

28 November 2012



KAPPAHL BULLETIN FROM AGM 2012

KappAhl AB (publ) held its Annual General Meeting on Wednesday 28 November 2012 in Mölndal. The following resolutions were passed at the Meeting:

- *No dividend*
- *Re-election of four board members and new election of Anders Bülow as Chairman of the Board of Directors*
- *Instructions for the Nominations Committee*
- *Remuneration policy for company management*
- *Approval of the Board of director's resolution on a rights issue of SEK 383 million*
- *Determination of a so-called reverse split of shares after the rights issue so that six shares are consolidated into one share*

A summary is given below of the resolutions passed, which are all in line with the main resolution proposals presented in the notice to attend the meeting and the complete proposals made available to the shareholders before the Annual General Meeting.

Resolution on adoption of the accounts and discharge from liability

The income statement and balance sheet and consolidated income statement and balance sheet were adopted and the meeting discharged the Board of Directors and Chief Executive Officer from liability for the financial year.

Resolution regarding dividend

The Annual General Meeting resolved on that no dividend is to be distributed for 2011/2012, and that the profits of SEK 1,635,699,139 be carried forward.

Determination of fees to the Board of Directors and the Auditor

The meeting resolved that the fee to the Board of Directors and its committees shall be SEK 1,360,000 (unchanged since previous year). The resolution means that the Chairman of the Board is awarded SEK 360,000, that each other elected member of the Board is awarded SEK 180,000, that the chairman of the Audit Committee is awarded SEK 145,000 that the other members of the Audit

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Committee are awarded SEK 95,000, that the chairman of the Remuneration Committee is awarded SEK 30,000 and that the other members of the Remuneration Committee are awarded SEK 10,000. It was resolved that the fee to the accounting firm shall be unchanged in accordance with customary standards and approved invoice.

Re-election and election of the Board of Directors

Four ordinary members of the Board were re-elected in accordance with the recommendation of the Nominations Committee. The Annual General Meeting elected Anders Bülow as ordinary member of the Board and as Chairman of the Board, acceding on December 1, 2012. Consequently, the members of the Board of Directors elected by the Annual General Meeting are Amelia Adamo, Anders Bülow, Paul Frankenius, Christian W. Jansson and Sonat Burman-Olsson. Jan Samuelson declined re-election.

Election of accounting firm

Ernst & Young AB was elected as accounting firm and it was resolved that engagement will run until the next Annual General Meeting.

Instructions for the Nominations Committee

The Nominations Committee's proposed instructions and rules of procedure for the Nominations Committee were adopted. The Nominations Committee shall consist of four ordinary members, who shall be appointed by the four largest shareholders as of April 30. The term largest shareholders refers to shareholders registered with Euroclear Sweden AB and grouped by ownership as of April 30.

Remuneration policy for company management

The meeting adopted the Board's proposed remuneration policy for the management team. The policy implies that a bonus of a maximum of 50 per cent of fixed salary can be payable. The remuneration policy is substantially the same as that adopted by the previous Annual General Meeting.

Determination of amendment of the Articles of Association and to issue new shares with preferential rights for current shareholders

To enable the rights issue, the Annual General Meeting resolved that the limits for the share capital in the Articles of Association shall be amended. Article 4 of the Articles of Association is hereby worded as follows:

”The share capital shall amount to no less than SEK thirty two million (32,000,000) and no more than SEK one hundred twenty eight million (128,000,000). The number of shares shall be no less than two hundred twenty five million (225,000,000) and no more than nine hundred million (900,000,000).”

The Meeting determined to increase the Company's share capital by a new issue of shares with preferential rights for the shareholders, on the following principal terms.

