



CHALLENGING YEAR WITH MAJOR FOCUS ON DEVELOPMENT

	Fourth quarter (June-August)			Full year (September-August)		
	2014/2015	2013/2014	Change	2014/2015	2013/2014	Change
Net sales, SEK million	1 149	1 185	-36	4 588	4 743	-155
Operating profit excluding non-recurring costs, SEK million	62	92	-30	208	295	-87
Operating profit, SEK million	52	69	-17	198	272	-74
Gross margin, %	57,4	59,3	-1,9	60,1	60,8	-0,7
Operating margin excluding non-recurring items, %	5,4	7,8	-2,4	4,5	6,2	-1,7
Profit after tax, SEK million	30	32	-2	111	129	-18
Earnings per share after dilution, SEK (Note 1)	0,39	0,42	-0,03	1,45	1,71	-0,26
Cash flow from operating activities, SEK million	8	0	8	365	345	20

- Net sales decreased by 3.0% in the quarter and 3.3% for the full year. Sales in comparable stores remained unchanged in the quarter and were -2.2% for the full year.
- The operating profit excluding non-recurring items for the quarter is SEK 62 (92) million and for the full year SEK 208 (295) million.
- The operative cash flow is strong and in line with the previous year.
- The rate of investment doubled during the year compared with the previous year.
- Overhead expenses decreased by 1.7% during the year.
- The debt-equity ratio at end of year is 0.8 (1.0).
- The Board of Directors proposes a dividend of 0,75 SEK/share.

”The past year has been an intermediate year for KappAhl in terms of sales and profit growth. Nonetheless, it was an important year with a great focus on initiatives for the future”

Anders Düring, acting President and CEO.
Read the CEO statement on the next page.

A presentation and telephone conference for analysts, media and investors will be held today at 9.00 in the KappAhl store at Drottninggatan 53 in Stockholm. To notify attendance at the event email hearings@financialhearings.com. The webcast can be found via www.kappahl.com/presentations. To participate by telephone please call +46 8 566 426 61 about 5 minutes before the start.

For further information:
Anders Düring, acting President and CEO. Tel. +46 708 88 77 33

For pictures and other information:
Charlotte Högberg, Head Corporate Communications, tel. +46 704 71 56 31

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 released for public disclosure on 8 October 2015 at 07.30.

ANDERS DÜRING, ACTING PRESIDENT & CEO: CHALLENGING YEAR WITH MAJOR FOCUS ON DEVELOPMENT



Anders Düring

The past year has been an intermediate year for KappAhl in terms of sales and profit. At the same time it was an important year with a major focus on initiatives to meet the future, changed consumption patterns and increased competition.

During the business year KappAhl's sales decreased by 3.3 per cent. Weak sales in two of the year's most important sales periods, May and August, was the main reason for this. A smaller number of stores 368 (377), store conversions, a weak economic situation in Finland and major challenges for operations in Poland have had a negative impact on the turnover.

The operating profit, excluding non-recurring items of SEK 10 million, was SEK 208 (295) million, corresponding to an operating margin of 4.5 (6.2) per cent. The profitability trend was affected by weak sales as well as a lower gross margin, whose growth is strongly linked to a lower percentage of full price sales. A mismatch between introductions of collections and weather conditions at three critical points of the year had the greatest impact. At the same time, activities to reduce overheads and improve operative cash flow have been in progress.

Investments increased during the year by 100%, entirely in line with the objective of taking KappAhl into the future. With the customer at the centre, our focus is on rolling out the new store concept, increased digital presence, improved logistics flow and, last but not least, a clarification of the brand. Concrete events as part of these initiatives during the year have been the conversion of 27 stores, the launch of online stores in Norway and Finland and the introduction of a new distribution system to stores. Positive effects of this are expected in coming years.

A number of attractive collections were marketed during the year. Everything from the sustainable collection "Dreams through a Lens" photographed by Mary McCartney, to collaboration with Glenn Strömberg and the Hampton Republic 27 collection, which is going from strength to strength. The Newbie baby concept has continued its successful development with a greater range of sizes, home furnishings and our first stand-alone store, the Newbie Store.

