

CLAS OHLSON

Q1 report 2008/09

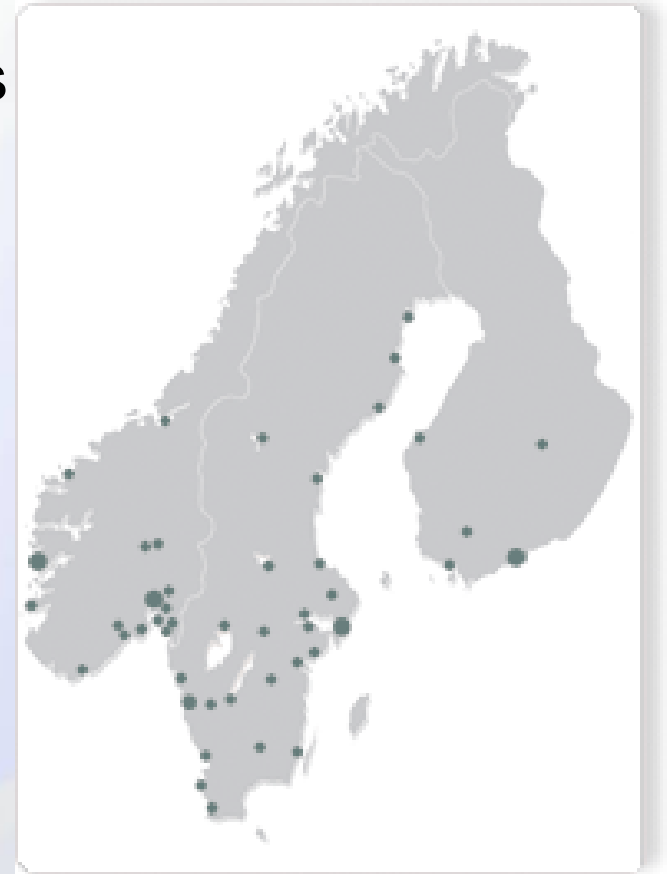


Agenda

- Q1 2008/09
- Events after period-end
- Priorities
- Summary
- Q&A

Clas Ohlson today

- A Nordic retail chain with 88 stores
- Sales of SEK 4.7 billion
- 3,000 employees
- 46 million visitors – 24 million customers
- Product range that solves small practical problems of everyday life



Q1 08/09

Table fan

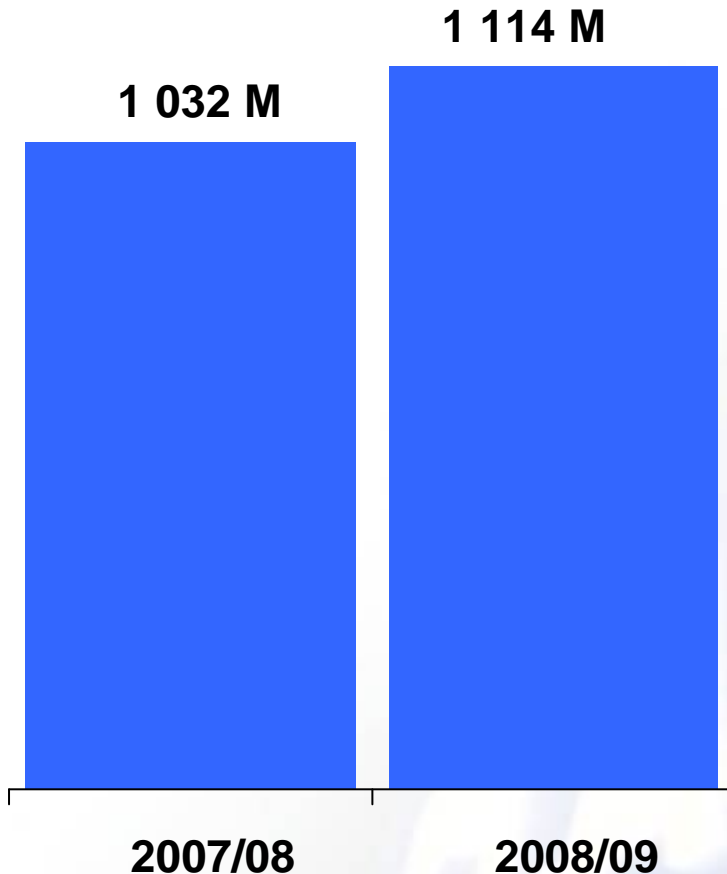
Diam. 27 cm. Two speed levels and oscillating fan head which can also be angled height wise. 30W/230V.

