



CHALLENGING YEAR WITH MAJOR FOCUS ON DEVELOPMENT

| | Fourth quarter (June-August) | | | Full year (September-August) | | |
|---|------------------------------|-----------|--------|------------------------------|-----------|--------|
| | 2014/2015 | 2013/2014 | Change | 2014/2015 | 2013/2014 | Change |
| Net sales, SEK million | 1 149 | 1 185 | -36 | 4 588 | 4 743 | -155 |
| Operating profit excluding non-recurring costs, SEK million | 62 | 92 | -30 | 208 | 295 | -87 |
| Operating profit, SEK million | 52 | 69 | -17 | 198 | 272 | -74 |
| Gross margin, % | 57,4 | 59,3 | -1,9 | 60,1 | 60,8 | -0,7 |
| Operating margin excluding non-recurring items, % | 5,4 | 7,8 | -2,4 | 4,5 | 6,2 | -1,7 |
| Profit after tax, SEK million | 30 | 32 | -2 | 111 | 129 | -18 |
| Earnings per share after dilution, SEK (Note 1) | 0,39 | 0,42 | -0,03 | 1,45 | 1,71 | -0,26 |
| Cash flow from operating activities, SEK million | 8 | 0 | 8 | 365 | 345 | 20 |

- Net sales decreased by 3.0% in the quarter and 3.3% for the full year. Sales in comparable stores remained unchanged in the quarter and were -2.2% for the full year.
- The operating profit excluding non-recurring items for the quarter is SEK 62 (92) million and for the full year SEK 208 (295) million.
- The operative cash flow is strong and in line with the previous year.
- The rate of investment doubled during the year compared with the previous year.
- Overhead expenses decreased by 1.7% during the year.
- The debt-equity ratio at end of year is 0.8 (1.0).
- The Board of Directors proposes a dividend of 0,75 SEK/share.

”The past year has been an intermediate year for KappAhl in terms of sales and profit growth. Nonetheless, it was an important year with a great focus on initiatives for the future”

Anders Düring, acting President and CEO.
Read the CEO statement on the next page.

A presentation and telephone conference for analysts, media and investors will be held today at 9.00 in the KappAhl store at Drottninggatan 53 in Stockholm. To notify attendance at the event email hearings@financialhearings.com. The webcast can be found via www.kappahl.com/presentations. To participate by telephone please call +46 8 566 426 61 about 5 minutes before the start.

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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 released for public disclosure on 8 October 2015 at 07.30.

ANDERS DÜRING, ACTING PRESIDENT & CEO: CHALLENGING YEAR WITH MAJOR FOCUS ON DEVELOPMENT



Anders Düring

The past year has been an intermediate year for KappAhl in terms of sales and profit. At the same time it was an important year with a major focus on initiatives to meet the future, changed consumption patterns and increased competition.

During the business year KappAhl's sales decreased by 3.3 per cent. Weak sales in two of the year's most important sales periods, May and August, was the main reason for this. A smaller number of stores 368 (377), store conversions, a weak economic situation in Finland and major challenges for operations in Poland have had a negative impact on the turnover.

The operating profit, excluding non-recurring items of SEK 10 million, was SEK 208 (295) million, corresponding to an operating margin of 4.5 (6.2) per cent. The profitability trend was affected by weak sales as well as a lower gross margin, whose growth is strongly linked to a lower percentage of full price sales. A mismatch between introductions of collections and weather conditions at three critical points of the year had the greatest impact. At the same time, activities to reduce overheads and improve operative cash flow have been in progress.

Investments increased during the year by 100%, entirely in line with the objective of taking KappAhl into the future. With the customer at the centre, our focus is on rolling out the new store concept, increased digital presence, improved logistics flow and, last but not least, a clarification of the brand. Concrete events as part of these initiatives during the year have been the conversion of 27 stores, the launch of online stores in Norway and Finland and the introduction of a new distribution system to stores. Positive effects of this are expected in coming years.

A number of attractive collections were marketed during the year. Everything from the sustainable collection "Dreams through a Lens" photographed by Mary McCartney, to collaboration with Glenn Strömberg and the Hampton Republic 27 collection, which is going from strength to strength. The Newbie baby concept has continued its successful development with a greater range of sizes, home furnishings and our first stand-alone store, the Newbie Store.