It has been a year of important initiatives in sustainability and we launched the sustainability strategy "Future Friendly Fashion 2020". This makes our priorities in this area visible, with nine objectives. The entire strategy is available to read on our website.

In the fourth quarter sales fell by three per cent and the gross margin by 1.9 percentage points. The operating profit adjusted for non-recurring items decreased by SEK 30 million, compared with the previous year. Extensive clearance sales in the summer and a weak close to the quarter due to effects of the weather were contributory factors to the poorer performance compared with last year. Compared with the previous year, profits were also negatively affected by currency exchange effects. The operative cash flow is somewhat stronger and the level of overheads is in line with the previous year.

Updated expressions and attitudes in our customer communications reached customers during the quarter with the campaign manner "The Look". The campaigns were themed using a modern version of the classic Roxette hit.

In Poland we accelerated our actions to reverse the negative trend. A new country manager took over in September with a clear remit to concentrate operations to fewer towns and to introduce an online store in the first quarter of 2015/16.

During the year we, despite of lower sales and profitability, made conscious decisions not to let up on the pace.

The work of developing our offer has the highest priority for driving KappAhl in the right direction. The investments in the brand, store expression and digital presence continue. We will soon open more Newbie Stores in Norway and Sweden. The première for the next stand-alone concept, Hampton Republic 27, will be in November in the Mall of Scandinavia. That brand will be expanded to include home furnishings.

With the above initiatives, dedicated colleagues and an attractive range I see that KappAhl holds a good starting position for the future.

Anders Düring
Acting President and CEO / CFO

KappAhl, founded in 1953 in Gothenburg, is one of the leading Nordic fashion chains with nearly 400 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 were about 4,000 in eight countries. KappAhl is listed on NASDAQ Stockholm.

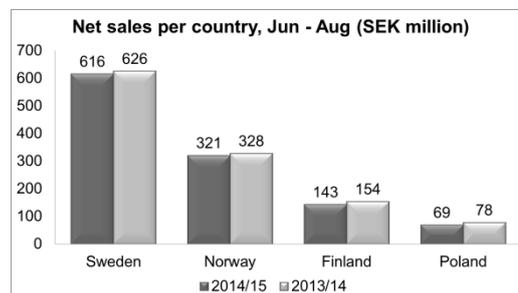
COMMENTS ON THE FOURTH QUARTER

0.0%

Sales in comparable stores

Net sales and profit

KappAhl's net sales for the quarter amounted to SEK 1,149 (1,185) million, a decrease of 3.0 per cent. The development is explained by the effect of closed stores, -1.4 per cent, change in comparable stores, 0.0 per cent, currency translation differences totalling -0.9 per cent and -0.7 per cent refers to reclassification in comparison with the previous year.



1.9%

Decreased gross margin

Gross profit for the quarter was SEK 659 (703) million, which corresponds to a gross margin of 57.4 (59.3) per cent.

2,3%

Decreased selling and administrative expenses

Selling and administrative expenses for the quarter amounted to SEK 597 (611) million, excluding non-recurring items. The non-recurring item of SEK 10 (23) million that is charged to the quarter refers to severance payment for the change of President and for the previous year referred to closing down costs for stores in Finland and Poland. Including non-recurring items, selling and administrative expenses amounted to SEK 607 (634) million in the fourth quarter.

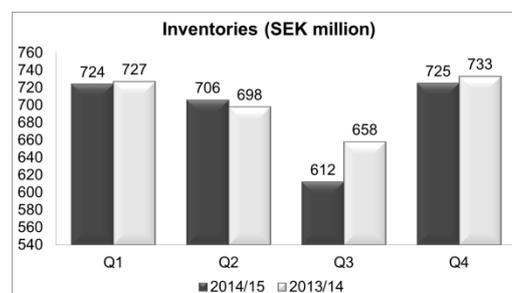
The operating profit was SEK 62 (92) million, excluding non-recurring items of SEK 10 (23) million. This corresponds to an operating margin excluding non-recurring items of 5.4 (7.8) per cent and 4.5 (5.8) per cent respectively, including non-recurring items.