Product number 36-2700

Price: SEK 98



Sales – Q1

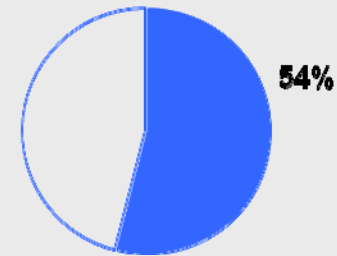


- Sales up 8% to SEK 1 114 M
- Increased market shares
- 2 new stores to 88
- Store sales up 8% to SEK 1 091 M.
 - Comparable stores in local currency: -5%
 - New stores: +12%
 - Currency effects: +1%
- Mail order/Internet sales: up 1% to SEK 23 M

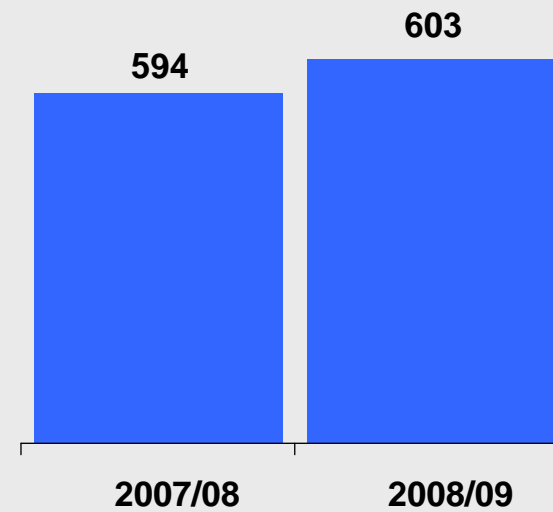
Sweden – Q1

- Sales up 1%
 - No new stores opened. Total of 45
 - 6 more stores than in preceding Q1
- Slowdown in retail sector
- Impact of new stores not as great in areas where establishments are dense
- Generally increased competitive pressure

Portion of sales



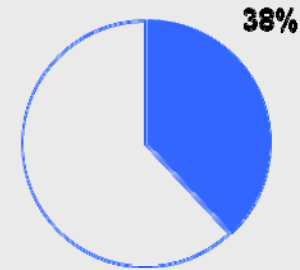
Sales



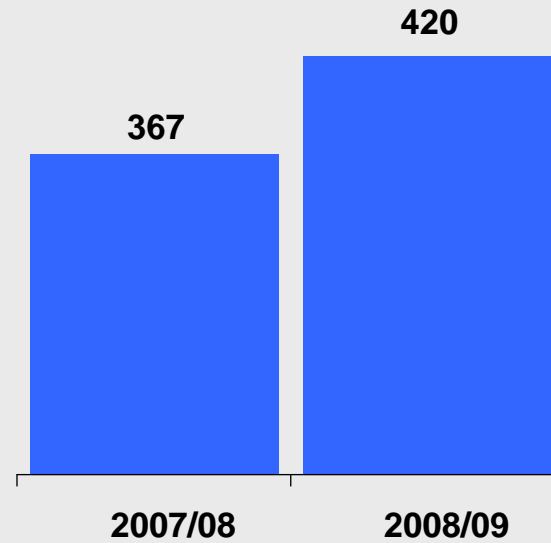
Norway – Q1

- Sales up 15%
 - 2 new stores opened in the quarter bringing total to 31
 - 7 more stores than in preceding Q1
- Positive exchange-rate effects
- Continued strong market and positive trend

