

Year-end and fourth quarter report for the 2008/2009 financial year

## Statement of strength from KappAhl

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### Fourth quarter (June-Aug 2009)

- KappAhl's net sales (excluding VAT) for the period amounted to SEK 1,226 (1,103) million, an increase of 11.2 per cent.
- The operating profit was SEK 176 (182) million. Excluding the previous year's non-recurring items of SEK +31 million this is equivalent to an increase of 17 per cent.
- The gross margin was 61.4 (61.9) per cent and the operating margin was 14.4 (16.5) per cent.
- Profit after tax was SEK 106 (113) million, which is equivalent to SEK 1.41 (1.51) per share.
- Cash flow from operating activities was SEK 100 (130) million.

### Full year (Sept 2008 - Aug 2009)

- KappAhl's net sales for the period amounted to SEK 4,866 (4,622) million, an increase of 5.3 per cent.
- The operating profit was SEK 526 (651) million. Excluding the previous year's non-recurring items of SEK +31 million, this is equivalent to a decrease of 15 per cent.
- The gross margin was 61.1 (62.4) per cent and the operating margin was 10.8 (14.1) per cent.
- Profit after tax was SEK 315 (436) million, which is equivalent to SEK 4.20 (5.81) per share.
- Cash flow from operating activities was SEK 504 (730) million.

### CEO's comments

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Christian W.  
Jansson

The quality we deliver is impressive. Despite the worst recession for a very long time we are nevertheless keeping up with our operative and financial targets. We are again seeing good growth for comparable stores. We have a strong business concept that will benefit us when the market turns. With our offer, a lot of fashion for the money, we have taken market share in an industry that has had a difficult time in the past year. And furthermore with a gross margin that is still very strong.

KappAhl now has 319 stores in four countries. Preparations for the Czech Republic, our fifth country, have been completed and the store in Brno opens in October. I have great faith in this venture and it will be exciting to follow developments.

In the uncertain market situation that still prevails, the Board of KappAhl has decided to propose a reduced share dividend of SEK 1.25 per share.

### For further information, please contact

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*KappAhl is a leading fashion chain with more than 300 stores and 4,500 employees in Sweden, Norway, Finland and Poland. KappAhl sells value-for-money fashion with a wide appeal – to women, men and children – and focuses in particular on women aged 30-50. All clothes are from our own designers. In the twelve-month period ending 31 August 2009 KappAhl's net sales were approximately SEK 5 billion and operating profit was SEK 526 million. KappAhl is a listed company. In 1999 KappAhl was the first fashion chain to be environmentally certified. Further information is available at [www.kappahl.com/ir](http://www.kappahl.com/ir).*

## Comments on the fourth quarter

### Net sales and results

KappAhl's net sales (excluding VAT) for the quarter amounted to SEK 1,226 (1,103) million, an increase of 11.2 per cent. The growth is explained by: the effect of new and closed stores, +7.2 per cent; change in comparable stores, +2.4 per cent and translation differences (mainly EUR and NOK) totalling +1.6 per cent.

Growth from new stores continues to increase and is now the highest since the company was listed. This contributes positively both to net sales and earnings.

Gross profit for the quarter was SEK 753 (683) million, corresponding to a gross margin of 61.4 (61.9) per cent. The gross margin was negatively affected by a weak exchange rate for the Swedish krona. To a great extent this was compensated by improved agreements with our suppliers. In addition, smaller price reductions than in the previous year had a positive effect on the gross margin.

Selling and administrative expenses for the quarter totalled SEK 577 (512) million. The increase is largely due to new stores and corresponding translation differences as mentioned above. Disregarding the previous year's positive non-recurring items, the cost share for the quarter has decreased. This is due both to a strong sales trend and cost savings.

The operating profit was SEK 176 (182) million, equivalent to an operating margin of 14.4 (16.5) per cent. Excluding the previous year's non-recurring items of SEK +31 million the operating profit increased by 17 per cent.

Depreciation according to plan was SEK 60 (58) million.