Depreciation according to plan was SEK 36 (33) million.

Net financial income for the quarter was SEK -5 (-10) million. Profit/loss after financial items was SEK 47 (59) million and the profit/loss after estimated tax was SEK 30 (32) million. Earnings per share after dilution for the quarter were SEK 0.39 (0.42).

Inventories

At the close of the period inventories amounted to SEK 725 (733) million, a decrease of SEK 8 million compared with the previous year.



Cash flow

KappAhl's cash flow from operating activities for the quarter was SEK 8 (0) million. Cash flow after investments was SEK -47 (-29) million. The increase in investment activities refers to investments in the new store concept and IT related investments.

34.0 %

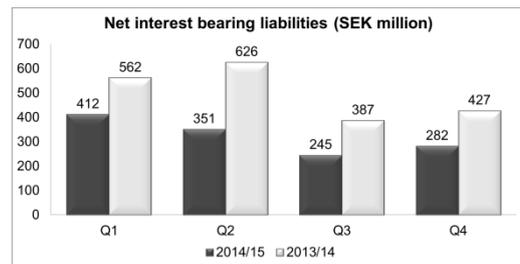
Decreased net debt compared with the previous year

56.6%

Current equity/assets ratio

Financing and liquidity

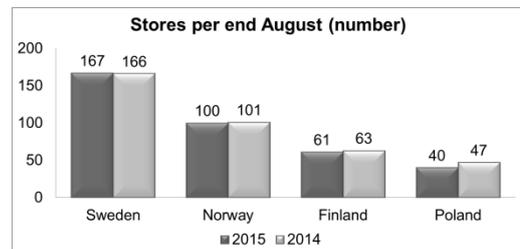
Net interest-bearing liabilities amounted to SEK 282 (427) million at the close of the period. Net interest-bearing liabilities/EBITDA amounted to 0.8 at the close of the period, compared with 1.0 as at 31 August 2014. The equity/assets ratio has increased to 56.6 (56.1).



Cash and cash equivalents amounted to SEK 188 (43) million on 31 August 2015. At the period close there were unutilised credit facilities of SEK 578 (650) million.

Store network and expansion

At the close of the period the total number of stores was 368 (377). Of these there are 167 in Sweden, 100 in Norway, 61 in Finland and 40 in Poland. No store opened during the quarter, four were closed.



The work of seeking attractive store locations in existing markets and expanding on-line stores is proceeding according to plan. Apart from stores in operation on 31 August 2015 there are at present contracts for eight new stores. Shop Online will expand to Poland at the end of 2015.

Parent company

The Parent Company's net sales for the quarter were SEK 10 (5) million and profit after financial items was SEK 65 (135) million. The parent company did not make any investments during the period.

COMMENTS ON THE FULL YEAR

-2.2%

Sales in comparable stores

Net sales and profit

KappAhl's net sales were SEK 4,588 (4,743) million for the full year. This is a decrease of 3.3 per cent compared with the previous year. This is explained by new and closed stores, -1.0 per cent; change in comparable stores, -2.2 per cent; currency translation differences, 0.7 per cent

and -0.8 per cent is attributable to reclassification in comparison with the previous year.

Gross profit for the full year was SEK 2,756 (2,886) million, which corresponds to a gross margin of 60.1 (60.8) per cent.

Selling and administrative expenses for the full year amounted to SEK 2,558 (2,614) million. This year's selling and administrative expenses include non-recurring costs of SEK 10 (23) million that refer to severance payment for the change of President. In the previous year the item referred to closing down of stores. Thus the costs excluding non-recurring items amounted to SEK 2,548 (2,591) million, which is a decrease of SEK 43 million, or 1.7 per cent.

The operating profit before non-recurring items was SEK 208 (295) million and including non-recurring items was SEK 198 (272) million. The operating margin for the business year before non-recurring items is 4.5 (6.2) per cent or 4.3 (5.7) per cent including non-recurring items.

