

Möln dal, 9 October 2014



Strong improvement in operating profit

	Fourth quarter (Jun-Aug)			Full year (Sep-Aug)		
	2013/2014	2012/2013	Change	2013/2014	2012/2013	Change
Net sales, SEK million	1,185	1,148	37	4,743	4,751	-8
Operating profit excluding non-recurring costs, SEK million	92	57	35	295	202	93
Operating profit, SEK million	69	43	26	272	252	20
Gross margin, %	59.3	57.0	2.3	60.8	59.2	1.6
Operating margin excluding non-recurring items, %	7.8	5.0	2.8	6.2	4.3	1.9
Profit after tax, SEK million	32	7	25	129	91	38
Earnings per share after dilution, SEK (Note 1)	0.42	0.09	0.33	1.71	1.32	0.39
Cash flow from operating activities, SEK million	0	15	-15	345	230	115

- Operating profit excluding non-recurring items increased during the quarter by 62 per cent and for the full year by 46 per cent.
- Net sales increased by 3.2 per cent for the quarter and decreased by 0.2 per cent for the full year.
- Sales in comparable stores increased during the quarter by 2.9 per cent and for the full year by 0.3 per cent.
- The gross margin improved by 2.3 per centage points for the quarter and 1.6 per centage points for the full year.
- Restructuring costs of SEK 23 million relating to the closure of unprofitable stores in Finland and Poland strain the fourth quarter.
- The Board of Directors proposes a dividend of SEK 0.75 per share

*“KappAhl has delivered a good year...
With a more stable and effective
organisation our gross margin is stronger,
our cost level is lower and the
equity/assets ratio has improved.”*

Johan Åberg, President and CEO
Read the full CEO statement on the next page

A presentation and telephone conference will be held for analysts, the media and investors today at 9.30 at Operaterrassen in Stockholm. To notify attendance at Operaterrassen go to www.kappahl.com/presentations, where the webcast will also be broadcast direct and saved for viewing later. To participate by telephone please call +44 207 660 2077 about 5 minutes before the start.

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The information in this year-end 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 9 October 2014 at 07.30.

• JOHAN ÅBERG, PRESIDENT AND CEO, ANSWERS QUESTIONS •



Johan Åberg
President and CEO

How do you sum up the past financial year?

KappAhl has delivered a good year, in line with the ambition that in a few years achieve an operating margin of ten per cent. With a more stable and effective organisation our gross margin is stronger, our cost level is lower and the equity/assets ratio has improved.

Two major provisions affect net profit for the year. These are interest swaps of SEK 29 million that were expensed in the third quarter, and SEK 23 million for rationalisations in the number of stores in Finland and Poland in the fourth quarter.

All in all, our positive trend is continuing with a full-year operating margin of 6.2 per cent.

Are you satisfied with KappAhl's performance in the fourth quarter?

Customers are now buying their garments closer to the time of use than before. Sales in the fourth quarter showed that our efforts to have the right product in stores at the right time has produced results. Both summer products and the important school start campaign sold very well.

KappAhl delivered very strong key figures overall during the quarter, partly driven by a lower percentage of clearance sales than in the previous year.

What activities have contributed to this year's good performance?

KappAhl has a strong brand and a contributory factor in this is that we have achieved greater success with marketing to consumers and in the in-store customer meeting. The strengthened gross margin shows that our range is accepted, all business areas have improved their profitability during the year.

Collections that were well received by our main customers, women in the prime of life, included the best-selling lightweight down jackets and the Hampton Republic 27 collection that is now for the whole family, as well as the much-discussed underwear collection Fifty Shades of Grey, to mention a few. It is also worth mentioning that during the year we sold close to eight million pairs of trousers which is 5,7 per cent more than last year.

During the year we have been successful with purchasing and logistics and have had sound cost control. We worked specifically with each store's profitability. As a result of this our measures for increased profitability in Poland paid off and operations in the Czech Republic were discontinued. Evaluations of store profitability will continue.

Will next year be as good for KappAhl?

We have much left to do. It is gratifying that we are taking on coming challenges with a more solid organisation behind us. Going forward our most important challenges are continued cost control and improved sales in comparable stores.