Net financial income was SEK -23 (-26) million for the quarter. Profit after financial items was SEK 153 (156) million and the profit after estimated tax was SEK 106 (113) million. Earnings per share for the quarter were SEK 1.41 (1.51).

### Store network

During the quarter we opened two new stores, one in Norway and one in Poland, and closed one store in Sweden. At the end of the period the total number of stores was 319 (291); 144 in Sweden, 92 in Norway, 53 in Finland and 30 in Poland.

### Cash flow

KappAhl's cash flow from operating activities amounted to SEK 100 (130) million in the quarter and cash flow after investments amounted to SEK 47 (82) million. Net interest-bearing liabilities decreased during the period by SEK 20 million, mainly due to operating earnings.

### Financing and liquidity

Interest-bearing net debt at the end of the period was SEK 2,100 million, compared with SEK 1,994 million as at 31 August 2008. Net interest-bearing debt/EBITDA was 2.8 (2.3) at the end of the period.

Cash and cash equivalents amounted to SEK 21 million as at 31 August 2009. At the period close there were unutilised credit facilities of about SEK 500 million.

## Comments on the full year

### Market

KappAhl's concept is holding up well in a difficult market and market share is increasing. The poor economy has made consumers careful with the money they actually have, leading to an increase in savings in the economy. This primarily affects more expensive capital goods, but retail fashion is also affected. There are now some positive signs in the economy, which may make consumers somewhat more optimistic but at the same time unemployment will continue to rise, which will have a restraining effect on the economy.

### Net sales and results

KappAhl's net sales for the year amounted to SEK 4,866 (4,622) million, an increase of 5.3 per cent. It consists of: new and closed stores, +5.8 per cent; development of comparable stores, -2.3 per cent; and translation differences (mainly EUR and NOK), +1.8 per cent.

The weak economy affected the year's earnings negatively, but despite this the operating margin is 10.8 per cent and return on capital employed is 21 per cent.

### Expansion

The work of finding new store sites is proceeding according to plan. Apart from the 319 (291) stores in operation on 31 August this year, there are at present contracts for 52 new stores, of which 20 in Poland. Of the new contracts, 18 new stores will open in the next quarter. Altogether during the 2008/2009 financial year, 32 stores have opened and four have closed. The long-term goal to increase the number of stores by 20 to 25 per year remains.

### Inventories

At the close of the period inventories amounted to SEK 736 million, an increase of SEK 114 million compared with the previous year. Half of the increase is due to new stores. The rest of the increase in inventories mainly consists of goods in transit and a small increase in inventories per store. Overall, both the size and composition of inventories are deemed to be satisfactory.

### Investments

Investments of SEK 261 (692) million were made during the year, mainly in existing and newly opened stores. The previous year's investments included acquisition of real property for business operations, corresponding to SEK 462 million of the total amount.

### Related party transactions

There were no transactions with related parties.

### Cash flow

KappAhl's cash flow from operating activities during the year amounted to SEK 504 (730) million and cash flow after investments amounted to SEK 243 (38) million.

### Taxes

The tax cost for the financial year has been calculated in accordance with each country's tax rate. For the Group this is equivalent to about 29 per cent. Swedish corporation tax has been cut from 28 per cent to 26.3 per cent. For KappAhl this affected deferred tax in Sweden as of the second quarter of the 2008/2009 financial year and will affect current tax for the 2009/2010 financial year. The change in tax rate has not had any material impact on the company's calculations of deferred tax; the net effect was only SEK 4 million in increased tax expense.

## Risks and uncertainties

The weak economic situation naturally increases focus on the risks associated with market trends. Important areas are demand and patterns of consumption, interest rates, exchange rates etc. These in turn may impact several areas and the risk areas are monitored on a continuous basis in the Group.

In other respects the most important strategic and operative risks that affect KappAhl's operations and industry are described in detail in the annual report for 2007/2008. They consist of such factors as competition in the fashion industry, changes in the economy, fashion trends, store locations 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 2007/2008, note 22. The reported risks are otherwise deemed to be unchanged in all essentials.

