

WEAK SALES IN MAY

	Third quarter (March-May)			*Nine months (September-May)*		
	2014/2015	*2013/2014*	*Change*	*2013/2014*	*2013/2014*	*Change*
Net sales, SEK million	1 132	1 201	-69	3 439	3 558	-119
Operating profit, SEK million	42	101	-59	146	203	-57
Gross margin, %	61.7	62,7	-1,0	61.0	61,4	-0.4
Operating margin, %	3,7	8,4	-4,7	4,2	5,7	-1.5
Profit after tax, SEK million	23	42	-19	81	97	-16
Earnings per share after dilution, SEK (Note 1)	0.30	0,56	-0,26	1.06	1,29	-0.23
Cash flow from operating activities, SEK million	194	271	-77	357	345	12

- Net sales in comparable stores decreased by 5.9 % during the quarter and 2.9 % in September-May. The decrease in the quarter is mainly due to poor sales in May, following cold weather and negative calendar effects.
- The operating margin over the rolling twelve months is 5.2 (5.5) %.
- The cash flow continues to be strong and net debt historically low.
- In total 24 stores have been converted to the new store concept.
- The second Newbie Store and the first Hampton Republic 27 store will open in November.

"In working on our plan for KappAhl we are now in a phase where we choose not to let up on the pace. With continued good cost control we are converting our stores and investing in important development projects."

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

There will be a telephone conference and webcast for analysts, media and investors today at 09.00. To participate in the conference call +46 8566 426 61 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 also be saved for viewing later.

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JOHAN ÅBERG, PRESIDENT AND CEO: WEAK SALES IN MAY

Johan Åberg
President and CEO

The month of May was a disappointment regarding both the development of sales and earnings. This affected the whole third quarter and led to that sales decreased by 5.9 per cent and that the operating profit is SEK 42 (101) million.

The dollar exchange rate had a limited effect during the quarter, but will impact us in coming quarters. The cash flow continues to be strong and we have historically low net debt. The operating margin over the rolling twelve months lands at 5.2 (5.5) per cent.

Calendar effects and cold weather have impacted sales negatively in all markets. In Sweden and Norway we are following the industry trend and we see a stabilisation of the operational area in Finland. In Poland we continue to have an unwanted development and further measures will be started in the fourth quarter aiming at immediate change of the trend. Shop Online sales continue to increase in importance.

In working on our plan for KappAhl we are at a stage where maintaining the current high pace is of importance. With continued good cost control we are converting our stores and investing in important development projects.

In the spring we converted and reopened fifteen stores with our new store concept, For You. The stores stay open during the conversion with limited sales, which has had a negative impact on our total sales. In total we now have 24 stores with the new store concept. We see a continued positive conversion and traffic trend in the converted stores.

Customers do not buy shorts, swimwear and dresses when the summer weather is delayed. However, the new Glenn Strömberg Collection for men has sold well. Also the sustainable collection “Dreams through a Lens”, in collaboration with Mary McCartney, the home furnishing collection Newbie Home and Vintage Stories have been successful.

We are analysing the outcome of the third quarter and continuing our development work. Conversions to the new store concept will continue also during our coming fiscal year.

Another important part of our plan for KappAhl is to develop our strong brands and make them available to more people. We are looking for good store locations and in November we will open the first stand-alone store for the Hampton Republic 27 brand and a second store for the Newbie baby collection in the Mall of Scandinavia in Stockholm. The launch of the new Cosmetics business area will be in late winter.

I myself and KappAhl are getting ready for an autumn where range, communication and establishments will contribute to our journey towards the long-term target of a ten per cent operating margin.

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 per cent of the range has sustainable fashion labelling. In 2013/2014 sales were SEK 4.7 billion and the number of employees about 4 000. KappAhl is listed on NASDAQ Stockholm. For more information, visit www.kappahl.com.

COMMENTS ON THE THIRD QUARTER

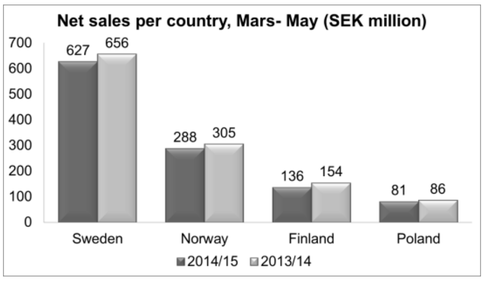
-5.9%

Sales in comparable stores

-1.0%

Decreased gross margin

Net sales and profit



KappAhl's net sales for the quarter amounted to SEK 1,132 (1,201) million, a decrease of 5.7 per cent. The development is explained by the effect of new and closed stores, 0.0 per cent, changes in comparable stores, -5.9 per cent, currency translation differences totalling +0.9 per cent and -0.7 per cent refers to reclassification in comparison with the previous year.

