



GOOD PROFITABILITY AND STRONG FINANCIAL POSITION

“The second quarter outcome shows a continued strong financial position. The strong gross margin, as in the previous quarter, is a result of our pricing and campaign strategy. Lower overhead expenses in the quarter also contributed to the sound operating profit.”

Read the full CEO statement on the next page.

- The Group’s sales increased during the quarter by 1.0 per cent in local currencies. Restated in SEK, sales decreased by 1.5 per cent.
- The gross margin was positively affected by continued changes in pricing/campaign strategy.
- Overhead expenses are 3.6 per cent lower than the previous year.
- The operating profit improved to SEK 31 (9) million.

	Second Quarter (Dec-Feb)			Half year (Sep-Feb)		
	2015/2016	2014/2015	Change	2015/2016	2014/2015	Change
Net sales, SEK million	1 116	1 133	-17	2 281	2 307	-26
Operating profit/loss, SEK million	31	9	22	148	104	44
Gross margin, %	58,6	57,8	0,8	62,2	60,6	1,6
Operating margin, %	2,8	0,8	2,0	6,5	4,5	2,0
Profit after tax, SEK million	14	-3	17,0	97	58,0	39,0
Earnings per share after dilution, SEK (Note 1)	0,18	-0,04	0,22	1,26	0,77	0,50
Cash flow from operating activities, SEK million	15	95	-80	104	163	-59

For further information

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DANNY FELTMANN, PRESIDENT: GOOD PROFITABILITY AND STRONG FINANCIAL POSITION



*Danny Feltmann
President and CEO*

The second quarter outcome shows a continued strong financial position. The strong gross margin of 58.6 (57.8) per cent, as in the previous quarter is a result of our pricing and campaign strategy. Lower overhead expenses in the quarter also contributed to the sound operating profit of SEK 31 (9) million.

Our investments in an IT platform and store conversions are continuing. The lower investments compared to the previous year of SEK 25 million is due to adjustments in the new store concept that gives lower investments and a temporarily lower pace of implementation.

KappAhl is traditionally a valued Christmas present destination. This year too, soft packages with dressing gowns and pyjamas sold well, and the same applies to the Hampton Republic 27 lifestyle collection. The Group's sales increased during the quarter by 1.0 per cent in local currencies. Restated in SEK this gives a decrease of 1.5 per cent, due to the weak Norwegian currency, which reduced total sales by about SEK 30 million. In Poland the programme of measures is continuing according to plan and is expected to be fully completed by 31 December.

We note that it is becoming increasingly tough to earn money in December. Contributory factors are Black Friday and ever earlier clearance sales. We see that more consumers plan their purchases on this basis.

The development of sustainable solutions in design has high priority in our work on the range. Some are solutions that contribute to a timeless, classic wardrobe as the one we started to feature in selected garments labeled "Timeless Fashion" during the winter season. Another important part is to take advantage of new ideas and opportunities. In January the first KappAhl Sustainable Design Contest was announced; a competition for fashion and textile students who want to be involved in developing sustainable future design solutions. Interest in the contest was great. The winner, to be presented in April, will then work together with KappAhl to put their idea into practice.

Strategic work is continuing on the course set. So far the year has been largely characterised by our continued ambition to make KappAhl's offer clearer. This is already apparent financially in the continued conversion of the price/campaign strategy and a lower reduction level.

The aim is to create desired effects on sales with increased full price sales at good margins. We do this with a focus on the customer experience. We are developing working methods and effectiveness, we are developing the range, accessibility and communication. Within the company I see a great desire and ambition to pursue these issues. The results are beginning to be perceived internally and will be seen by our customers, women in the prime of life, early in the next financial year.

