



Continued stable trend

	Second quarter (Dec–Feb)			Half year (Sept–Feb)		
	2014/2015	2013/2014	Change	2014/2015	2013/2014	Change
Net sales, SEK million	1 133	1 114	19	2 307	2 357	-50
Operating profit, SEK million	9	3	6	104	102	2
Gross margin %	57.8	57,7	0,1	60.6	60,7	-0,1
Operating margin, %	0.8	0,3	0,5	4.5	4,3	0,2
Profit after tax, SEK million	-3	-7	4	58	55	3
Earnings per share after dilution, SEK (Note 1)	-0.04	-0,09	0.05	0.77	0.73	0,04
Cash flow from operating activities, SEK million	95	-51	146	163	74	89

- Good Christmas sales and a well-implemented discount strategy meant that net sales increased by 1.7% in the quarter.
- The operative cash flow continues its positive trend
- Going for the fast roll-out of the new store concept doubled the rate of investment.
- At the close of 2014, according to GfK Fashion Scope, KappAhl had a market share in Sweden of 7.0 (6.9)%, second among the large chains
- The operating margin over the rolling 12 months was 6.3 (5.0) %.

“Sales in the second quarter increased by 1.7% compared with the previous year and the gross margin was stable, 57.8 (57.7)%. With good Christmas sales and a well-implemented discount strategy inventories are at satisfactory levels and the operative cash flow is continuing its positive trend...”

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 please call + 44 203 428 1410 about 5 minutes before the start.

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Johan Åberg, President and CEO: CONTINUED STABLE TREND



Johan Åberg
President and CEO

Sales in the second quarter increased by 1.7% compared with the previous year and the gross margin was stable, 57.8 (57.7)%. With good Christmas sales and a well-implemented discount strategy inventories are at satisfactory levels and the operative cash flow is continuing its positive trend. The higher dollar rate has had limited effect on the business during the quarter, but will affect us to a greater extent in the coming quarters. All in all, KappAhl's operating margin over the rolling 12 months is 6.3 (5.0)%.

Our overhead expenses are developing according to plan. The increase during the period is partly attributable to long-term investments in IT that will continue during the financial year. Going for the fast roll-out of the new store concept, For You, doubled the rate of investment. As at 15 April 14 stores have been converted. We are seeing better sales and positive visitor figures in the converted stores. At the close of the financial year about 30 stores will have been converted.

In the Swedish market KappAhl continues to take market share. At the close of 2014, according to GfK Fashion Scope, we had a market share of 7.0 (6.9)%. This puts us second among the large chains. We are also pleased with developments in Norway. The economic situation in Finland continues to be tough, which also affects KappAhl. In Poland our situation is still challenging and our restructuring programme aimed at winding up unprofitable stores is continuing according to plan.

The Christmas range was well received by our customers. For example the Hampton Republic 27 collection was strong and we saw increased sales of the party range in December. February was characterised by a strong end to the sale and a good season start, partly driven by our children's range.

Our sustainability work is continuing on a broad front. The percentage of sustainable fashion labelling in our stores this spring is 24 (19)%. During the quarter we started textile collection in our Swedish stores, an initiative appreciated by our customers beyond expectation. In India the water saving project Swar, which we have been working on for two years together with two industry colleagues as well as the Stockholm International Water Institute and Sida, has achieved major successes. The project will now advance to more countries and more industry colleagues have joined in.

KappAhl's finances have further stabilised, with a continued increase in equity/assets ratio, reduced net debt and a strong cash flow. We continue to work purposefully and challenge ourselves to develop a range and a KappAhl that continues to attract our customers.

The Glenn Strömberg Collection, our design collaboration with the sporting legend Glenn Strömberg, will be launched in April. The collection consists of formal men's fashion with Italian influences. In May we will launch the major sustainable spring fashion collection "Dreams through a Lens", a collaboration with the world-famous photographer Mary McCartney, who acted as creative director and filmed and photographed the campaign. During the coming winter we will present KappAhl Beauty, a cosmetic concept that will further augment our customer offer.

The opening of our first Newbie store has been a success that we will develop further. We are also reviewing the possibility of opening more brand-specific stores. Shop Online in Norway and Finland is delivering results slowly but surely. This summer we will also open Shop Online in Poland, which is one of our largest online markets in Europe. The next step will be to evaluate the online markets where KappAhl does not as yet have any stores.