Gross profit for the quarter was SEK 699 (753) million, which corresponds to a gross margin of 61.7 (62.7) per cent.

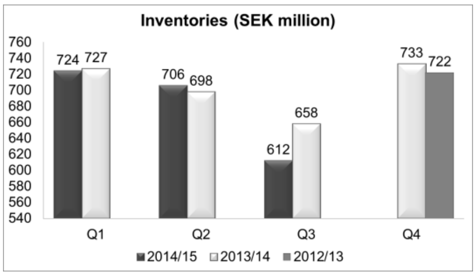
Selling and administrative expenses for the quarter were SEK 658 (652) million.

Operating profit was SEK 42 (101) million. This is equivalent to an operating margin of 3.7 (8.4) per cent.

Depreciation according to plan was SEK 34 (32) million.

Net financial income for the quarter was SEK -5 (-38) million. The improved net financial income is due to better interest rate terms and financial costs in the previous year for interest swaps of SEK 29 million.

Profit/loss after financial items was SEK 37 (63) million and the profit/loss after estimated tax was SEK 23 (42) million. Earnings per share after dilution for the quarter were SEK 0.30 (0.56).



Inventories

At the close of the period inventories amounted to SEK 612 (658) million, a decrease of SEK 46 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 194 (271) million during the quarter and cash flow after investments amounted to SEK 133 (240) million. The change primarily lies in working capital, SEK 128 (176) million, that mainly refers to a decrease in inventories during the period. The cash flow from investing activities was SEK -61 (-31) million, which in the first place was affected by investments in the new store concept and IT related investments.

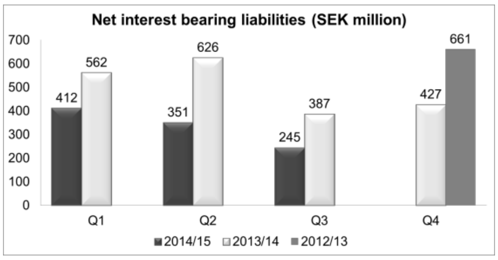
36.7%

Reduction in net debt compared with previous year

56.9%

Current equity/assets ratio

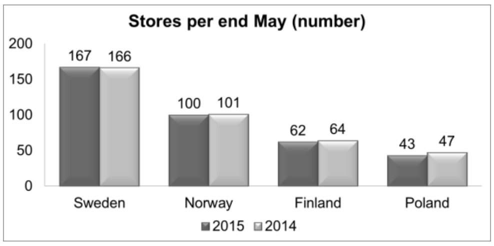
Funding and liquidity



At the end of the period net interest-bearing liabilities amounted to SEK 245 (387) million. The net interest-bearing liabilities/EBITDA ratio was 0.7 at the close of the period, compared with 1.7 as at 31 May 2014. The equity/assets ratio has increased to 56.9 (55.9).

Cash and cash equivalents amounted to SEK 235 (46) million as at 31 May 2015. At the period close there were unutilised credit facilities of about SEK 600 (690) million.

Store network and expansion



At the close of the period the total number of stores was 372 (378). Of these, 167 were in Sweden, 100 in Norway, 62 in Finland and 43 in Poland. One store was opened during the quarter and two were closed.

The work of seeking attractive store locations in existing markets and expanding eCommerce is proceeding according to plan. Apart from the stores in operation on 31 May at present there are contracts for seven new stores.

Parent company

The Parent Company's net sales for the quarter were SEK 5 (4) million and profit after financial items was SEK -9 (-16) million. The parent company did not make any investments during the period.

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COMMENTS ON THE NINE MONTH PERIOD

-2.9 %

Sales in comparable stores

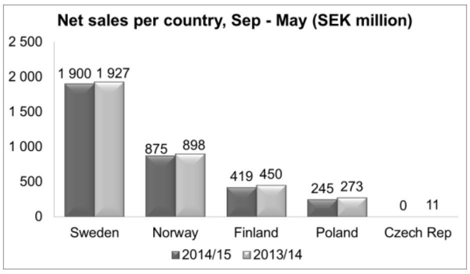
1.4%

Reduced selling and administrative expenses

109%

Increased investments

Net sales and profit



KappAhl's net sales were SEK 3,439 (3,558) million for the nine month period. This is a decrease of 3.3 per cent compared with the previous year. The development is explained by the effect of new and closed stores, -0.8 per cent, change in comparable stores, -2.9 per cent, currency translation differences, +1.3 per cent and 0.9 per cent refers to reclassification in comparison with the previous year.