Danny Feltmann
President and CEO

COMMENTS ON THE SECOND QUARTER

-0.2 %

Sales in comparable stores

0.8 %

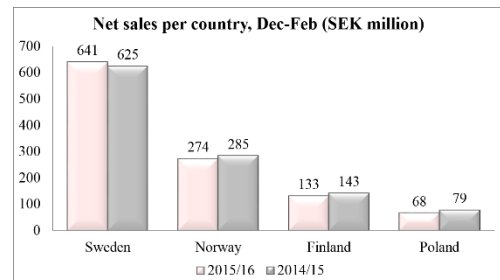
Increased gross margin

3.6 %

Decreased selling and administrative expenses

Net sales and profit

KappAhl's net sales for the quarter amounted to SEK 1,116 (1,133) million, a decrease of 1.5 per cent. This is explained by the effect of new and closed stores, 1,2 per cent; change in comparable stores, -0.2 per cent; and currency translation differences totalling -2,5 per cent.



Gross profit for the quarter was SEK 654 (655) million, which corresponds to a gross margin of 58.6 (57.8) per cent.

Selling and administrative expenses for the quarter decreased by 3.6 per cent to a total of SEK 623 (646) million.

The operating profit was SEK 31 (9) million. This is equivalent to an operating margin of 2.8 (0.8) per cent.

Depreciation according to plan was SEK 32 (33) million.

Net financial income was SEK -2 (-3) million for the quarter. Profit after financial items was SEK 29 (6) million and the profit after estimated tax was SEK 14 (-3) million. Earnings per share for the quarter were SEK 0.18 (-0.04).

Taxes

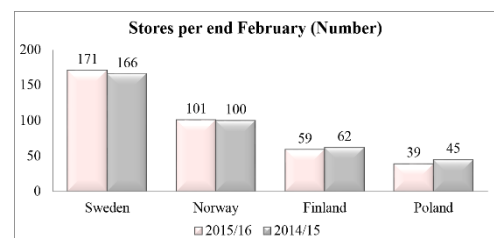
The Group has net deferred tax assets of SEK 11 (9) million and deferred tax liabilities of SEK 128 (64) million. The change in deferred taxes is mainly attributable to the relation between tax on profits for the year and the tax loss carry-forwards in Sweden that have been utilised. The high tax rate in the quarter was impacted by the reversal of non-deductible expenses attributable to earlier periods of assessment.

Deferred tax assets referring to losses in Poland and Finland are not currently measured, resulting in high effective tax in the Group.

Inventories

At the close of the period inventories amounted to SEK 753 (706) million, an increase of SEK 47 million compared with the previous year.

The increase is mainly due to incoming deliveries being brought forward over the previous year.



Cash flow

KappAhl's cash flow from operating activities amounted to SEK 15 (95) million during the quarter and cash flow after investments was SEK -2 (65) million. The change primarily lies in working capital, SEK -49 (41) million, that mainly refers to increased inventories and decreased current liabilities during the period. Cash flow from investing activities was SEK -17 (-30) million, which was primarily affected by investments in the new store concept.

18.5 %

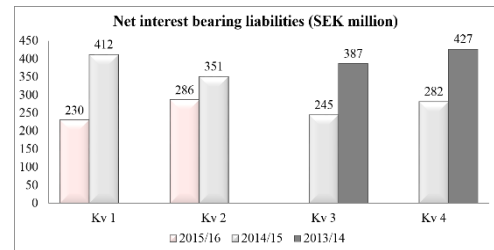
Decrease in net debt compared with previous year

57.7 %

Current equity/assets ratio

Financing and liquidity

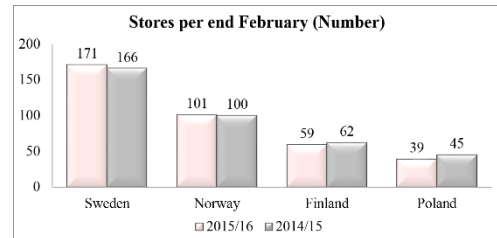
At the end of the period net interest-bearing liabilities amounted to SEK 286 (351) million. The net interest-bearing liabilities/EBITDA ratio was 0.7 at the close of the period, compared with 0.8 as at 28 February 2015. The equity/assets ratio increased to 57.7 (56.6) per cent.