Portion of sales



Sales



Finland – Q1

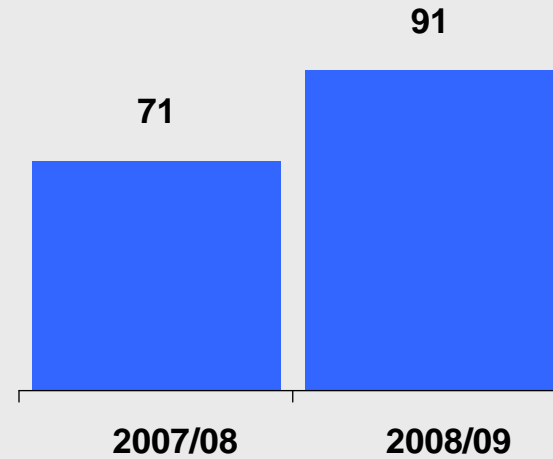
- Sales up 28%
 - No new stores opened in the quarter. Total of 12.
 - 3 more stores than in preceding Q1
- Increased and improved marketing activities
- Positive impact on number of visitors and sales

Portion of sales

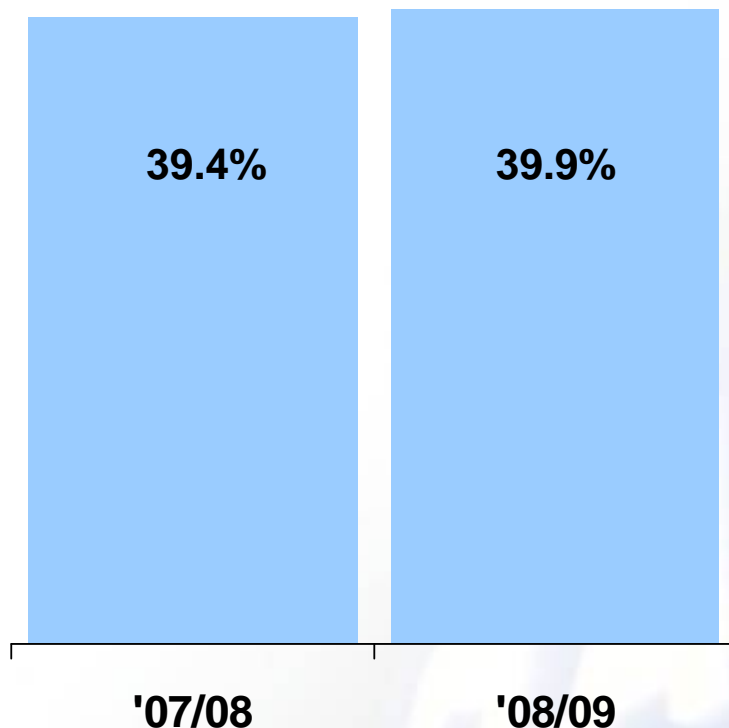
8%



Sales



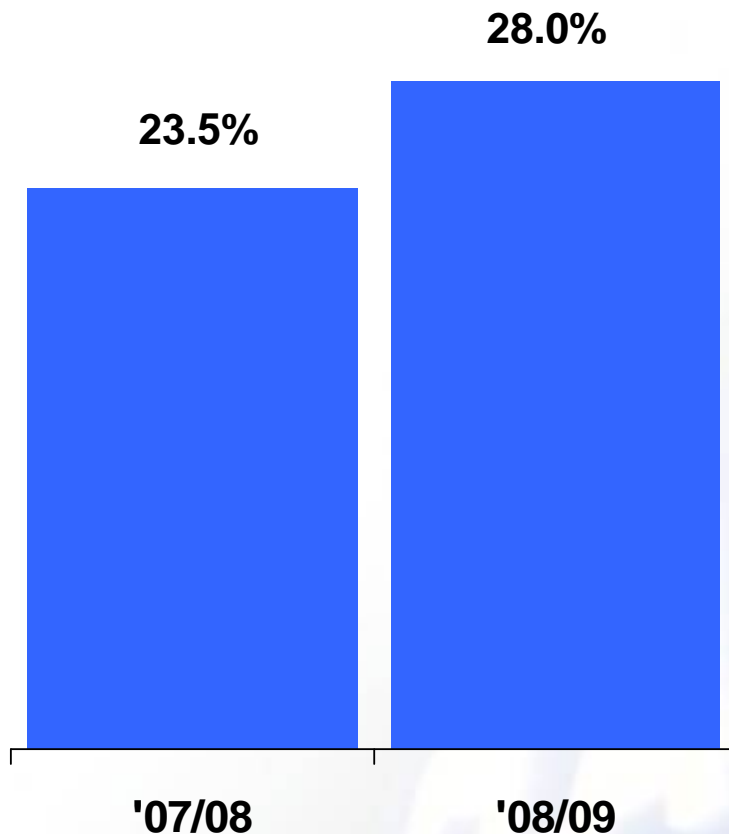
Gross margin – Q1



Gross margin up 0.5 p.p

- + Exchange-rate effects contributed positively
- Higher freight costs
- Establishment of purchasing office in China
- Higher purchasing prices in China
 - Raw materials
 - Wages
 - Local currency stronger compared with USD

Share of sales costs – Q1



Share of sales costs up 4.5 p.p

Store network

- Lower sales in comparable stores
- Increased rental costs in current stores (CPI-adjustments)
- + Improved store productivity