It has been a year of important initiatives in sustainability and we launched the sustainability strategy "Future Friendly Fashion 2020". This makes our priorities in this area visible, with nine objectives. The entire strategy is available to read on our website.

In the fourth quarter sales fell by three per cent and the gross margin by 1.9 percentage points. The operating profit adjusted for non-recurring items decreased by SEK 30 million, compared with the previous year. Extensive clearance sales in the summer and a weak close to the quarter due to effects of the weather were contributory factors to the poorer performance compared with last year. Compared with the previous year, profits were also negatively affected by currency exchange effects. The operative cash flow is somewhat stronger and the level of overheads is in line with the previous year.

Updated expressions and attitudes in our customer communications reached customers during the quarter with the campaign manner "The Look". The campaigns were themed using a modern version of the classic Roxette hit.

In Poland we accelerated our actions to reverse the negative trend. A new country manager took over in September with a clear remit to concentrate operations to fewer towns and to introduce an online store in the first quarter of 2015/16.

During the year we, despite of lower sales and profitability, made conscious decisions not to let up on the pace. The work of developing our offer has the highest priority for driving KappAhl in the right direction. The investments in the brand, store expression and digital presence continue. We will soon open more Newbie Stores in Norway and Sweden. The première for the next stand-alone concept, Hampton Republic 27, will be in November in the Mall of Scandinavia. That brand will be expanded to include home furnishings.

With the above initiatives, dedicated colleagues and an attractive range I see that KappAhl holds a good starting position for the future.

Anders Düring
Acting President and CEO / CFO

KappAhl, founded in 1953 in Gothenburg, is one of the leading Nordic fashion chains with nearly 400 stores in Sweden, Norway, Finland and Poland. Our mission is to offer value-for-money fashion of our own design with wide appeal. About a quarter of our range has sustainable fashion labelling. In 2014/2015 sales were SEK 4.6 billion and the number of employees were about 4,000 in eight countries. KappAhl is listed on NASDAQ Stockholm.

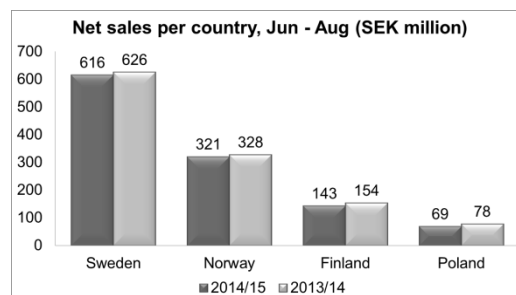
COMMENTS ON THE FOURTH QUARTER

0.0%

Sales in comparable stores

Net sales and profit

KappAhl's net sales for the quarter amounted to SEK 1,149 (1,185) million, a decrease of 3.0 per cent. The development is explained by the effect of closed stores, -1.4 per cent, change in comparable stores, 0.0 per cent, currency translation differences totalling -0.9 per cent and -0.7 per cent refers to reclassification in comparison with the previous year.



1.9%

Decreased gross margin

Gross profit for the quarter was SEK 659 (703) million, which corresponds to a gross margin of 57.4 (59.3) per cent.

2,3%

Decreased selling and administrative expenses

Selling and administrative expenses for the quarter amounted to SEK 597 (611) million, excluding non-recurring items. The non-recurring item of SEK 10 (23) million that is charged to the quarter refers to severance payment for the change of President and for the previous year referred to closing down costs for stores in Finland and Poland. Including non-recurring items, selling and administrative expenses amounted to SEK 607 (634) million in the fourth quarter.

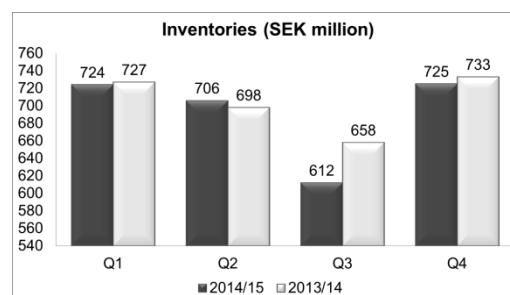
The operating profit was SEK 62 (92) million, excluding non-recurring items of SEK 10 (23) million. This corresponds to an operating margin excluding non-recurring items of 5.4 (7.8) per cent and 4.5 (5.8) per cent respectively, including non-recurring items.

