

8 April 2014



Improved performance and strengthened margins

	Second quarter (Dec–Feb)			Half year (Sept–Feb)		
	2013/2014	2012/2013	Change	2013/2014	2012/2013	Change
Net sales, SEK million	1 114	1 148	-34	2 357	2 393	-36
Operating profit excluding non-recurring items, SEK million	3	-36	39	102	69	33
Operating profit, SEK million	3	-36	39	102	145	-43
Gross margin, %	57,7	55,1	2,6	60,7	59,3	1,4
Operating margin excluding non-recurring items, %	0,3	-3,1	3,4	4,3	2,9	1,4
Profit after tax, SEK million	-7	-64	57	55	51	4
Earnings per share, SEK (Note 1)	-0,09	-0,85	0,76	0,73	0,82	-0,09
Cash flow from operating activities, SEK million	-51	-51	0	74	24	50

- Net sales decreased by 3.0 per cent for the quarter. The increase in comparable stores was 0.2 per cent.
- The gross margin improved by 2.6 percentage points in the quarter.
- The operating profit for the second quarter is 39 million higher than last year.
- The equity/assets ratio increased to 52.4 per cent.

“In a market that remains tough KappAhl has continued to strengthen key figures. We report improved profit for the quarter of SEK 39 million compared with the previous year, the gross margin is higher and we have sound cost control.”

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

A presentation and telephone conference will be held for analysts, 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 call +44 207 660 2077 about 5 minutes before start.

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The information in this 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 8 April 2014 at 07.30 am.

KappAhl

• JOHAN ÅBERG, PRESIDENT AND CEO, ANSWERS QUESTIONS •



Johan Åberg
President and CEO

How did it go for KappAhl in the second quarter?

In a market that remains tough KappAhl has continued to strengthen key figures. We report improved profit for the quarter of SEK 39 million compared with the previous year, the gross margin is higher and we have sound cost control. Total sales are slightly down against the previous year but are weakly positive, 0.2 per cent, in comparable stores.

Altogether over the rolling four quarters KappAhl has grown 0.9 per cent and has an operating margin of 4.3 (2.9) per cent for the first half year.

What contributed to the result for the quarter?

The warm winter and slow trade led to campaign-driven Christmas shopping for the industry in general. Strong product groups in the quarter included the basic range, the underwear collection Fifty Shades of Grey and the sportswear collection Active Wear. After the new approach in the Man range we can see an improvement in profitability in this area.

Sales in the second quarter decreased by three per cent compared with the previous year. The explanation is foreign exchange effects mainly linked to the Norwegian krone and having twelve fewer stores than in the same quarter the previous year, including the closures in the Czech Republic. The gross margin increased as a result of well-balanced stocks. Continued cost-saving measures in purchasing, logistics and other overheads have brought results.

We are consistent in working with our advertising concept “Hey I like your Style”. The staying power of the concept is an essential factor in strengthening KappAhl's brand. During the quarter the market survey company Indikat gave us confirmation that “Hey I like your Style” gives KappAhl the fashion industry's most effective advertising.

What is KappAhl's plan for the future?

Our strategic analysis indicates that the market will continue to be slow. We are pursuing a project to find solutions for individual shops with poor profitability, with focus on Poland and Finland. In parallel with this our work to find attractive store locations in existing markets continues.

Our ambition to strengthen the attractiveness of the brand remains high. In 2014 we will launch a new store concept, digital customer clubs and expand Shop Online outside Sweden.

Other measures that strengthen the relationship to our main customer: the woman in the prime of life is for example that we are starting a partnership with TV4-gruppen, in which we invite women in our target group to try out a model's life in the television programme “She's got the look”, that will be broadcast in the autumn.

Sustainable collections are a recurrent theme and in the third quarter we launched a feminine collection in recycled polyester. We have also launched our successful collection Hampton Republic 27 for children, and so the collection is now available for all KappAhl's target groups and we see that it is attracting customers ahead of the spring and summer season.

