

Fourth quarter and full year

September 1, 2006 to August 31, 2007

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President & CEO

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KappAhl



KappAhl



Kappahl



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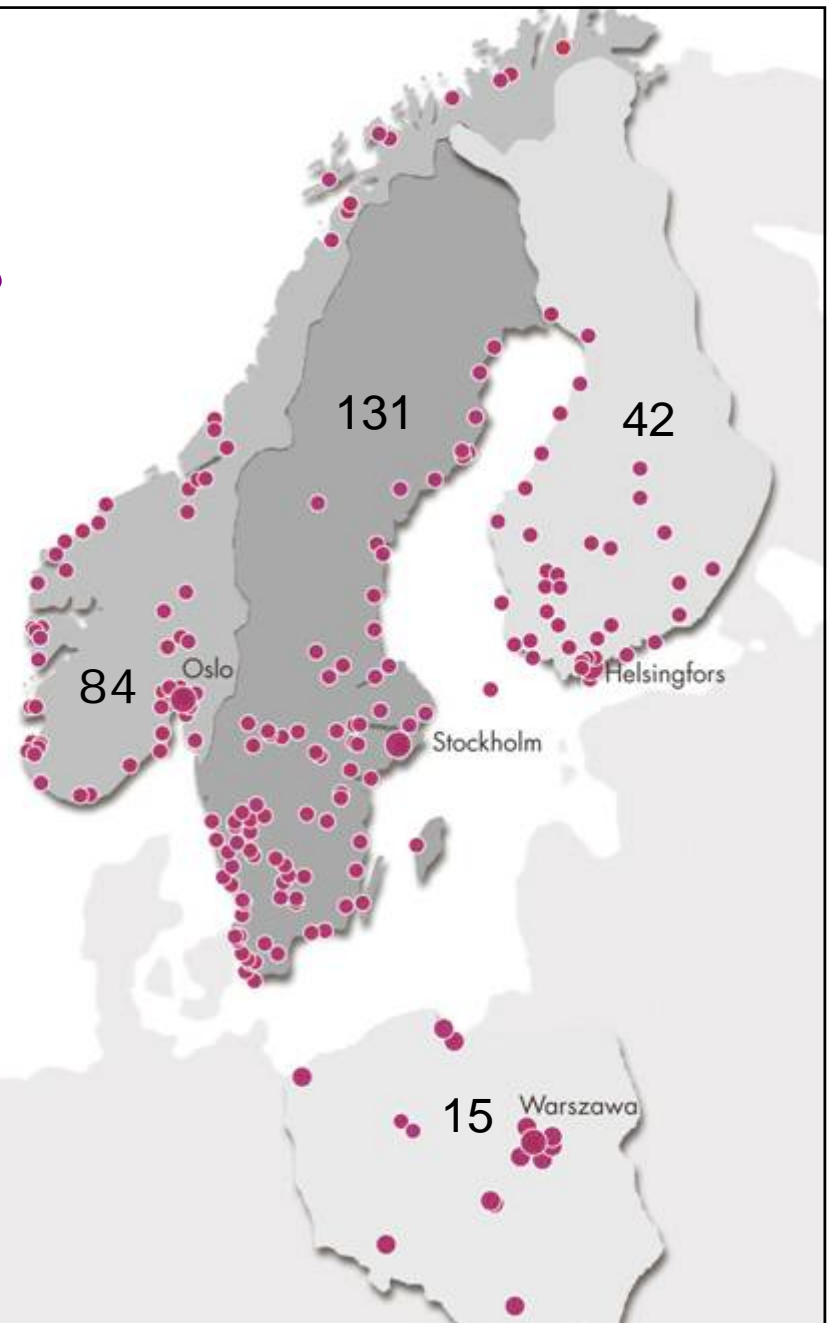
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Number of stores

272 stores end August 2007

33 new contracts signed, of which
19 for 2007/2008



Financial highlights Q4

- Net sales MSEK 1,090 (1,010), an increase of 7.9 percent.
- Operating profit MSEK 183 (147 excl one-off), an increase of 24.5 percent.
- Gross margin 62.2 (60.7) percent and operating margin 16.8 (14.6) percent.
- Profit after taxes MSEK 119 (116), equivalent SEK 1.59 (1.54) per share.
- Cash flow from operating activities MSEK 220 (117).