Depreciation according to plan was SEK 36 (33) million.

Net financial income for the quarter was SEK -5 (-10) million. Profit/loss after financial items was SEK 47 (59) million and the profit/loss after estimated tax was SEK 30 (32) million. Earnings per share after dilution for the quarter were SEK 0.39 (0.42).

Inventories

At the close of the period inventories amounted to SEK 725 (733) million, a decrease of SEK 8 million compared with the previous year.



Cash flow

KappAhl's cash flow from operating activities for the quarter was SEK 8 (0) million. Cash flow after investments was SEK -47 (-29) million. The increase in investment activities refers to investments in the new store concept and IT related investments.

34.0 %

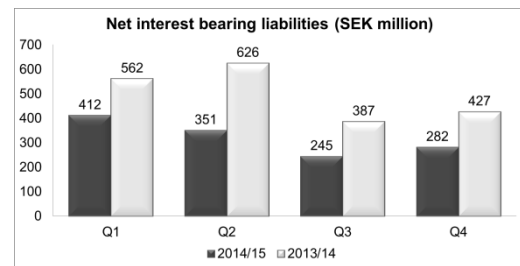
Decreased net debt compared with the previous year

56.6%

Current equity/assets ratio

Financing and liquidity

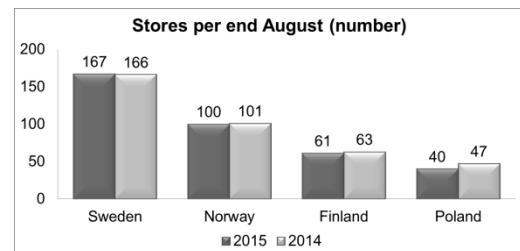
Net interest-bearing liabilities amounted to SEK 282 (427) million at the close of the period. Net interest-bearing liabilities/EBITDA amounted to 0.8 at the close of the period, compared with 1.0 as at 31 August 2014. The equity/assets ratio has increased to 56.6 (56.1).



Cash and cash equivalents amounted to SEK 188 (43) million on 31 August 2015. At the period close there were unutilised credit facilities of SEK 578 (650) million.

Store network and expansion

At the close of the period the total number of stores was 368 (377). Of these there are 167 in Sweden, 100 in Norway, 61 in Finland and 40 in Poland. No store opened during the quarter, four were closed.



The work of seeking attractive store locations in existing markets and expanding on-line stores is proceeding according to plan. Apart from stores in operation on 31 August 2015 there are at present contracts for eight new stores. Shop Online will expand to Poland at the end of 2015.

Parent company

The Parent Company's net sales for the quarter were SEK 10 (5) million and profit after financial items was SEK 65 (135) million. The parent company did not make any investments during the period.

COMMENTS ON THE FULL YEAR

-2.2%

Sales in comparable stores

Net sales and profit

KappAhl's net sales were SEK 4,588 (4,743) million for the full year. This is a decrease of 3.3 per cent compared with the previous year. This is explained by new and closed stores, -1.0 per cent; change in comparable stores, -2.2 per cent; currency translation differences, 0.7 per cent

and -0.8 per cent is attributable to reclassification in comparison with the previous year.

Gross profit for the full year was SEK 2,756 (2,886) million, which corresponds to a gross margin of 60.1 (60.8) per cent.

Selling and administrative expenses for the full year amounted to SEK 2,558 (2,614) million. This year's selling and administrative expenses include non-recurring costs of SEK 10 (23) million that refer to severance payment for the change of President. In the previous year the item referred to closing down of stores. Thus the costs excluding non-recurring items amounted to SEK 2,548 (2,591) million, which is a decrease of SEK 43 million, or 1.7 per cent.

The operating profit before non-recurring items was SEK 208 (295) million and including non-recurring items was SEK 198 (272) million. The operating margin for the business year before non-recurring items is 4.5 (6.2) per cent or 4.3 (5.7) per cent including non-recurring items.

Depreciation according to plan was SEK 135 (-68) million.

