



STABLE TREND CONTINUES FOR KAPPAHL

“The past year was characterised by financial recovery and improvement. The driving forces were developing KappAhl’s customer offer, strengthening the gross margin and continued cost control.”

Read the full CEO statement on the next page.

- Sales increased by 8.6 per cent to SEK 1,248 (1,149) million during the quarter and by 3.0 per cent to SEK 4,724 (4,588) million during the year. Sales in comparable stores were 5.6 per cent higher for the quarter and 2.7 per cent higher for the full year.
- The gross margin increased by 0.6 percentage points to 58.0 (57.4) per cent for the quarter and by 1.7 percentage points to 61.8 (60.1) per cent for the year.
- The operating margin for the quarter was 7.9 (4.5) per cent and 7.4 (4.3) per cent for the year.
- The Board of Directors proposes that a dividend of SEK 1,25 per share be distributed.

	Fourth Quarter (June-Aug)			Twelve months (Sep-Aug)		
	2015/2016	2014/2015	Change	2015/2016	2014/2015	Change
Net sales, SEK million	1 248	1 149	99	4 724	4 588	136
Operating profit/loss excluding non-recurring items, SEK million	99	62	37	350	208	142
Operating profit/loss, SEK million	99	52	47	350	198	152
Gross margin, %	58,0	57,4	0,6	61,8	60,1	1,7
Operating margin, %	7,9	4,5	3,4	7,4	4,3	3,1
Operating margin excluding non-recurring items, %	7,9	5,4	2,5	7,4	4,5	2,9
Profit after tax, SEK million	59	30	29,0	245	111	134
Earnings per share after dilution, SEK (Note 2)	0,77	0,39	0,38	3,19	1,45	1,73
Cash flow from operating activities, SEK million	-3	8	-11	304	365	-61

For further information
and images

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DANNY FELTMANN, PRESIDENT AND CEO: STABLE TREND CONTINUES FOR KAPPAHL



Danny Feltmann
President and CEO

The past year was characterised by financial recovery and improvement. The driving forces were developing KappAhl's customer offer, strengthening the gross margin and continued cost control. Sales increased by 3.0 per cent and the gross margin by 1.7 percentage points. The operating profit is SEK 350 (198) million, corresponding to an operating margin of 7.4 (4.3) per cent for the year. In summary, the results we have achieved are important steps towards our long-term goals.

The fourth quarter, like the year's previous quarters, **was characterised by a gradual clarification of the collections**, altered and active work on price and campaign strategies and good cost control. In combination with weather conditions that were good for business, especially in comparison to August last year, this resulted in a sales increase of 8.6 per cent for the quarter. The operating profit was SEK 99 (52) million and the operating margin improved by 2.5 percentage points to 7.9 (5.4) per cent.

Our initiatives during the year focused on the customer meeting, for example in sales and service, inspiring and guiding store presentation and online communication. **These made a positive contribution to the year's earnings.** We have continued to open stand-alone concept stores. At year-end we have six stores; four Newbie and two Hampton Republic 27. Both concepts will continue to be evaluated for further expansion. The work of readjustment in Poland is continuing according to plan and is expected to be completed at the turn of the year 2016/2017.

Our achievement this year of **38 (24) per cent sustainable fashion labelling** is a great step towards a sustainable range. Membership of important organisations such as the Ethical Trading Initiative, the OCA and Canopy gives us increased scope to work for more sustainable operations throughout the value chain.

We have confirmation that our efforts are starting to have an effect and our **development work is now continuing at a sustained pace.** In September came the launch of our new communication concept, Feel, carried forward by supermodel Paulina Porizkova. In the spring further results of our work on the range will be seen in stores. Other important areas of focus going forward include developing customer services and sales channels. **The aim is for KappAhl to be the first-hand choice for our customer**, thus laying the foundation for continued growth. I am very enthusiastic about continuing this journey.

Danny Feltmann
President and Chief Executive Officer

KappAhl, founded in 1953 in Gothenburg, is one of the leading Nordic fashion chains with nearly 380 stores in Sweden, Norway, Finland and Poland as well as Shop Online. Our mission is to offer value-for-money fashion of our own design with wide appeal. About 38 per cent of the range has sustainable fashion labelling. In 2015/2016 net sales were SEK 4.7 billion and the number of employees was about 4,000 in nine countries. KappAhl has been listed on Nasdaq Stockholm since 2006.