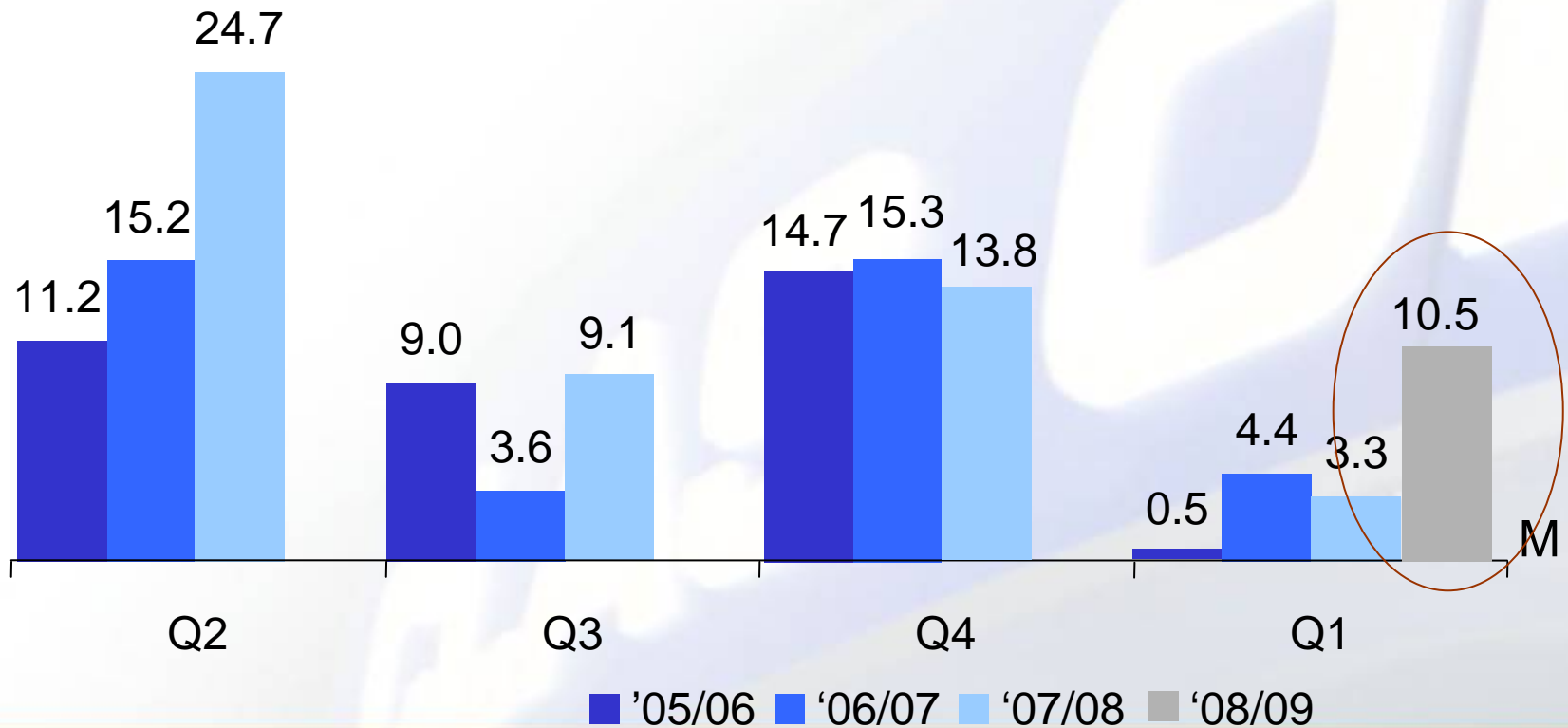
New stores

- Higher share of sales costs until store is established
- Higher start-up costs for new stores (10 M vs. 3 M)