KappAhl continues to deliver on our plan and we are working persistently on the change process, the aim is to achieve our goals within two-three years.

Johan Åberg
President and CEO

KappAhl, founded in 1953, is one of the leading Nordic fashion chains with about 400 stores in Sweden, Norway, Finland and Poland, as well as Shop Online. KappAhl offers value-for-money fashion in its own design to many people - women, men and children, with a particular focus on women in the prime of life. KappAhl was the first fashion chain in the world to be environmentally certified in 1999. In 2012/2013 sales were SEK 4.8 billion and the number of employees about 4,500. KappAhl is listed on NASDAQ OMX Stockholm. For more information, please visit www.kappahl.se.

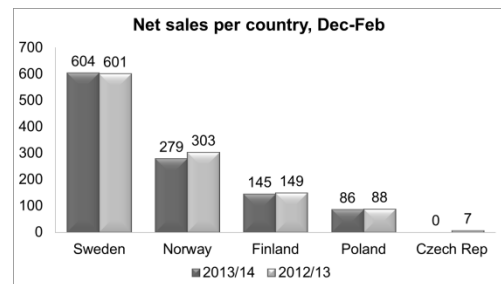
• COMMENTS ON THE SECOND QUARTER •

+0.2%

Sales in comparable stores

Net sales and profit

KappAhl's net sales for the quarter amounted to SEK 1,114 (1,448) million, a decrease of 3.0 per cent. The development is explained by the effect of new and closed stores, -1.4 per cent, change in comparable stores +0.2 per cent and translation differences in currencies totalling -1.8 per cent.



Gross profit for the quarter was SEK 643 (632) million, which corresponds to a gross margin of 57.7 (55.1) per cent. This explains by a good balance in inventories combined with a strong range.

Selling and administrative expenses for the quarter were SEK 640 (667) million.

The operating profit was SEK 3 (-36) million. This is equivalent to an operating margin of 0.3 (-3.1) per cent.

Depreciation according to plan was SEK 32 (36) million.

Net financial income was SEK -8 (-17) million for the quarter. The improvement in net financial income is due to the rights issue in autumn 2012 and sale of real property, as well as a positive cash flow from financing activities. In addition the improved earnings have meant lower borrowing margins at the banks.

Profit/loss after financial items was SEK -5 (-53) million and the profit/loss after estimated tax was SEK -7 (-64) million. Earnings per share for the quarter were SEK 0.09 (-0.85).

+2.7%

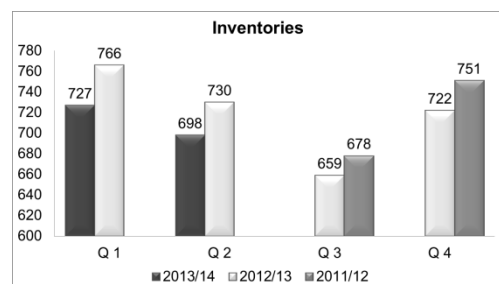
Increased gross margin

Taxes

The Group has deferred tax assets of SEK 77 (160) million. The change is due to reduced untaxed reserves, utilised loss carry-forwards and a changed tax rate. In Sweden the deferred tax assets are attributable to blocked deficits that can start to be utilised in part as of the current year.

Inventories

At the close of the period inventories amounted to SEK 698 (730) million, a decrease of SEK 32 million compared with the previous year. Overall, the size and composition of inventories are considered to be satisfactory.



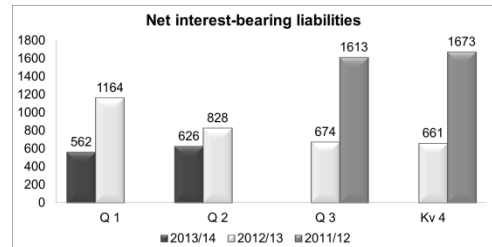
KappAhl

Cash flow

KappAhl's cash flow from operating activities amounted to SEK -51 (-51) million during the quarter and cash flow after investments amounted to SEK -64 (-55) million. Working capital developed more normally this year than last year, which was characterised by a substantial decrease in previous surplus inventories.