We know what is required for KappAhl to continue being one of the strongest players in the market even in future. And we have a focus that takes us in the right direction.

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 of its own design with wide appeal – to women, men and children, with special focus on women in the prime of life. 24% of the range has sustainable fashion labelling. In 2013/2014 sales were SEK 4.7 billion and the number of employees about 4 000. KappAhl is listed on NASDAQ Stockholm. For more information, visit www.kappahl.com.

COMMENTS ON THE SECOND QUARTER

+1.8%

Sales in comparable stores

Net sales and profit

KappAhl's net sales for the quarter were SEK 1,133 (1,114) million, an increase of 1.7 per cent. This is explained by the effect of new and closed stores, -0.4 per cent; change in comparable stores, +1.8 per cent; currency translation differences

totalling +1.3 per cent and -1.0 per cent is attributable to reclassification in comparison with the previous year.

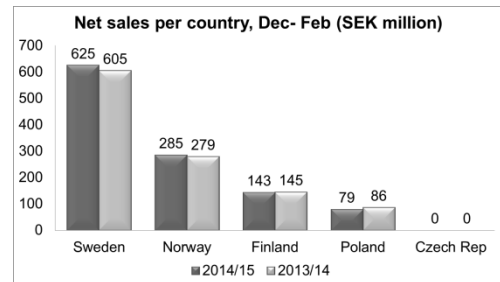
Gross profit for the quarter was SEK 655 (643) million, which corresponds to a gross margin of 57.8 (57.7) per cent.

Selling and administrative expenses for the quarter were SEK 646 (640) million.

Operating profit was SEK 9 (3) million. This is equivalent to an operating margin of 0.8 (0.3) per cent.

Depreciation according to plan amounted to SEK 33 (32) million.

Net financial income was SEK -3 (-8) million for the quarter. The improved net financial income is mainly due to better interest terms and lower costs of interest swaps compared with the previous year. Profit/loss after financial items was SEK 6 (-5) million and the profit/loss after estimated tax was SEK -3 (-7) million. Earnings per share for the quarter were SEK -0.04 (-0.09).



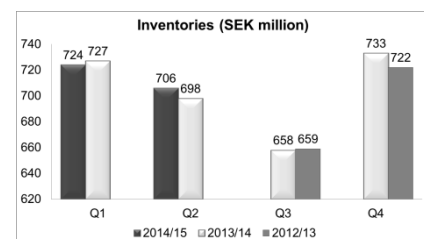
Taxes

The Group has net deferred tax liabilities of SEK 55 (previous year a claim of 44) million. The change is mainly due to utilised loss carry-forwards in Sweden.

Deferred tax assets for losses in Poland, the Czech Republic and Finland are not currently measured, resulting in high effective tax in the Group.

Inventories

At the close of the period inventories amounted to SEK 706 (698) million, an increase of SEK 8 million compared with the previous year. Overall, the size and composition of inventories are considered to be satisfactory.



Cash flow

KappAhl's cash flow from operating activities amounted to SEK 95 (-51)

million during the quarter and cash flow after investments amounted to SEK 65 (-64) million. The change is primarily in working capital, SEK 41 (-76) million which is above all attributable to a temporary increase in trade payables in the period. Cash flow from investing activities was SEK -30 (-13) million, which was primarily affected by investments in the new store concept.

43,9%

Reduction in net debt compared with previous year

56,6%

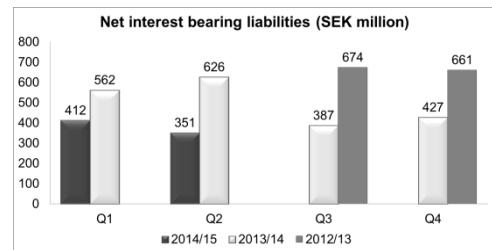
Current equity/assets ratio

Funding and liquidity

At the end of the period net interest-bearing liabilities amounted to SEK 351 (626) million. The net interest-bearing liabilities/EBITDA ratio was 0.8 at the close of the period, compared with 1.7 as at 28 February 2014. The equity/assets ratio increased to 56.6 (52.4) per cent.

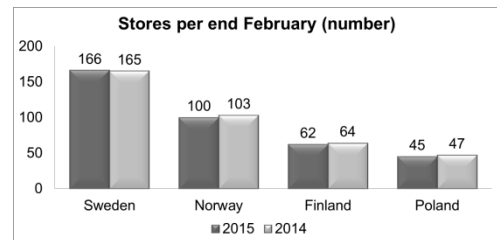
Cash and cash equivalents amounted to SEK 138 (28) million as at 28 February 2015. At the period close there were unutilised credit facilities of about SEK 564 (455) million.