## Parent Company

The Parent Company's net sales during the year were SEK 20 (7) million and profit after financial items was SEK 323 (45) million. Financial items for the current year include dividend received from subsidiaries totalling SEK 426 million. The Parent Company did not make any investments during the year.

## Events after the close of the reporting period

KappAhl acquired one company, consequently acquiring unused tax losses. It is estimated that these can be used as of the 2014/2015 financial year. The acquisition is expected to have a positive net effect on equity of about SEK 38 million in the quarterly accounts as at 30 November 2009 as a result of existing loss carry forwards. The acquired company is not currently in operation.

## Annual General Meeting

The Annual General Meeting will be held at the company's headquarters in Mölndal on 25 November 2009 at 10 a.m. The annual report will be available on the company's website at the beginning of November. The Board of Directors has decided to propose a dividend of SEK 1.25 (4.50) per share to the Annual General Meeting. The proposal is a temporary departure from the dividend policy that remains with 70-100 per cent of profit after tax.

## Upcoming reports

First quarter (1 September – 30 November)	18 December 2009
Second quarter (1 December–28 February)	23 March 2010
Third quarter (1 March–31 May)	23 June 2010
Fourth quarter (1 June–31 August)	28 September 2010

KappAhl Holding AB (publ) discloses the information provided here pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication on 30 September 2009 at 07.30 a.m.

This report has not been audited by the company's auditor.

Mölndal, 30 September 2009  
KappAhl Holding AB (publ)

Christian W. Jansson  
Chief Executive Officer

Group income statement - Summary (SEK million)	Q4		Sept-Aug		Latest
	2008/09	2007/08	2008/09	2007/08	12 months Sept-Aug
Net sales	1 226	1 103	4 866	4 622	4 866
Cost of goods sold	-473	-420	-1 893	-1 740	-1 893
<b>Gross profit</b>	<b>753</b>	<b>683</b>	<b>2 973</b>	<b>2 882</b>	<b>2 973</b>
Selling expenses	Note 2 -549	-480	-2 315	-2 106	-2 315
Administrative expenses	-28	-32	-132	-136	-132
Other operating income	Note 3 -	11	-	11	-
<b>Operating profit</b>	<b>176</b>	<b>182</b>	<b>526</b>	<b>651</b>	<b>526</b>
Financial income	Note 4 0	0	1	27	1
Financial expenses	-23	-26	-84	-80	-84
<b>Profit after financial items</b>	<b>153</b>	<b>156</b>	<b>443</b>	<b>598</b>	<b>443</b>
Tax	-47	-43	-128	-162	-128
<b>Net profit</b>	<b>106</b>	<b>113</b>	<b>315</b>	<b>436</b>	<b>315</b>
Earnings per share, SEK	1,41	1,51	4,20	5,81	4,20
Earnings per share after dilution, SEK	1,41	1,51	4,20	5,81	4,20

Group Balance Sheet - Summary (SEK million)	31 Aug	
	09	08
Tangible assets	Note 4 1 060	1 032
Intangible assets*	1 340	1 344
Deferred tax assets	87	73
Inventories	736	622
Other operating receivables	109	150
Cash and cash equivalents	21	32
<b>Total assets</b>	<b>3 353</b>	<b>3 253</b>
Equity	Note 1 379	520
Interest-bearing long-term liabilities	2 121	1 244
Non-interest-bearing long-term liabilities	7	17
Interest-bearing current liabilities	0	782
Non-interest-bearing current liabilities	846	690
<b>Total equity and liabilities</b>	<b>3 353</b>	<b>3 253</b>
*of which goodwill	696	696
*of which trademarks	610	610