The net financial income was SEK -21 (-68) million for the full year. The improved net financial income is due to better interest rate terms and to financial expenses for interest swaps of SEK 29 million being recognised in the previous year. Profit/loss after financial items was SEK 177 (204) million and the profit/loss after estimated tax was SEK 111 (129) million.

Earnings per share after dilution for the full year were SEK 1.45 (1.71).

Taxes

The Group has deferred tax assets of SEK 11 (22) million and deferred tax liabilities of SEK 89 (29) million. The change is mainly due to utilised loss carry-forwards in Sweden.

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

Investments

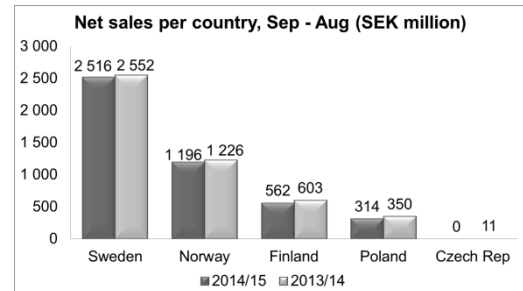
Investments of SEK 199 (98) million were made during the period, mainly in existing and newly opened stores and IT related investments.

Cash flow

KappAhl's cash flow from operating activities during the year was SEK 365 (345) million. Cash flow from investing activities is SEK -199 (-98) million. The increase refers to investments in the new store concept and IT related investments.

Parent company

Parent company sales during the year were SEK 25 (19) million and the profit after financial items was SEK 35 (95) million. The parent company did not make any investments during the period.



103%

Increased investments

OTHER INFORMATION

Related party transactions

There were no transactions with related parties in the fourth quarter.

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.

Annual general meeting

The Annual General Meeting will be held at the company's head office in Mölndal on 2 December, at 10.00. The annual report will be available on the company's website on 4 November. The Board of Directors proposes that a dividend of SEK 0,75 per share be distributed.

Financial calendar

| | |
|------------------------------------|-----------------|
| Annual General Meeting | 2 December 2015 |
| First quarter (September-November) | 20 January 2016 |
| Second quarter (December-February) | 14 April 2016 |
| Third quarter (March-May) | 30 June 2016 |
| Fourth quarter (June-August) | 13 October 2016 |

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

Mölndal, 8 October 2015
KappAhl AB (publ)

Anders Düring
Acting President

BALANCE SHEETS, INCOME STATEMENTS AND KEY RATIOS

| Group income statement - Summary (SEK million) | Q4 | Q4 | Sep-Aug | Sep-Aug | Latest | |
|--|------------|------------|--------------|--------------|---------------------|------|
| | 2014/2015 | 2013/2014 | 2014/2015 | 2013/2014 | 12 month Sep-Aug | |
| Net sales | 1 149 | 1 185 | 4 588 | 4 743 | 4 588 | |
| Cost of goods sold | -490 | -482 | -1 832 | -1 857 | -1 832 | |
| Gross profit | 659 | 703 | 2 756 | 2 886 | 2 756 | |
| Selling expenses | -563 | -598 | -2 385 | -2 469 | -2 385 | |
| Administrative expenses | -44 | -36 | -173 | -145 | -173 | |
| Operating profit | 52 | 69 | 198 | 272 | 198 | |
| Financial income | 1 | 0 | 1 | 0 | 1 | |
| Financial expenses | -6 | -10 | -22 | -68 | -22 | |
| Profit after financial items | 47 | 59 | 177 | 204 | 177 | |
| Tax | -17 | -27 | -66 | -75 | -66 | |
| Result for the period | 30 | 32 | 111 | 129 | 111 | |
| Profit attributable to parent company shareholders | 30 | 32 | 111 | 129 | 111 | |
| Earnings per share before dilution, SEK | Note 1 | 0,39 | 0,43 | 1,46 | 1,72 | 1,46 |
| Earnings per share after dilution, SEK | Note 1 | 0,39 | 0,42 | 1,45 | 1,71 | 1,45 |
| Earnings per share after new share issue, SEK | | 0,39 | 0,43 | 1,46 | 1,72 | 1,46 |