Depreciation according to plan was SEK 135 (-68) million.

The net financial income was SEK -21 (-68) million for the full year. The improved net financial income is due to better interest rate terms and to financial expenses for interest swaps of SEK 29 million being recognised in the previous year. Profit/loss after financial items was SEK 177 (204) million and the profit/loss after estimated tax was SEK 111 (129) million.

Earnings per share after dilution for the full year were SEK 1.45 (1.71).

Taxes

The Group has deferred tax assets of SEK 11 (22) million and deferred tax liabilities of SEK 89 (29) million. The change is mainly due to utilised loss carry-forwards in Sweden.

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

Investments

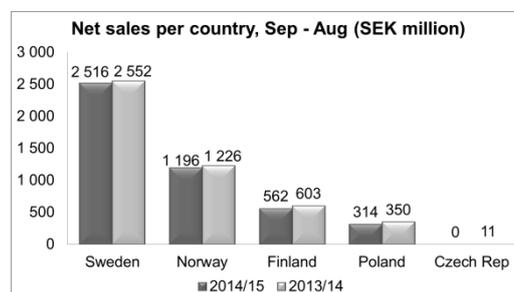
Investments of SEK 199 (98) million were made during the period, mainly in existing and newly opened stores and IT related investments.

Cash flow

KappAhl's cash flow from operating activities during the year was SEK 365 (345) million. Cash flow from investing activities is SEK -199 (-98) million. The increase refers to investments in the new store concept and IT related investments.

Parent company

Parent company sales during the year were SEK 25 (19) million and the profit after financial items was SEK 35 (95) million. The parent company did not make any investments during the period.



1.7%

Decreased selling and administrative expenses

103%

Increased investments

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 2013/2014. The risks include competition in the fashion industry, economic fluctuations, fashion trends, store location and store expansion. 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 2013/2014, Note 17. 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.

Annual general meeting

The Annual General Meeting will be held at the company's head office in Mölndal on 2 December, at 10.00. The annual report will be available on the company's website on 4 November. The Board of Directors proposes that a dividend of SEK 0,75 per share be distributed.

Financial calendar

Annual General Meeting	2 December 2015
First quarter (September-November)	20 January 2016
Second quarter (December-February)	14 April 2016
Third quarter (March-May)	30 June 2016
Fourth quarter (June-August)	13 October 2016

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

Mölndal, 8 October 2015
KappAhl AB (publ)

Anders Düring
Acting President

BALANCE SHEETS, INCOME STATEMENTS AND KEY RATIOS

Group income statement - Summary (SEK million)	Q4	Q4	Sep-Aug	Sep-Aug	Latest	
	2014/2015	2013/2014	2014/2015	2013/2014	12 month Sep-Aug	
Net sales	1 149	1 185	4 588	4 743	4 588	
Cost of goods sold	-490	-482	-1 832	-1 857	-1 832	
Gross profit	659	703	2 756	2 886	2 756	
Selling expenses	-563	-598	-2 385	-2 469	-2 385	
Administrative expenses	-44	-36	-173	-145	-173	
Operating profit	52	69	198	272	198	
Financial income	1	0	1	0	1	
Financial expenses	-6	-10	-22	-68	-22	
Profit after financial items	47	59	177	204	177	
Tax	-17	-27	-66	-75	-66	
Result for the period	30	32	111	129	111	
Profit attributable to parent company shareholders	30	32	111	129	111	
Earnings per share before dilution, SEK	Note 1	0,39	0,43	1,46	1,72	1,46
Earnings per share after dilution, SEK	Note 1	0,39	0,42	1,45	1,71	1,45
Earnings per share after new share issue, SEK		0,39	0,43	1,46	1,72	1,46

