KappAhl

NINE MONTH REPORT

29 June 2012

• REPORT FOR THE THIRD QUARTER 2011/2012 •

Restored inventory and reduced costs

	Quarter 3 (March-May)			*Nine months (Sep-May)*		
	2011/2012	*2010/2011*	*Change*	*2011/2012*	*2010/2011*	*Change*
Net sales, SEK million	1 146	1 237	-91	3 458	3 766	-308
Operating profit excluding non-recurring costs, SEK million	46	57	-11	7	219	-212
Operating profit/loss, SEK million	29	57	-28	-93	219	-312
Gross profit margin, %	59,1	60,1		56,5	60,4	
Operating margin, %	2,5	4,6		-2,7	5,8	
Profit after tax, SEK million	-10	26	-36	-184	122	-306
Earnings per share, SEK (Note 1)	-0,04	0,25		-1,23	0,74	
Cash flow from operating activities, SEK million	117	144	-27	180	192	-12

- Net sales decreased by 7.4 per cent for the quarter and 8.2 per cent for the nine month period.
- Costs decreased by 5.7 per cent for the quarter and 4.4 per cent for the nine month period.
- Inventories are back at a satisfactory level, both as regards size and composition.
- Non-recurring costs in the quarter consisting of provision for bonus rewards, Note 2.

"We have succeeded in achieving a good composition of our inventories. This was a priority task and the present normal inventory level will benefit us in future. (...) We are looking forward to the autumn. We will then see further results of our action plan."

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

A telephone conference will be held for analysts, media and investors today at 9.00 CET. To participate by telephone please call +44 (0)207 750 99 50 about 5 minutes before the start. The telephone conference can also be followed via a webcast on www.kappahl.com/presentations, where the broadcast will be saved for viewing later.

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• JOHAN ÅBERG, PRESIDENT AND CEO, ANSWERS QUESTIONS •

Johan Åberg
President and CEO

How would you summarise KappAhl's third quarter?

Sales are very weak. The cost savings introduced last summer are going to plan and the gross rate is relatively strong, though it is not yet in line with our target.

We have succeeded in achieving a good composition of our inventories. This was a priority task and the present normal inventory level will benefit us in future.

What is being done to turn sales around?

Since the turn of the year we are working to a plan for improving performance. This covers a number of priority areas. In everything we do – design of range, offer and store operation – we now have a stronger customer focus.

We have a new organisation structure for the entire purchasing department. In the business area Woman we have created several new concepts and developed what we are already good at.

We have recruited a new marketing director and in September we will introduce an entirely new platform for our marketing communication. Store design will be changed, as well as the way we communicate our offer. The customer will be given a lot of inspiration and clearer guidance in stores.

We are also ensuring chain operation to utilise economies of scale and facilitate future expansion to new markets.

Altogether we are working to create an interesting, inspiring and more distinctive KappAhl, where we exceed customer expectation.

How has the market been during the quarter?

The market in which we operate is on the whole moving cautiously upwards. The market still has inventories that are too high, which means a continued prevalence of customer offers.

The Nordic countries have the most favourable economic climate in Europe but developments are weighed down by the financial turbulence in the south. Our consumers' confidence in their own economy is affected and restraint continues.

In conclusion, what will autumn be like for KappAhl?

Coming up we have the summer months with occurences such as shopping tourism and school start. Now the big summer sale is also in progress.

We are looking forward to the autumn. We will then see further results of our action plan. The store range will be produced to a great extent on the basis of our new initiatives. We will also stand out with our new advertising style and the stores will be more distinctive and more inspiring for our customers.

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 submitted for publication on 29 June 2012 at 07.30 a.m.

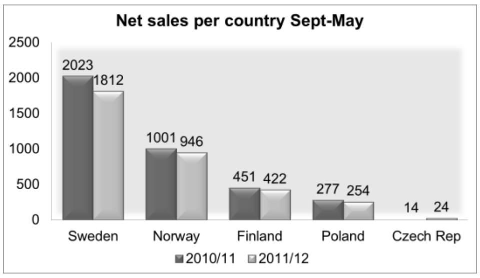
***KappAhl** is a leading fashion chain with more than 380 stores and 4 900 employees in Sweden, Norway, Finland, Poland and the Czech Republic. KappAhl sells value-for-money fashion with a wide appeal – to women, men and children – and focuses in particular on women aged 30-50 with families. All clothes are from our own designers. In 1999 KappAhl was the first fashion chain to be environmentally certified. In the 2010/2011 financial year KappAhl's net sales were almost SEK 5 billion and operating profit SEK 222 million. KappAhl is listed on Nasdaq OMX Stockholm. More information can be found at www.kappahl.com.*