| Statements of comprehensive income (SEK million) | Q4 | Q4 | Sep-Aug | Sep-Aug | Latest |
|---|------------|------------|------------|------------|---------------------|
| | 2014/2015 | 2013/2014 | 2014/2015 | 2013/2014 | 12 month Sep-Aug |
| Result for the period | 30 | 32 | 111 | 129 | 111 |
| Items not to be recognised in income | | | | | |
| Actuarial gains/losses | 20 | -21 | 20 | -21 | 20 |
| Tax relating to actuarial gains/losses | -4 | 4 | -4 | 4 | -4 |
| Total items not to be recognised in income | 16 | -17 | 16 | -17 | 16 |
| Items to be recognised in income | | | | | |
| Cash flow hedges – value change | -27 | -15 | 15 | 3 | 15 |
| Cash flow hedges returned to profit | 0 | 32 | -16 | 14 | -16 |
| Translation differences for the period | -4 | -2 | -6 | 3 | -6 |
| Tax attributable to other comprehensive income | 6 | -4 | 0 | -4 | 0 |
| Total items to be recognised in income | -25 | 11 | -7 | 16 | -7 |
| Total comprehensive income attributable to parent company's shareholders | 21 | 26 | 120 | 128 | 120 |

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| Group Balance Sheet - Summary (SEK million) | 2015-Aug-31 | 2014-Aug-31 |
|--|--------------|--------------|
| ASSETS | | |
| Non-current assets | | |
| Intangible assets* | 1 349 | 1 342 |
| Tangible assets | 459 | 412 |
| Deferred tax assets | 11 | 22 |
| Total non-current assets | 1 819 | 1 776 |
| Current assets | | |
| Inventories | 725 | 733 |
| Other operating receivables | 138 | 142 |
| Cash and cash equivalents | 188 | 43 |
| Total current assets | 1 051 | 918 |
| Total assets | 2 870 | 2 694 |
| EQUITY AND LIABILITIES | | |
| Equity | 1 625 | 1 510 |
| Non-current liabilities | | |
| Interest-bearing long-term liabilities | 448 | 54 |
| Non-interest-bearing long-term liabilities | 89 | 29 |
| Total non-current liabilities | 537 | 83 |
| Current liabilities | | |
| Interest-bearing current liabilities | 22 | 416 |
| Non-interest-bearing current liabilities | 686 | 685 |
| Total current liabilities | 708 | 1 101 |
| Total equity and liabilities | 2 870 | 2 694 |
| *of which goodwill | 696 | 696 |
| *of which trademarks | 610 | 610 |

| Group cash flow statement - Summary (SEK million) | Q4 2014/2015 | Q4 2013/2014 | Sep-Aug 2014/2015 | Sep-Aug 2013/2014 |
|--|-----------------|-----------------|----------------------|----------------------|
| Cash flow from operating activities before changes in working capital | 100 | 87 | 332 | 332 |
| Changes in working capital | -92 | -87 | 33 | 13 |
| Cash flow from operating activities | 8 | 0 | 365 | 345 |
| Cash flow from investing activities | -55 | -29 | -199 | -98 |
| Cash flow from investing activities | -55 | -29 | -199 | -98 |
| Change in bank overdraft facility | 0 | 26 | -16 | -262 |
| Dividend | - | - | -56 | - |
| Employee Incentive Program | - | - | 51 | - |
| Cash flow from financing activities | 0 | 26 | -21 | -262 |
| Cash flow for the period | -47 | -3 | 145 | -15 |
| Cash and cash equivalents at beginning of the period | 235 | 46 | 43 | 58 |
| Cash and cash equivalents at the end of the period | 188 | 43 | 188 | 43 |

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| Specification of changes in the Group's equity (SEK million) | Q4 2014/2015 | Q4 2013/2014 | Sep-Aug 2014/2015 | Sep-Aug 2013/2014 |
|--|-----------------|-----------------|----------------------|----------------------|
| Opening equity | 1 604 | 1 484 | 1 510 | 1 382 |
| Dividend | - | - | -56 | - |
| Employee Incentive Program | - | - | 51 | - |
| Total comprehensive income | 21 | 26 | 120 | 128 |
| Closing equity | 1 625 | 1 510 | 1 625 | 1 510 |