Income statement Q4

MSEK	June-Aug	06/07	05/06
Net sales		1 090	1 010
Cost of goods sold		-412	-371
Gross profit		678	639
Selling expenses		-456	-431
Administrative expenses		-33	-35
Other operating income		0	0
Other operating costs		-6	0
Operating profit		183	173
Financial income		0	0
Financial expense		-16	-12
Profit before tax		167	161
Tax expense		-48	-45
Net profit		119	116

Sales Q4

	MSEK	%
Net sales Q4 2005/2006	1 010	
Currency effect		+0.2
New net stores		+2.8
Like For Like growth		+4.9
Net sales Q4 2006/2007	1 090	+7.9

- Strong Like For Like performance.
- Successful fashion and execution.

Profitability drivers Q4

(excl one-offs)	2006/2007
Sales	108 %
Gross profit	111 %
Costs	105 %
Operating income	129 %

- Best Q4 ever

Financial highlights, full year

- Net sales MSEK 4,473 (4,217), an increase of 6.1 percent.
- Operating profit MSEK 618 (530), an increase of 16.6 percent.
- Gross margin 61.1 (60.2) percent and operating margin 13.8 (12.6) percent.
- Profit after taxes MSEK 659 (302), equivalent SEK 8.78 (4.02) per share.
- Cash flow from operating activities MSEK 669 (481).
- A dividend payment of SEK 5.00 (2.50) per share to be proposed.

Income statement, full year

MSEK	Sept-Aug	06/07	05/06
Net sales		4 473	4 217
Cost of goods sold		-1 738	-1 677
Gross profit		2 735	2 540
Selling expenses		-1 985	-1 863
Administrative expenses		-142	-147
Other operative income		16	0
Other operative costs		-6	0
Operating profit		618	530
Financial income		23	2
Financial expense		-97	-113
Profit before tax		544	419
Tax expense		115	-117
Net profit		659	302

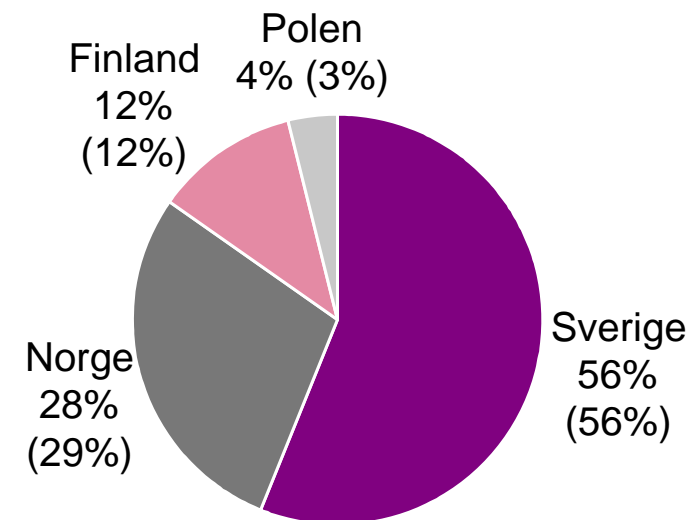
Sales, full year

	MSEK	%
Net sales 2005/2006	4 217	
Currency effect		-1.4
New net stores		+3.9
Like For Like growth		+3.6
Net sales 2006/2007	4 473	+6.1

- Good total sales performance
- Strong Like For Like

Sales breakdown, full year

MSEK	06/07	05/06	Growth	
			SEK	Loc.cur.
Sweden	2 514	2 365	6,3%	6,3%
Norway	1 270	1 237	2,7%	7,2%
Finland	520	473	9,9%	11,5%
Poland	169	142	19,0%	19,3%
Total	4 473	4 217	6,1%	



Profitability drivers, full year

(excl one-offs)	2006/2007
Sales	106 %
Gross profit	109 %
Costs	105 %
Operating income	123 %

- Improved gross margin
- Unchanged cost as percentage of sales
– marketing
+ economies of scale
- Clearly improved operating margin

Cash flow, full year

MSEK	Sept-Aug	06/07	05/06
Cash flow from operations before working capital changes		693	474
Changes in working capital		-24	7
Cash flow from operating activities		669	481
Cash flow investing activities		-277	-225
Cash flow after investments		392	256
Change in revolving credit		-111	45
Dividends		-188	-169
Cash flow from other financing activities		-106	-142
Net cash flow for the period		-13	-10

Key conclusions and outlook

- Another very successful year
- Improved overall sales
- Successful marketing activities
- Further improved gross margin

Future approach

- Maintain gross margin
- Continue store expansion program
- Continue refurbishment of existing stores
- Evaluate potential new markets
- Multi-brand strategy



You
LOOK
great

We don't believe in selling a lifestyle.
You have one already.

We don't believe in expensive
collections for an exclusive few.
We believe in fashion that suits you.
We don't believe in eternal youth,
however we believe that people
mature, grow wiser and even
more beautiful.

Take it as a compliment.



You look great!

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