• COMMENTS ON THE THIRD QUARTER •

-9.8 %

Sales in comparable stores

Net sales and profit



KappAhl's net sales for the quarter amounted to SEK 1,146 (1,237) million, a decrease of 7.4 per cent. This is explained by: the effect of new and closed stores, +3.3 per cent; change in comparable stores, -9.8 per cent, provision for bonus rewards, -1.4 per cent (see Note 2) and translation differences totalling 0.5 per cent. The weak sales are mainly due to a weak women's range.

Gross profit for the quarter was SEK 677 (744) million, which corresponds to a gross margin of 59.1 (60.1) per cent. The gross margin has been negatively affected by opening inventories that are somewhat too high and by a higher percentage of sales in the business area Child, which has a lower gross rate.

5.7 %

Costs lower than last year, despite 19 more stores

Selling and administrative expenses for the quarter have decreased by 5.7 per cent to a total of SEK 648 (687) million, despite an increased number of stores and general inflation. This shows that the savings initiated at the beginning of last summer are clearly having an effect.

The operating profit was SEK 29 (57) million. This is equivalent to an operating margin of 2.5 (4.6) per cent.

Depreciation according to plan was SEK 37 (52) million, which was affected by a changed assessment of real useful lives. See further under accounting policies.

Net financial income was SEK -34 (-22) million for the quarter. Rising interest costs are mainly due to credit agreement terms and the general financial turbulence. Profit/loss after financial items was SEK -5 (35) million and the profit/loss after estimated tax was SEK -10 (26) million. Earnings per share for the quarter were SEK -0.04 (0.25).

Other comprehensive income

Unrealised changes in the fair value of the Group's cash flow hedges are reported under 'Other comprehensive income'. These are SEK 60 (18) million for the period.

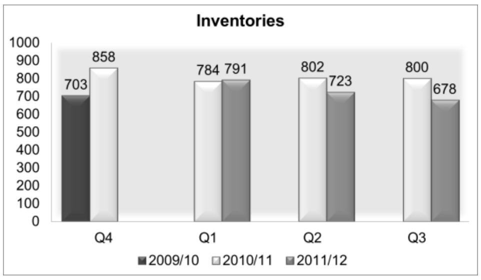
Taxes

The tax cost was negatively affected by not recording a deferred tax asset for losses in Poland and the Czech Republic. The Group has deferred tax assets of SEK 365 million in Sweden, referring to blocked loss carry-forwards that can partly start to be used from current year.

15%

Inventories lower than last year

Inventories



At the close of the period inventories amounted to SEK 678 million, a decrease of SEK 122 million compared with the previous year. During the period inventories decreased by SEK 45 million, compared with SEK 2 million in the corresponding period of the previous year. Overall, the size and composition of inventories are considered to be satisfactory.

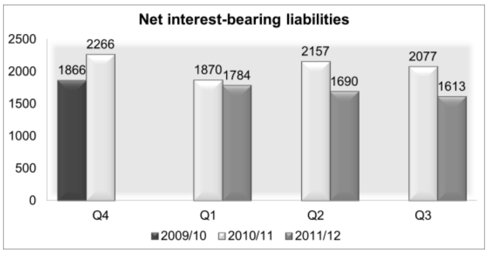
SEK 84 M

Improvement in working capital during the period

Cash flow

KappAhl's cash flow from operating activities was SEK 117 million (144) and the cash flow after investments was SEK 78 million (75). The cash flow has been positively impacted by both the development of working capital and by restrictive investment.

Financing and liquidity



22%

Reduction in net debt compared with previous year

Total credit facilities amount to SEK 2,000 million.

Net interest-bearing debt was SEK 1,613 million at the close of the period, compared with SEK 2,077 million as at 31 May 2011. About 30 per cent of net debt corresponds to the value of the company's real property. Net interest-bearing debt/EBITDA was 12.0 at the end of the period, as compared with 3.5 as at 31 May 2011. The equity/assets ratio increased to 28,6 (16.0) per cent, mainly due to the rights issue.