COMMENTS ON THE FOURTH QUARTER

5.6 %

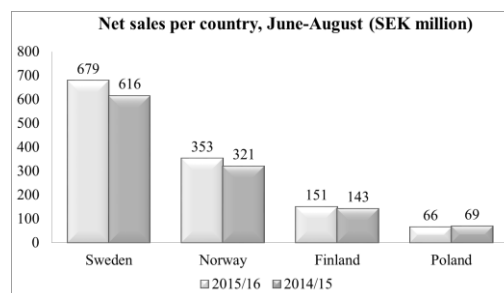
Increased sales in comparable stores

2.5%

Increased operating margin

Net sales and profit

KappAhl's net sales for the quarter amounted to SEK 1,248 (1,149) million, an increase of 8.6 per cent. The development is explained by the effect of new and closed stores, 4.4 per cent, change in comparable stores, 5.6 per cent and translation differences in currencies totalling -1.4 per cent.



Gross profit for the quarter was SEK 724 (659) million, which corresponds to a gross margin of 58.0 (57.4) per cent.

Selling and administrative expenses for the quarter were SEK 625 (607) million.

The operating profit was SEK 99 (52) million, corresponding to an operating margin of 7.9 (4.5) per cent.

Depreciation was SEK 37 (36) million.

Net financial income for the quarter was SEK -4 (-5) million. Profit before tax was SEK 95 (47) million and profit after tax was SEK 59 (30) million. Earnings per share after dilution for the quarter were SEK 0.77 (0.39).

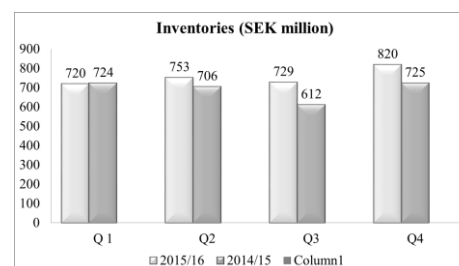
Taxes

The Group has net deferred tax assets of SEK 30 (11) million and deferred tax liabilities of SEK 151 (89) million. Changes in deferred tax assets refer to net reporting of taxes in the previous year. The change in deferred tax liabilities mainly refers to utilisation of loss carry-forwards in Sweden.

Deferred tax assets referring to losses in Poland and Finland are not currently measured.

Inventories

At the close of the period inventories amounted to SEK 820 (725) million, an increase of SEK 95 million compared with the previous year. The increase in inventories is mainly due to the development of the dollar.



Cash flow

KappAhl's cash flow from operating activities before changes in working capital was SEK 129 (100) million. The improvement is mainly the result of a better operating profit. Cash flow from changes in working capital was SEK -132 (-92) million and has mainly been impacted by increased inventories. The change in inventories is mainly related to the development of the dollar. Cash flow from investing activities was SEK -47 (-55) million.

**SEK 144
million**

Net interest-bearing liabilities

58.1 %

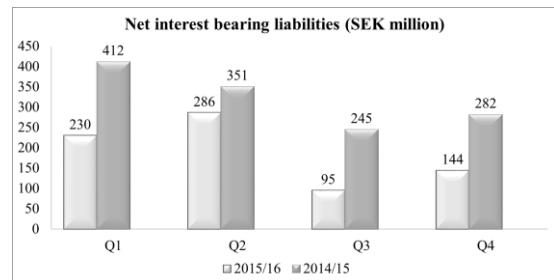
Equity-assets ratio

Financing and liquidity

At the end of the period net interest-bearing liabilities amounted to SEK 144 (282) million. Net interest-bearing liabilities/EBITDA amounted to 0.3 at the close of the period, compared with 0.8 as at 31 August

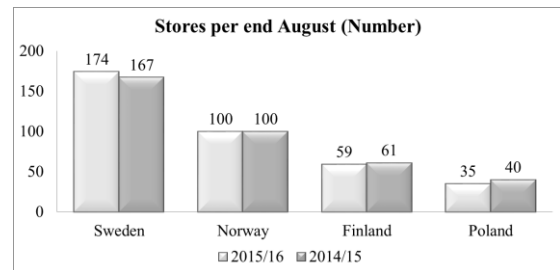
2015. The equity/assets ratio increased to 58.1 (56.6) per cent.