Cash and cash equivalents amounted to SEK 176 (138) million on 29 February 2016. At the period close there were unutilised credit facilities of about SEK 585 (564) million.

Store network and expansion

At the end of the period the total number of stores was 370 (373). Of these, 171 were in Sweden, 101 in Norway, 59 in Finland and 39 in Poland.



One store was opened during the quarter and four were closed.

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

Parent company

The parent company's net sales for the quarter were SEK 2 (10) million and profit after financial items was SEK 4 (-4) million. The parent company did not make any investments during the period.

COMMENTS ON THE HALF YEAR

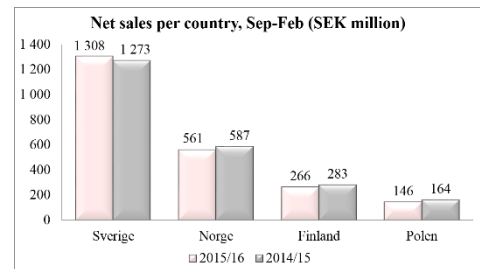
0.3 %

Sales in comparable stores

Net sales and profit

KappAhl's net sales were SEK 2,281 (2,307) million for the six months.

This is a decrease of 1.1 per cent compared with the previous year. This is explained by the effect of new and closed stores, 1.0 per cent; change in comparable stores, 0.3 per cent; and currency translation differences totalling -2.4 per cent.



Gross profit for the half year was SEK 1,418 (1,398) million, which corresponds to a gross margin of 62.2 (60.6) per cent.

Selling and administrative expenses for the half year amounted to SEK 1,270 (1,294) million, which is a decrease of SEK 24 million, corresponding to 1.9 per cent.

The operating profit was SEK 148 (104) million. This is equivalent to an operating margin of 6.5 (4.5) per cent.

Depreciation according to plan was SEK 63 (65) million.

Net financial income was SEK -4 (-11) million for the half 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 after financial items was SEK 144 (93) million and the profit after estimated tax was SEK 97 (58) million.

Earnings per share after dilution for the half year were SEK 1.26 (0.77).

Investments

Investments of SEK 58 (83) million were made during the period, mainly in existing and newly opened stores and IT related investments.

Cash flow

KappAhl's cash flow from operating activities during the first half year was SEK 104 (163) million. The change is principally in working capital, SEK -101 (-3) million, which is mainly attributable to increased inventories and decreased current liabilities. Cash flow from investing activities is SEK -58 (-83) million, which was primarily affected by investments in the new store concept.

Parent company

The Parent Company's net sales during the first six months were SEK 10 (10) million and profit after financial items was SEK 1 (-21) million. The parent company did not make any investments during the period.

OTHER INFORMATION

Related party transactions

There were no transactions with related parties during the first half year.

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 2014/2015. The risks include competition in the fashion industry, economic fluctuations, fashion trends, store location, store expansion and significant changes in the exchange rates who are significant to 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 2014/2015, 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.

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

The Board of Directors and the CEO certify that the interim report gives a true and fair overview of the Group's operations, position and results and describes significant risks and uncertainties that the parent company and the Group face.

Möln dal, 14 April 2016

KappAhl AB (publ)

Anders Bülow, Chairman

Pia Rudengren

Susanne Holmberg

Christian W. Jansson

Kicki Olivensjö

Gustaf Öhrn

Melinda Hedström.

Michael Bjerregaard Jensen.

Danny Feltmann, President and CEO

The information in this interim report is disclosed by KappAhl AB (publ) pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication on 14 April 2016 at 07.30 am.

Financial calendar

Third quarter (March-May)

30 June, 2016

Fourth quarter (June-August)

13 October, 2016

First quarter 2016/2017 (Sept.-Nov.)