Cash and cash equivalents amounted to SEK 34 (44) million as at 31 May 2012. At the period close there were unutilised credit facilities of about SEK 350 (500) million.

Store network and expansion

At the end of the period the total number of stores was 386 (367). Of these, 164 are in Sweden, 102 in Norway, 62 in Finland, 53 in Poland and five in the Czech Republic. Five stores were opened during the quarter, none were closed. The online shop started during the autumn in Sweden has gone well, both as regards direct sales and visitors to the company's website.

The work of finding new store sites is proceeding according to plan. Apart from the 386 (367) stores in operation on 31 May this year, there are at present contracts for 27 new stores. Of the new contracts, two stores will open during the remaining business year. The long-term goal to increase the number of stores by 20 to 25 per year remains, but for the coming financial year the number of new stores is expected to be 15.

Parent company

The Parent Company's net sales for the period were SEK 0 (4) million and profit after financial items was SEK -36 (255) million. The financial items for the quarter consist of dividend received from subsidiaries totalling SEK - (275) million. The Parent Company did not make any investments during the period.

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• COMMENTS ON THE NINE MONTHS •

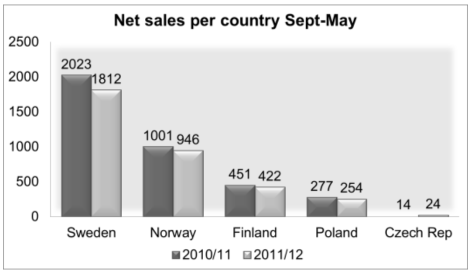
-10.9 %

Sales in comparable stores

4.4 %

Cost reduction compared with previous year, excluding non-recurring costs

Net sales and profit



KappAhl's net sales were SEK 3,458 million (3,766) for the first nine months. This is a decrease of 8.2 per cent compared with the previous year. Net sales consist of: new and closed stores, +3.3 per cent; change in comparable stores, -10.9 per cent; provision for bonus rewards, -0.5 per cent (see Note 2) and currency translation differences, -0.1 per cent.

Gross profit for the first nine months was SEK 1,955 (2,274) million, which corresponds to a gross margin of 56.5 (60.4) per cent.

Selling and administrative expenses for the first nine months, excluding non-recurring costs of SEK 83 million including impairment loss on non-current assets , have decreased by SEK 90 million to a total of SEK 1,965 (2,055) million, despite an increased number of stores and inflation. This shows that the savings initiated at the beginning of last summer are clearly having an effect.

The operating profit was SEK -93 (219) million. This is equivalent to an operating margin of -2.7 (5.8) per cent. Excluding non-recurring items, the operating margin was 0.0 (5.8) per cent.

Depreciation according to plan was SEK 120 (159) million, which was affected by a changed assessment of real useful lives. See further under accounting policies.

Net financial income was SEK -107 (-54) million for the first nine months. Profit/loss after financial items was SEK -200 (165) million and the profit/loss after estimated tax was SEK -184 (122) million. Earnings per share for the first nine months were SEK -1.23 (0.74).

Other comprehensive income

Unrealised changes in the fair value of the Group's cash flow hedges are reported under 'Other comprehensive income'. These are SEK 58 (-47) million for the period.

Investments

Investments of SEK 115 (166) million were made during the period, mainly in existing and newly opened stores. For the full year investments are expected to amount to a maximum of SEK 150 million, which implies a decrease compared with the previous year of about SEK 90 million.

Cash flow

KappAhl’s cash flow from operating activities in the first nine months amounted to SEK 180 (192) million and cash flow after investments amounted to SEK 65 (26) million. During the period inventories decreased by SEK 180 million, compared with an increase in the corresponding period of the previous year of SEK 97 million.

Parent company

The Parent Company’s net sales for the period were SEK 10 (15) million and profit after financial items was SEK -69 (289) million. The financial items for the period consist of dividend received from subsidiaries totalling SEK 43 (358) million. The Parent Company did not make any investments during the period.

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• OTHER INFORMATION •

Related party transactions
Apart from underwriting guarantees for the rights issue, from Mellbygård AB and Dutot Ltd, there have not been any related party transactions. Expenditure for these guarantees amounts to SEK 11 million, which is recognised in equity.

Incentive programme
The incentive programme resolved by the Annual General Meeting was implemented during the period, with 99.9 per cent of 6.75 million options subscribed for, which provided the company in the second quarter with a premium of SEK 4 million for allocated options.