Cash and cash equivalents amounted to SEK 314 (188) million as at 31 August 2016. At the period close there were unutilised credit facilities of about SEK 590 (578) million.



Store network and expansion

At the close of the period the total number of stores was 368 (368). Of these, 174 were in Sweden, 100 in Norway, 59 in Finland and 35 in Poland. One store was opened during the quarter and six were closed.



The work of seeking attractive store locations in existing markets and expanding eCommerce is proceeding.

Parent company

Parent company net sales for the quarter were SEK 5 (10) million and profit before tax was SEK 15 (65) million. The parent company did not make any investments during the period.

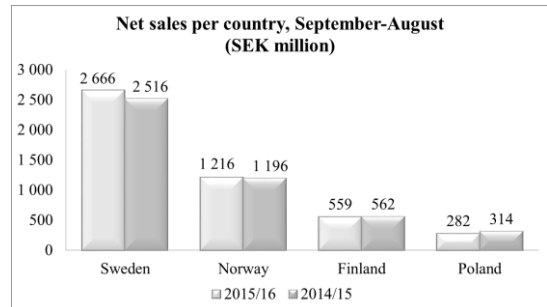
COMMENTS ON THE FULL YEAR

2.7%

Increased sales in comparable stores

Net sales and profit

KappAhl's net sales were SEK 4,724 (4,588) million for the full year. This is an increase of 3.0 per cent compared with the previous year. This is explained by the effect of new and closed stores, 2.6 per cent; change in comparable stores, 2.7 per cent and currency translation differences, -2.3 per cent.



Gross profit for the full year was SEK 2,918 (2,756) million, which corresponds to a gross margin of 61.8 (60.1) per cent.

Selling and administrative expenses for the full year were SEK 2,568 (2,558) million.

The operating profit was SEK 350 (198) million. This is equivalent to an operating margin of 7.4 (4.3) per cent.

Depreciation was SEK 131 (135) million.

Net financial income was SEK -9 (-21) million for the full year. The change in net financial income is due to better interest terms and lower costs of interest swaps compared with the previous year. Profit before tax was SEK 341 (177) million and profit after tax was SEK 245 (111) million.

Earnings per share after dilution for the full year were SEK 3.19 (1.45).

Cash flow

KappAhl's cash flow from operating activities before changes in working capital was SEK 439 (332) million for the year. The improvement is mainly the result of a better operating profit. Cash flow from changes in working capital was SEK -135 (33) million and has mainly been impacted by increased inventories. The change in inventories is mainly related to the development of the dollar. Cash flow from operating activities and investing activities was SEK 184 (166) million.

Investments

Investments of SEK 120 (199) million were made during the period, mainly in existing and newly opened stores and IT related investments.

Parent company

Parent company net sales for the full year were SEK 23 (25) million and the pre-tax profit was SEK 12 (35) million. The parent company did not make any investments during the period.

OTHER INFORMATION

Related party transactions

There were no transactions with related parties in the fourth quarter.

Risks and uncertainties

The most important strategic and operative risks that affect KappAhl's operations and industry are described in detail in the annual report for 2015/2016. The risks include competition in the fashion industry, economic fluctuations, fashion trends, weather conditions, store locations, store expansion and significant exchange rate fluctuations in currencies important for the company. The company's risk management is also described in the corporate governance report in the same annual report, under the section "Report on internal controls". The same applies to the Group's management of financial risks, which are described in the annual report for 2015/2016, Note 18. The reported risks are otherwise deemed to be unchanged in all essentials.

Events after the balance sheet date

No significant events have taken place after the balance sheet date up to the date on which this report was signed.

The Board of Directors and President certify that the report gives a fair presentation of the Parent Company's and Group's operations, financial position and performance and describes material risks and uncertainties facing the Parent Company and the Group.

Annual general meeting

The Annual General Meeting will be held at the company's head office in Mölndal on 6 December, at 10.00. The annual report will be available on the company's website on 8 November. The Board of Directors proposes that a dividend of SEK 1.25 per share be distributed.