The warrants ran up to and including 6 February 2015 and subscription for shares was registered in February 2015. Of 6,774,000 warrants 6,594,000 were exercised, meaning that the number of shares was increased by 1,780,380 and the share capital by SEK 1,526,040 and non-restricted equity by SEK 49,748,904.



Store network and expansion

At the close of the period the total number of stores was 373 (379). Of these, 166 were in Sweden, 100 in Norway, 62 in Finland and 45 in Poland. No stores were opened and four were closed during the quarter.



Operations in the Czech Republic were completely discontinued as at 31 December 2013.

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 28 February 2015 there are contracts at present for four new stores.

Parent company

The Parent Company's net sales for the quarter were SEK 10 (6) million and profit after financial items was SEK -4 (-10) million. The parent company did not make any investments during the period.

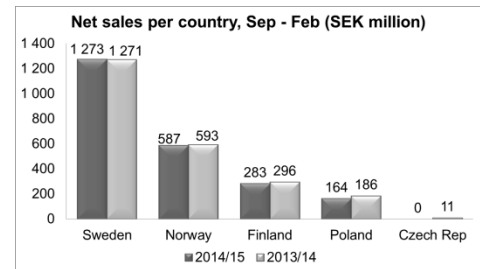
COMMENTS ON THE HALF YEAR

-1.4%

Sales in comparable stores

Net sales and profit

KappAhl's net sales were SEK 2,307 (2,357) million for six months. This is a decrease of 2.1 per cent compared with the previous year. This is explained by new and closed stores, -1.2 per cent; change in comparable stores, -1.4 per cent; currency translation differences, +1.4 per cent and -0.9 per cent is attributable to reclassification in comparison with the previous year.



Gross profit for the half year was SEK 1,398 (1,430) million, which corresponds to a gross margin of 60.6 (60.7) per cent.

2.6 %

Decreased selling and administrative expenses

Selling and administrative expenses for the half year were SEK 1,294 (1,328) million. This is a decrease of 2.6 per cent, which is in line with expectations, taking into account savings measures, investments in strategic areas and inflation.

Operating profit amounted to SEK 104 (102) million. This is equivalent to an operating margin of 4.5 (4.3) per cent.

Depreciation according to plan was SEK 65 (63) million.

Net financial income was SEK -11 (-20) million for the half year. Profit/loss after financial items was SEK 93 (85) million and the profit/loss after estimated tax was SEK 58 (55) million.

Earnings per share after dilution for the half year were SEK 0.77 (0.72).

118 %

Increased investments

Investments

Investments of SEK 83 (38) million were made during the year, mainly in existing and newly opened stores as well as IT-related investments.

Cash flow

KappAhl's cash flow from operating activities during the first half year was SEK 163 (74) million. The change is mainly in working capital, SEK -3 (-76) million, which compared with the same period in the previous year has a better balance between inventories, receivables and payables. Cash flow from investing activities is SEK -83 (-38) million, which was primarily affected by investments in the new store concept.

Parent company

The Parent Company's net sales during the first six months were SEK 10 (10) million and profit after financial items was SEK -21 (-24) 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 2013/2014. 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 2013/2014, Note 17. The reported risks are otherwise deemed to be unchanged in all essentials.

Events after the balance sheet date

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)	23 June 2015
Fourth quarter (Jun–Aug)	8 October 2015

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

Möln dal, 16 April 2015
KappAhl AB (publ)

Johan Åberg
President and Chief Executive Officer

BALANCE SHEETS AND INCOME STATEMENTS AND KEY RATIOS

Group income statement - Summary (SEK million)	Q2	Q2	Sep-Feb	Sep-Feb	Latest 12
	2014/2015	2013/2014	2014/2015	2013/2014	months Mar-Feb
Net sales	1 133	1 114	2 307	2 357	4 693
Cost of goods sold	-478	-471	-909	-927	-1 839
Gross profit	655	643	1 398	1 430	2 854
Selling expenses	-604	-603	-1 210	-1 254	-2 425
Administrative expenses	-42	-37	-84	-74	-155
Operating profit	9	3	104	102	274
Financial income	0	0	0	0	0
Financial expenses	-3	-8	-11	-20	-59
Profit after financial items	6	-5	93	82	215
Tax	-9	-2	-35	-27	-83
Result for the period	-3	-7	58	55	132
Profit attributable to parent company shareholders	-3	-7	58	55	132
Earnings per share before dilution, SEK	Note 1	-0,09	0,77	0,73	1,76
Earnings per share after dilution, SEK	Note 1	-0,09	0,77	0,73	1,74
Earnings per share after new share issue, SEK		-0,09	0,77	0,73	1,76