Risks and uncertainties
Impairment testing of intangible assets has been carried out, which has not resulted in any change compared with the last annual accounts.
The most important strategic and operative risks that affect KappAhl's operations and industry are described in detail in the annual report for 2010/2011 and in the rights issue prospectus. These 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 2010/2011, Note 19. The reported risks are deemed to be unchanged in all essentials.

Financial calendar	
Fourth quarter (1 June–31 August)	October 10, 2012
Annual general meeting	November 28, 2012

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

Mölndal, 29 June 2012
KappAhl AB (publ)

Johan Åberg
President

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Group income statement - Summary (SEK million)		Q3 2011/2012	Q3 2010/2011	Sep-May 2011/2012	Sep-May 2010/2011	Latest 12 months Jun-May
Net sales	Note 2	1 146	1 237	3 458	3 766	4 666
Cost of goods sold		-469	-493	-1 503	-1 492	-2 059
Gross profit		**677**	**744**	**1 955**	**2 274**	**2 607**
Selling expenses	1, 2	-615	-651	-1 948	-1 944	-2 564
Administrative expenses		-33	-36	-100	-111	-133
Operating profit		**29**	**57**	**-93**	**219**	**-90**
Financial income		0	0	0	0	1
Financial expenses		-34	-22	-107	-54	-125
Profit after financial items		**-5**	**35**	**-200**	**165**	**-214**
Tax		-5	-9	16	-43	-24
Net profit		**-10**	**26**	**-184**	**122**	**-238**
Profit attributable to parent company shareholders		**-10**	**26**	**-184**	**122**	**-238**
Earnings per share , SEK	Note 1	-0,04	0,25	-1,23	0,74	-1,76
Earnings per share after new share issue, SEK		-0,04	0,25	-1,23	0,74	-1,76
Other comprehensive income						
Net Profit		-10	26	-184	122	-238
Translationdifferences for the period		-3	-3	-12	-31	-5
Actuarial losses		0	0	0	0	-19
Change in fair value reserves		60	18	58	-47	87
Tax attributable to other comprehensive income		-18	-7	-15	10	-11
Total other comprehensive income attributable to parent company shareholders		**29**	**34**	**-153**	**54**	**-186**

1) Q2 och Sep-Feb includes non-recurring costs of 83 SEK million

2) Latest 12 months includes non-recurring costs of 97 SEK million

Group Balance Sheet - Summary (SEK million)	31-May-2012	31-May-2012	31/Aug-2011
Tangible assets	921	995	996
Intangible assets*	1 346	1 330	1 335
Deferred tax assets	182	142	144
Inventories	678	800	858
Other operating receivables	186	143	129
Cash and cash equivalents	34	44	39
Total assets	**3 347**	**3 454**	**3 501**
Equity	958	553	520
Interest-bearing long-term liabilities	1 517	2 121	2 192
Non-interest-bearing long-term liabilities	48	0	9
Interest-bearing current liabilities	130	0	113
Non-interest-bearing current liabilities	694	780	667
Total equity and liabilities	**3 347**	**3 454**	**3 501**
*of which goodwill	696	696	696
*of which trademarks	610	610	610

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Group cash flow statement - Summary (SEK million)	Q3 2011/2012	Q3 2010/2011	Sep-May 2011/2012	Sep-May 2010/2011
Cash flow from operating activities before changes in working capital	**21**	**40**	**-1**	**214**
Changes in working capital	96	104	181	-22
Cash flow from operating activities	**117**	**144**	**180**	**192**
Cash flow from investing activities	-39	-69	-115	-166
Cash flow after investments	**78**	**75**	**65**	**26**
Change in bank overdraft facility	-82	-56	-655	236
New share issue	-2	-	585	-
Dividend	-	0	-	-244
Cash flow from financing activities	**-84**	**-56**	**-70**	**-8**
Cash flow for the period	**-6**	**19**	**-5**	**18**
Cash and cash equivalents at beginning of the period	**40**	**25**	**39**	**26**
Cash and cash equivalents at the end of the period	**34**	**44**	**34**	**44**

Specification of changes in the Group's equity	Q3 2011/2012	Q3 2010/2011	Sep-May 2011/2012	Sep-May 2010/2011
Opening equity	929	519	520	743
Dividend	-	0	-	-244
New share issue - after issue expenses and tax	0	-	591	-
Total comprehensive income	29	34	-153	54
Closing equity	**958**	**553**	**958**	**553**