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

Mölndal, 13 October 2016

KappAhl AB (publ)

Anders Bülow, *Chairman of the Board* Kicki Olivensjö, *Member*

Pia Rudengren, *Member* Susanne Holmberg, *Member*

Christian W. Jansson, *Member* Michael Bjerregaard Jensen, *Employee repr.*

Melinda Hedström, *Employee repr.* Danny Feltmann, *President and CEO*

This information is information that KappAhl AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication through the agency of President and CEO Danny Feltmann on 13 October 2016 at 07.30 CET.

Financial calendar

First quarter 2016/2017 (Sept-Nov)	21 December 2016	Second quarter 2016/2017 (Dec – Feb)	6 April 2017
Third quarter 2016/2017 (Mar-May)	29 June 2017		

Presentation of the report

A presentation of the report, which will also be made available via the web and as a telephone conference, will be given for analysts, media and investors today at 09.00 at KappAhl, Drottninggatan 53 in Stockholm. To notify attendance at Drottninggatan please email hearings@financialhearings.com. To participate by telephone please call +46 8 566 426 90 about 5 minutes before the start.

CONSOLIDATED INCOME STATEMENT

Amounts in SEK million	Q4 2015/2016	Q4 2014/2015	Sep-Aug 2015/2016	Sep-Aug 2014/2015	Latest 12 months Sep-Aug	
Net sales	1 248	1 149	4 724	4 588	4 724	
Cost of goods sold	-524	-490	-1 806	-1 832	-1 806	
Gross profit	724	659	2 918	2 756	2 918	
Selling expenses	-574	-563	-2 356	-2 385	-2 356	
Administrative expenses	-51	-44	-212	-173	-212	
Operating profit	99	52	350	198	350	
Financial income	1	1	1	1	1	
Financial expenses	-5	-6	-10	-22	-10	
Total net financial expense	-4	-5	-9	-21	-9	
Profit/loss before taxes	95	47	341	177	341	
Taxes	-36	-17	-96	-66	-96	
Net profit/loss for the period	59	30	245	111	245	
Profit attributable to parent company shareholders	59	30	245	111	245	
Earnings per share before dilution, SEK	Note 2	0,77	0,39	3,19	1,46	3,19
Earnings per share after dilution, SEK	Note 2	0,77	0,39	3,19	1,45	3,19

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK million	Q4 2015/2016	Q4 2014/2015	Sep-Aug 2015/2016	Sep-Aug 2014/2015	Latest 12 months Sep-Aug
Net profit/loss for the period	59	30	245	111	245
Items not to be recognised in net profit for the year					
Actuarial gains/losses	-8	20	-8	20	-8
Tax relating to actuarial gains/losses	2	-4	2	-4	2
Total items not to be recognised in net profit for the year	-6	16	-6	16	-6
Items to be recognised in income					
Cash flow hedges – value change	10	-27	9	15	9
Cash flow hedges returned to profit	-1	0	-15	-16	-15
Translation differences for the period	2	-4	3	-6	3
Tax attributable to other comprehensive income	-1	6	2	0	2
Total items that have been reposted or may be reposted to the net profit for the year	10	-25	-1	-7	-1
Total comprehensive income attributable to parent company's shareholders	63	21	238	120	238

CONSOLIDATED BALANCE SHEET

Amounts in SEK million	2016-August-31	2015-August-31
ASSETS		
Non-current assets		
Intangible assets*	1 351	1 349
Tangible assets	429	459
Deferred tax asset	30	11
Total non-current assets	1 810	1 819
Current assets		
Inventories	820	725
Other operating receivables	164	138
Cash and cash equivalents	314	188
Total current assets	1 298	1 051
Total assets	3 108	2 870
EQUITY AND LIABILITIES		
Equity	1 805	1 625
Non-current liabilities		
Interest-bearing long-term liabilities	448	448
Deferred tax liabilities	151	89
Total non-current liabilities	599	537
Current liabilities		
Interest-bearing current liabilities	10	22
Non-interest-bearing current liabilities	694	686
Total current liabilities	704	708
Total equity and liabilities	3 108	2 870
*of which goodwill	696	696
*of which trademarks	610	610