Group cash flow statement - Summary (SEK million)	Q4		Sept-Aug	
	2008/09	2007/08	2008/09	2007/08
<b>Cash flow from operating activities before changes in working capital</b>	<b>195</b>	<b>165</b>	<b>591</b>	<b>687</b>
Changes in working capital	-95	-35	-87	43
<b>Cash flow from operating activities</b>	<b>100</b>	<b>130</b>	<b>504</b>	<b>730</b>
Cash flow from investing activities	-53	-48	-261	-692
<b>Cash flow after investments</b>	<b>47</b>	<b>82</b>	<b>243</b>	<b>38</b>
Change in bank overdraft facility	-40	-82	84	759
Dividend/Redemption of shares	-	-	-338	-825
<b>Cash flow from financing activities</b>	<b>-40</b>	<b>-82</b>	<b>-254</b>	<b>-66</b>
<b>Cash flow for the period</b>	<b>7</b>	<b>0</b>	<b>-11</b>	<b>-28</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>14</b>	<b>32</b>	<b>32</b>	<b>60</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>21</b>	<b>32</b>	<b>21</b>	<b>32</b>

Specification of changes in the Group's equity		Sept-Aug 2008/09	Sept-Aug 2007/08
Opening equity			890
Change of accounting method	Note 1		1
<b>Adjusted opening equity</b>		<b>520</b>	<b>891</b>
Translation differences for the period		1	5
Change in fair value reserves		-109	25
Actuarial losses		-10	-12
Profit for the period		315	436
Dividend		-338	-
Redemption of shares		-	-825
<b>Closing equity</b>		<b>379</b>	<b>520</b>

Number of stores per country	31 Aug 08	30 Nov 08	28 Feb 09	31 May 09	31 Aug 09
Sweden	138	141	140	145	144
Norway	87	89	88	91	92
Finland	46	50	51	53	53
Poland	20	26	26	29	30
<b>Total</b>	<b>291</b>	<b>306</b>	<b>305</b>	<b>318</b>	<b>319</b>

Sales per country	Q4 2008/09	Q4 2007/08	Change SEK %	local currency Change %
Sweden	620	573	8,2%	8,2%
Norway	363	328	10,7%	8,4%
Finland	177	143	23,8%	9,7%
Poland	66	59	11,9%	29,0%
<b>Total</b>	<b>1 226</b>	<b>1 103</b>	<b>11,2%</b>	

Sales per country	Sept-Aug 2008/09	Sept-Aug 2007/08	Change SEK %	local currency Change %
Sweden	2572	2 520	2,1%	2,1%
Norway	1357	1 314	3,3%	1,6%
Finland	664	559	18,8%	5,6%
Poland	273	229	19,2%	24,6%
<b>Total</b>	<b>4 866</b>	<b>4 622</b>	<b>5,3%</b>	

Segment reporting	Net sales Q4 2008/09	Net sales Q4 2007/08	Operating income Q4 2008/09	Operating income Q4 2007/08
Nordic countries	1 160	1 044	214	217
Poland	66	59	-3	2
Intercompany expenses*	-	-	-35	-37
<b>Total</b>	<b>1 226</b>	<b>1 103</b>	<b>176</b>	<b>182</b>

\* see below

Segment reporting	Net sales Sept-Aug 2008/09	Net sales Sept-Aug 2007/08	Operating income Sept-Aug 2008/09	Operating income Sept-Aug 2007/08
Nordic countries	4 593	4 393	689	797
Poland	273	229	0	11
Intercompany expenses*	-	-	-163	-157
<b>Total</b>	<b>4866</b>	<b>4622</b>	<b>526</b>	<b>651</b>

\* Separately disclosure has been made of intercompany costs for the current financial year and also the comparison year has been adjusted. See below in Accounting policies.

