

KappAhl



PRESS RELEASE

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KappAhl expands into Austria

The KappAhl fashion chain has just recently decided to establish operations in Austria. It will be opening its first store in the autumn of 2012 and a further five or six new KappAhl stores during the course of its first year of business.

Hans Jepson, KappAhl's Vice President Expansion, sums up the company's first store location in Austria with great satisfaction, "This is the best location I've seen for many years".

Work on KappAhl's expansion project is progressing according to plan. The fashion chain will be establishing its operations in Austria in the autumn of 2012, which will take the company into its sixth sales market. Current plans are to open five or six stores during the first year of business in Austria and the company has seen the potential to open around fifty stores across the country.

"Our first store will be situated in the well-known IKEA Haid Center in Linz, a shopping centre that covers one of Austria's largest catchment areas," says Hans Jepson. "We'll have the best location in the shopping centre, which has a distinct focus in families and the 30 to 50 age group, and it's the perfect place to reach our target group."

The lessor of the premises in Linz is Inter IKEA and one of the company's neighbours will be H&M. KappAhl will have the best location in the centre and the plans are that the store will cover more than 800 square metres on one floor. The store will be offering shoppers the entire KappAhl range of inspiring and highly-affordable fashion items for women, men and children.

Hans Jepson remarks, "Austria is strategically perfect for our expansion plans in Europe. It brings us close to our operations in the Czech Republic and is just 100 kilometres to the nearest store. Austria also borders onto several potential future markets so this way we are building bridges in our operations that will ensure the quality of our plans for future expansions".

More new KappAhl stores opening soon

"KappAhl is growing and we can see tremendous potential for future expansion in existing and new markets. We have a strong brand and are constantly developing our operations. KappAhl will become one of the leading fashion chains in Europe," says Christian W. Jansson, CEO of KappAhl.

KappAhl currently has 367 stores and a stated target of opening 20 to 25 new stores each business year. Since the start of the financial year, on 1st September 2010, 22 stores have opened within the Group. There are decisions at present to open a further 47 stores in Sweden, Norway, Finland, Poland, the Czech Republic and Austria.

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***Austria** has a population of 8 million people and an area that is five times smaller than Sweden. The country is an attractive market, similar to Sweden in many ways, and has Europe's third largest purchasing power. Linz is the third largest city in Austria with a population of about 180,000 and 1.7 million in the city's catchment area.*

***KappAhl** is a leading fashion chain with 367 stores and 4,800 employees in Sweden, Norway, Finland, Poland and the Czech Republic. KappAhl sells affordable fashion to a wide range of consumers – women, men and children – with a particular focus on women in the 30 to 50 age group with families. All KappAhl garments are designed by our own fashion team. In 1999, KappAhl was the first fashion chain in the world to receive environmental management standard certification. KappAhl's sales for the 2009/2010 financial year totalled SEK 5.1 billion and its operating income amounted to SEK 551 million. KappAhl is quoted on Nasdaq OMX Stockholm. For further information, please visit www.kappahl.com.*