- Start-up costs in UK

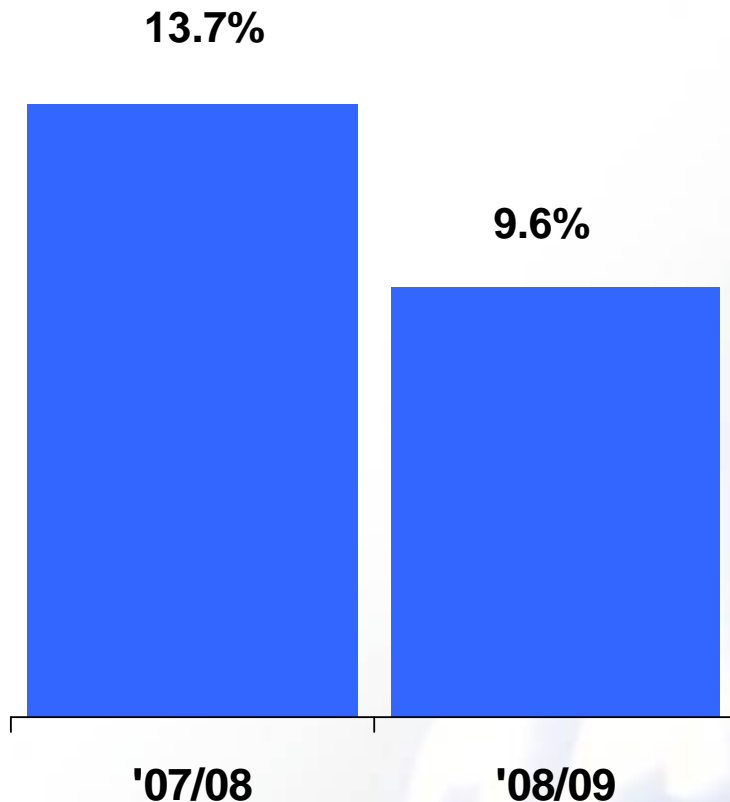
General

- Higher marketing spending compared to last year
- 90 year anniversary (7 M)