| Number of stores per country | 2015-Aug-31 | 2015-May-31 | 2015-Feb-28 | 2014-Nov-30 | 2014-Aug-31 |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| Sweden | 167 | 167 | 166 | 168 | 166 |
| Norway | 100 | 100 | 100 | 101 | 101 |
| Finland | 61 | 62 | 62 | 62 | 63 |
| Poland | 40 | 43 | 45 | 46 | 47 |
| Total | 368 | 372 | 373 | 377 | 377 |

| Sales per country (SEK million) | Q4 2014/2015 | Q4 2013/2014 | Change SEK % | Change local currency % |
|---------------------------------|-----------------|-----------------|-----------------|----------------------------|
| Sweden | 616 | 626 | -1,6% | -1,6% |
| Norway | 321 | 328 | -2,2% | 2,7% |
| Finland | 143 | 154 | -6,9% | -9,1% |
| Poland | 69 | 78 | -10,6% | -11,9% |
| Total | 1 149 | 1 185 | -3,1% | - |

| Sales per country (SEK million) | Sep-Aug 2014/2015 | Sep-Aug 2013/2014 | Change SEK % | Change local currency % |
|---------------------------------|----------------------|----------------------|-----------------|----------------------------|
| Sweden | 2 516 | 2 552 | -1,4% | -1,4% |
| Norway | 1 196 | 1 226 | -2,4% | -1,9% |
| Finland | 562 | 603 | -6,8% | -10,6% |
| Poland | 314 | 350 | -10,4% | -14,2% |
| Czech Republic | - | 11 | -100,0% | -100,0% |
| Total | 4 588 | 4 743 | -3,3% | - |

| Geografic reporting (SEK million) | Net sales Q4 2014/2015 | Net sales Q4 2014/2016 | Operating income Q4 2014/2015 | Operating income Q4 2013/2014 |
|-----------------------------------|------------------------------|------------------------------|--|--|
| Nordic countries | 1 080 | 1 107 | 78 | 84 |
| Other | 69 | 78 | -26 | -15 |
| Total | 1 149 | 1 185 | 52 | 69 |

| Geografic reporting (SEK million) | Net sales Sep-Aug 2014/2015 | Net sales Sep-Aug 2013/2014 | Operating income Sep-Aug 2014/2015 | Operating income Sep-Aug 2013/2014 |
|-----------------------------------|-----------------------------------|-----------------------------------|---|---|
| Nordic countries | 4 274 | 4 381 | 276 | 331 |
| Other | 314 | 362 | -78 | -59 |
| Total | 4 588 | 4 743 | 198 | 272 |