Statements of comprehensive income (SEK million)	Q4	Q4	Sep-Aug	Sep-Aug	Latest
	2014/2015	2013/2014	2014/2015	2013/2014	12 month Sep-Aug
Result for the period	30	32	111	129	111
Items not to be recognised in income					
Actuarial gains/losses	20	-21	20	-21	20
Tax relating to actuarial gains/losses	-4	4	-4	4	-4
Total items not to be recognised in income	16	-17	16	-17	16
Items to be recognised in income					
Cash flow hedges – value change	-27	-15	15	3	15
Cash flow hedges returned to profit	0	32	-16	14	-16
Translation differences for the period	-4	-2	-6	3	-6
Tax attributable to other comprehensive income	6	-4	0	-4	0
Total items to be recognised in income	-25	11	-7	16	-7
Total comprehensive income attributable to parent company's shareholders	21	26	120	128	120

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Group Balance Sheet - Summary (SEK million)	2015-Aug-31	2014-Aug-31
ASSETS		
Non-current assets		
Intangible assets*	1 349	1 342
Tangible assets	459	412
Deferred tax assets	11	22
Total non-current assets	1 819	1 776
Current assets		
Inventories	725	733
Other operating receivables	138	142
Cash and cash equivalents	188	43
Total current assets	1 051	918
Total assets	2 870	2 694
EQUITY AND LIABILITIES		
Equity	1 625	1 510
Non-current liabilities		
Interest-bearing long-term liabilities	448	54
Non-interest-bearing long-term liabilities	89	29
Total non-current liabilities	537	83
Current liabilities		
Interest-bearing current liabilities	22	416
Non-interest-bearing current liabilities	686	685
Total current liabilities	708	1 101
Total equity and liabilities	2 870	2 694
*of which goodwill	696	696
*of which trademarks	610	610

Group cash flow statement - Summary (SEK million)	Q4 2014/2015	Q4 2013/2014	Sep-Aug 2014/2015	Sep-Aug 2013/2014
Cash flow from operating activities before changes in working capital	100	87	332	332
Changes in working capital	-92	-87	33	13
Cash flow from operating activities	8	0	365	345
Cash flow from investing activities	-55	-29	-199	-98
Cash flow from investing activities	-55	-29	-199	-98
Change in bank overdraft facility	0	26	-16	-262
Dividend	-	-	-56	-
Employee Incentive Program	-	-	51	-
Cash flow from financing activities	0	26	-21	-262
Cash flow for the period	-47	-3	145	-15
Cash and cash equivalents at beginning of the period	235	46	43	58
Cash and cash equivalents at the end of the period	188	43	188	43

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Specification of changes in the Group's equity (SEK million)	Q4 2014/2015	Q4 2013/2014	Sep-Aug 2014/2015	Sep-Aug 2013/2014
Opening equity	1 604	1 484	1 510	1 382
Dividend	-	-	-56	-
Employee Incentive Program	-	-	51	-
Total comprehensive income	21	26	120	128
Closing equity	1 625	1 510	1 625	1 510

Number of stores per country	2015-Aug-31	2015-May-31	2015-Feb-28	2014-Nov-30	2014-Aug-31
Sweden	167	167	166	168	166
Norway	100	100	100	101	101
Finland	61	62	62	62	63
Poland	40	43	45	46	47
Total	368	372	373	377	377

Sales per country (SEK million)	Q4 2014/2015	Q4 2013/2014	Change SEK %	Change local currency %
Sweden	616	626	-1,6%	-1,6%
Norway	321	328	-2,2%	2,7%
Finland	143	154	-6,9%	-9,1%
Poland	69	78	-10,6%	-11,9%
Total	1 149	1 185	-3,1%	-

Sales per country (SEK million)	Sep-Aug 2014/2015	Sep-Aug 2013/2014	Change SEK %	Change local currency %
Sweden	2 516	2 552	-1,4%	-1,4%
Norway	1 196	1 226	-2,4%	-1,9%
Finland	562	603	-6,8%	-10,6%
Poland	314	350	-10,4%	-14,2%
Czech Republic	-	11	-100,0%	-100,0%
Total	4 588	4 743	-3,3%	-