Financing and liquidity

At the end of the period net interest-bearing liabilities amounted to SEK 626 (828) million. The net interest-bearing liabilities/EBITDA ratio was 1.7 at the close of the period, compared with 2.3 as at 28 February 2013. The equity/assets ratio increased to 52.4 (45.6).



24.4%

Reduction in net debt compared with previous year

Cash and cash equivalents amounted to SEK 28 (49) million as at 28 February 2013. At the period close there were unutilised credit facilities of about SEK 455 (300) million.

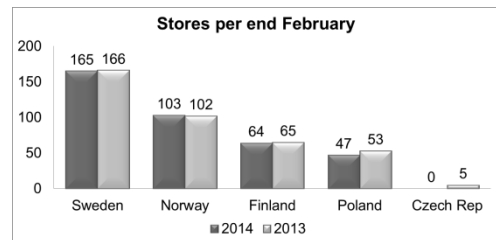
A three-year credit agreement was signed in November 2011 with the company's banks, which runs until November 2014. Negotiations for a new agreement were started in spring 2014. Consequently, loans and overdraft facilities have been reclassified to short-term interest-bearing liabilities.

52.4%

Current equity/assets ratio

Store network and expansion

At the end of the period the total number of stores was 379 (391). Of these, 165 were in Sweden, 103 in Norway, 64 in Finland, 47 in Poland and none in the Czech Republic. No stores were opened and ten were closed during the quarter. Operations in the Czech Republic was discontinued by December 31.



An internal project aimed at improving the profitability of unprofitable stores have been launched during the quarter and will run throughout the year.

Efforts to seek attractive store locations in existing markets and to expand Shop Inline continues according to plan. In addition to the stores that were in operation on February 28 there are currently contracts for seven new stores. Shop Online will expand into Norway and Finland by the end of 2014.

Parent company

The Parent Company's net sales for the quarter were SEK 6 (9) million and profit after financial items was SEK -10 (-9) million. The Parent Company did not make any investments during the period.

• COMMENTS ON THE HALF YEAR •

+0.3%

Sales in comparable stores

+1.4%

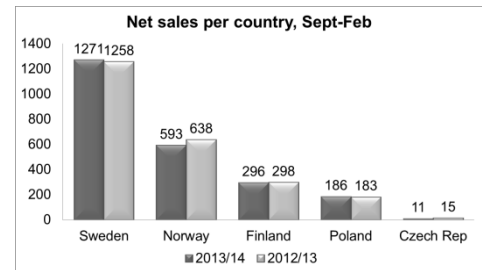
Increased gross margin

1.7%

Costs lower than last year

Net sales and profit

KappAhl's net sales were SEK 2,357 (2,393) million for the six months. This is a decrease of 1.5 per cent compared with the previous year. The development is explained by: new and closed stores, -0.2 per cent; change in comparable stores, +0.3 per cent; and translation differences, -1.6 per cent.



For the half year the gross profit was SEK 1,430 (1,420) million, which corresponds to a gross margin of 60.7 (59.3) per cent.

Selling and administrative expenses for the half year were SEK 1,328 (1,351) million.

The operating profit was SEK 102 (145) million. This is equivalent to an operating margin of 4.3 (6.1) per cent. The operating profit in the previous year includes a non-recurring item referring to a capital gain of SEK 76 million. This is attributable to the sale of the company's real property. Excluding non-recurring items, the operating margin was 4.3 (2.9) per cent.

Excluding one-off items, operating profit for the period was 102 (69) million.

Depreciation according to plan was SEK 63 (71) million, which was affected by restraint in new investment.

Net financial income was SEK -20 (-60) million for the half year. Profit/loss after financial items was SEK 82 (85) million and the profit/loss after estimated tax was SEK 55 (51) million.