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| Quarterly income statement (SEK million) | 2014/2015 | | | | 2013/2014 | | | | 2012/2013 | | | | 2011/2012 | | | | 2010/2011 | | | |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|------------|------------|------------|------------|------------|------------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Net sales | 1 174 | 1 133 | 1 132 | 1 149 | 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 | -490 | -456 | -471 | -448 | -482 | -457 | -516 | -470 | -494 | -496 | -538 | -469 | -485 | -491 | -508 | -493 | -556 |
| Gross profit | 743 | 655 | 699 | 659 | 787 | 643 | 753 | 703 | 788 | 632 | 740 | 654 | 697 | 581 | 677 | 644 | 850 | 680 | 744 | 652 |
| Selling expenses | -606 | -604 | -612 | -563 | -651 | -603 | -617 | -598 | -650 | -636 | -627 | -575 | -648 | -685 | -615 | -579 | -669 | -624 | -651 | -616 |
| Administrative expenses | -42 | -42 | -45 | -44 | -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 | 0 | 77 | -1 | 0 | 0 | - | - | - | - | - | - | - | - |
| Operating profit | 95 | 9 | 42 | 52 | 99 | 3 | 101 | 69 | 181 | -36 | 64 | 43 | 16 | -138 | 29 | 29 | 146 | 16 | 57 | 3 |
| Financial income | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Financial expenses | -8 | -3 | -5 | -6 | -12 | -8 | -38 | -10 | -43 | -17 | -21 | -7 | -26 | -47 | -34 | -59 | -17 | -15 | -22 | -18 |
| Profit after financial items | 87 | 6 | 37 | 47 | 87 | -5 | 63 | 59 | 138 | -53 | 43 | 36 | -10 | -185 | -5 | -30 | 129 | 1 | 35 | -14 |
| Tax | -26 | -9 | -14 | -17 | -25 | -2 | -21 | -27 | -23 | -11 | -11 | -3 | -1 | 22 | -5 | -10 | -34 | 0 | -9 | -40 |
| Net profit | 61 | -3 | 23 | 30 | 62 | -7 | 42 | 32 | 115 | -64 | 32 | 33 | -11 | -163 | -10 | -40 | 95 | 1 | 26 | -54 |
| Operating margin | 8,1% | 0,8% | 3,7% | 4,5% | 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, SEK | 0,81 | -0,04 | 0,30 | 0,39 | 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 | 368 | 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 2014/2015 | Sep-Aug 2013/2014 | Sep-Aug 2012/2013 | Sep-Aug 2011/2012 | Sep-Aug 2010/2011 | |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|------|
| Net sales | 4 588 | 4 743 | 4 751 | 4 587 | 4 974 | |
| Cost of goods sold | -1 832 | -1 857 | -1 937 | -1 988 | -2 048 | |
| Gross profit | 2 756 | 2 886 | 2 814 | 2 599 | 2 926 | |
| Selling expenses | -2 385 | -2 469 | -2 488 | -2 527 | -2 560 | |
| Administrative expenses | -173 | -145 | -150 | -136 | -144 | |
| Other operating income | | 1) | - | - | - | |
| Operating profit | 198 | 272 | 252 | -64 | 222 | |
| Financial income | 1 | 0 | 1 | 0 | 1 | |
| Financial expenses | -22 | -68 | -88 | -166 | -72 | |
| Profit after financial items | 177 | 204 | 165 | -230 | 151 | |
| Tax | -66 | -75 | -74 | 6 | -83 | |
| Net profit | 111 | 129 | 91 | -224 | 68 | |
| Operating margin | 4,3% | 5,7% | 5,3% | -1,4% | 4,5% | |
| Earnings per share, SEK | Note 1 | 1,45 | 1,71 | 1,32 | -5,30 | 2,98 |

1) Capital gain sale of property Q1 2012/13

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| Parent company income statement - Summary (SEK million) | Q4 | Q4 | Sep-Aug | Sep-Aug | Latest |
|--|-----------|------------|------------|------------|---------------------|
| | 2014/2015 | 2013/2014 | 2014/2015 | 2013/2014 | 12 month Sep-Aug |
| Net sales | 10 | 5 | 25 | 19 | 25 |
| Gross profit | 10 | 5 | 25 | 19 | 25 |
| Selling expenses | - | - | - | - | - |
| Administrative expenses | -17 | -10 | -39 | -29 | -39 |
| Operating profit | -7 | -5 | -14 | -10 | -14 |
| Result from participations in group companies | 79 | 152 | 79 | 175 | 79 |
| Financial income | 3 | 3 | 13 | 22 | 13 |
| Financial expenses | -10 | -15 | -43 | -92 | -43 |
| Profit after financial items | 65 | 135 | 35 | 95 | 35 |
| Bokslutsdispositioner | - | 8 | - | 8 | - |
| Resultat efter bokslutsdispositioner | 65 | 143 | 35 | 103 | 35 |
| Tax | -7 | -14 | 0 | -3 | 0 |
| Net profit | 58 | 129 | 35 | 100 | 35 |

| Parent company Balance Sheet - Summary (SEK million) | 2015-Aug-31 | 2014-Aug-31 |
|---|--------------|--------------|
| ASSETS | | |
| Non-current assets | | |
| Financial assets | 3 106 | 3 049 |
| Current assets | | |
| Other operating receivables | 282 | 316 |
| Cash and cash equivalents | 38 | 77 |
| Total current assets | 320 | 393 |
| Total assets | 3 426 | 3 442 |
| EQUITY AND LIABILITIES | | |
| Equity | 2 517 | 2 487 |
| Interest-bearing long-term liabilities | 400 | - |
| Current liabilities | | |
| Interest-bearing current liabilities | 336 | 814 |
| Non-interest-bearing current liabilities | 173 | 141 |
| Total current liabilities | 509 | 955 |
| Total equity and liabilities | 3 426 | 3 442 |