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK million	Q4 2015/2016	Q4 2014/2015	Sep-Aug 2015/2016	Sep-Aug 2014/2015
Opening equity	1 742	1 604	1 625	1 510
Net profit/loss for the year	59	30	245	111
Other comprehensive income				
Cash flow hedges - value changes	10	-27	9	15
Cash flow hedges - recognized in income	-1	0	-15	-16
Year's translation differences	2	-4	3	-6
Actuarial gains/losses	-8	20	-8	20
Tax attributable to item in other comprehensive income	1	2	4	-4
Total comprehensive income	63	21	238	120
Transactions with shareholders				
Dividend	-	-	-58	-56
Employee Incentive Program	-	-	-	51
Total transactions with shareholders	-	-	-58	-5
Closing equity	1 805	1 625	1 805	1 625

CONSOLIDATED CASH FLOW STATEMENT

Amounts in SEK million	Q4 2015/2016	Q4 2014/2015	Sep-Aug 2015/2016	Sep-Aug 2014/2015
Cash flow from operating activities before changes in working capital	129	100	439	332
Changes in working capital	-132	-92	-135	33
Cash flow from operating activities	-3	8	304	365
Cash flow from investing activities	-47	-55	-120	-199
Cash flow from investing activities	-47	-55	-120	-199
Change in bank overdraft facility	-	0	-	-16
Dividend	-	-	-58	-56
Employee Incentive Program	-	-	-	51
Cash flow from financing activities	0	0	-58	-21
Cash flow for the period	-50	-47	126	145
Cash and cash equivalents at beginning of the period	364	235	188	43
Cash and cash equivalents at the end of the period	314	188	314	188

PARENT COMPANY INCOME STATEMENT

Amounts in SEK million	Q4 2015/2016	Q4 2014/2015	Sep-Aug 2015/2016	Sep-Aug 2014/2015	Latest 12 months Sep-Aug
Net sales	5	10	23	25	23
Gross profit	5	10	23	25	23
Other operating charges	-10	-17	-34	-39	-34
Operating profit	-5	-7	-11	-14	-11
Result from participations in group companies	26	79	39	79	39
Financial income	5	3	13	13	13
Financial expenses	-11	-10	-29	-43	-29
Profit/loss before taxes	15	65	12	35	12
Taxes	-3	-7	0	0	0
Net profit/loss for the period	12	58	12	35	12

STATEMENT OF COMPREHENSIVE INCOME FOR THE PARENT COMPANY

Amounts in SEK million	Q4 2015/2016	Q4 2014/2015	Sep-Aug 2015/2016	Sep-Aug 2014/2015	Latest 12 months Sep-Aug
Net profit/loss for the period	12	58	12	35	12
Items not to be recognised in income	-	-	-	-	-
Total items not to be recognised in income	0	0	0	0	0
Items to be recognised in income	-	-	-	-	-
Total items to be recognised in income	0	0	0	0	0
Total other comprehensive income	12	58	12	35	12

PARENT COMPANY BALANCE SHEET - SUMMARY

Amounts in SEK million	2016-August-31	2015-August-31
ASSETS		
Non-current assets		
Financial assets	3 144	3 106
Total non-current assets	3 144	3 106
Current assets		
Other operating receivables	287	282
Cash and cash equivalents	3	38
Total current assets	290	320
Total assets	3 434	3 426
EQUITY AND LIABILITIES		
Equity	2 471	2 517
Interest-bearing long-term liabilities	400	400
Current liabilities		
Interest-bearing current liabilities	354	336
Non-interest-bearing current liabilities	209	173
Total current liabilities	563	509
Total equity and liabilities	3 434	3 426

NOTES

Note 1 Accounting policies

The Group applies International Financial Reporting Standards, IFRS, as adopted by the EU.

The accounting policies applied are consistent with what is stated in the annual report of 31 August 2015. A number of new standards and amendments of interpretations of existing standards came into force during the previous financial year. None of these is deemed to have any material effect on the Group's financial statements. The assessment includes IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of interests in other entities" and IFRIC 21 "Levies". For further information please refer to the annual report. In January 2016 the IASB published a new standard on leases, IFRS 16 "Leases". It will replace IAS 17, "Leases". The standard is applicable on and after 1 January 2019 but early application is permitted. The Group has not yet applied the standard and not yet evaluated its effects.

This report was prepared in accordance with IAS 34. The report for the parent company was prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2, Accounting for Legal Entities.

KappAhl currently has no outstanding share-based incentive programmes.