Start-up costs stores - Q1

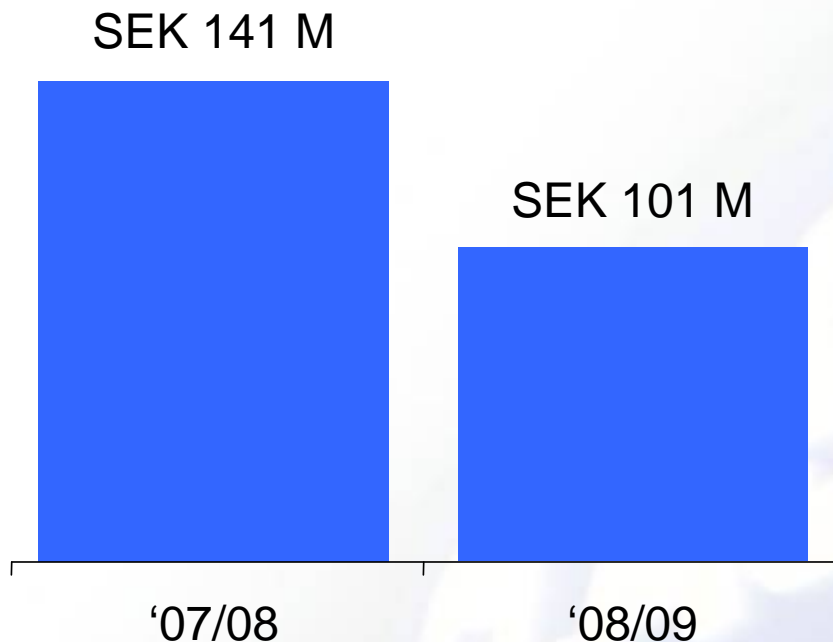


Operating margin – Q1



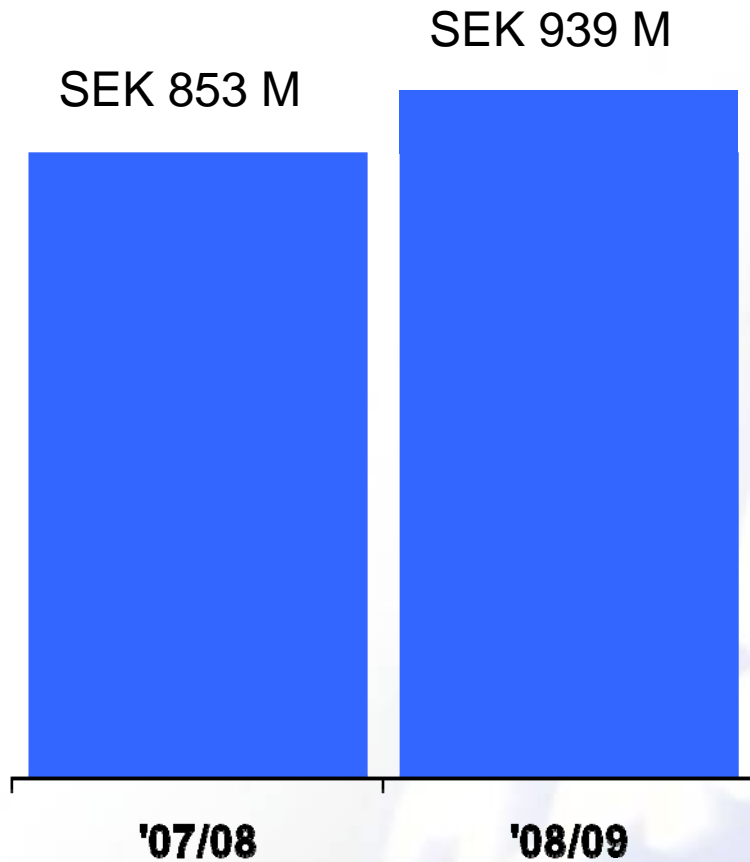
- Operating margin down 4.1 p.p to 9.6%
- Profit after financial items SEK 109 M (144)
- EPS SEK 1.20 (1.58)