Number of stores per country	31-May-2011	31-Aug-2011	30-Nov-2011	29-Feb-2012	31-May-2012
Sweden	159	159	163	163	164
Norway	100	99	101	101	102
Finland	59	59	61	61	62
Poland	44	47	51	51	53
Czech Republic	5	5	5	5	5
Total	**367**	**369**	**381**	**381**	**386**

Sales per country (SEK million)	Q3 2011/2012	Q3 2010/2011	Change SEK %	Change local currency %
Sweden	584	658	-11,2%	-11,2%
Norway	320	330	-3,0%	-6,0%
Finland	147	154	-4,5%	-4,1%
Poland	87	89	-2,2%	4,0%
Czech Republic	8	6	33,3%	32,6%
Total	**1 146**	**1 237**	**-7,4%**	**-**

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Sales per country (SEK million)	Sep-May 2011/2012	Sep-May 2010/2011	Change SEK %	local currency %
Sweden	1812	2 023	-10,4%	-10,4%
Norway	946	1 001	-5,5%	-7,8%
Finland	422	451	-6,4%	-5,8%
Poland	254	277	-8,3%	0,8%
Czech Republic	24	14	71,4%	72,6%
Total	**3 458**	**3 766**	**-8,2%**	**-**

Geografic reporting (SEK million)	Net sales Q3 2011/2012	Net sales Q3 2010/2011	Operating income Q3 2011/2012	Operating income Q3 2010/2011
Nordic countries	1 050	1 142	85	115
Other	95	95	-15	-13
Intercompany expenses	-	-	-41	-45
Total	**1 146**	**1 237**	**29**	**57**

Geografic reporting (SEK million)	Net sales Sep-May 2011/2012	Net sales Sep-May 2010/2011	Operating income Sep-May 2011/2012	Operating income Sep-May 2010/2011
Nordic countries	3179	3475	163	388
Other	278	291	-124	-33
Intercompany expenses	-	-	-132	-136
Total	**3 458**	**3 766**	**-93**	**219**

Quarterly income statement	2008/2009				2009/2010				2010/2011				2011/2012		
(SEK million)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net sales	1 266	1 168	1 206	1 226	1 344	1 256	1 221	1 290	1 341	1 188	1 237	1 208	1 193	1 119	1 146
Cost of goods sold	-452	-490	-478	-473	-470	-531	-432	-521	-491	-508	-493	-556	-496	-538	-469
Gross profit	**814**	**678**	**728**	**753**	**874**	**725**	**789**	**769**	**850**	**680**	**744**	**652**	**697**	**581**	**677**
Selling expenses	-605	-574	-587	-549	-630	-615	-639	-583	-669	-624	-651	-616	-648	-685	-615
Administrative expenses	-33	-39	-32	-28	-37	-34	-38	-30	-35	-40	-36	-33	-33	-34	-33
Operating profit	**176**	**65**	**109**	**176**	**207**	**76**	**112**	**156**	**146**	**16**	**57**	**3**	**16**	**-138**	**29**
Financial income	0	1	0	0	0	1	0	0	0	0	0	1	0	0	0
Financial expenses	-19	-19	-23	-23	-18	-23	-24	-24	-17	-15	-22	-18	-26	-47	-34
Profit after financial items	**157**	**47**	**86**	**153**	**189**	**54**	**88**	**132**	**129**	**1**	**35**	**-14**	**-10**	**-185**	**-5**
Tax	-44	-13	-24	-47	-11	-20	-23	-7	-34	0	-9	-40	-1	22	-5
Net profit	**113**	**34**	**62**	**106**	**178**	**34**	**65**	**125**	**95**	**1**	**26**	**-54**	**-11**	**-163**	**-10**
Operating margin	13,9%	5,6%	9,0%	14,4%	15,4%	6,1%	9,2%	12,1%	10,9%	1,3%	4,6%	0,2%	1,3%	-12,3%	2,5%
Earnings per share , SEK	1,08	0,32	0,59	1,01	1,69	0,32	0,62	1,19	0,90	0,01	0,25	-0,51	-0,11	-0,72	-0,04
Number of stores	306	305	318	319	337	336	344	345	360	360	367	369	381	381	386