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| Key ratios | | Q4 | Q4 | Sep-Aug | Sep-Aug | Latest |
|---|--------|------------|------------|------------|------------|---------------------|
| | | 2014/2015 | 2013/2014 | 2014/2015 | 2013/2014 | 12 month Sep-Aug |
| Growth in sales | | -3,0% | 3,2% | -3,3% | -0,2% | -3,3% |
| Earnings per share before dilution, SEK | Note 1 | 0,39 | 0,43 | 1,46 | 1,72 | 1,46 |
| Earnings per share after dilution, SEK | Note 1 | 0,39 | 0,42 | 1,45 | 1,71 | 1,45 |
| Total depreciation/amortisation | | 36 | 33 | 135 | 128 | 135 |
| Operating result (EBIT) | | 52 | 69 | 198 | 272 | 198 |
| Gross margin | | 57,4% | 59,3% | 60,1% | 60,8% | 60,1% |
| Operating margin excl. sale of property | | 4,5% | 5,8% | 4,3% | 5,7% | 4,3% |
| Operating margin | | 5,4% | 7,8% | 4,5% | 6,2% | 4,8% |
| Interest coverage ratio | | - | - | 9,0 | 4,0 | 9,0 |
| Net interest-bearing liabilities | | 282 | 427 | 282 | 427 | 282 |
| Net interest-bearing liabilities, excl. Buildings | | - | - | 0,8 | 1,0 | 0,8 |
| Equity/assets ratio | | 56,6% | 56,1% | 56,6% | 56,1% | 56,6% |
| Equity per share before dilution, SEK | | 21,36 | 20,12 | 21,36 | 20,12 | 21,36 |
| Equity per share after dilution, SEK | | 21,30 | 19,99 | 21,30 | 19,99 | 21,30 |
| Return on equity | | - | - | 7,1% | 8,9% | 7,1% |
| Return on capital employed | | - | - | 9,8% | 13,3% | 9,8% |
| Number of shares before dilution | | 76 820 380 | 75 040 000 | 76 078 555 | 75 040 000 | 76 078 555 |
| Number of shares after dilution | | 76 820 380 | 75 509 421 | 76 296 003 | 75 522 814 | 76 296 003 |

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. |

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| KappAhl's 20 largest shareholders, 31 August 2015 | Number of shares | Percentage of | Change compared with |
|---|-------------------|---------------------------------|----------------------|
| | | shares and votes 2015-Aug-31 | |
| Mellby Gård AB | 15 369 245 | 20,01 | 0 |
| Handelsbanken Fonder AB RE JPMEL | 5 864 854 | 7,63 | 2 027 632 |
| Swedbank Robur fonder | 5 431 732 | 7,07 | -1 800 283 |
| Försäkringsaktiefbolaget, Avanza Pension | 2 378 533 | 3,10 | 451 683 |
| Lannebo fonder | 2 362 991 | 3,08 | 135 000 |
| Fjärde AP-fonden | 1 993 393 | 2,59 | 149 000 |
| Catella Fondförvaltning | 1 860 525 | 2,42 | 126 021 |
| Fidelity Funds - Nordic Fun | 1 821 955 | 2,37 | 1 459 565 |
| Svolder Aktiefbolag | 1 555 000 | 2,02 | 36 000 |
| Liv & Pension, Nordea | 1 102 876 | 1,44 | -84 877 |
| Andra AP-fonden | 1 095 314 | 1,43 | -100 000 |
| CBNY-Norges Bank | 931 778 | 1,21 | -754 737 |
| CBNY-DFA-INT SML CAP V | 894 871 | 1,16 | 0 |
| Robur Försäkring | 753 768 | 0,98 | 65 838 |
| Nordnet Pensionsförsäkring AB | 698 199 | 0,91 | 190 022 |
| Nordea Investment Funds | 475 500 | 0,62 | 85 350 |
| JPM Chase NA | 422 221 | 0,55 | 1 836 |
| UBS AG London Branch Equities | 418 255 | 0,54 | 184 619 |
| Fäma Invest AB | 416 358 | 0,54 | 0 |
| RBC Investor Services Bank S.A. SUB, A/C | 397 576 | 0,52 | -387 424 |
| Övriga | 30 575 436 | 39,81 | -1 785 245 |
| Summa | 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 is 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 15 (16) million for currency forwards and SEK -22 (-33) 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.