Cash flow before investments – Q1



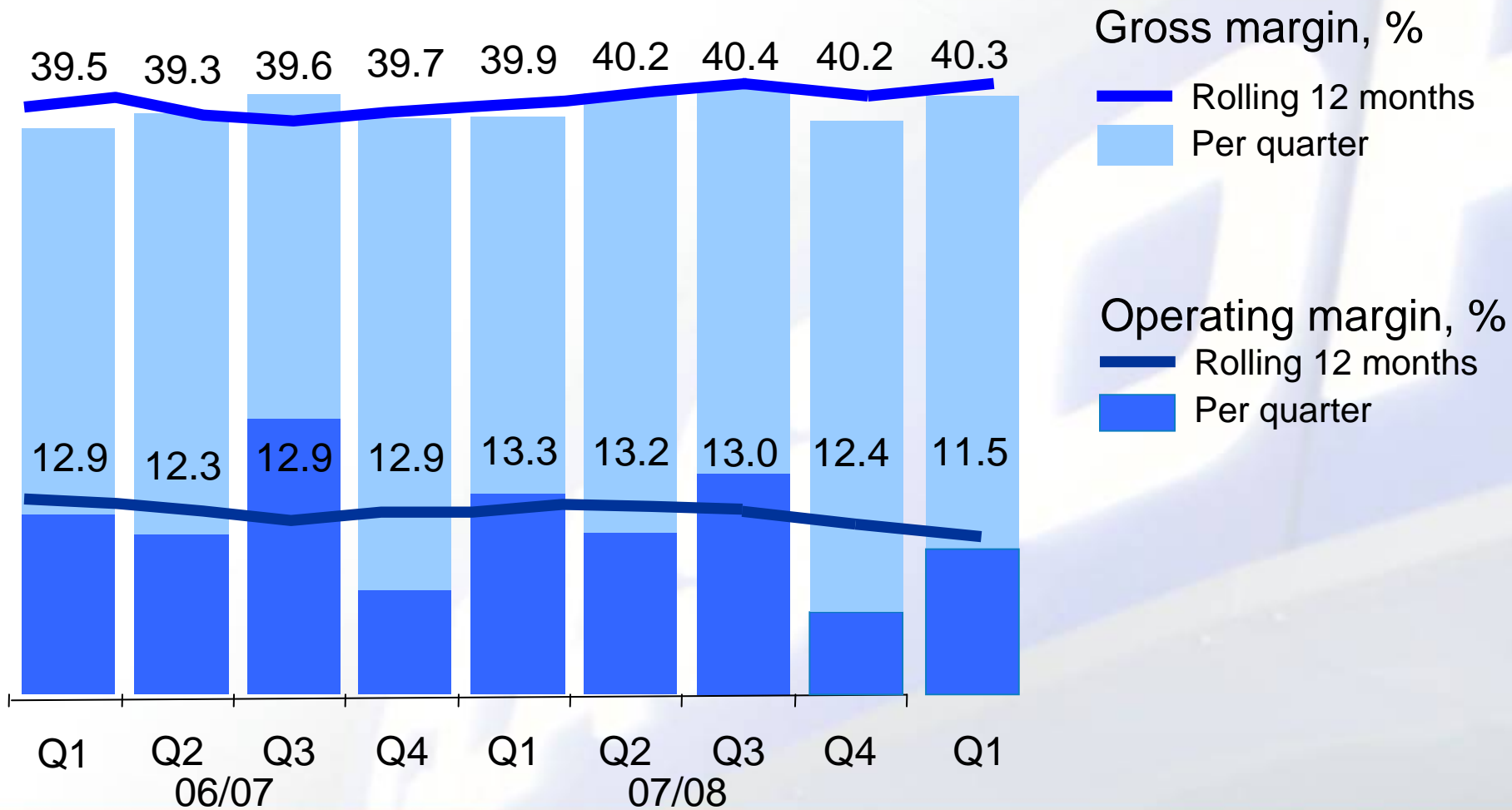
- Cash flow before changes in working capital down 28% to SEK 101 M
- Investments amounted to SEK 71 M (28 M)
- Share buy back of SEK 57 M

Inventory



- Reduction of SEK14 M from Q4
- Up 10% from Q1 2007/2008
- 16 more stores in network

Margin trend – Q1



Events after period-end

Energy Saving Light with Twilight Relay. 15 W.