Earnings per share for the half year were SEK 0.89 (0.82).

Investments

Investments of SEK 38 (57) million were made during the year, mainly in existing and newly opened stores.

Cash flow

KappAhl's cash flow from operating activities during the half year amounted to SEK 74 (24) million and cash flow after investments amounted to SEK 36 (454) million.

Inventories decreased during the year by SEK 32 million.

Parent company

The Parent Company's net sales in the first six months were SEK 10 (9) million and profit after financial items was SEK -24 (37) million. The Parent Company did not make any investments during the period.

• OTHER INFORMATION •

Related party transactions

There were no transactions with related parties during the first half year.

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 considered to be substantially unchanged.

Post balance sheet events

No significant events have taken place after the balance sheet date up to the date on which this report was signed.

Financial calendar

Third quarter (Mar–May)	26 June 2014
Fourth quarter (June–Aug)	9 October 2014

The Board of Directors and President certify that the report gives a fair presentation of the Parent Company's and Group's operations, financial position and performance and describes material risks and uncertainties facing the Parent Company and the Group.

Mölndal, 8 April 2014
KappAhl AB (publ)

Anders Bulow
Chairman of the Board

Amelia Adamo
Member of the Board

Pia Rudengren
Member of the Board

Paul Frankenius
Member of the Board

Melinda Hedström
Employee representative

Christian W. Jansson
Member of the Board

Bodil Gummesson
Employee representative

Johan Åberg
President

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• AUDITOR'S REVIEW REPORT •

KappAhl AB (publ), corporate ID no 556661-2312

This is a translation from the Swedish original

Introduction

We have reviewed the condensed interim report for KappAhl AB (publ) as at February 28, 2014 and for the six months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Reports Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material aspects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Mölndal, April 8, 2014
Ernst & Young AB

Stefan Kylebäck
Authorized Public Accountant

KappAhl

Group income statement - Summary (SEK million)	Q2	Q2	Sep-Feb	Sep-feb	Latest	
	2013/2014	2012/2013	2013/2014	2012/2013	12 months Mar-Feb	
Net sales	1 114	1 148	2 357	2 393	4 715	
Cost of goods sold	-471	-516	-927	-973	-1 891	
Gross profit	643	632	1 430	1 420	2 824	
Selling expenses	-603	-636	-1 254	-1 286	-2 456	
Administrative expenses	-37	-31	-74	-65	-159	
Other operating income	0	-1	0	76	0	
Operating profit	3	-36	102	145	209	
Financial income	0	0	0	0	1	
Financial expenses	-8	-17	-20	-60	-48	
Profit after financial items	-5	-53	82	85	162	
Tax	-2	-11	-27	-34	-67	
Result for the period	-7	-64	55	51	95	
Profit attributable to parent company shareholders	-7	-64	55	51	95	
Earnings per share , SEK	Note 1	-0,09	-0,85	0,73	0,82	1,27
Earnings per share after new share issue, SEK		-0,09	-0,85	0,73	0,82	1,27

Statements of comprehensive income (SEK million)	Q2	Q2	Sep-Feb	Sep-feb	Latest
	2013/2014	2012/2013	2013/2014	2012/2013	12 months Mar-Feb
Result for the period	-7	-64	55	51	95
Items not to be recognised in income					
Actuarial gains/losses	-	-	-	-	8
Total items not to be recognised in income	-	-	-	-	8
Items to be recognised in income					
Translation differences for the period	-3	-1	2	1	1
Cash flow hedges – value change	-14	17	-33	18	10
Tax attributable to other comprehensive income	3	-4	7	-5	-6
Total items to be recognised in income	-14	12	-24	14	5
Total comprehensive income attributable to parent company's shareholders	-21	-52	31	65	108