Quarterly income statement (SEK million)	Q1 Sep–Nov 2005/06	Q2 Dec–Feb 2005/06	Q3 March–May 2005/06	Q4 June–Aug 2005/06	Q1 Sept–Nov 2006/07	Q2 Dec–Feb 2006/07	Q3 March–May 2006/07	Q4 June–Aug 2006/07
Net sales	1 152	1 026	1 029	1 010	1 189	1 088	1 106	1 090
Cost of goods sold	-476	-437	-392	-371	-449	-460	-417	-412
<b>Gross profit</b>	<b>676</b>	<b>589</b>	<b>637</b>	<b>639</b>	<b>740</b>	<b>628</b>	<b>689</b>	<b>678</b>
Selling expenses	-487	-468	-477	-431	-517	-484	-528	-456
Administrative expenses	-39	-33	-40	-35	-37	-40	-32	-33
Other operating income	-	-	-	-	-	13	3	-
Other operating expenses	-	-	-	-	-	-	-	-6
<b>Operating profit</b>	<b>150</b>	<b>88</b>	<b>120</b>	<b>173</b>	<b>186</b>	<b>117</b>	<b>132</b>	<b>183</b>
Financial income	1	2	0	0	2	10	11	0
Financial expenses	-19	-64	-18	-12	-16	-33	-32	-16
<b>Profit after financial items</b>	<b>132</b>	<b>26</b>	<b>102</b>	<b>161</b>	<b>172</b>	<b>94</b>	<b>111</b>	<b>167</b>
Tax	-36	-7	-29	-45	-49	244	-32	-48
<b>Net profit</b>	<b>96</b>	<b>19</b>	<b>73</b>	<b>116</b>	<b>123</b>	<b>338</b>	<b>79</b>	<b>119</b>
Operating margin	13,0%	8,6%	11,7%	17,1%	15,6%	10,8%	11,9%	16,8%
Earnings per share, SEK	1,28	0,25	0,97	1,54	1,64	4,50	1,05	1,59

1) Reclassification of SEK 4 million between Selling expenses and Administrative expenses.

2) compensation for vacating a store site in Q2 och Q3 2006/07

3) Deferred tax credit referring to loss carry forwards in acquired companies, period Dec-Feb 2006/07

Quarterly income statement (SEK million)	Q1 Sept-Nov 2007/08	Q2 Dec-Feb 2007/08	Q3 March-May 2007/08	Q4 June-Aug 2007/08	Q1 Sept-Nov 2008/09	Q2 Dec-Feb 2008/09	Q3 March-May 2008/09	Q4 Juni-Aug 2008/09
Net sales	1 247	1 132	1 140	1 103	1 266	1 168	1 206	1 226
Cost of goods sold	-450	-457	-413	-420	-452	-490	-478	-473
<b>Gross profit</b>	<b>797</b>	<b>675</b>	<b>727</b>	<b>683</b>	<b>814</b>	<b>678</b>	<b>728</b>	<b>753</b>
Selling expenses	-558	-521	-547	-480	-605	-574	-587	-549
Administrative expenses	-33	-36	-35	-32	-33	-39	-32	-28
Other operating income	-	-	-	11	-	-	-	-
Other operating expenses	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>206</b>	<b>118</b>	<b>145</b>	<b>182</b>	<b>176</b>	<b>65</b>	<b>109</b>	<b>176</b>
Financial income	3	3	21	0	0	1	0	0
Financial expenses	-18	-18	-18	-26	-19	-19	-23	-23
<b>Profit after financial items</b>	<b>191</b>	<b>103</b>	<b>148</b>	<b>156</b>	<b>157</b>	<b>47</b>	<b>86</b>	<b>153</b>
Tax	-53	-29	-36	-43	-44	-13	-24	-47
<b>Net profit</b>	<b>138</b>	<b>74</b>	<b>112</b>	<b>113</b>	<b>113</b>	<b>34</b>	<b>62</b>	<b>106</b>
Operating margin	16,5%	10,4%	12,7%	16,5%	13,9%	5,6%	9,0%	14,4%
Earnings per share, SEK	1,84	0,99	1,49	1,51	1,51	0,45	0,83	1,41



Yearly income statement (SEK million)	Sept-Aug 2005/06	Sept-Aug 2006/07	Sept-Aug 2007/08	Sept-Aug 2008/09
Net sales	4 217	4 473	4 622	4 866
Cost of goods sold	-1 677	-1 738	-1 740	-1 893
<b>Gross profit</b>	<b>2 540</b>	<b>2 735</b>	<b>2 882</b>	<b>2 973</b>
Selling expenses	-1 863	-1 985	-2 106	-2 315
Administrative expenses	Note 2 1) -147	-142	-136	-132
Other operating income	Note 3 2) -	16	11	-
Other operating expenses	-	-6	-	-
<b>Operating profit</b>	<b>530</b>	<b>618</b>	<b>651</b>	<b>526</b>
Financial income	Note 4 2	23	27	1
Financial expenses	-113	-97	-80	-84
<b>Profit after financial items</b>	<b>419</b>	<b>544</b>	<b>598</b>	<b>443</b>
Tax	3) -117	115	-162	-128
<b>Net profit</b>	<b>302</b>	<b>659</b>	<b>436</b>	<b>315</b>
Operating margin	12,6%	13,8%	14,1%	10,8%
Earnings per share, SEK	4,02	8,78	5,81	4,20