Several major investments in our brand work becomes visible throughout the coming year. Shortly Shop Online will be launched in all our markets and we are rolling out our new store concept in high tempo. With ajor marketing campaigns such as "Wear it like a star" and as main sponsor of the TV show "She's Got The Look", to name a couple, we are ensuring that KappAhl will be visible next year too. The customer's experience of KappAhl is also formed by attractive and well-functioning stores. During the autumn we start rolling out our new store concept at a high pace.

Internally we continue to improve effectiveness of the supply chain, from supplier to sales space in stores. We also have high sustainability ambitions; in 2020 all cotton at KappAhl is to be sustainably grown and all energy renewable. We will also soon be launching textile collection in our Swedish stores.

KappAhl will continue to deliver fashion that attracts our most important customers; women in the prime of life. And we do it backed by a stable organisation and continued high ambitions for the future.

Johan Åberg
President and CEO

KappAhl, founded in 1953, is one of the leading Nordic fashion chains with nearly 400 stores in Sweden, Norway, Finland and Poland as well as Shop Online. KappAhl offers value-for-money fashion with its own design to the many – women, men and children, with special focus on women in the prime of life. 18 per cent of the range has sustainable fashion labelling. In 2013/2014 sales were SEK 4.7 billion and the number of employees about 4 500. KappAhl is listed on NASDAQ Stockholm. For more information, visit www.kappahl.com.

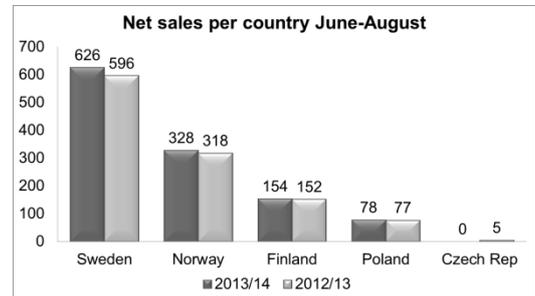
• COMMENTS ON THE FOURTH QUARTER •

2.9%

Sales in comparable stores

Net sales and profit

KappAhl's net sales for the quarter were SEK 1,185 (1,148) million, an increase of 3.2 per cent. This is explained by the effect of new and closed stores, -1.0 per cent; growth in comparable stores, 2-9 per cent; and currency translation differences totalling 1.3 per cent.



The gross profit for the quarter was SEK 703 (654) million, corresponding to a gross margin of 59.3 (57.0) per cent. A good balance in inventories combined with a strong range has contributed to the stronger gross margin.

Selling and administrative expenses for the quarter amounted to SEK 611 (597) million, excluding non-recurring items. The non-recurring item of SEK 23 (14) million charged to the quarter refers to close-down costs for stores in Finland and Poland. Including non-recurring items selling and administrative expenses amounted to SEK 634 (611) million in the fourth quarter.

The operating profit was SEK 92 (57) million, excluding non-recurring items of SEK 23 (14) million. This corresponds to an operating margin excluding non-recurring items of 7.8 (5.0) per cent or 5.8 (3.7) per cent including non-recurring items.

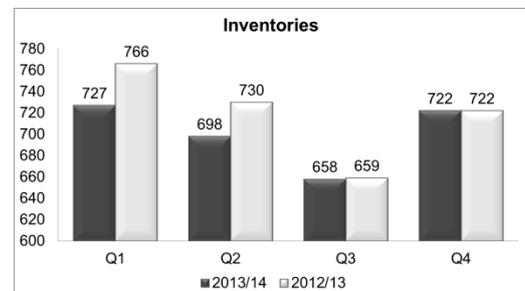
Depreciation according to plan amounted to SEK 33 (37) million. Net financial income for the quarter was SEK -10 (-7) million. Profit/loss after financial items was SEK 59 (36) million and the profit after estimated tax was SEK 32 (7) million. Earnings per share after dilution for the quarter were SEK 0.42 (0.09).

61.4%

Increased operating profit excluding non-recurring items

Inventories

Inventories at the end of the period were SEK 733 (772) million. In total the size and composition of the inventories is assessed to be satisfactory.



Cash flow

KappAhl's cash flow from operating activities for the quarter was SEK 0 (15) million and the cash flow after investments was SEK -29 (-1) million. The cause of the negative cash flow is that working capital has increased since the previous quarter and the volume of investment is higher compared to the same period last year.