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Group Balance Sheet - Summary (SEK million)	2014-Feb-28	2013-Feb-28	2013-Aug-31	
ASSETS				
Non-current assets				
Intangible assets*	1 336	1 343	1 338	
Tangible assets	410	455	431	
Deferred tax assets	77	159	90	
Total non-current assets	1 823	1 957	1 859	
Current assets				
Inventories	698	730	722	
Other operating receivables	146	149	158	
Cash and cash equivalents	28	49	58	
Total current assets	872	928	938	
Total assets	2 695	2 885	2 797	
EQUITY AND LIABILITIES				
Equity	1 413	1 305	1 382	
Non-current liabilities				
Interest-bearing long-term liabilities	41	802	644	
Non-interest-bearing long-term liabilities	60	56	27	
Total non-current liabilities	101	858	671	
Current liabilities				
Interest-bearing current liabilities	613	75	75	
Non-interest-bearing current liabilities	568	647	669	
Total current liabilities	1 181	722	744	
Total equity and liabilities	2 695	2 885	2 797	
*of which goodwill	696	696	696	
*of which trademarks	610	610	610	
Group cash flow statement - Summary (SEK million)				
	Q2 2013/2014	Q2 2012/2013	Sep-Feb 2013/2014	Sep-Feb 2012/2013
Cash flow from operating activities before changes in working capital	25	-13	150	66
Changes in working capital	-76	-38	-76	-42
Cash flow from operating activities	-51	-51	74	24
Sale of property	-	-	-	487
Cash flow from investing activities	-13	-4	-38	-57
Cash flow from investing activities	-13	-4	-38	430
Change in bank overdraft facility	63	-311	-66	-826
New share issue	-	375	-	375
Cash flow from financing activities	63	64	-66	-451
Cash flow for the period	-1	9	-30	3
Cash and cash equivalents at beginning of the period	29	40	58	46
Cash and cash equivalents at the end of the period	28	49	28	49
Specification of changes in the Group's equity				
	Q2 2013/2014	Q2 2012/2013	Sep-Feb 2013/2014	Sep-Feb 2012/2013
Opening equity	1 434	1 357	1 382	866
New share issue - after issue expenses and tax	-	-	-	374
Total comprehensive income	-21	-52	31	65
Closing equity	1 413	1 305	1 413	1 305

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Number of stores per country	2014-Feb-28	2013-Nov-30	2013-Aug-31	2013-May-31	2013-Feb-28
Sweden	165	166	165	166	166
Norway	103	104	103	102	102
Finland	64	65	65	66	65
Poland	47	49	52	53	53
Czech Republic	-	5	5	5	5
Total	379	389	390	392	391

Sales per country (SEK million)	Q2 2013/2014	Q2 2012/2013	Change SEK %	Change local currency %
Sweden	604	601	0,5%	0,5%
Norway	279	303	-7,9%	1,0%
Finland	145	149	-2,7%	-5,8%
Poland	86	88	-2,3%	-5,1%
Czech Republic	0	7	0,0%	-93,8%
Total	1 114	1 148	-3,0%	-

Sales per country (SEK million)	Sep-Feb 2013/2014	Sep-Feb 2012/2013	Change SEK %	Change local currency %
Sweden	1 271	1 258	1,0%	1,0%
Norway	593	638	-7,1%	0,6%
Finland	296	298	-0,7%	-3,6%
Poland	186	183	1,6%	0,3%
Czech Republic	11	15	-26,7%	-25,8%
Total	2 357	2 393	-1,5%	-

Geografic reporting (SEK million)	Net sales Q2 2013/2014	Net sales Q2 2012/2013	Operating income Q2 2013/2014	Operating income Q2 2012/2013
Nordic countries	1 027	1 053	66	30
Other	86	95	-14	-24
Intercompany expenses	-	-	-49	-42
Total	1 114	1 148	3	-36

Geografic reporting (SEK million)	Net sales Sep-Feb 2013/2014	Net sales Sep-Feb 2012/2013	Operating income Sep-Feb 2013/2014	Operating income Sep-Feb 2012/2013
Nordic countries	2 159	2 194	214	195
Other	198	199	-17	-43
Intercompany expenses	-	-	-95	-7
Totalt	2 357	2 393	102	145