21 December 2016

Presentation of the report

A presentation, which will also be made available via telephone and web, will be held for analysts, media and investors today at 9.00 in the KappAhl store on Drottninggatan 53 in Stockholm. To notify attendance at the event, please email hearings@financialhearings.com. The webcast will be available via www.kappahl.com/presentations. To participate by telephone please call +46 8 566 426 90 about 5 minutes before the start.

KappAhl, founded in 1953 in Gothenburg, is one of the leading Nordic fashion chains with nearly 380 stores in Sweden, Norway, Finland and Poland. Our mission is to offer value-for-money fashion of our own design with wide appeal. About a quarter of our range has sustainable fashion labelling. In 2014/2015 sales were SEK 4.6 billion and the number of employees was about 4,000 in eight countries. KappAhl has been listed on Nasdaq Stockholm since 2006.

CONSOLIDATED INCOME STATEMENT

Amounts in SEK million	Q2 2015/2016	Q2 2014/2015	Sep-Feb 2015/2016	Sep-Feb 2014/2015	Latest 12 months Mar-Feb	
Net sales	1 116	1 133	2 281	2 307	4 562	
Cost of goods sold	-462	-478	-863	-909	-1 786	
Gross profit	654	655	1 418	1 398	2 776	
Selling expenses	-570	-604	-1 167	-1 210	-2 342	
Administrative expenses	-53	-42	-103	-84	-192	
Operating profit	31	9	148	104	242	
Financial income	0	0	0	0	1	
Financial expenses	-2	-3	-4	-11	-15	
Profit after financial items	29	6	144	93	228	
Taxes	-15	-9	-47	-35	-78	
Result for the period	14	-3	97	58	150	
Profit attributable to parent company shareholders	14	-3	97	58	150	
Earnings per share before dilution, SEK	Note 1	0,18	-0,04	1,26	0,77	1,95
Earnings per share after dilution, SEK	Note 1	0,18	-0,04	1,26	0,77	1,95

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Amounts in SEK million	Q2 2015/2016	Q2 2014/2015	Sep-Feb 2015/2016	Sep-Feb 2014/2015	Latest 12 months Mar-Feb
Result for the period	14	-3	97	58	150
Items not to be recognised in income					
Actuarial gains/losses	0	0	0	0	20
Tax relating to actuarial gains/losses	0	0	0	0	-4
Total items not to be recognised in income	0	0	0	0	16
Items to be recognised in income					
Cash flow hedges – value change	3	18	4	64	-45
Cash flow hedges returned to profit	-12	-5	-12	-13	-15
Translation differences for the period	0	5	-1	-1	-6
Tax attributable to other comprehensive income	2	-3	2	-11	13
Total items to be recognised in income	-7	15	-7	39	-53
Total comprehensive income attributable to parent company's shareholders	7	12	90	97	113

CONSOLIDATED BALANCE SHEET

Amounts in SEK million	2016-Feb-29	2015-Feb-28	2015-Aug-31
ASSETS			
Non-current assets			
Intangible assets*	1 350	1 341	1 349
Tangible assets	453	430	459
Financial assets**	11	9	11
Total non-current assets	1 814	1 780	1 819
Current assets			
Inventories	753	706	725
Other operating receivables	127	205	138
Cash and cash equivalents	176	138	188
Total current assets	1 056	1 049	1 051
Total assets	2 870	2 829	2 870
EQUITY AND LIABILITIES			
Equity	1 657	1 602	1 625
Non-current liabilities			
Interest-bearing long-term liabilities	447	453	448
Non-interest-bearing long-term liabilities***	128	64	89
Total non-current liabilities	575	517	537
Current liabilities			
Interest-bearing current liabilities	15	36	22
Non-interest-bearing current liabilities	623	674	686
Total current liabilities	638	710	708
Total equity and liabilities	2 870	2 829	2 870
*of which goodwill	696	696	696
*of which trademarks	610	610	610
**of which deferred tax asset	11	9	11
***of which deferred tax liabilities	128	64	89