35.4 %

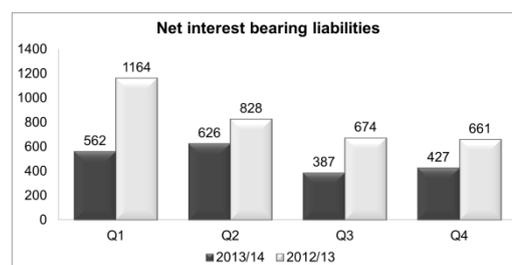
Decreased net debt compared with the previous year

56.1 %

Current equity/assets ratio

Funding and liquidity

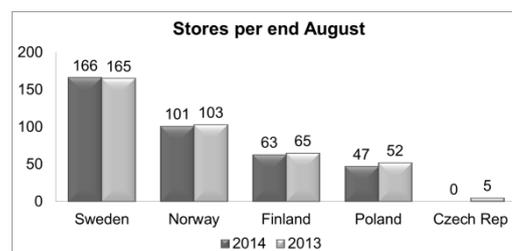
Net interest-bearing liabilities at the end of the period were SEK 427 (661) million. At the close of the period net interest-bearing liabilities/EBITDA amounted to 1.0, compared with 1.9 as at 31 August 2013. The equity/assets ratio increased to 56.1 (49.4).



Cash and cash equivalents amounted to SEK 43 (58) million on 31 August 2014. At the close of the period there was about SEK 650 (400) million in unutilised credit.

Store network and expansion

At the close of the period the total number of stores was 377 (390). Of these there are 166 in Sweden, 101 in Norway, 63 in Finland and 47 in Poland. No store opened during the quarter, two were closed. Operations in the Czech Republic were



completely discontinued as at 31 December 2013.

An internal project aimed at improving profitability in unprofitable stores was launched in the previous quarter and has continued during the financial year. As a result of this, in the fourth quarter provision was made for a non-recurring item of SEK 23 million for rationalisation of the number of stores in Finland and Poland.

The work of seeking attractive store locations in existing markets and expanding eCommerce is proceeding according to plan. Apart from the stores in operation on 31 August 2014 at present there are contracts for seven new stores. Shop Online will expand to Norway and Finland at the end of 2014.

Parent company

Parent company sales in the quarter were SEK 5 (14) million and the profit after financial items was SEK 135 (106) million. The parent company did not make any investments during the period.

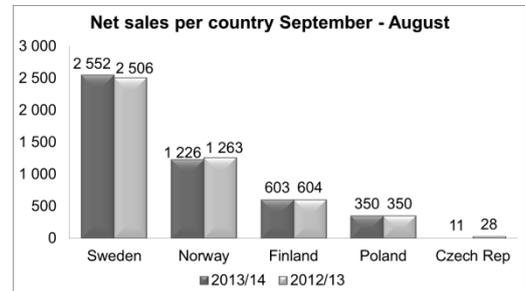
• COMMENTS ON THE FULL YEAR •

0.3%

Increased sales in comparable stores

Net sales and profit

KappAhl's net sales were SEK 4,743 (4,751) million for the full year. This is a change of -0.2 (3.6) per cent compared with the previous year. The development is explained by: new and closed stores, -0.1 per cent, change in comparable stores, 0.3 per cent and exchange differences totalling -0.4 per cent.



1.6%

Increased gross margin

For the full year the gross profit was SEK 2,886 (2,814) million, corresponding to a gross margin of 60.8 (59.2) per cent.

Selling and administrative expenses for the full year amounted to SEK 2,614 (2,638) million. Non-recurring items of SEK 23 (26) million referring to closing down stores are included in the year's selling and administrative expenses. Thus the costs excluding non-recurring items amounted to SEK 2,591 (2,612) million, which is a decrease of SEK 21 million, or 0.8 per cent.

46.0%

Increased operating profit, excluding non-recurring costs

The operating profit before non-recurring items was SEK 295 (202) million and including non-recurring items it was SEK 272 (252) million. The operating profit for the previous year includes a non-recurring item referring to a capital gain of SEK 76 million, attributable to the sale of the company's real property. SEK -12 million was for costs in connection with staff cuts and SEK -14 million referred primarily to impairment loss on non-current assets. The operating margin for the financial year before non-recurring items is 6.2 (4.3) per cent or 5.7 (5.3) per cent including non-recurring items.

