

Clas Ohlson Year-end report 2015/16

Fourth quarter

- Sales amounted to 1,504 MSEK (1,498), increased by 5% in local currencies.
- Operating profit, excluding non-recurring items*, amounted to -19 MSEK (-8). Operating profit amounted to -126 MSEK.
- Result after tax, excluding non-recurring items*, amounted to -17 MSEK (-5). Result after tax amounted to -107 MSEK.
- Profit per share, excluding non-recurring items*, amounted to -0.27 SEK (-0.07). Profit per share was -1.70 SEK.

Financial year

- Sales increased by 4% to 7,602 MSEK (7,330), 6% in local currencies.
- Operating profit, excluding non-recurring items*, increased by 3% to 613 MSEK (596). Operating profit amounted to 506 MSEK.
- Profit after tax, excluding non-recurring items*, increased by 2% to 469 MSEK (459). Profit after tax amounted to 379 MSEK.
- Earnings per share, excluding non-recurring items*, increased by 2% to 7.42 SEK (7.27). Earnings per share amounted to 6.00 SEK.
- Cash flow from operating activities amounted to 705 MSEK (647)
- The proposed dividend is 5.75 SEK per share (5.25)

Events after the end of the reporting period

- Sales in amounted to 540 MSEK (554), increased by 1% in local currencies.
- Decision by the Board of Directors to exercise the Annual General Meeting's authorisation to buy back shares to secure the LTI 2016.
- In May the first German store opened in Hamburg as well as a store in Sandnes, Norway.

*A non-recurring cost of 107 MSEK related to the optimisation of the store network in the UK.

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

CEO's comments

Yet another record year and clear steps in our development

Clas Ohlson is ending the financial year at new record levels and can look back on a year during which important steps were taken in the company's progress, despite a challenging currency situation.

We end our financial year with sales in local currencies that increased 6 per cent to 7,602 MSEK. We achieved this despite the fourth quarter being impacted by a later spring that resulted in lower gardening-related activities.

It is also gratifying that we increased our operating profit by 3 per cent to the new record-breaking level of 613 MSEK, adjusted for non-recurring items that affected the fourth quarter. We can be very proud of this performance, particularly considering the fact that the considerable strengthening of the USD and the weaker NOK presented us with a major challenge during the year – a challenge that we have succeeded in overcoming relatively well to date, given the circumstances.

New steps in our international expansion

Following a long period of planning and preparation, we were delighted to finally open the doors of our very first store in Germany on Jungfernstieg in Hamburg just a few weeks ago. The reception we have received far exceeded expectations and German consumers have shown us tremendous attention in just these first weeks. We are now preparing for the opening of two further stores in Hamburg in the autumn.

As previously announced, we took the next step in the development of our store network in the UK during the quarter. We are focusing on the smaller format stores in the London region and are planning for an additional one to two stores in this region. In connection with this, we are closing a total of seven store locations in order to provide the UK operations with the rights conditions to succeed.

Highly popular offering

We were honoured to receive a long list of awards during the quarter, including awards for our customer service, online shopping channel and our environmental efforts regarding transportation. We greatly appreciate receiving such awards and they fill us with energy in our drive to continue to develop and improve even more.

Klas Balkow, President and CEO of Clas Ohlson AB

Press and analyst conference

A press and analyst conference will be held on Wednesday, 8 June 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:

Sara Kraft Westrell, Director of Information and Investor Relations, phone +46 247 649 13

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***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 six 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*