

## KappAhl buys head office and distribution centre

KappAhl buys the property that includes its head office and distribution centre in Mölndal, on the outskirts of Göteborg. The contract was signed on 28 May and the purchase price amounts to SEK 447 million. KappAhl has rented the premises since 2003.

KappAhl buys the property to create a stronger cash flow and secure the important resource the premises represent for the business over the long-term.

“KappAhl is a modern fashion company and for us distribution and logistics are central for our effectiveness and profitability. This, coupled with wanting a stronger cash flow, is why we are buying the property,” says Chief Financial Officer, Håkan Westin.

The head office includes central functions like design and purchasing, marketing and administration. The automated distribution centre is one of Northern Europe’s most modern with nearly 60 million garments handled annually. The buildings’ total area is 48,000 square meters. KappAhl acquires the company that owns the property.

To safeguard future growth, an adjacent, undeveloped site of 11,000 square meters has also been bought.

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**KappAhl** is a leading fashion chain with around 4,000 employees and nearly 300 stores in Sweden, Norway, Finland and Poland. KappAhl sells value-for-money fashion for many people – men, women and children – but focuses particularly on women from 30 to 50. All clothes are designed by in-house designers. In 1999, KappAhl was the first fashion chain in the world to be environmentally certified in line with international standards. The head office and distribution centre are located in Mölndal, on the outskirts of Göteborg. In the 12-month period that ended on 31 August 2007, KappAhl’s net sales were SEK 4.5 billion and the operating profit was SEK 618 million. KappAhl is listed on the OMX Nordic Exchange Stockholm. Further information about the company is available at: [www.kappahl.com](http://www.kappahl.com) and financial information is available at: [www.kappahl.com/ir](http://www.kappahl.com/ir).

*KappAhl Holding AB (publ) discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 07.30 on 29 May 2008.*