Depreciation according to plan was SEK 128 (141) million, which was impacted by restraint in new investment in recent years.

Net financial income was SEK -68 (-87) million for the full year. During the year net financial income was reduced by negative market values of SEK 33 million referring to all interest swaps, see Note 2. Profit/loss after financial items was SEK 204 (165) million and the profit after estimated tax was SEK 129 (91) million. Earnings per share after dilution for the full year were SEK 1.71 (1.32).

Taxes

The Group has net deferred tax assets of SEK 22 (90) million. The change is due to a reduction in untaxed reserves, utilised loss carry-forwards and a changed tax rate.

Deferred tax assets related to losses in Poland, the Czech Republic and Finland are not currently valued, resulting in a high effective tax rate of the Group.

Investments

Investments of SEK 98 (95) million were made during the year and mainly refer to investments in existing and newly opened stores, process and system development for a more digital customer meeting and eCommerce solutions for all countries.

Cash flow

KappAhl's cash flow from operating activities during the year was SEK 345 (230) million and the cash flow after investments was SEK 247 (622) million. The improved cash flow from operating activities was primarily due to increased earnings potential. Last year, cash flow was positively affected from investing activities by proceeds received on the sale of property.

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Parent company

Parent company sales during the year were SEK 19 (23) million and the profit after financial items was SEK 95 (110) 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 2012/2013. 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 2012/2013, Note 17. The reported risks are otherwise deemed to be unchanged in all essentials.

Events after the balance sheet date

From November 3, 2014 KappAhl's new bank agreement will apply, which is expected to significantly lower financing costs. The three-year loan agreement covers a total credit of 1 000 MSEK and gives KappAhl good operating freedom for investments, particularly in the new store concept.

Otherwise, there has been no significant events after the balance sheet date 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 3 December at 10.00 am. The annual report will be available on the company's website on 5 November.

The Board of Directors proposes a dividend of SEK 0.75 per share

Financial calendar

Annual General Meeting	3 December 2014
First quarter (September-November)	14 January 2015
Second quarter (December-February)	9 April 2015
Third quarter (March-May)	23 June 2015
Fourth quarter (June-August)	8 October 2015

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

Mölndal, 9 October 2014
KappAhl AB (publ)

Johan Åberg
President

KappAhl

Group income statement - Summary (SEK million)	Q4	Q4	Sep-Aug	Sep-Aug	Latest
	2013/2014	2012/2013	2013/2014	2012/2013	12 month Sep-Aug
Net sales	1 185	1 148	4 743	4 751	4 743
Cost of goods sold	-482	-494	-1 857	-1 937	-1 857
Gross profit	703	654	2 886	2 814	2 886
Selling expenses	-598	-575	-2 469	-2 488	-2 469
Administrative expenses	-36	-36	-145	-150	-145
Other operating income	0	0	0	76	0
Operating profit	69	43	272	252	272
Financial income	0	0	0	1	0
Financial expenses	-10	-7	-68	-88	-68
Profit after financial items	59	36	204	165	204
Tax	-27	-29	-75	-74	-75
Result for the period	32	7	129	91	129
Profit attributable to parent company shareholders	32	7	129	91	129
Earnings per share before dilution, SEK	Note 1	0,43	0,09	1,72	1,72
Earnings per share after dilution, SEK	Note 1	0,42	0,09	1,71	1,71
Earnings per share after new share issue, SEK		0,43	0,09	1,72	1,72

Statements of comprehensive income (SEK million)	Q4	Q4	Sep-Aug	Sep-Aug	Latest
	2013/2014	2012/2013	2013/2014	2012/2013	12 month Sep-Aug
Result for the period	32	7	129	91	129
Items not to be recognised in income					
Actuarial gains/losses	-21	8	-21	8	-21
Tax relating to actuarial gains/losses	4	-2	4	-2	4
Total items not to be recognised in income	-17	6	-17	6	-17
Items to be recognised in income					
Translation differences for the period	-2	0	3	0	3
Cash flow hedges – value change	17	24	17	61	17
Tax attributable to other comprehensive income	-4	-8	-4	-16	-4
Total items to be recognised in income	11	16	16	45	16
Total comprehensive income attributable to parent company's shareholders	26	29	128	142	128