1-3) See above

Parent company income statement - Summary (SEK million)	Q4 2008/09	Q4 2007/08	Sept-Aug 2008/09	Sept-Aug 2007/08	Latest 12 months Sept-Aug
Net sales	4	2	20	7	20
Cost of goods sold	-	-	-	-	-
<b>Gross profit</b>	<b>4</b>	<b>2</b>	<b>20</b>	<b>7</b>	<b>20</b>
Selling expenses	-	-	-	-	-
Administrative expenses	-7	-2	-30	-8	-30
Other operating income	-	-	-	-	-
<b>Operating profit</b>	<b>-3</b>	<b>0</b>	<b>-10</b>	<b>-1</b>	<b>-10</b>
Result from participations in group companies	-	-	426	139	426
Financial income	0	1	5	6	5
Financial expenses	-23	-27	-98	-99	-98
<b>Profit after financial items</b>	<b>-26</b>	<b>-26</b>	<b>323</b>	<b>45</b>	<b>323</b>
Appropriations	-7	-	-8	-	-8
<b>Resultat after appropriations</b>	<b>-33</b>	<b>-26</b>	<b>315</b>	<b>45</b>	<b>315</b>
Tax	16	12	31	18	31
<b>Net profit</b>	<b>-17</b>	<b>-14</b>	<b>346</b>	<b>63</b>	<b>346</b>

Parent company Balance Sheet - Summary (SEK million)	31 Aug 09	31 Aug 08
Tangible assets	-	-
Financial assets	3 284	3 403
Deferred tax assets	17	-
Inventories	-	-
Other operating receivables	298	29
Cash and cash equivalents	-	-
<b>Total assets</b>	<b>3 599</b>	<b>3 432</b>
Equity	945	902
Untaxed reserves	8	-
Interest-bearing long-term liabilities	2 559	1 726
Deferred tax liabilities	-	6
Interest-bearing current liabilities	-	789
Non-interest-bearing current liabilities	87	9
<b>Total equity and liabilities</b>	<b>3 599</b>	<b>3 432</b>

Key ratios	Q4	Q4	Sept-Aug	Sept-Aug	Latest
	2008/09	2007/08	2008/09	2007/08	12 months Sept-Aug
Growth in sales	11,2%	1,2%	5,3%	3,3%	5,3%
Earnings per share, SEK	1,41	1,51	4,20	5,81	4,20
Total depreciation/amortisation	60	58	234	221	234
Operating result (EBIT)	176	182	526	651	526
Gross margin	61,4%	61,9%	61,1%	62,4%	61,1%
Operating margin	14,4%	16,5%	10,8%	14,1%	10,8%
Interest coverage ratio	-	-	-	-	6,3
Net interest-bearing liabilities	2 100	1 994	2 100	1 994	2 100
Net interest-bearing liabilities/EBITDA	-	-	2,8	2,3	2,8
Equity/assets ratio	11,3%	16,0%	11,3%	16,0%	11,3%
Equity per share, SEK	5,05	7,09	5,05	7,09	5,05
Equity per share after dilution, SEK	5,05	7,09	5,05	7,09	5,05
Return on equity	-	-	-	-	70,1%
Return on capital employed	-	-	-	-	20,9%
Number of shares at the end of the period	75 040 000	75 040 000	75 040 000	75 040 000	75 040 000
Number of shares after dilution	75 040 000	75 040 000	75 040 000	75 040 000	75 040 000

## Definitions

Earnings per share	Income after tax divided by 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
Average number of employees	Average number of employees converted to full-time employees
Return on equity	Net result in per centage of equity
Return on capital employed	Operating profit/loss plus financial income in percentage of capital
Capital employed	Balance sheet total less non interest bearing deferred tax liability.

