

KappAhl



PRESS RELEASE

February 13, 2012, 08.00 CET

KAPPAHL'S SALES DEC-JAN

Sales development from the first quarter continues. During the period December 2011-January 2012 gross margin declined by 5 percentage points and sales in comparable stores fell by 8 percent, compared to the same period last year. For the first quarter, September-November 2011, sales in comparable stores was -13.9 percent.

– The second quarter is traditionally a quarter with lower inflow of new goods and relatively high proportion of sale of goods delivered during the autumn. This means we bring the performance from the first quarter. At the same time, we see that the drop in revenue slowly declines. It has been a lot about the women's range not having attracted our customers as it should and an adjustment is being phased in, said John Åberg, president and CEO.

Focus on reducing costs and inventories have had an effect. Already in the first quarter, expenses decreased by 3 percent compared to last year, which means that the saving plan about SEK 150 million proceeds according to plan. After several quarters of increased inventory, it has leveled out and will now fall. This means the need for sale onwards is not the same as previously.

As previously announced expansion will be somewhat slower for some time to come.

– We have chosen to focus on profitability in existing markets. We therefore postpone the planned opening of stores in Austria this fall, says Johan Åberg.

KappAhl's target of 20-25 stores remain but for the current and next fiscal year, the pace will be somewhat lower. One-off costs of SEK 50-100 million, which largely relates to impairment of fixed assets, are expected to affect results in the second quarter.

In 2012, retail sales in Sweden is expected to increase only marginally according to HUI, which in December revised down its forecast for retail growth.

– The entire industry has a challenging year ahead and we adjust our operations accordingly. We see every opportunity for KappAhl to perform better in the future, says Johan Åberg.

For further information, please contact:

Johan Åberg, President and CEO, phone +46 706 09 99 73
Håkan Westin, Chief financial officer, phone +46 704 71 56 64

For images and other information:

Annette Björklund, Head of public relations, phone +46 704 71 55 42, e-mail annette.bjorklund@kappahl.com

KappAhl is a leading Nordic fashion chain with more than 380 stores and close to 4 900 co-workers in Sweden, Norway, Finland, Poland and the Czech Republic. KappAhl designs, markets and sells value-for-money fashion and focus in particular on women 30-50 years of age. During the financial year 2010/2011, KappAhl had sales of close to SEK 5 billion, with an operating profit of SEK 222 million. KappAhl shares are listed on the NASDAQ OMX Stockholm. In 1999, KappAhl was the first fashion chain to receive environmental management standard certification. Further information is available at www.kappahl.com.

KappAhl 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 13 February 2012 at 08.00 CET.