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Yearly income statement (SEK million)		Sep-Aug 2006/2007	Sep-Aug 2007/2008	Sep-Aug 2008/2009	Sep-Aug 2009/2010	Sep-Aug 2010/2011
Net sales		4 473	4 622	4 866	5 111	4 974
Cost of goods sold		-1 738	-1 740	-1 893	-1 954	-2 048
Gross profit		**2 735**	**2 882**	**2 973**	**3 157**	**2 926**
Selling expenses	5)	-1 985	-2 106	-2 315	-2 467	-2 560
Administrative expenses	1)	-142	-136	-132	-139	-144
Other operating income	2, 6)	16	11	-	-	-
Other operating expenses		-6	-	-	-	-
Operating profit		**618**	**651**	**526**	**551**	**222**
Financial income	4)	23	27	1	1	1
Financial expenses		-97	-80	-84	-89	-72
Profit after financial items		**544**	**598**	**443**	**463**	**151**
Tax	3)	115	-162	-128	-61	-83
Net profit		**659**	**436**	**315**	**402**	**68**
Operating margin		13,8%	14,1%	10,8%	10,8%	4,5%
Earnings per share, SEK	Note 1	6,27	4,15	3,00	3,83	0,65

1) Reclassification of SEK 4 million between Selling expenses and Administrative expenses in Q1 and Q2 2006/07.

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

3) Deferred tax credit 270 MSEK referring to loss carry forwards in acquired companies 2006/07 and 107 MSEK 2009/10.

4) After acquired the properties in which the distribution centre and head office are located a finance lease was terminated and gave a positive effect on financial income 23 MSEK in Q3 2007/08

5) Change in pension solution for employees in Q4 2007/08 SEK 20 million.

6) Compensation for vacating a store site in Q4 2007/08

Parent company income statement - Summary (SEK million)	Q3 2011/2012	Q3 2010/2011	Sep-May 2011/2012	Sep-May 2010/2011	Latest 12 months Jun-May
Net sales	0	4	10	15	15
Cost of goods sold	-	-	-	-	-
Gross profit	**0**	**4**	**10**	**15**	**15**
Administrative expenses	-9	-4	-32	-28	-35
Operating profit	**-9**	**0**	**-22**	**-13**	**-20**
Result from participations in group companies	-	275	43	358	43
Financial income	-2	0	0	2	6
Financial expenses	-25	-20	-90	-58	-119
Profit after financial items	**-36**	**255**	**-69**	**289**	**-90**
Resultat after appropriations	**-36**	**255**	**-69**	**289**	**-90**
Tax	9	0	29	0	53
Net profit	**-27**	**255**	**-40**	**289**	**-37**

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Parent company Balance Sheet - Summary (SEK million)	31-May-2012	31-May-2012	31-Aug-2011
Tangible assets	-	-	-
Financial assets	3 187	3 144	3 144
Deferred tax assets	42	7	10
Other operating receivables	251	379	231
Cash and cash equivalents	0	-	1
Total assets	**3 480**	**3 530**	**3 386**
Equity	1 781	1 178	1 240
Untaxed reserves	8	8	8
Interest-bearing long-term liabilities	1 468	2 299	2 043
Deferred tax liabilities	-	-	-
Interest-bearing current liabilities	130	-	50
Non-interest-bearing current liabilities	93	45	45
Total equity and liabilities	**3 480**	**3 530**	**3 386**

Key ratios		Q3 2011/2012	Q3 2010/2011	Sep-May 2011/2012	Sep-May 2010/2011	Latest 12 months Jun-May
Growth in sales		-7,4%	1,3%	-8,2%	-1,4%	-7,7%
Earnings per share, SEK	Note 1	-0,04	0,25	-1,23	0,74	-1,76
Total depreciation/amortisation		37	52	164	159	224
Operating result (EBIT)		29	57	-93	219	-90
Gross margin		59,1%	60,1%	56,5%	60,4%	55,9%
Operating margin		2,5%	4,6%	-2,7%	5,8%	-1,9%
Interest coverage ratio		-	-	-	-	0,7
Net interest-bearing liabilities		1 613	2 077	1 613	2 077	1 613
Net interest-bearing liabilities, excl. Buildings				1 113	1 577	1 113
Net interest-bearing liabilities/EBITDA		-	-	12,0	3,5	12,0
Equity/assets ratio		28,6%	16,0%	28,6%	16,0%	28,6%
Equity per share, SEK		4,26	7,37	4,26	7,37	4,26
Equity per share after dilution, SEK		4,26	7,37	4,26	7,37	4,26
Return on equity		-	-	-	-	-31,5%
Return on capital employed		-	-	-	-	-3,4%
Number of shares		225 120 000	75 040 000	225 120 000	75 040 000	225 120 000

KappAhl

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
Return on equity	Net result in per centage of equity
Return on capital employed	Operating prifit/loss plus financial income in percentage of capital employed
Capital employed	Balance sheet total less non interest bearing deferred tax liability.