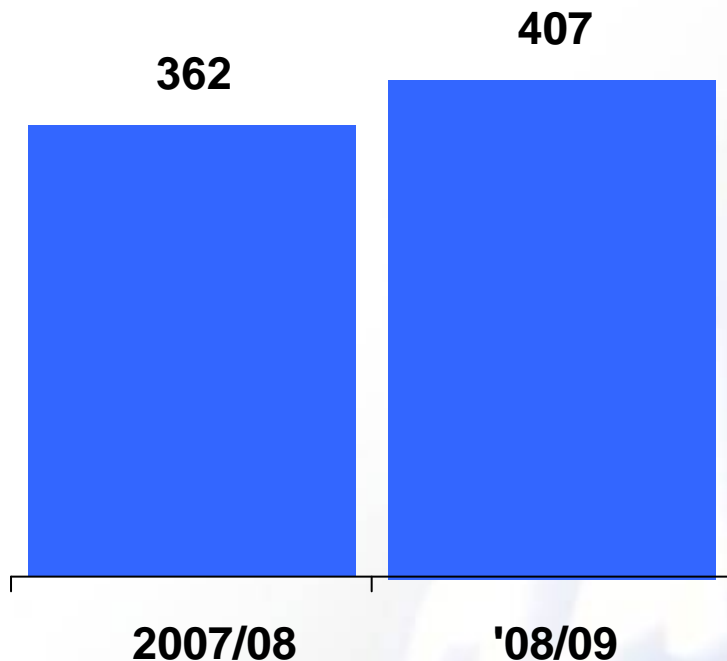
The light automatically turns on at twilight and turns off at daylight. Socket E27. Size 147x65 mm. Light strength 760 lm. 12,000 hrs. lifetime. Temperature range -20°C to +50°C.

Product number 36-2540

Price: SEK 98



Sales – August



- Sales up 12% to SEK 407 M
- Store sales up 13% to SEK 400M
 - Sweden, up 8% to SEK 218 M
 - Norway up 16% to SEK 156 M
 - Finland up 27% to SEK 32 M
- Mail order/Internet sales down 12% to SEK 7 M

Launch of new small store concept

- Focus on fast moving products
- In line with our mission - accessibility
- Always full assortment by order
- Concept with retail space 500-800 sqm
- Potential to continue profitable expansion
 - Lower catchment areas
 - Complementary locations to already established areas
- Launch Q4 2008/09
- Two contracts already in place in Sweden

The road ahead

Magellan RoadMate 1200 Road navigator

Nordic road maps. Speed cameras. 3.5" display. Automatic route calculation, voice guidance, etc. Delivered with 12V cig. cable and attachment.

Product number 38-2717

Price: SEK 1,495




The road ahead

- Growth and expansion
- Develop a high performing international organisation
- Simplification and increased efficiency



Our mission

Making it easy for people to solve the small practical problems of everyday life



...attractively priced product range that satisfies the everyday needs of the consumer

...high service via helpful and knowledgeable personnel

...easily accessible at places where people move around in their daily lives

...sustainable operations that take people and the environment into consideration



High rate of activity

- Organizational improvements
 - Recruitments of new Head of Business Area Sweden and UK
 - New Group structure in place
- Purchasing and assortment
 - Fewer suppliers and reduced number of duplicates
 - Improved category structure
 - Purchasing office established
- Store concept
 - New store concept – pilot in Q3 2008/09
 - Launch of new small store concept in Q4 2008/09

High rate of activity, continued

- Logistics
 - Investment of SEK 615 M under way to ensure continued automation and efficiency enhancement
 - Capacity for >150 stores
- Market communication
 - More efficient marketing (media mix)
 - Increased activities in Finland
 - 2 catalogues annually - August and March
- Improve productivity
 - Staffing and scheduling

Store establishment

Existing stores: 88

Contracted but not opened: 20

Total: 108

Sweden: 52

Norway: 39

Finland: 16

UK: 1

First store in the UK

- Contract for new store in London
- The Whitgift Croydon
- 1,900 sqm
- Scheduled to open in Q3 2008/09
- Work in progress to contract another 1-3 stores this fiscal



Summary

- Sales growth of 8% reflects slowing economy and high comparison numbers
- Launch of new small store concept
- Several forward oriented activities underway