



For the attention of: Torsten Ortengren
The Stockholmsbörsen Stock Exchange
SE-10578
Stockholm
Sweden

25 January 2007

The Company Secretary
KappAhl Holding AB
Idrottsvägen 14
431 74 Molndal
Sweden

Dear Sirs,

Pursuant to the Näringslivets Börskommitté (NBK) rules, JPMorgan Chase & Co. on behalf of itself and its subsidiaries hereby notifies you that it no longer has a beneficial interest in the share capital of KappAhl Holding AD as detailed in the schedule attached.

Yours faithfully

A handwritten signature in black ink, appearing to read "T. Young", written over a horizontal line.

Tracey Young
EMRA Compliance Department

SCHEDULE

KappAhl Holding AB – Ordinary Shares

The holding is a result of the subsidiary J.P. Morgan Investment Management Inc. acting in its capacity as a discretionary investment manager for underlying funds, selling ordinary shares of the company on 24 January 2007. Following the sale(s), the total number of shares held by JPMorgan Chase & Co. decreased to: 3,694,534 being 4.92% of the issued share capital of the company. The threshold crossed by the sale was 5%.

<u>Registered Holder</u>	<u>Number of shares (without voting rights included)</u>	<u>Type of Instrument</u>	<u>% Holding without voting rights included</u>
J.P. Morgan Securities Ltd.	25,344	Ordinary shares	0.03%
J.P. Morgan Investment Management Inc.	180,000	Ordinary shares	0.24%
JPMorgan Asset Management (UK) Limited	3,489,190	Ordinary shares	4.65 %
TOTAL SHARES	3,694,534	TOTAL % HELD	4.92%