

KappAhl: AGM Statement

2006-12-21

- Cash dividend of SEK 2.50 (2.25) per share
- Re-election of five board members (previously six members)
- Instructions for nomination committee
- Management remuneration policy

KappAhl Holding AB (publ) held its AGM at 2 p.m. on 21 December 2006 in Mölndal.

After the income statement, balance sheet, consolidated income statement and consolidated balance sheets had been established the AGM decided, in accordance with the board's and the CEO's proposal, to pay out a dividend of SEK 2.50 (2.25) per share for the financial year. The record day was set for Thursday 28 December 2006 and the dividend is expected to be paid by VPC (the Swedish Securities Register Centre) on Wednesday 3 January 2007.

The AGM discharged board members and the CEO from liability for the financial year.

Five ordinary board members (previously six ordinary board members) were re-elected according to the nomination committee's proposal. Finn Johnsson was elected as the Chairman of the Board. The elected board members are: Finn Johnsson, Amelia Adamo, Paul Frankenius, Jan Samuelson and Pernilla Ström. The union representatives on the board are: Bodil Nilsson and Rose-Marie Zell-Lindström with deputies Melinda Hedström and Eva Larsson.

The AGM decided that remuneration to the board should be SEK 1,290,000 (previously SEK 1,400,000) according to the nomination committee's proposal. Remuneration is divided as follows: Chairman of the Board will receive SEK 450,000 and other elected members will receive SEK 150,000 per person (total of SEK 600,000). SEK 125,000 will be paid to the Chairman of the audit committee and SEK 75,000 to other members of the audit committee. SEK 30,000 will be paid to the Chairman of the remuneration committee and SEK 10,000 to other members of the remuneration committee.

The AGM also adopted the nomination committee's proposal for revised instructions and routines for the nomination committee. The latter will consist of three members, representing the three largest owners on the month prior to the company's third quarterly report. The Chairman of the Board will contact the three largest shareholders and personally be co-opted to the committee.

Furthermore the AGM adopted the board's proposal for a remuneration policy for the management group. The policy means that bonuses will be paid not exceeding 50 per cent of the fixed salary and that severance pay will not be paid in addition to salaries during the period of notice. The remuneration policy is identical to that adopted by last year's AGM.

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Finally, the AGM authorised the board to decide on the adoption of conventional credit facility loans from credit institutions, before the next AGM, and utilise credit facilities already taken out, in which loan interest or the amount at which repayment should be paid in full, or in part, is dependent on the dividend to shareholders, price trends of the company's shares, the company's profits or the company's financial position. This authorisation is due to legal formalities in Sweden and is identical to the decision adopted by last year's AGM.

All AGM decisions were made with the requisite majority.

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KappAhl is a leading Nordic fashion chain with about 270 stores in Sweden, Norway, Finland and Poland. We design, market and sell clothes for the entire family, but our primary target group is women aged 30 to 50 who buy for the entire family. KappAhl's head office and distribution centre, which handles transport to all stores, are located in Mölndal, on the outskirts of Göteborg, Sweden. KappAhl employs around 3,700 people and more than 90 per cent are women. During the 2005/2006 financial year, KappAhl reported sales of SEK 4.2 billion, with an operating profit of SEK 530 million. KappAhl is listed on the Stockholm Stock Exchange. Further information about the company is available on www.kappahl.com and financial information is available on www.kappahl.com/ir.