Note 2 Calculation of earnings per share

Earnings per share is restated for comparison periods. The number of shares has been adjusted to allow for the effect of the rights issue and reverse split of shares as well as redemption of warrants.

Note 3 Financial assets and liabilities measured at fair value

The Group's financial instruments consist of trade receivables, other receivables, cash and cash equivalents, trade payables, interest-bearing liabilities and currency and interest derivatives. The derivatives are recognised at fair value based on level 2 inputs in the fair value hierarchy. The carrying amounts of trade receivables and trade payables represent a reasonable estimate of their fair values. Group loans are measured at amortised cost.

The Group uses derivative financial instruments to manage interest rate and currency risks. Hedge accounting is applied when there is an effective link between hedged flows and derivative financial instruments. The fair value of financial derivative instruments was SEK -1 (15) million for currency forwards and SEK -12 (-22) million for interest swaps. The Group hedges currency flows in USD, NOK and PLN for which currency forwards have maturities of up to 9 months.

NUMBER OF STORES PER COUNTRY

	2016-August-31	2016-May-31	2016-Feb-29	2015-Nov-30	2015-Aug-31
Sweden	174	173	171	170	167
Norway	100	101	101	101	100
Finland	59	60	59	61	61
Poland	35	39	39	41	40
Total	368	373	370	373	368

SALES PER COUNTRY

Amounts in SEK million	Q4 2015/2016	Q4 2014/2015	Change SEK %	Change local currency %
Sweden	679	616	10,3%	10,3%
Norway	352	321	10,0%	14,7%
Finland	151	143	5,7%	5,3%
Poland	66	69	-5,5%	-1,5%
Total	1 248	1 149	8,6%	-

Amounts in SEK million	Sep-May 2015/2016	Sep-May 2014/2015	Change SEK %	Change local currency %
Sweden	2 666	2 516	6,0%	6,0%
Norway	1 216	1 196	1,7%	10,2%
Finland	559	562	-0,6%	-0,7%
Poland	282	314	-10,1%	-6,7%
Total	4 724	4 588	3,0%	-

GEOGRAFIC REPORTING

Amounts in SEK million	Net sales Q4 2015/2016	Net sales Q4 2014/2015	Operating income Q4 2015/2016	Operating income Q4 2014/2015
Nordic countries	1 182	1 080	122	78
Other	66	69	-23	-26
Total	1 248	1 149	99	52

Amounts in SEK million	Net sales Sep-Aug 2015/2016	Net sales Sep-Aug 2014/2015	Operating income Sep-Aug 2015/2016	Operating income Sep-Aug 2014/2015
Nordic countries	4 441	4 274	440	276
Other	282	314	-90	-78
Total	4 724	4 588	350	198

QUARTERLY INCOME STATEMENT

Amounts in SEK million	2015/2016				2014/2015				2013/2014				2012/2013				2011/2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	1 165	1 116	1 195	1 248	1 174	1 133	1 132	1 149	1 243	1 114	1 201	1 185	1 245	1 148	1 210	1 148	1 193	1 119	1 146	1 129
Cost of goods sold	-401	-462	-420	-524	-431	-478	-433	-490	-456	-471	-448	-482	-457	-516	-470	-494	-496	-538	-469	-485
Gross profit	764	654	775	724	743	655	699	659	787	643	753	703	788	632	740	654	697	581	677	644
Selling expenses	-597	-570	-614	-574	-606	-604	-612	-563	-651	-603	-617	-598	-650	-636	-627	-575	-648	-685	-615	-579
Administrative expenses	-50	-53	-58	-51	-42	-42	-45	-44	-37	-37	-35	-36	-34	-31	-49	-36	-33	-34	-33	-36
Other operating income	-	-	-	-	0	0	0	0	0	0	0	0	77	-1	0	0	-	-	-	-
Operating profit	117	31	103	99	95	9	42	52	99	3	101	69	181	-36	64	43	16	-138	29	29
Financial income	0	0	0	1	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Financial expenses	-2	-2	0	-5	-8	-3	-5	-6	-12	-8	-38	-10	-43	-17	-21	-7	-26	-47	-34	-59
Total net financial expense	-2	-2	0	-4	-8	-3	-5	-5	-12	-8	-38	-10	-43	-17	-21	-7	-26	-47	-34	-59
Profit/loss before taxes	115	29	103	95	87	6	37	47	87	-5	63	59	138	-53	43	36	-10	-185	-5	-30
Taxes	-32	-15	-14	-36	-26	-9	-14	-17	-25	-2	-21	-27	-23	-11	-11	-3	-1	22	-5	-10
Net profit	83	14	89	59	61	-3	23	30	62	-7	42	32	115	-64	32	33	-11	-163	-10	-40
Operating margin	10,0%	2,8%	8,6%	7,9%	8,1%	0,8%	3,7%	4,5%	8,0%	0,3%	8,4%	5,8%	8,3%*	-3,1%	5,3%	3,7%	1,3%	-12,3%	2,5%	2,6%
Earnings per share after dilution, SEK	1,08	0,18	1,16	0,77	0,81	-0,04	0,30	0,39	0,83	-0,09	0,56	0,42	2,35	-0,85	0,43	0,09	-0,49	-3,33	-1,46	-0,82
Number of stores	373	370	373	368	377	373	372	368	389	379	378	377	395	391	392	390	381	381	386	388