KappAhl's 20 largest shareholders, 31 May 2012	Number of shares	Percentage of shares and votes 31-May-2012	Change compared with 29-Feb-2012
DUTOT LIMITED	36 644 100	16,28	0
MELLBY GÅRD AB	27 252 659	12,11	0
NORDEA BANK NORGE NOMINEE	12 720 415	5,65	0
Swedbank Robur fonder	11 274 276	5,01	-1 282 662
AVANZA PENSION	9 761 841	4,34	38 969
SVENSKT NÄRINGSLIV	7 000 000	3,11	400 000
ROBUR FÖRSÄKRING AB	4 225 605	1,88	-348 757
JPM CHASE NA	3 963 880	1,76	-612 645
NORDNET PENSIONSFÖRSÄKRING AB	3 283 114	1,46	-44 444
Catella Fondförvaltning	2 022 046	0,90	132 646
RIKSBANKENS JUBILEUMSFOND	1 815 554	0,81	0
BANQUE ÖHMAN S.A.	1 802 500	0,80	0
SVENSKA HANDELSBANKEN SA	1 677 876	0,75	-28 000
S-KON FASTIGHETER AB	1 600 000	0,71	570 000
LÄNSFÖRSÄKRINGAR JÖNKÖPING	1 455 651	0,65	471 292
IDEELLA FÖRENINGEN	1 200 000	0,53	0
JULA AB	1 000 000	0,44	77 524
FÖRSÄKRINGS AB SKANDIA	901 840	0,40	-25 486
NORDEA LIFE & PENSIONS/NLP 09800478	900 000	0,40	300 000
GULF 1 FUND OD41	880 327	0,39	-288 257
Other	93 738 316	41,62	639 820
Total	**225 120 000**	**100,00**	**0**

Accounting policies

The Group applies International Financial Reporting Standards, IFRS, as adopted by the EU. The accounting policies are unchanged in comparison with the latest annual accounts as at 31 August 2011.

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 of the Swedish Financial Reporting Board.

The company has no outstanding convertible debt instruments. The number of warrants is 6,744,000. These can be exercised in January-February 2015. One warrant confers the right to subscribe for one share at the price of SEK 7.60.

An examination has been made of the company's estimated useful lives of store inventories. The examination shows that for several inventory classes the actual useful life is estimated at between five and seven years, which is a longer useful life than that previously estimated of three to five years. As a consequence of this the depreciation period for these inventory groups has been extended, effective from September 2011. The effect of this for the first nine months is a reduced depreciation cost of about SEK 34 million, compared with the previous depreciation plan.

Deferred tax

The tax cost in 2011/2012 was negatively affected by not recording a deferred tax asset for losses in Poland and the Czech Republic.

Note 1 Calculation of earnings per share

Earnings per share have been restated for comparison periods. The number of shares has been adjusted to allow for the rights issue.

Note 2 The customer club bonus reward system

An adjustment of revenue recognition has been made in accordance with IFRIC13 for the purpose of taking into account the customer club members' bonus reward points and the possibility of future redemption of points earned in the form of payment with bonus cheques. Bonus cheques sent out are valid for three months. Experience gained so far and the sales statistics available have been used to assess and calculate the future level of points redemption. For accounting purposes the bonus earned is recognised by reducing net sales at the time the bonus reward is earned with a corresponding provision in the balance sheet. The provision is reduced at the time the bonus cheques are redeemed. The adjustment has meant a revenue reduction in the quarter of SEK 17 million, with corresponding impact on gross profit and operating profit.

Future impact depends on future developments of point-based sales and the level of redemption of bonus cheques. The current assessment is that the impact on future quarters will be minor, taking into account the current level of bonus-based sales and the limited validity of the bonus cheques.