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Quarterly income statement (SEK million)	2013/2014		2012/2013				2011/2012				2010/2011				2009/2010			
	Q1	Q2	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	1 243	1 114	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	-457	-516	-470	-494	-496	-538	-469	-485	-491	-508	-493	-556	-470	-531	-432	-521
Gross profit	787	643	788	632	740	654	697	581	677	644	850	680	744	652	874	725	789	769
Selling expenses	-651	-603	-650	-636	-627	-575	-648	-685	-615	-579	-669	-624	-651	-616	-630	-615	-639	-583
Administrative expenses	-37	-37	-34	-31	-49	-36	-33	-34	-33	-36	-35	-40	-36	-33	-37	-34	-38	-30
Other operating income	0	0	77	-1	0	0	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit	99	3	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	1	0	1	0	0
Financial expenses	-12	-8	-43	-17	-21	-7	-26	-47	-34	-59	-17	-15	-22	-18	-18	-23	-24	-24
Profit after financial items	87	-5	138	-53	43	36	-10	-185	-5	-30	129	1	35	-14	189	54	88	132
Tax	-25	-2	-23	-11	-11	-3	-1	22	-5	-10	-34	0	-9	-40	-11	-20	-23	-7
Net profit	62	-7	115	-64	32	33	-11	-163	-10	-40	95	1	26	-54	178	34	65	125
Operating margin	8,0%	0,3%	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, SEK	0,83	-0,09	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	395	391	392	390	381	381	386	388	360	360	367	369	337	336	344	345

* ex cl. sales of property

Yearly income statement (SEK million)	Sep-Aug	Sep-Aug	Sep-Aug	Sep-Aug	Sep-Aug
	2012/2013	2011/2012	2010/2011	2009/2010	2008/2009
Net sales	4 751	4 587	4 974	5 111	4 866
Cost of goods sold	-1 937	-1 988	-2 048	-1 954	-1 893
Gross profit	2 814	2 599	2 926	3 157	2 973
Selling expenses	-2 488	-2 527	-2 560	-2 467	-2 315
Administrative expenses		-150	-136	-144	-132
Other operating income	2)	76	-	-	-
Operating profit	252	-64	222	551	526
Financial income	1	0	1	1	1
Financial expenses	-88	-166	-72	-89	-84
Profit after financial items	165	-230	151	463	443
Tax	1)	-74	6	-83	-128
Net profit	91	-224	68	402	315
Operating margin		3,7%	-1,4%	4,5%	10,8%
Earnings per share, SEK	Note 1	1,32	-5,30	2,98	13,79

1) Deferred tax credit SEK 107 million 2009/10

2) Capital gain sale of property Q1 2012/13

Parent company income statement - Summary (SEK million)	Q2	Q2	Sep-Feb	Sep-Feb	Latest
	2013/2014	2012/2013	2013/2014	2012/2013	12 months Mar-Feb
Net sales	6	9	10	9	24
Gross profit	6	9	10	9	24
Selling expenses	-	-	-	94	-3
Administrative expenses	-8	-8	-14	-14	-36
Operating profit	-2	1	-4	89	-15
Result from participations in group companies	-	-	-	-	111
Financial income	7	8	13	8	27
Financial expenses	-15	-18	-33	-60	-74
Profit after financial items	-10	-9	-24	37	49
Tax	3	4	3	17	-17
Net profit	-7	-5	-21	54	32