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Group Balance Sheet - Summary (SEK million)	2014-Aug-31	2013-Aug-31
ASSETS		
Non-current assets		
Intangible assets*	1 342	1 338
Tangible assets	412	431
Deferred tax assets	22	90
Total non-current assets	1 776	1 859
Current assets		
Inventories	733	722
Other operating receivables	142	158
Cash and cash equivalents	43	58
Total current assets	918	938
Total assets	2 694	2 797
EQUITY AND LIABILITIES		
Equity	1 510	1 382
Non-current liabilities		
Interest-bearing long-term liabilities	54	644
Non-interest-bearing long-term liabilities	29	27
Total non-current liabilities	83	671
Current liabilities		
Interest-bearing current liabilities	416	75
Non-interest-bearing current liabilities	685	669
Total current liabilities	1 101	744
Total equity and liabilities	2 694	2 797
*of which goodwill	696	696
*of which trademarks	610	610

Group cash flow statement - Summary (SEK million)	Q4 2013/2014	Q4 2012/2013	Sep-Aug 2013/2014	Sep-Aug 2012/2013
Cash flow from operating activities before changes in working capital	87	59	332	198
Changes in working capital	-87	-44	13	32
Cash flow from operating activities	0	15	345	230
Sale of property	-	-	-	487
Cash flow from investing activities	-29	-16	-98	-95
Cash flow from investing activities	-29	-16	-98	392
Change in bank overdraft facility	26	11	-262	-984
New share issue	-	-	-	374
Cash flow from financing activities	26	11	-262	-610
Cash flow for the period	-3	10	-15	12
Cash and cash equivalents at beginning of the period	46	48	58	46
Cash and cash equivalents at the end of the period	43	58	43	58

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Specification of changes in the Group's equity	Q4 2013/2014	Q4 2012/2013	Sep-Aug 2013/2014	Sep-Aug 2012/2013
Opening equity	1 484	1 353	1 382	866
New share issue - after issue expenses and tax	-	-	-	374
Total comprehensive income	26	29	128	142
Closing equity	1 510	1 382	1 510	1 382

Number of stores per country	2014-Aug-31	2014-May-31	2014-Feb-28	2013-Nov-30	2013-Aug-31
Sweden	166	166	165	166	165
Norway	101	101	103	104	103
Finland	63	64	64	65	65
Poland	47	47	47	49	52
Czech Republic	-	-	-	5	5
Total	377	378	379	389	390

Sales per country (SEK million)	Q4 2013/2014	Q4 2012/2013	Change SEK %	Change local currency %
Sweden	626	596	5,0%	5,0%
Norway	328	318	3,1%	3,2%
Finland	154	152	1,3%	-3,8%
Poland	78	77	1,3%	-7,3%
Czech Republic	0	5	-100,0%	-100,0%
Total	1 185	1 148	3,2%	-

Sales per country (SEK million)	Sep-Aug 2013/2014	Sep-Aug 2012/2013	Change SEK %	Change local currency %
Sverige	2 552	2 506	1,8%	1,8%
Norge	1 226	1 263	-2,9%	1,7%
Finland	603	604	-0,2%	-4,2%
Polen	350	350	0,0%	-3,7%
Tjeckien	11	28	-60,7%	-59,9%
Total	4 743	4 751	-0,2%	-

Geografic reporting (SEK million)	Net sales Q4 2013/2014	Net sales Q4 2012/2013	Operating income Q4 2013/2014	Operating income Q4 2012/2013
Nordic countries	1 107	1 066	147	122
Other	78	82	-11	-36
Intercompany expenses	-	-	-67	-43
Total	1 185	1 148	69	43

Geografic reporting (SEK million)	Net sales Sep-Aug 2013/2014	Net sales Sep-Aug 2012/2013	Operating income Sep-Aug 2013/2014	Operating income Sep-Aug 2012/2013
Nordic countries	4 381	4 373	515	458
Other	362	378	-38	-98
Intercompany expenses	-	-	-205	-108
Total	4 743	4 751	272	252