Gross profit for the period was SEK 2,097 (2,183) million, which corresponds to a gross margin of 61.0 (61.4) per cent.

Selling and administrative expenses for the period were SEK 1,951 (1,980) million. This is a decrease of 1.4 per cent, which is in line with expectations, taking into account savings measures, investments in strategic areas and inflation.

Operating profit was SEK 146 (203) million. This is equivalent to an operating margin of 4.2 (5.7) per cent.

Depreciation according to plan was SEK 99 (95) million.

Net financial income was SEK -16 (-58) million for the nine-month period. The improved net financial income is due to better interest rate terms and financial costs in the previous year for interest swaps of SEK 29 million. Profit/loss after financial items was SEK 130 (145) million and the profit/loss after estimated tax was SEK 81 (97) million.

Earnings per share after dilution for the period were SEK 1.06 (1.29).

Taxes

The Group has net deferred tax assets of SEK 9 (60) million. The change is mainly due to utilised loss carry-forwards in Sweden.

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

Investments

Investments of SEK 144 (69) million were made during the period, mainly in existing and newly opened stores and IT related investments.

Cash flow

KappAhl’s cash flow from operating activities amounted to SEK 357 (345) million in the nine-month period. The change lays mainly in working capital, SEK 125 (100) million and consists mainly of a reduction in inventories. The cash flow from investing activities is SEK -144 (69) million, which in the first place was affected by investments in the new store concept and IT related investments.

Parent company

The Parent Company’s net sales for the nine-month period were SEK 15 (14) million and profit after financial items was SEK -30 (-40) million. The parent company did not make any investments during the period.

OTHER INFORMATION

Related party transactions
There were no transactions with related parties in the nine-month period.

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	
Year-end report (September 2014-August 2015)	8 October 2015
Annual General Meeting	2 December 2015

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, 23 June 2015
KappAhl AB (publ)

Anders Bulow Member of the Board	Amelia Adamo Member of the Board
Pia Rudengren Member of the Board	Susanne Holmberg Member of the Board
Melinda Hedström Employee representative	Christian W. Jansson Member of the Board
Michael Bjerregaard Jensen Employee representative	Johan Åberg President

AUDITOR'S REVIEW REPORT

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

Introduction

We have reviewed the condensed interim financial statements (interim report) for KappAhl AB (publ) as at 31 May 2015 and the nine-month period then ended. The Board of Directors and the President/CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 *"Review of Interim Financial Information 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 has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards.

The procedures performed in a review do not enable us to to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, the conclusion that is expressed on the basis of a review does not give the same level of assurance as a conclusion based on an audit.

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 respects, in accordance with IAS 34 and the Annual Accounts Act for the Group and, for the Parent Company, with the Annual Accounts Act.

Mölndal, 23 June 2015

Ernst & Young AB

Stefan Kylebäck
Authorised Public Accountant

KappAhl

BALANCE SHEETS, INCOME STATEMENTS AND KEY RATIOS

Group income statement - Summary (SEK million)		Q3 2014/2015	Q3 2013/2014	Sep-May 2014/2015	Sep-May 2013/2014	Latest 12 months June-May
Net sales		1 132	1 201	3 439	3 558	4 624
Cost of goods sold		-433	-448	-1 342	-1 375	-1 824
Gross profit		**699**	**753**	**2 097**	**2 183**	**2 800**
Selling expenses		-612	-617	-1 822	-1 871	-2 420
Administrative expenses		-45	-35	-129	-109	-165
Operating profit		**42**	**101**	**146**	**203**	**215**
Financial income		0	0	0	0	0
Financial expenses		-5	-38	-16	-58	-26
Profit after financial items		**37**	**63**	**130**	**145**	**189**
Tax		-14	-21	-49	-48	-76
Result for the period		**23**	**42**	**81**	**97**	**113**
Profit attributable to parent company shareholders		**23**	**42**	**81**	**97**	**113**
Earnings per share before dilution, SEK	Note 1	0,30	0,56	1,07	1,29	1,49
Earnings per share after dilution, SEK	Note 1	0,30	0,56	1,06	1,29	1,49
Earnings per share after new share issue, SEK		0,30	0,56	1,07	1,29	1,49