Geografic reporting (SEK million)	Net sales Q4 2014/2015	Net sales Q4 2014/2016	Operating income Q4 2014/2015	Operating income Q4 2013/2014
Nordic countries	1 080	1 107	78	84
Other	69	78	-26	-15
Total	1 149	1 185	52	69

Geografic reporting (SEK million)	Net sales Sep-Aug 2014/2015	Net sales Sep-Aug 2013/2014	Operating income Sep-Aug 2014/2015	Operating income Sep-Aug 2013/2014
Nordic countries	4 274	4 381	276	331
Other	314	362	-78	-59
Total	4 588	4 743	198	272

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Quarterly income statement (SEK million)	2014/2015				2013/2014				2012/2013				2011/2012				2010/2011			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	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	1 341	1 188	1 237	1 208
Cost of goods sold	-431	-478	-433	-490	-456	-471	-448	-482	-457	-516	-470	-494	-496	-538	-469	-485	-491	-508	-493	-556
Gross profit	743	655	699	659	787	643	753	703	788	632	740	654	697	581	677	644	850	680	744	652
Selling expenses	-606	-604	-612	-563	-651	-603	-617	-598	-650	-636	-627	-575	-648	-685	-615	-579	-669	-624	-651	-616
Administrative expenses	-42	-42	-45	-44	-37	-37	-35	-36	-34	-31	-49	-36	-33	-34	-33	-36	-35	-40	-36	-33
Other operating income	0	0	0	0	0	0	0	0	77	-1	0	0	-	-	-	-	-	-	-	-
Operating profit	95	9	42	52	99	3	101	69	181	-36	64	43	16	-138	29	29	146	16	57	3
Financial income	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Financial expenses	-8	-3	-5	-6	-12	-8	-38	-10	-43	-17	-21	-7	-26	-47	-34	-59	-17	-15	-22	-18
Profit after financial items	87	6	37	47	87	-5	63	59	138	-53	43	36	-10	-185	-5	-30	129	1	35	-14
Tax	-26	-9	-14	-17	-25	-2	-21	-27	-23	-11	-11	-3	-1	22	-5	-10	-34	0	-9	-40
Net profit	61	-3	23	30	62	-7	42	32	115	-64	32	33	-11	-163	-10	-40	95	1	26	-54
Operating margin	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%	10,9%	1,3%	4,6%	0,2%
Earnings per share after dilution, SEK	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	4,16	0,03	1,15	-2,36
Number of stores	377	373	372	368	389	379	378	377	395	391	392	390	381	381	386	388	360	360	367	369

* excl. sales of property

Yearly income statement (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	
Tax	-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

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Parent company income statement - Summary (SEK million)	Q4	Q4	Sep-Aug	Sep-Aug	Latest
	2014/2015	2013/2014	2014/2015	2013/2014	12 month Sep-Aug
Net sales	10	5	25	19	25
Gross profit	10	5	25	19	25
Selling expenses	-	-	-	-	-
Administrative expenses	-17	-10	-39	-29	-39
Operating profit	-7	-5	-14	-10	-14
Result from participations in group companies	79	152	79	175	79
Financial income	3	3	13	22	13
Financial expenses	-10	-15	-43	-92	-43
Profit after financial items	65	135	35	95	35
Bokslutsdispositioner	-	8	-	8	-
Resultat efter bokslutsdispositioner	65	143	35	103	35
Tax	-7	-14	0	-3	0
Net profit	58	129	35	100	35

Parent company Balance Sheet - Summary (SEK million)	2015-Aug-31	2014-Aug-31
	ASSETS	
Non-current assets		
Financial assets	3 106	3 049
Current assets		
Other operating receivables	282	316
Cash and cash equivalents	38	77
Total current assets	320	393
Total assets	3 426	3 442
EQUITY AND LIABILITIES		
Equity	2 517	2 487
Interest-bearing long-term liabilities	400	-
Current liabilities		
Interest-bearing current liabilities	336	814
Non-interest-bearing current liabilities	173	141
Total current liabilities	509	955
Total equity and liabilities	3 426	3 442