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Quarterly income statement (SEK million)	2013/2014				2012/2013				2011/2012				2010/2011				2009/2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	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	1 344	1 256	1 221	1 290
Cost of goods sold	-456	-471	-448	-482	-457	-516	-470	-494	-496	-538	-469	-485	-491	-508	-493	-556	-470	-531	-432	-521
Gross profit	787	643	753	703	788	632	740	654	697	581	677	644	850	680	744	652	874	725	789	769
Selling expenses	-651	-603	-617	-598	-650	-636	-627	-575	-648	-685	-615	-579	-669	-624	-651	-616	-630	-615	-639	-583
Administrative expenses	-37	-37	-35	-36	-34	-31	-49	-36	-33	-34	-33	-36	-35	-40	-36	-33	-37	-34	-38	-30
Other operating income	0	0	0	0	77	-1	0	0	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit	99	3	101	69	181	-36	64	43	16	-138	29	29	146	16	57	3	207	76	112	156
Financial income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0
Financial expenses	-12	-8	-38	-10	-43	-17	-21	-7	-26	-47	-34	-59	-17	-15	-22	-18	-18	-23	-24	-24
Profit after financial items	87	-5	63	59	138	-53	43	36	-10	-185	-5	-30	129	1	35	-14	189	54	88	132
Tax	-25	-2	-21	-27	-23	-11	-11	-3	-1	22	-5	-10	-34	0	-9	-40	-11	-20	-23	-7
Net profit	62	-7	42	32	115	-64	32	33	-11	-163	-10	-40	95	1	26	-54	178	34	65	125
Operating margin	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%	15,4%	6,1%	9,2%	12,1%
Earnings per share after dilution, SEK	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	7,79	1,49	2,86	5,47
Number of stores	389	379	378	377	395	391	392	390	381	381	386	388	360	360	367	369	337	336	344	345

* excl. sales of property

Yearly income statement (SEK million)	Sep-Aug	Sep-Aug	Sep-Aug	Sep-Aug	Sep-Aug
	2013/2014	2012/2013	2011/2012	2010/2011	2009/2010
Net sales	4 743	4 751	4 587	4 974	5 111
Cost of goods sold	-1 857	-1 937	-1 988	-2 048	-1 954
Gross profit	2 886	2 814	2 599	2 926	3 157
Selling expenses	-2 469	-2 488	-2 527	-2 560	-2 467
Administrative expenses	-145	-150	-136	-144	-139
Other operating income		2)	-	-	-
Operating profit	272	252	-64	222	551
Financial income	0	1	0	1	1
Financial expenses	-68	-88	-166	-72	-89
Profit after financial items	204	165	-230	151	463
Tax		1)	-75	-83	-61
Net profit	129	91	-224	68	402
Operating margin	5,7%	5,3%	-1,4%	4,5%	10,8%
Earnings per share, SEK	Note 1	1,72	1,32	-5,30	17,60

1) Deferred tax credit SEK 107 million 2009/10

2) 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
	2013/2014	2012/2013	2013/2014	2012/2013	12 month Sep-Aug
Net sales	5	14	19	23	19
Gross profit	5	14	19	23	19
Selling expenses	-	-2	-	91	0
Administrative expenses	-10	-12	-29	-36	-29
Operating profit	-5	0	-10	78	-10
Result from participations in group companies	152	111	175	111	175
Financial income	3	9	22	22	22
Financial expenses	-15	-14	-92	-101	-92
Profit after financial items	135	106	95	110	95
Bokslutsdispositioner	8	-	8	-	8
Resultat efter bokslutsdispositioner	143	106	103	110	103
Tax	-14	-26	-3	-3	-3
Net profit	129	80	100	107	100

Parent company Balance Sheet - Summary (SEK million)	2014-Aug-31	2013-Aug-31
	ASSETS	
Non-current assets		
Financial assets	3 049	2 913
Deferred tax assets	-	7
Total non-current assets	3 049	2 920
Current assets		
Other operating receivables	316	684
Cash and cash equivalents	77	-
Total current assets	393	684
Total assets	3 442	3 604
EQUITY AND LIABILITIES		
Equity	2 487	2 372
Untaxed reserves	-	8
Interest-bearing long-term liabilities	814	1 000
Current liabilities		
Interest-bearing current liabilities	-	75
Non-interest-bearing current liabilities	141	149
Total current liabilities	141	224
Total equity and liabilities	3 442	3 604

