year low

By Sean O'Grady
Business Editor

The high street suffered the worst December on record last month as the snow and inflation fears deterred shoppers.

Sales fell by 0.8 per cent in December from November, the biggest monthly fall in December since records began in 1996, confounding retailers' hopes that shoppers would splash out to beat the rise in VAT on January 4.

The volume of goods sold was unchanged from December 2009, the worst December in more than a decade, official figures showed. "It appears that belt-tightening started earlier than expected," the Daiwa economist Hetal Mehta said.

Supermarkets were hit hard during December, the figures from the Office for National Statistics showed. Sales at food stores plummeted by 3.4 per cent year-on-year, the biggest fall since records began in 1988.

Statisticians said this indicated that

● Mulberry raised its profit forecasts for the second time in six weeks after Christmas sales were better than expected. Its main stores sold 70 per cent more bags in the six weeks to last Friday, compared with 2009-10. Godfrey Davis, the chief executive, said that international sales would soon outstrip domestic sales. The company said that profits for the year to March 31 would "exceed expectations". Allium Securities raised its full-year profit forecast to £15 million.

shoppers chose smaller, specialist food stores rather than visiting supermarkets, probably because of the weather conditions during the coldest December on record.

The ONS said that medium-sized



UK – update and expansion plans

- Overall positive feedback from customers regarding range, stores, prices and service
- Number of visitors and customers in line with group average. Conversion rate and average purchase lower
- Focus on further development of existing stores
- Balancing expansion plans to market development
- Plans for additional 1-4 stores during 2011/12



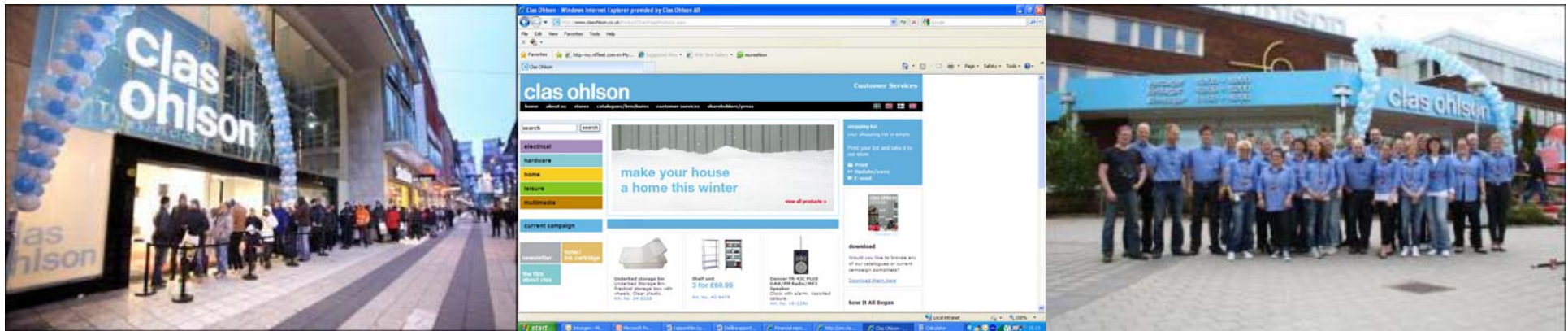
New store concept

- Easier navigation & improved competitiveness
- Stronger growth rate among stores with new concept
- 40 new stores (to date)
- 12 refurbished (to date)
- 52 of 138 stores with new concept (38%)



Potential in new formats and e-com

- Different formats to match local potential
 - Large (3)
 - Standard (126)
 - Small (9)
- E-commerce/Multichannel



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Store expansion – pipeline and plans



Contract pipeline

- 19 new stores (14) of which 4 in the UK during 2010/11
- Target of 17-22 new stores during 2011/12 of which 2-4 in Finland and 1-4 in UK
- 17 new stores contracted of which 1 opening in 2010/11, 12 in 2011/12 and 4 in 2012/13
 - Sweden: 6
 - Norway: 8
 - Finland: 3

Outlook

- Continued focus on long term profitable growth in Europe in accordance with financial targets
- Positive development and strong position in our established markets
- Business plan to invest in new markets (currently UK)
- annual impact of up to 2-3 percentage points on EBIT-margin
- Further potential to increase sales via developed product assortment and sales channels in the Nordic region

Q&A

Cocraft Cross-Line Laser Level

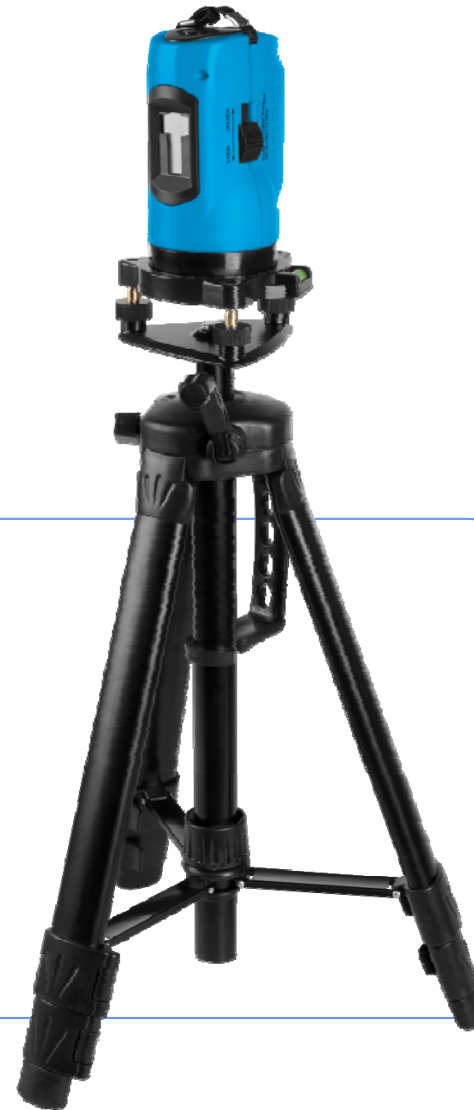
Self-levelling system. Horizontal and/or vertical line projection. Can project a perfectly right-angled cross onto the wall. Ideal for tiling, hanging pictures, etc.

Tripod, max height: 117 cm. Laser class II, 635 nm.

Accuracy: ± 0.5 mm/m. Comes with laser safety glasses, tripod and carrying case.

Product number 40-7534

Price: SEK 699



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