KappAhl's 20 largest shareholders, 31 Aug 2009	Number of shares	Percentage of shares and votes	Change compared with 31 May 2009
Christian W. Jansson	12 214 700	16,28	-
Paul Frankenius	12 167 000	16,21	-
Swedbank Robur fonder	3 363 462	4,48	892 120
Nordea fonder inkl Luxemburg	2 214 509	2,95	2 214 509
SVENSKA HANDELSBANKEN CLIENTS ACC:3	1 657 400	2,21	-120 000
NORDEA BANK NORGE NOMINEE	1 567 774	2,09	225 574
Länsförsäkringar fondförvaltning AB	1 562 168	2,08	-1 774 451
SEB Investment Management	1 377 700	1,84	-32 300
Handelsbanken fonder inkl XACT	1 268 099	1,69	-124 487
AKTIA BANK PLC	1 173 900	1,56	-
SVENSKT NÄRINGSLIV	1 100 000	1,47	-
DIDNER & GERGE AKTIEFOND	850 000	1,13	-
State street Bank	789 255	1,05	-832 578
UBS AG LND IPB SEGREGATED CLIENT A	752 100	1,00	746 000
JP MORGAN CHASE BANK, W9	747 898	1,00	-314 416
AVANZA PENSION	683 308	0,91	187 076
FORWARD INTL SMALL COMPANIES FUND	623 331	0,83	-
GOVERNMENT OF NORWAY	586 748	0,78	177 064
SWEDBANK ROBUR FÖRBUNDSFOND	584 300	0,78	20 300
RIKSBANKENS JUBILEUMSFOND	500 000	0,67	-280 000
Övriga ägare	29 256 348	38,99	-984 411
<b>Total</b>	<b>75 040 000</b>	<b>100,00</b>	<b>-</b>

## Accounting policies

The Group applies International Financial Reporting Standards, IFRS, adopted by the European Commission. The accounting policies are unchanged except as of note one below in comparison with the latest annual accounts as at 31 August, 2008, with the addition of IFRIC 13: Customer Loyalty Programmes, which is applicable from the first quarter of the 2008/2009 financial year. IFRIC 13 has been evaluated and not found to have any material impact on the Group's accounting policies for revenue recognition.

To increase comparability between the defined segments in the Group an adjustment has been made so that the part of operations that corresponds to Groupwide functions is disclosed separately. The breakdown has been made in the sales and profits specification by segment in table form above. The corresponding adjustment has been made of operating segments for the comparison year.

This report has been prepared in accordance with IAS 34. For the Parent Company the report is presented in accordance with the Swedish Annual Accounts Act and recommendation RFR 2.1 of the Swedish Financial Reporting Board.

The company has no outstanding convertible loans or warrants.

### Note 1

A change in accounting policy has been made relating to IAS 19, employee benefits. The policy change has meant that previously undisclosed actuarial gains and losses for defined benefit pension obligations are credited or charged to equity. The change in policy was preceded by a reorganisation of major parts of the pension plans and consequently there will no longer be any new accrual. The equity and balance sheet items for the comparative year 2007/2008 have been restated.

### Note 2

During the 2007/2008 financial year the pension solution for employees in the Swedish operations was restructured, giving a positive non-recurring accounting effect of SEK 20 million on pension expenses for that financial year. The item is included under selling expenses for the period June – August 2008.

### Note 3

In the 2007/2008 financial year 'Other operating income' included an item referring to compensation for vacating a store site of SEK 11 million (the period June – August 2008).

### Note 4

During the 2007/2008 financial year the Group acquired the properties in which the distribution centre and head office are located, via two new companies. One finance lease was terminated as a result of the acquisition. This had a total positive effect on financial income of SEK 23 million through terminating the financial liability. The item affected the third quarter in the previous year (the period March – May 2008).