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Key ratios		Q4	Q4	Sep-Aug	Sep-Aug	Latest
		2013/2014	2012/2013	2013/2014	2012/2013	12 months Sep-Aug
Growth in sales		3,2%	1,7%	-0,2%	3,6%	-0,2%
Earnings per share before dilution, SEK	Note 1	0,43	0,09	1,72	1,32	1,72
Earnings per share after dilution, SEK	Note 1	0,42	0,09	1,71	1,32	1,71
Total depreciation/amortisation		33	37	128	141	128
Operating result (EBIT)		69	43	272	252	272
Gross margin		59,3%	57,0%	60,8%	59,2%	60,8%
Operating margin excl. sale of property		5,8%	3,7%	5,7%	5,3%	5,7%
Operating margin		7,8%	5,0%	6,2%	4,3%	6,2%
Interest coverage ratio		-	-	4,0	2,9	4,0
Net interest-bearing liabilities		427	661	427	661	427
Net interest-bearing liabilities, excl. Buildings		-	-	1,0	1,9	1,0
Equity/assets ratio		56,1%	49,4%	56,1%	49,4%	56,1%
Equity per share before dilution, SEK		20,12	18,42	20,12	18,42	20,12
Equity per share after dilution, SEK		20,00	18,42	19,99	18,42	19,99
Return on equity		-	-	-	8,1%	8,9%
Return on capital employed		-	-	-	10,8%	13,3%
Number of shares before dilution		75 040 000	75 040 000	75 040 000	75 040 000	75 040 000
Number of shares after dilution		75 509 299	75 040 000	75 523 423	75 040 000	75 523 423

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 percentage 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 Aug 2014	Number of shares	Percentage of	Change compared with
		shares and votes 2014-Aug-31	
Mellby Gård AB	15 209 245	20,27	0
Handelsbanken Fonder AB RE JPMEL	5 351 277	7,13	1 003 545
Swedbank Robur fonder	3 872 041	5,16	-11 600
Svenskt Näringsliv	2 400 000	3,20	0
Försäkringsaktiebolaget, Avanza Pension	2 120 699	2,83	-2 842
Svolder Aktiebolag	1 759 772	2,35	0
JPM Chase NA	1 606 156	2,14	23 284
Fjärde AP-fonden	1 556 269	2,07	693 641
Catella Fondförvaltning	1 163 337	1,55	250 188
Andra AP-fonden	1 120 383	1,49	0
Liv & Pension, Nordea	1 118 925	1,49	139 751
Länsförsäkringar fondförvaltning AB	960 000	1,28	260 000
Nordnet Pensionsförsäkring AB	907 632	1,21	87 215
Robur Försäkring	843 690	1,12	-5 534
Jula AB	506 881	0,68	0
Teknikföretagen	500 000	0,67	0
State Street Bank & Trust Com., Boston	493 651	0,66	-38 000
JP Morgan Bank	488 033	0,65	402 700
Banque Öhman S.A	422 000	0,56	-1 000
SEB	415 052	0,55	343 132
Övriga	32 224 957	42,94	-3 144 480
Summa	75 040 000	100,00	0,00

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 2013, apart from IFRS 13 Fair value measurement and IAS 19R Employee benefits.

IFRS 13 has not had any impact on the valuation of the Group's financial instruments, although the standard requires enhanced disclosures.

IAS 19R has not had any material impact on the Group's earnings and financial position on the basis that the Group already recognises actuarial gains and losses related to defined benefit plans in other comprehensive income. 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 company has no outstanding convertible debt instruments. There are 6 744 000 warrants. These can be exercised in January-February 2015. One warrant gives the right to subscribe for 0.27 shares at the price of SEK 28.80.

Note 1 Calculation of earnings per share

Earnings per share are restated for comparison periods. The number of shares has been adjusted to allow for the year's rights issue and reverse split.

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 financial derivatives. During the 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 16 (19) million for currency forwards and SEK -33 (-20) 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.