Statements of comprehensive income (SEK million)	Q2	Q2	Sep-Feb	Sep-Feb	Latest 12
	2014/2015	2013/2014	2014/2015	2013/2014	months Mar-Feb
Result for the period	-3	-7	58	55	132
Items not to be recognised in income					
Actuarial gains/losses	0	0	0	0	-21
Tax relating to actuarial gains/losses	0	0	0	0	4
Total items not to be recognised in income	0	0	0	0	-17
Items to be recognised in income					
Cash flow hedges – value change	18	-8	64	-17	84
Cash flow hedges returned to profit	-5	-6	-13	-16	17
Translation differences for the period	5	-3	-1	2	0
Tax attributable to other comprehensive income	-3	3	-11	7	-22
Total items to be recognised in income	15	-14	39	-24	79
Total comprehensive income attributable to parent company's shareholders	12	-21	97	31	194

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Group Balance Sheet - Summary (SEK million)	2015-Feb-28	2014-Feb-28	2014-Aug-31	
ASSETS				
Non-current assets				
Intangible assets*	1 341	1 336	1 342	
Tangible assets	430	410	412	
Deferred tax assets	9	77	22	
Total non-current assets	1 780	1 823	1 776	
Current assets				
Inventories	706	698	733	
Other operating receivables	205	146	142	
Cash and cash equivalents	138	28	43	
Total current assets	1 049	872	918	
Total assets	2 829	2 695	2 694	
EQUITY AND LIABILITIES				
Equity	1 602	1 413	1 510	
Non-current liabilities				
Interest-bearing long-term liabilities	453	41	54	
Non-interest-bearing long-term liabilities	64	60	29	
Total non-current liabilities	517	101	83	
Current liabilities				
Interest-bearing current liabilities	36	613	416	
Non-interest-bearing current liabilities	674	568	685	
Total current liabilities	710	1 181	1 101	
Total equity and liabilities	2 829	2 695	2 694	
*of which goodwill	696	696	696	
*of which trademarks	610	610	610	
Group cash flow statement - Summary (SEK million)				
	Q2	Q2	Sep-Feb	Sep-Feb
	2014/2015	2013/2014	2014/2015	2013/2014
Cash flow from operating activities before changes in working capital	54	25	166	150
Changes in working capital	41	-76	-3	-76
Cash flow from operating activities	95	-51	163	74
Cash flow from investing activities	-30	-13	-83	-38
Cash flow from investing activities	-30	-13	-83	-38
Change in bank overdraft facility	-127	63	20	-66
Dividend	-56	-	-56	-
Employee Incentive Program	51	-	51	-
Cash flow from financing activities	-132	63	15	-66
Cash flow for the period	-67	-1	95	-30
Cash and cash equivalents at beginning of the period	205	29	43	58
Cash and cash equivalents at the end of the period	138	28	138	28
Specification of changes in the Group's equity (SEK million)				
	Q2	Q2	Sep-Feb	Sep-Feb
	2014/2015	2013/2014	2014/2015	2013/2014
Opening equity	1 595	1 434	1 510	1 382
Dividend	-56	-	-56	-
Employee Incentive Program	51	-	51	-
Total comprehensive income	12	-21	97	128
Closing equity	1 602	1 413	1 602	1 510

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Number of stores per country	2015-Feb-28	2014-Nov-30	2014-Aug-31	2014-May-31	2014-Feb-28
Sverige	166	168	166	166	165
Norge	100	101	101	101	103
Finland	62	62	63	64	64
Polen	45	46	47	47	47
Total	373	377	377	378	379

Sales per country (SEK million)	Q2 2014/2015	Q2 2013/2014	Change SEK %	Change local currency %
Sverige	625	605	3,5%	3,5%
Norge	285	279	2,4%	1,7%
Finland	143	145	-1,2%	-6,9%
Polen	79	86	-7,3%	-11,8%
Tjeckien	-	-	-	-
Total	1 133	1 114	1,7%	-