* excl. sales of property

YEARLY INCOME STATEMENT

Amounts in SEK million	sep-aug 2015/2016	sep-aug 2014/2015	sep-aug 2013/2014	sep-aug 2012/2013	sep-aug 2011/2012
Net sales	4 724	4 588	4 743	4 751	4 587
Cost of goods sold	-1 806	-1 832	-1 857	-1 937	-1 988
Gross profit	2 918	2 756	2 886	2 814	2 599
Selling expenses	-2 356	-2 385	-2 469	-2 488	-2 527
Administrative expenses	-212	-173	-145	-150	-136
Other operating income	1)	-	-	76	-
Operating profit	350	198	272	252	-64
Financial income	1	1	0	1	0
Financial expenses	-10	-22	-68	-88	-166
Total net financial expense	-9	-21	-68	-87	-166
Profit/loss before taxes	341	177	204	165	-230
Taxes	-96	-66	-75	-74	6
Net profit/loss for the year	245	111	129	91	-224
Operating margin	7,4%	4,3%	5,7%	5,3%	-1,4%
Earnings per share, SEK	Note 2	3,19	1,45	1,32	-5,30

1) Capital gain sale of property Q1 2012/13

DEFINITIONS

Some information in this report used by company management and analysts to assess the Group's development has not been prepared in accordance with IFRS.

The company management considers that this information makes it easier for investors to analyse the Group's performance and financial structure. Investors should regard this information as a complement to rather than a replacement for financial reporting in accordance with IFRS.

Key figures and ratios	Definition/calculation	Purpose
Margins		
Gross margin	Net sales less cost of goods sold as a percentage of net sales	Gross margin is used to measure profitability of goods distribution
Operating margin	Operating profit as a percentage of net sales	Operating margin is used to measure operative profitability
Return		
Return on equity	12-month rolling profit for the period as a percentage of average equity	This key ratio shows return on owners' invested capital from the point of view of the owners
Return on capital employed	12-months rolling operating profit plus financial income as a percentage of capital employed	This key ratio is the central measure of return on all capital used in the business
Capital structure		
Net interest-bearing liabilities	Interest-bearing liabilities minus cash and cash equivalents	Used to measure the capacity for repaying interest-bearing liabilities with available cash and cash equivalents if these fell due on the date of the
Net interest-bearing liabilities/EBITDA (multiple)	Net interest bearing liabilities divided by EBITDA for the immediately preceding twelve-month period	Net debt divided by EBITDA gives an estimate of the company's capacity to pay its interest bearing liabilities
Equity-assets ratio	Equity / balance sheet total at the close of the period	This key ratio shows financial risk, expressed as the proportion of total restricted equity that is financed by the owners
Average equity	Equity at the close of the period and equity at the close of the period of comparison in the previous year, divided by two	Average equity is used when calculating the key ratio return on equity
Capital employed	Balance sheet total less non-interest bearing debt including deferred tax liabilities at the close of the period and for the period of comparison in the previous year divided by two	Capital employed measures the use of capital and effectiveness
Data per share		
Equity per share	Equity divided by the number of shares	Equity per share measures the company's net value per share and determines whether a company increases the shareholders' wealth over time
Earnings per share	Profit after tax divided by average number of shares	This key ratio is used to assess the development of the investment from the point of view of the owners
Earnings per share after dilution	Profits after tax divided by average number of shares after full dilution	This key ratio is used to assess the development of the investment from the point of view of the owners
Other definitions		
Gross profit	Net sales less cost of goods sold	Gross profit is used to measure profitability of goods distribution
Operating profit (EBIT)	Total profit before financial income and income tax (earnings before interest and taxes)	This key ratio makes it possible to compare profitability regardless of corporate tax rate and independent of the company's financing structure
EBITDA	Operating result before amortisation and impairment (earnings before interest, tax, depreciation and amortisation)	This key ratio is used to measure cash flow from operating activities, regardless of the effects of financing and valuation of non-current assets
Sales in comparable stores	Change in sales in comparable units (on a like-for-like basis) after adjustment for opened/closed stores and foreign exchange effects	This key ratio makes it possible to analyse sales excluding opened/closes stores and foreign exchange effects
Interest coverage ratio (multiple)	Operating profit plus interest income / interest expense, for the preceding twelve—month period	This key ratio shows the company's capacity to cover its financial expenses