CONSOLIDATED CASH FLOW STATEMENT

Amounts in SEK million	Q2 2015/2016	Q2 2014/2015	Sep-Feb 2015/2016	Sep-Feb 2014/2015
Cash flow from operating activities before changes in working capital	64	54	205	166
Changes in working capital	-49	41	-101	-3
Cash flow from operating activities	15	95	104	163
Cash flow from investing activities	-17	-30	-58	-83
Cash flow from investing activities	-17	-30	-58	-83
Change in bank overdraft facility	-	-127	-	20
Utdelning	-58	-56	-58	-56
Personaloptionsprogram	-	51	-	51
Cash flow from financing activities	-58	-132	-58	15
Cash flow for the period	-59	-67	-12	95
Cash and cash equivalents at beginning of the period	235	205	188	43
Cash and cash equivalents at the end of the period	176	138	176	138

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in SEK million	Q2 2015/2016	Q2 2014/2015	Sep-Feb 2015/2016	Sep-Feb 2014/2015	Sep-Aug 2014/2015
Opening equity	1 708	1 595	1 625	1 510	1 510
Dividend	-58	-56	-58	-56	-56
Staff options plan	-	51	-	51	51
Total comprehensive income	7	12	90	97	120
Closing equity	1 657	1 602	1 657	1 602	1 625

NUMBER OF STORES PER COUNTRY

	2016-Feb-29	2015-Nov-30	2015-Aug-31	2015-May-31	2015-Feb-28
Sweden	171	170	167	167	166
Norway	101	101	100	100	100
Finland	59	61	61	62	62
Poland	39	41	40	43	45
Total	370	373	368	372	373

SALES PER COUNTRY

Amounts in SEK million	Q2 2015/2016	Q2 2014/2015	Change SEK %	Change local currency %
Sweden	641	625	2,5%	2,5%
Norway	274	285	-3,8%	5,1%
Finland	133	143	-7,5%	-6,2%
Poland	68	79	-14,1%	-9,9%
Total	1 116	1 133	-1,4%	-

Amounts in SEK million	Sep-Feb 2015/2016	Sep-Feb 2014/2015	Change SEK %	Change local currency %
Sweden	1 308	1 273	2,7%	2,7%
Norway	561	587	-4,4%	5,0%
Finland	266	283	-6,0%	-6,1%
Poland	146	164	-11,1%	-9,4%
Total	2 281	2 307	-1,2%	-

GEOGRAPHIC REPORTING

Amounts in SEK million	Net sales	Net sales	Operating	Operating
	Q2	Q2	income	income
	2015/2016	2014/2015	Q2	Q2
			2015/2016	2014/2015
Nordic countries	1 048	1 053	49	30
Other	68	79	-18	-21
Total	1 116	1 133	31	9

Amounts in SEK million	Net sales	Net sales	Operating	Operating
	Sep-Feb	Sep-Feb	income	income
	2015/2016	2014/2015	Sep-Feb	Sep-Feb
			2015/2016	2014/2015
Nordic countries	2 135	2 144	178	141
Other	146	164	-30	-37
Total	2 281	2 307	148	104