Sales per country (SEK million)	Sep-Feb 2014/2015	Sep-Feb 2013/2014	Change SEK %	Change local currency %
Sverige	1 273	1 271	0,2%	0,2%
Norge	587	593	-1,0%	-2,5%
Finland	283	296	-4,2%	-9,1%
Polen	164	186	-12,0%	-16,1%
Tjeckien	-	11	-100,0%	-100,0%
Total	2 307	2 357	-2,2%	-

Geografic reporting (SEK million)	Net sales Q2 2014/2015	Net sales Q2 2013/2014	Operating income Q2 2014/2015	Operating income Q2 2013/2014
Nordic countries	1 053	1 029	30	21
Other	79	86	-21	-18
Total	1 133	1 114	9	3

Geografic reporting (SEK million)	Net sales Sep-Feb 2014/2015	Net sales Sep-Feb 2013/2014	Operating income Sep-Feb 2014/2015	Operating income Sep-Feb 2013/2014
Nordic countries	2 144	2 159	141	129
Other	164	198	-37	-27
Total	2 307	2 357	104	102

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Quarterly income statement (SEK million)	2014/2015		2013/2014				2012/2013				2011/2012				2010/2011			
	Q1	Q2	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	1 174	1 133	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
Cost of goods sold	-431	-478	-456	-471	-448	-482	-457	-516	-470	-494	-496	-538	-469	-485	-491	-508	-493	-556
Gross profit	743	655	787	643	753	703	788	632	740	654	697	581	677	644	850	680	744	652
Selling expenses	-606	-604	-651	-603	-617	-598	-650	-636	-627	-575	-648	-685	-615	-579	-669	-624	-651	-616
Administrative expenses	-42	-42	-37	-37	-35	-36	-34	-31	-49	-36	-33	-34	-33	-36	-35	-40	-36	-33
Other operating income	0	0	0	0	0	0	77	-1	0	0	-	-	-	-	-	-	-	-
Operating profit	95	9	99	3	101	69	181	-36	64	43	16	-138	29	29	146	16	57	3
Financial income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Financial expenses	-8	-3	-12	-8	-38	-10	-43	-17	-21	-7	-26	-47	-34	-59	-17	-15	-22	-18
Profit after financial items	87	6	87	-5	63	59	138	-53	43	36	-10	-185	-5	-30	129	1	35	-14
Tax	-26	-9	-25	-2	-21	-27	-23	-11	-11	-3	-1	22	-5	-10	-34	0	-9	-40
Net profit	61	-3	62	-7	42	32	115	-64	32	33	-11	-163	-10	-40	95	1	26	-54
Operating margin	8,1%	0,8%	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%
Earnings per share, SEK	0,81	-0,09	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
Number of stores	377	373	389	379	378	377	395	391	392	390	381	381	386	388	360	360	367	369

* ex cl. sales of property

Yearly income statement (SEK million)	Sep-Aug 2013/2014	Sep-Aug 2012/2013	Sep-Aug 2011/2012	Sep-Aug 2010/2011	Sep-Aug 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)	-	76	-	-
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	-74	6	-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	2,98

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)	Q2 2014/2015	Q2 2013/2014	Sep-Feb 2014/2015	Sep-Feb 2013/2014	Latest 12 months Mar-Feb
Net sales	10	6	10	10	19
Gross profit	10	6	10	10	19
Selling expenses	-	-	-	-	-
Administrative expenses	-8	-8	-15	-14	-30
Operating profit	2	-2	-5	-4	-11
Result from participations in group companies	-	-	-	-	175
Financial income	4	7	6	13	15
Financial expenses	-10	-15	-22	-33	-81
Profit after financial items	-4	-10	-21	-24	98
Appropriations	-	-	-	-	8
Profit before tax	-4	-10	-21	-24	106
Tax	1	3	5	3	-1
Net profit	-3	-7	-16	-21	105