Statements of comprehensive income (SEK million)	Q3 2014/2015	Q3 2013/2014	Sep-May 2014/2015	Sep-May 2013/2014	Latest 12 months June-May
Result for the period	**23**	**42**	**81**	**97**	**113**
Items not to be recognised in income					
Actuarial gains/losses	-	-	-	-	-21
Tax relating to actuarial gains/losses	-	-	-	-	4
Total items not to be recognised in income	**-**	**-**	**-**	**-**	**-17**
Items to be recognised in income					
Cash flow hedges – value change	-22	35	42	18	27
Cash flow hedges returned to profit	-3	-2	-16	-18	16
Translationdifferences for the period	-1	3	-2	5	-4
Tax attributable to other comprehensive income	5	-7	-6	0	-10
Total items to be recognised in income	**-21**	**29**	**18**	**5**	**29**
Total comprehensive income attributable to parent company's shareholders	**2**	**71**	**99**	**102**	**125**

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Group Balance Sheet - Summary (SEK million)	2015-May-31	2014-May-31	2014-Aug-31
ASSETS			
Non-current assets			
Intangible assets*	1 344	1 340	1 342
Tangible assets	453	407	412
Deferred tax assets	9	60	22
Total non-current assets	**1 806**	**1 807**	**1 776**
Current assets			
Inventories	612	658	733
Other operating receivables	166	143	142
Cash and cash equivalents	235	46	43
Total current assets	**1 013**	**847**	**918**
Total assets	**2 819**	**2 654**	**2 694**
EQUITY AND LIABILITIES			
Equity	**1 604**	**1 484**	**1 510**
Non-current liabilities			
Interest-bearing long-term liabilities	453	43	54
Non-interest-bearing long-term liabilities	74	44	29
Total non-current liabilities	**527**	**87**	**83**
Current liabilities			
Interest-bearing current liabilities	27	390	416
Non-interest-bearing current liabilities	661	693	685
Total current liabilities	**688**	**1 083**	**1 101**
Total equity and liabilities	**2 819**	**2 654**	**2 694**
*of which goodwill	696	696	696
*of which trademarks	610	610	610

Group cash flow statement - Summary (SEK million)	Q3 2014/2015	Q3 2013/2014	Sep-May 2014/2015	Sep-May 2013/2014
Cash flow from operating activities before changes in working capital	**66**	**95**	**232**	**245**
Changes in working capital	128	176	125	100
Cash flow from operating activities	**194**	**271**	**357**	**345**
Cash flow from investing activities	-61	-31	-144	-69
Cash flow from investing activities	**-61**	**-31**	**-144**	**-69**
Change in bank overdraft facility	-36	-222	-16	-288
Dividend	-	-	-56	-
Employee Incentive Program	-	-	51	-
Cash flow from financing activities	**-36**	**-222**	**-21**	**-288**
Cash flow for the period	**97**	**18**	**192**	**-12**
Cash and cash equivalents at beginning of the period	**138**	**28**	**43**	**58**
Cash and cash equivalents at the end of the period	**235**	**46**	**235**	**46**

Specification of changes in the Group's equity (SEK million)	Q3 2014/2015	Q3 2013/2014	Sep-May 2014/2015	Sep-May 2013/2014	Sep-Aug 2013/2014
Opening equity	1 602	1 413	1 510	1 382	1 382
Dividend	-	-	-56	-	-
Employee Incentive Program	-	-	51	-	-
Total comprehensive income	2	71	99	102	128
Closing equity	**1 604**	**1 484**	**1 604**	**1 484**	**1 510**

Number of stores per country	2015-May-31	2015-Feb-28	2014-Nov-30	2014-Aug-31	2014-May-31
Sweden	167	166	168	166	166
Norway	100	100	101	101	101
Finland	62	62	62	63	64
Poland	43	45	46	47	47
Total	**372**	**373**	**377**	**377**	**378**

Sales per country (SEK million)	Q3 2014/2015	Q3 2013/2014	Change SEK %	Change local currency %
Sweden	627	656	-4,4%	-4,4%
Norway	288	305	-5,5%	-5,5%
Finland	136	154	-11,8%	-14,8%
Poland	81	86	-6,6%	-12,2%
Total	**1 132**	**1 201**	**-5,8%**	**-**