QUARTERLY INCOME STATEMENT

Amounts in SEK million	2015/2016		2014/2015				2013/2014				2012/2013				2011/2012			
	Q1	Q2	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	1 165	1 116	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	-431	-478	-433	-490	-456	-471	-448	-482	-457	-516	-470	-494	-496	-538	-469	-485
Gross profit	764	654	743	655	699	659	787	643	753	703	788	632	740	654	697	581	677	644
Selling expenses	-597	-570	-606	-604	-612	-563	-651	-603	-617	-598	-650	-636	-627	-575	-648	-685	-615	-579
Administrative expenses	-50	-53	-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	95	9	42	52	99	3	101	69	181	-36	64	43	16	-138	29	29
Financial income	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Financial expenses	-2	-2	-8	-3	-5	-6	-12	-8	-38	-10	-43	-17	-21	-7	-26	-47	-34	-59
Profit after financial items	115	29	87	6	37	47	87	-5	63	59	138	-53	43	36	-10	-185	-5	-30
Taxes	-32	-15	-26	-9	-14	-17	-25	-2	-21	-27	-23	-11	-11	-3	-1	22	-5	-10
Net profit	83	14	61	-3	23	30	62	-7	42	32	115	-64	32	33	-11	-163	-10	-40
Operating margin	10,0%	2,8%	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, SE	1,08	0,18	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	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 2014/2015	Sep-Aug 2013/2014	Sep-Aug 2012/2013	Sep-Aug 2011/2012	Sep-Aug 2010/2011
Net sales	4 588	4 743	4 751	4 587	4 974
Cost of goods sold	-1 832	-1 857	-1 937	-1 988	-2 048
Gross profit	2 756	2 886	2 814	2 599	2 926
Selling expenses	-2 385	-2 469	-2 488	-2 527	-2 560
Administrative expenses	-173	-145	-150	-136	-144
Other operating income	1) -	-	76	-	-
Operating profit	198	272	252	-64	222
Financial income	1	0	1	0	1
Financial expenses	-22	-68	-88	-166	-72
Profit after financial items	177	204	165	-230	151
Taxes	-66	-75	-74	6	-83
Net profit	111	129	91	-224	68
Operating margin	4,3%	5,7%	5,3%	-1,4%	4,5%
Earnings per share, SEK	Note 1 1,45	1,71	1,32	-5,30	2,98

1) Capital gain sale of property Q1 2012/13

PARENT COMPANY INCOME STATEMENT

Amounts in SEK million	Q2 2015/2016	Q2 2014/2015	Sep-Feb 2015/2016	Sep-Feb 2014/2015	Latest 12 months Mar-Feb
Net sales	2	10	10	10	25
Gross profit	2	10	10	10	25
Other operating charges	-7	-8	-14	-15	-38
Operating profit	-5	2	-4	-5	-13
Result from participations in group companies	13	-	13	-	92
Financial income	2	4	3	6	10
Financial expenses	-6	-10	-11	-22	-32
Profit after financial items	4	-4	1	-21	57
Bokslutsdispositioner	-	-	-	-	-
Resultat efter bokslutsdispositioner	4	-4	1	-21	57
Taxes	2	1	3	5	-2
Net profit	6	-3	4	-16	55

PARENT COMPANY BALANCE SHEET

Amounts in SEK million	2016-Feb-29	2015-Feb-28	2015-Aug-31
ASSETS			
Non-current assets			
Financial assets	3 106	3 049	3 106
Deferred tax assets	3	5	-
Total non-current assets	3 109	3 054	3 106
Current assets			
Other operating receivables	247	285	282
Cash and cash equivalents	12	190	38
Total current assets	259	475	320
Total assets	3 368	3 529	3 426
EQUITY AND LIABILITIES			
Equity	2 463	2 466	2 517
Total non-current liabilities	400	400	400
Current liabilities			
Interest-bearing current liabilities	338	532	336
Non-interest-bearing current liabilities	167	131	173
Total current liabilities	505	663	509
Total equity and liabilities	3 368	3 529	3 426