Parent company Balance Sheet - Summary (SEK million)	2015-Feb-28	2014-Feb-28	2014-Aug-31
ASSETS			
Non-current assets			
Financial assets	3 049	2 913	3 049
Deferred tax assets	5	11	-
Total non-current assets	3 054	2 924	3 049
Current assets			
Other operating receivables	285	384	316
Cash and cash equivalents	190	116	77
Total current assets	475	500	393
Total assets	3 529	3 424	3 442
EQUITY AND LIABILITIES			
Equity	2 466	2 345	2 487
Untaxed reserves	-	8	-
Interest-bearing long-term liabilities	400	26	-
Current liabilities			
Interest-bearing current liabilities	532	935	814
Non-interest-bearing current liabilities	131	110	141
Total current liabilities	663	1 045	955
Total equity and liabilities	3 529	3 424	3 442

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Key ratios		Q2	Q2	Sep-Feb	Sep-Feb	Latest 12
		2014/2015	2013/2014	2014/2015	2013/2014	months Mar-Feb
Growth in sales		1,7%	-3,0%	-2,1%	-1,5%	-0,5%
Earnings per share before dilution, SEK	Note 1	-0,04	-0,09	0,77	0,73	1,76
Earnings per share after dilution, SEK	Note 1	-0,04	-0,09	0,77	0,73	1,74
Total depreciation/amortisation		33	32	65	63	130
Operating result (EBIT)		9	3	104	102	274
Gross margin		57,8%	57,7%	60,6%	60,7%	60,8%
Operating margin excl. sale of property		0,8%	0,3%	4,5%	4,3%	5,8%
Operating margin		0,8%	0,3%	4,5%	4,3%	6,3%
Interest coverage ratio		-	-	4,6	4,4	4,6
Net interest-bearing liabilities		351	626	351	626	351
Net interest-bearing liabilities, excl. Buildings		-	-	0,8	1,7	0,8
Equity/assets ratio		56,6%	52,4%	56,6%	52,4%	56,6%
Equity per share, SEK		21,26	18,83	21,26	18,83	21,31
Equity per share after dilution, SEK		21,14	18,71	21,14	18,71	21,18
Return on equity		-	-	-	-	8,8%
Return on capital employed		-	-	-	-	13,2%
Number of shares before dilution		75 633 460	75 040 000	75 336 730	75 040 000	75 188 365
Number of shares after dilution		76 016 348	75 529 188	75 771 626	75 517 339	75 650 180

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, 28-February-2015	Number of shares	Percentage of	Change
		shares and votes 2015-Feb-28	compared with 2014-Nov-30
Mellby Gård AB	15 209 245	19,80	0
Swedbank Robur fonder	6 532 015	8,50	2 617 191
Handelsbanken Fonder AB RE JPMEL	4 847 415	6,31	-441 880
Svenskt Näringsliv	2 400 000	3,12	0
Försäkringsaktiebolaget, Avanza Pension	1 905 628	2,48	-102 410
Lannebo fonder	1 777 893	2,31	306 425
CBNY-Norges Bank	1 686 515	2,20	77 834
Fjärde AP-fonden	1 594 393	2,08	76 500
Svolder Aktiebolag	1 208 550	1,57	-808 450
Andra AP-fonden	1 195 314	1,56	-17 410
Liv & Pension, Nordea	1 116 419	1,45	16 242
Catella Fondförvaltning	1 050 699	1,37	186 900
Länsförsäkringar fondförvaltning AB	871 258	1,13	-88 742
Lux-non-Resident/Domestic rates	785 000	1,02	775 000
CBNY-DFA-INT SML CAP V	777 810	1,01	364 718
Swedbank Försäkring AB	675 247	0,88	-118 719
Tredje AP-fonden	608 531	0,79	585 321
Nordnet Pensionsförsäkring AB	503 560	0,66	-263 368
Teknikföretagen	500 000	0,65	0
JP Morgan Bank	493 050	0,64	60 750
Other	31 081 838	40,47	-3 225 902
Total	76 820 380	100,00	0,00

OTHER

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 2014. A number of new standards and amendments of interpretations and existing standards come into force during the current financial year. None of these is deemed to have any material effect on the Group's financial statements. The assessment includes IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of interests in other entities" and IFRIC 21 "Levies". 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 warrants ran up to and including 6 February 2015 and subscription for shares was registered in February 2015. Of 6,774,000 warrants 6,594,000 were exercised, meaning that the number of shares was increased by 1,780,380 and the share capital by SEK 1,526,040.

KappAhl currently has no outstanding share-based incentive programmes.

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 effect of the rights issue and reverse split of shares as well as redemption of warrants.

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 derivative financial instruments. During the previous financial 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 derivative financial instruments was SEK 67 (-7) million for interest swaps and SEK -29 (-27) 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.