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Key ratios		Q4	Q4	Sep-Aug	Sep-Aug	Latest
		2014/2015	2013/2014	2014/2015	2013/2014	12 month Sep-Aug
Growth in sales		-3,0%	3,2%	-3,3%	-0,2%	-3,3%
Earnings per share before dilution, SEK	Note 1	0,39	0,43	1,46	1,72	1,46
Earnings per share after dilution, SEK	Note 1	0,39	0,42	1,45	1,71	1,45
Total depreciation/amortisation		36	33	135	128	135
Operating result (EBIT)		52	69	198	272	198
Gross margin		57,4%	59,3%	60,1%	60,8%	60,1%
Operating margin excl. sale of property		4,5%	5,8%	4,3%	5,7%	4,3%
Operating margin		5,4%	7,8%	4,5%	6,2%	4,8%
Interest coverage ratio		-	-	9,0	4,0	9,0
Net interest-bearing liabilities		282	427	282	427	282
Net interest-bearing liabilities, excl. Buildings		-	-	0,8	1,0	0,8
Equity/assets ratio		56,6%	56,1%	56,6%	56,1%	56,6%
Equity per share before dilution, SEK		21,36	20,12	21,36	20,12	21,36
Equity per share after dilution, SEK		21,30	19,99	21,30	19,99	21,30
Return on equity		-	-	7,1%	8,9%	7,1%
Return on capital employed		-	-	9,8%	13,3%	9,8%
Number of shares before dilution		76 820 380	75 040 000	76 078 555	75 040 000	76 078 555
Number of shares after dilution		76 820 380	75 509 421	76 296 003	75 522 814	76 296 003

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

KappAhl's 20 largest shareholders, 31 August 2015	Number of shares	Percentage of	Change compared with
		shares and votes 2015-Aug-31	
Mellby Gård AB	15 369 245	20,01	0
Handelsbanken Fonder AB RE JPMEL	5 864 854	7,63	2 027 632
Swedbank Robur fonder	5 431 732	7,07	-1 800 283
Försäkringsaktiefbolaget, Avanza Pension	2 378 533	3,10	451 683
Lannebo fonder	2 362 991	3,08	135 000
Fjärde AP-fonden	1 993 393	2,59	149 000
Catella Fondförvaltning	1 860 525	2,42	126 021
Fidelity Funds - Nordic Fun	1 821 955	2,37	1 459 565
Svolder Aktiefbolag	1 555 000	2,02	36 000
Liv & Pension, Nordea	1 102 876	1,44	-84 877
Andra AP-fonden	1 095 314	1,43	-100 000
CBNY-Norges Bank	931 778	1,21	-754 737
CBNY-DFA-INT SML CAP V	894 871	1,16	0
Robur Försäkring	753 768	0,98	65 838
Nordnet Pensionsförsäkring AB	698 199	0,91	190 022
Nordea Investment Funds	475 500	0,62	85 350
JPM Chase NA	422 221	0,55	1 836
UBS AG London Branch Equities	418 255	0,54	184 619
Fäma Invest AB	416 358	0,54	0
RBC Investor Services Bank S.A. SUB, A/C	397 576	0,52	-387 424
Övriga	30 575 436	39,81	-1 785 245
Summa	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 2014. A number of new standards and amendments of interpretations and existing standards come into force during the current 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.

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.

The warrants ran up to and including 6 February 2015 and subscription for shares was registered in February 2015. Of 6,774,000 warrants 6,594,000 were exercised, meaning that the number of shares was increased by 1,780,380 and the share capital by SEK 1 526 040.

KappAhl currently has no outstanding share-based incentive programmes.

Note 1 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 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 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. During the previous financial year a transfer of SEK 33 million was made between other comprehensive income and the income statement. These are no longer part of an effective hedging relationship. The fair value of financial derivative instruments was SEK 15 (16) million for currency forwards and SEK -22 (-33) million for interest swaps. The Group hedges currency flows in USD, EUR, NOK and PLN for which currency forwards have maturities of up to 12 months.