Sales per country (SEK million)	Sep-May 2014/2015	Sep-May 2013/2014	Change SEK %	Change local currency %
Sweden	1 900	1 927	-1,4%	-1,4%
Norway	875	898	-2,5%	-3,5%
Finland	419	450	-6,8%	-11,0%
Poland	245	273	-10,3%	-14,9%
Czech Republic	-	11	-100,0%	-100,0%
Total	**3 439**	**3 558**	**-3,4%**	**-**

Geografic reporting (SEK million)	Net sales Q3 2014/2015	Net sales Q3 2014/2016	Operating income Q3 2014/2015	Operating income Q3 2013/2014
Nordic countries	1 051	1 115	57	116
Other	81	86	-15	-15
Total	**1 132**	**1 201**	**42**	**101**

Geografic reporting (SEK million)	Net sales Sep-May 2014/2015	Net sales Sep-May 2013/2014	Operating income Sep-May 2014/2015	Operating income Sep-May 2013/2014
Nordic countries	3 194	3 274	198	247
Other	245	284	-52	-44
Total	**3 439**	**3 558**	**146**	**203**

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Quarterly income statement	2014/2015			2013/2014				2012/2013				2011/2012				2010/2011			
(SEK million)	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	1 174	1 133	1 132	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	-433	-456	-471	-448	-482	-457	-516	-470	-494	-496	-538	-469	-485	-491	-508	-493	-556
Gross profit	**743**	**655**	**699**	**787**	**643**	**753**	**703**	**788**	**632**	**740**	**654**	**697**	**581**	**677**	**644**	**850**	**680**	**744**	**652**
Selling expenses	-606	-604	-612	-651	-603	-617	-598	-650	-636	-627	-575	-648	-685	-615	-579	-669	-624	-651	-616
Administrative expenses	-42	-42	-45	-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	0	77	-1	0	0	-	-	-	-	-	-	-	-
Operating profit	**95**	**9**	**42**	**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	0	1
Financial expenses	-8	-3	-5	-12	-8	-38	-10	-43	-17	-21	-7	-26	-47	-34	-59	-17	-15	-22	-18
Profit after financial items	**87**	**6**	**37**	**87**	**-5**	**63**	**59**	**138**	**-53**	**43**	**36**	**-10**	**-185**	**-5**	**-30**	**129**	**1**	**35**	**-14**
Tax	-26	-9	-14	-25	-2	-21	-27	-23	-11	-11	-3	-1	22	-5	-10	-34	0	-9	-40
Net profit	**61**	**-3**	**23**	**62**	**-7**	**42**	**32**	**115**	**-64**	**32**	**33**	**-11**	**-163**	**-10**	**-40**	**95**	**1**	**26**	**-54**
Operating margin	8,1%	0,8%	3,7%	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 after dilution, S	0,81	-0,04	0,30	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	372	389	379	378	377	395	391	392	390	381	381	386	388	360	360	367	369

* excl. 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	-83	-61
Net profit		**129**	**91**	**-224**	**68**	**402**
Operating margin		5,7%	5,3%	-1,4%	4,5%	10,8%
Earnings per share, SEK	Note 1	1,72	1,32	-5,30	2,98	17,60

1) Deferred tax credit SEK 107 million 2009/10

2) Capital gain sale of property Q1 2012/13

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Parent company income statement - Summary (SEK million)	Q3 2014/2015	Q3 2013/2014	Sep-May 2014/2015	Sep-May 2013/2014	Latest 12 months June-May
Net sales	5	4	15	14	19
Gross profit	**5**	**4**	**15**	**14**	**19**
Selling expenses	-	-	-	-	-
Administrative expenses	-7	-5	-22	-19	-32
Operating profit	**-2**	**-1**	**-7**	**-5**	**-13**
Result from participations in group companies	-	23	-	23	175
Financial income	4	6	10	19	13
Financial expenses	-11	-44	-33	-77	-48
Profit after financial items	**-9**	**-16**	**-30**	**-40**	**127**
Bokslutsdispositioner	-	-	-	-	8
Resultat efter bokslutsdispositioner	**-9**	**-16**	**-30**	**-40**	**135**
Tax	2	8	7	11	-7
Net profit	**-7**	**-8**	**-23**	**-29**	**128**