The Board of Directors resolved on November 26, 2012, that a shareholder has a right to subscribe for one new share for every existing share, at a subscription price of SEK 1,70. Right to subscribe for new shares shall be preferential for shareholders who are registered as shareholders on the record date, December 3, 2012, for the rights issue and thus have been assigned subscription rights in relation to their shareholdings on the record date or, if subscription rights are thereafter transferred, the

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acquirer of the subscription rights regardless of whether the acquirer was a shareholder on the record date or not. In the event that not all the shares in the rights issue are subscribed for with subscription rights, allotment of the remaining shares, within the maximum amount of the rights issue, shall be made to the person who has subscribed for shares with subscription rights and who has notified its interest to subscribe for shares without subscription rights. In the event that the allotment to such person can not be made in full, allotment shall be made in proportion to the number of subscription rights that each of those who notified an interest to subscribe for shares without subscription rights has exercised for subscription of shares, and to the extent that this is not possible, by the drawing of lots. In the event that not all of the shares can be allotted according to the above, allotment of the remaining shares shall be made to those guarantors that the Company has entered into guarantee agreements with, and in accordance with the terms and conditions of each guarantor's guarantee agreement.

Subscription of new shares with subscription rights shall be made through cash payment during the period from December 6, 2012 up to and including December 20, 2012. Subscription for new shares without subscription rights shall be made during the same time. Such subscription shall be made on a separate subscription list. Payment for shares that have been subscribed for without subscription rights shall be made in cash no later than the third banking day after the sales note has been sent, on which the allotted shares are set out. The Board of Directors has the right to extend the period of subscription. Subscription – as far as regards possible subscription by the guarantors according to the above – shall be done on a separate subscription list no later than the fifth banking day after the above stated time. Payment for such shares that are subscribed for and allotted shall be made in cash no later than on the fifth banking day after the sales note has been sent, on which the allotted shares are set out. However, the Board of Directors has the right to extend the period of such payment.

The new shares shall entail a right to profit distribution for the first time on the record date for dividend distribution that occurs closest after the rights issue has been registered with the Swedish Companies Registration Office and the shares have been recorded in the share register at Euroclear Sweden AB.

Determination of amendment of the Articles of Association and a reversed share split

To enable a reversed share split, the Annual General Meeting resolved that the limits for the share capital in the Articles of Association shall be amended. Article 4 of the Articles of Association is hereby worded as follows:

“The share capital shall amount to no less than SEK thirty two million (32,000,000) and no more than SEK one hundred twenty eight million (128,000,000). The number of shares shall be no less than thirty seven million five hundred thousand (37,500,000) and no more than one hundred fifty million (150,000,000).”

The Meeting resolved on a reverse split of shares, meaning that six shares are consolidated into one share. The consolidation is intended to increase the transparency of the price of the shares while it results in one, for the Company, more appropriate number of shares.

For shareholders, whose shares on the record date do not correspond to a full number of new shares (after the consolidation), the excess shares will be transferred to the Company's ownership at the

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record date. The excess shares will hereafter be sold, at the Company's expense, by a securities institution appointed by the Company. The aggregated proceeds of the sale will be distributed among the shareholders who owned the excess shares at the record date, in relation to their share in the shares sold.

The Meeting authorized the Board of Directors to resolve on the record date of the consolidation, which shall not be earlier than the date on which the decision on consolidation has been registered. Further information on the procedures for the consolidation will be published in connection with the Board of Directors resolving on the record date.

The Chief Executive Officer was authorized to make minor changes in the resolutions of the rights issue and consolidations of shares as may be required in connection with the registration of the decision with the Companies Registration Office and Euroclear Sweden AB.

All the resolutions of the Annual General Meeting were passed with the requisite majority.

The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

For further information, please contact:

Johan Åberg, President and CEO, phone +46 706 09 99 73, johan.berg@kappahl.com

Håkan Westin, Chief Financial Officer, phone +46 704 71 56 64, hakan.westin@kappahl.com

For other information, please contact:

Annette Björklund, Head Public Relations, phone +46 704 71 55 42, annette.bjorklund@kappahl.com

KappAhl was founded 1953 and is a leading Nordic fashion chain with close to 400 stores and 4 500 co-workers in Sweden, Norway, Finland, Poland and the Czech Republic. KappAhl designs, markets and sells value-for-money fashion and focus in particular on women 30-50 years of age. In 1999, KappAhl was the first fashion chain to receive environmental management standard certification. During the financial year 2011/2012, KappAhl had sales of SEK 4,6 billion. KappAhl shares are listed on the NASDAQ OMX Stockholm. Further information is available at www.kappahl.com.

KappAhl AB (publ) discloses the information provided here pursuant to the Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication on 28 November 2012 at 8.15 p.m.