KEY RATIOS

		Q4 2015/2016	Q4 2014/2015	Sep-Aug 2015/2016	Sep-Aug 2014/2015	Latest 12 months Sep-Aug
Earnings per share before dilution, SEK	Note 2	0,77	0,39	3,19	1,46	3,19
Earnings per share after dilution, SEK	Note 2	0,77	0,39	3,19	1,45	3,19
Total depreciation		37	36	131	135	131
Operating result (EBIT)		99	52	350	198	350
Gross margin		58,0%	57,4%	61,8%	60,1%	61,8%
Operating margin		7,9%	4,5%	7,4%	4,3%	7,4%
Interest coverage ratio		-	-	35,1	9,0	35,1
Net interest-bearing liabilities		144	282	144	282	144
Net interest-bearing liabilities/EBITDA		-	-	0,3	0,8	0,3
Equity/assets ratio		58,1%	56,6%	58,1%	56,6%	58,1%
Equity per share before dilution, SEK		23,50	21,36	23,50	21,36	23,50
Equity per share after dilution, SEK		23,50	21,30	23,50	21,30	23,50
Return on equity		-	-	14,3%	7,1%	14,3%
Return on capital employed		-	-	16,1%	9,8%	16,1%
Number of shares before dilution		76 820 380	76 820 380	76 820 380	76 078 555	76 820 380
Number of shares after dilution		76 820 380	76 820 380	76 820 380	76 296 003	76 820 380

KAPPAHL'S 20 LARGEST SHAREHOLDERS, 31 AUGUST 2016

	Number of shares	Percentage of shares and votes 2016-August-31	Change compared with 2016-May-31
Mellby Gård AB	15 759 875	20,52	0
Handelsbanken fonder	4 002 768	5,21	0
Swedbank Robur fonder	3 859 023	5,02	-1 294 135
Fidelity Funds - Nordic Fund	2 066 099	2,69	50 000
Lannebo fonder	1 993 393	2,59	0
Catella Fondförvaltning	1 938 854	2,52	-650 313
Fjärde AP-fonden	1 871 227	2,44	-600 000
Försäkringsaktiebolaget, Avanza Pension	1 596 652	2,08	-76 929
CBNY-Norges Bank	1 528 182	1,99	-279 856
State street Bank	1 434 508	1,87	1 434 508
CBNY-DFA-INT SML CAP V	1 370 653	1,78	827 052
Liv & Pension, Nordea	1 191 185	1,55	1 031 238
SEB S.A. Client Assets UCITS.	1 157 210	1,51	588 939
Robur Försäkring	1 117 101	1,45	145 657
Goldman Sachs International LTD, W8IM Y	964 535	1,26	480 933
Tredje AP-fonden	894 893	1,16	-40 583
Euroclear Bank S.A/N.V, W8-IMY	792 904	1,03	521 074
Nordnet Pensionsförsäkring AB	744 192	0,97	232 531
Morgan Stanley and CO LLC, W9	696 287	0,91	-540 552
BNYMSANV RE GCLB RE Barclays Capita	648 538	0,84	-81 462
Övriga	31 192 301	40,61	-1 748 102
Total	76 820 380	100,00	0,00