Parent company Balance Sheet - Summary (SEK million)	2015-May-31	2014-May-31	2014-Aug-31
ASSETS			
Non-current assets			
Financial assets	3 049	2 913	3 049
Deferred tax assets	7	14	-
Total non-current assets	**3 056**	**2 927**	**3 049**
Current assets			
Other operating receivables	285	536	316
Cash and cash equivalents	185	86	77
Total current assets	**470**	**622**	**393**
Total assets	**3 526**	**3 549**	**3 442**
EQUITY AND LIABILITIES			
Equity	**2 459**	**2 358**	**2 487**
Untaxed reserves	**-**	**8**	**-**
Interest-bearing long-term liabilities	**400**	**-**	**-**
Current liabilities			
Interest-bearing current liabilities	564	1 048	814
Non-interest-bearing current liabilities	103	135	141
Total current liabilities	**667**	**1 183**	**955**
Total equity and liabilities	**3 526**	**3 549**	**3 442**

Key ratios		Q3 2014/2015	Q3 2013/2014	Sep-May 2014/2015	Sep-May 2013/2014	Latest 12 months June-May
Growth in sales		-5,7%	-0,7%	-3,3%	-1,2%	-2,0%
Earnings per share before dilution, SEK	Note 1	0,30	0,56	1,07	1,29	1,49
Earnings per share after dilution, SEK	Note 1	0,30	0,56	1,06	1,29	1,49
Total depreciation/amortisation		34	32	99	95	132
Operating result (EBIT)		42	101	146	203	215
Gross margin		61,7%	62,7%	61,0%	61,4%	60,6%
Operating margin excl. sale of property		3,7%	8,4%	4,2%	5,7%	4,6%
Operating margin		3,7%	8,4%	4,2%	5,7%	5,1%
Interest coverage ratio		-	-	8,3	3,8	8,3
Net interest-bearing liabilities		245	387	245	387	245
Net interest-bearing liabilities, excl. Buildings		-	-	0,7	1,7	0,7
Equity/assets ratio		56,9%	55,9%	56,9%	55,9%	56,9%
Equity per share before dilution, SEK		21,15	19,78	21,15	19,78	21,21
Equity per share after dilution, SEK		21,07	19,65	21,07	19,65	21,11
Return on equity		-	-	-	-	7,3%
Return on capital employed		-	-	-	-	10,7%
Number of shares before dilution		76 820 380	75 040 000	75 831 280	75 040 000	75 633 460
Number of shares after dilution		76 820 380	75 547 144	76 121 210	75 527 315	75 968 508

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 prifit/loss plus financial income in percentage of capital employed
Capital employed	Balance sheet total less non interest bearing deferred tax liability.

KappAhl

KappAhl's 20 largest shareholders, 31 May 2015	Number of shares	Prercentage of shares and votes 2015-May-31	Change compared with 2015-Feb-28
Mellby Gård AB	15 369 245	20,01	160 000
Swedbank Robur fonder	7 232 015	9,41	700 000
Handelsbanken Fonder AB RE JPMEL	3 837 222	5,00	-1 010 193
Lannebo fonder	2 227 991	2,90	450 098
Försäkringsaktiebolaget, Avanza Pension	1 926 850	2,51	21 222
Fjärde AP-fonden	1 844 393	2,40	250 000
Catella Fondförvaltning	1 734 504	2,26	683 805
CBNY-Norges Bank	1 686 515	2,20	0
Svolder Aktiebolag	1 519 000	1,98	310 450
Andra AP-fonden	1 195 314	1,56	0
Liv & Pension, Nordea	1 187 753	1,55	71 334
CBNY-DFA-INT SML CAP V	894 871	1,16	117 061
RBC Investor Services Bank S.A. SUB, A/C	785 000	1,02	785 000
Tredje AP-fonden	727 016	0,95	118 485
Robur Försäkring	687 930	0,90	12 683
Länsförsäkringar fondförvaltning AB	585 578	0,76	-285 680
Nordnet Pensionsförsäkring AB	508 177	0,66	4 617
Deutsche Bank AG, London Branch W-8BEN	497 597	0,65	99 423
State Street Bank	454 173	0,59	57 418
SEB	434 265	0,57	164 482
Other	31 484 971	40,96	-2 710 205
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 financial derivative instruments was SEK 42 (0) million for currency forwards and SEK -27 (-32) million for interest swaps. The Group hedges currency flows in USD, EUR, NOK and PLN for which currency forwards have maturities of up to 12 months.