

Two new stores in the Czech Republic in autumn 2009:

KappAhl opening in a fifth country

KappAhl is continuing its expansion and in October will open its first store in the second largest town in the Czech Republic, Brno. Another store will open later in the autumn and in 2010 it is planned to open a small number of stores in the biggest cities in the Czech Republic.

- **“We are continuing our long-term expansion of a net total of 20-25 new stores per year and are happy that we are opening in a fifth country with great potential,” says Christian W. Jansson, CEO of KappAhl.**

KappAhl announced previously that a fifth and in the long term a sixth country may be under consideration for expansion. The first store in the Czech Republic will be about 850 square metres and located in a leading shopping centre that is extending its store space, just outside Brno in the south of the country.

- “Expanding when market demand is lower and good store locations are easier to come by is a long-term strategy to create profitable growth,” says Christian W. Jansson.
- The Czech Republic is a stable country that has been relatively mildly affected by the financial crisis and recession, with customers we believe will appreciate our fashion.

The excellent location of the stores was one of the reasons for opening in the Czech Republic. The first store will be in a shopping centre in Brno, the second store is planned to Prague alternative Brno. The Czech Republic has been a member of the EU since 2004 and has 10.3 million inhabitants, over 25 per cent of whom live in the country's largest urban areas.

More information can be obtained from:

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KappAhl is a leading fashion chain with more than 300 stores and 4,500 employees in Sweden, Norway, Finland and Poland. KappAhl sells value-for-money fashion with a wide appeal – to women, men and children – and focuses in particular on women aged 30-50. All clothes are from our own designers. In the twelve-month period ending 31 August 2008 KappAhl's net sales were SEK 4.6 billion and operating profit was SEK 651 million. KappAhl is a listed company. In 1999 KappAhl was the first fashion chain to be environmentally certified. Further information is available at www.kappahl.com