KEY RATIOS

	Q2 2015/2016	Q2 2014/2015	Sep-Feb 2015/2016	Sep-Feb 2014/2015	Latest 12 months Mar-Feb
Growth in sales	-1,5%	1,7%	-1,1%	-2,1%	-2,8%
Earnings per share before dilution, SEK	Note 1 0,18	-0,04	1,26	0,77	1,95
Earnings per share after dilution, SEK	Note 1 0,18	-0,04	1,26	0,77	1,95
Total depreciation/amortisation	32	33	63	65	133
Operating result (EBIT)	31	9	148	104	242
Gross margin	58,6%	57,8%	62,2%	60,6%	60,9%
Operating margin	2,8%	0,8%	6,5%	4,5%	5,3%
Operating margin excluding non-recurring items, %	2,8%	0,8%	6,5%	4,5%	5,5%
Interest coverage ratio	-	-	16,2	4,6	16,2
Net interest-bearing liabilities	286	351	286	351	286
Net interest-bearing liabilities/EBITDA	-	-	0,7	0,8	0,7
Equity/assets ratio	57,7%	56,6%	57,7%	56,6%	57,7%
Equity per share before dilution, SEK	21,57	21,26	21,57	21,26	21,57
Equity per share after dilution, SEK	21,57	21,14	21,57	21,14	21,57
Return on equity	-	-	-	-	9,1%
Return on capital employed	-	-	-	-	11,5%
Number of shares before dilution	76 820 380	75 633 460	76 820 380	75 336 730	76 820 380
Number of shares after dilution	76 820 380	76 016 348	76 820 380	75 771 626	76 820 380

DEFINITIONS

Earnings per share	Profit after tax / average number of shares
Earnings per share after dilution	Profit after tax / average number of shares after full dilution
Interest coverage ratio	EBITDA / Net interest income excluding one-off items, for the previous twelve-month period
Net interest-bearing liabilities	Interest-bearing liabilities less liquid funds
Net interest-bearing liabilities/EBITDA	Net interest-bearing liabilities / EBITDA for the previous twelve-month period
EBITDA	Operating profit before depreciation / amortisation
Equity/assets ratio	Equity divided by balance sheet total
Equity per share	Equity / average number of shares
Return on equity	Net result in per centage of average equity
Return on capital employed	Operating profit/loss plus financial income in percentage of capital employed
Capital employed	Balance sheet total less non interest bearing deferred tax liability.

KAPPAHL'S 20 LARGEST SHAREHOLDERS, 29 FEBRUARY 2016

	Number of shares	Percentage of shares and votes 2016-Feb-29	Change compared with 2015-Nov-30
Mellby Gård AB	15 759 875	20,52	390 630
Handelsbanken fonder	5 133 657	6,68	256 803
Swedbank Robur fonder	3 994 768	5,20	-1 085 171
Fidelity Funds - Nordic Fund	2 589 167	3,37	206 209
Lannebo fonder	2 391 270	3,11	-46 493
Catella Fondförvaltning	2 013 299	2,62	14 000
Fjärde AP-fonden	1 993 393	2,59	0
Försäkringsaktiebolaget, Avanza Pension	1 817 770	2,37	-415 646
CBNY-Norges Bank	1 673 046	2,18	798 183
Andra AP-fonden	1 565 314	2,04	1 565 314
Liv & Pension, Nordea	983 476	1,28	-29 400
CBNY-DFA-INT SML CAP V	910 905	1,19	22 227
Skandinaviska Enskilda Banken S.A., W8IMY	859 599	1,12	509 500
State street Bank	764 716	1,00	452 341
Goldman Sachs International LTD, W8IMY	662 547	0,86	492 199
Robur Försäkring	639 112	0,83	-240 155
Tredje AP-fonden	606 688	0,79	584 030
Euroclear Bank S.A/N.V, W8-IMY	565 327	0,74	564 735
Nordnet Pensionsförsäkring AB	547 458	0,71	-157 092
Barclays Capital Securities LTD	535 816	0,70	24 294
Other	30 813 177	40,10	-3 906 508
Total	76 820 380	100,00	0,00

Other

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 has been 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 1 Calculation of earnings per share

Earnings per share have been 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 2 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, currency derivatives and interest rate 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 6 (67) million for currency forwards and SEK -15 (-29) 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.