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Parent company Balance Sheet - Summary (SEK million)	2014-Feb-28	2013-Feb-28	2013-Aug-31
ASSETS			
Non-current assets			
Financial assets	2 913	2 876	2 913
Deferred tax assets	11	29	7
Total non-current assets	2 924	2 905	2 920
Current assets			
Other operating receivables	384	329	684
Cash and cash equivalents	116	-	-
Total current assets	500	329	684
Total assets	3 424	3 234	3 604
EQUITY AND LIABILITIES			
Equity	2 345	2 307	2 372
Untaxed reserves	8	8	8
Interest-bearing long-term liabilities	26	786	1 000
Current liabilities			
Interest-bearing current liabilities	935	50	75
Non-interest-bearing current liabilities	110	83	149
Total current liabilities	1 045	133	224
Total equity and liabilities	3 424	3 234	3 604

Key ratios		Q2	Q2	sep-feb	sep-feb	Senaste
		2013/2014	2012/2013	2013/2014	2012/2013	12 mån mar-feb
Growth in sales		-3,0%	2,6%	-1,5%	3,5%	1,0%
Earnings per share, SEK	Note 1	-0,09	-0,85	0,73	0,82	1,27
Total depreciation/amortisation		32	36	63	71	136
Operating result (EBIT)		3	-36	102	145	209
Gross margin		57,7%	55,1%	60,7%	59,3%	59,9%
Operating margin ex cl. sale of property		0,3%	-3,1%	4,3%	2,9%	4,4%
Operating margin		0,3%	-3,1%	4,3%	6,1%	4,4%
Interest coverage ratio		-	-	4,4	1,3	4,4
Net interest-bearing liabilities		626	828	626	828	626
Net interest-bearing liabilities, ex cl. Buildings		-	-	1,7	2,3	1,7
Equity/assets ratio		52,4%	45,2%	52,4%	45,2%	52,4%
Equity per share, SEK		18,83	17,39	18,83	17,39	18,83
Equity per share after dilution, SEK		18,83	17,39	18,83	17,39	18,83
Return on equity		-	-	-	-	7,0%
Return on capital employed		-	-	-	-	9,9%
Earnings per share after new share issue, SEK		75 040 000	75 040 000	75 040 000	75 040 000	75 040 000

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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 per centage 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's 20 largest shareholders, 30-November-2013	Number of shares	Percentage of shares and votes compared with	
		2014-Feb-28	2013-Nov-30
Mellby Gärd AB	15 209 245	20,27	0
Nordea Bank Norge Nominee	4 278 185	5,70	0
Swedbank Robur fonder	3 874 841	5,16	0
Dutot Limited	3 715 000	4,95	0
Livy Limited	2 992 228	3,98	0
Svenskt Näringsliv	2 400 000	3,20	0
Handelsbanken Fonder AB RE JPMEL	2 075 563	2,77	400 512
Försäkringsaktiebolaget, Avanza Pension	1 950 844	2,60	223 820
Svolder Aktiebolag	1 670 228	2,23	-250 000
JPM Chase NA	1 571 988	2,09	-1 000
Danica Pension	1 224 760	1,63	1 011 017
Robur Försäkring	904 843	1,21	-64 246
Catella Fondförvaltning	860 599	1,15	14 800
Liv&Pension, Nordea	717 001	0,96	372 817
Nordnet Pensionsförsäkring AB	607 405	0,81	-126 824
Tredje AP-fonden	537 293	0,72	-753 151
Jula AB	506 881	0,68	0
State Street Bank & Trust Com., Boston	500 000	0,67	-75 000
Teknikföretagen	500 000	0,67	0
AJ Butiken AB	460 000	0,61	-90 000
Övriga	28 483 096	37,94	-662 745
Total	75 040 000	100,00	0,00

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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.

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. There are 6,744,000 warrants. These can be exercised in January-February 2015. One option gives the right to subscribe for 0.27 shares at SEK 28.80

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 and reverse share 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, currency derivatives and interest rate 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. As at the balance sheet date there is such an effective link and consequently some transfers between other comprehensive income and profit or loss have not been made. The fair value of financial derivative instruments was SEK -7 (-6) million for interest swaps and SEK -27 (-38) million for currency forwards. The Group hedges currency flows in USD, EUR, NOK and PLN for which currency forwards have maturities of up to 12 months.