

KappAhl



PRESS RELEASE

November 8, 2011, 13.30 CET

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KAPPAHL'S EXTRAORDINARY SHAREHOLDERS' MEETING APPROVED THE RIGHTS ISSUE

KappAhl AB (publ) held its Extraordinary Shareholders' Meeting on Tuesday 8 November 2011 in Mölndal. The following resolutions were passed at the Meeting:

- Resolution on amendment of the Articles of Association's limit of the share capital and shares (article 6).
- Resolution on approval of the Board of Directors' resolution to issue new shares of approximately 600 MSEK with preferential rights for current shareholders to subscribe for two (2) new shares for every existing share. The subscription price is SEK 4.00 per share.
- Resolution on amendment of the Articles of Association', provision on procedure for convening meeting (article 4).

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 Extraordinary Shareholders' Meeting.

The Extraordinary Shareholders' Meeting today approved the Board of Directors' resolution of October 10, 2011 on a rights issue in KappAhl with preferential rights for existing shareholders. According to the terms of the rights issue, which were set by the Board of Directors on November 2, 2011, each shareholder has a preferential right to subscribe for two new shares for every existing share. The subscription price is SEK 4 per share and the total proceeds from the rights issue will be approximately SEK 600 million. If 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, for 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 Dutot Ltd. and Mellby Gård AB in their capacity as guarantors and in accordance with the terms of the guarantor's guarantee respectively.

As a result of the rights issue KappAhl's share capital will increase by not more than SEK 21,400,000 and the maximum number of new shares is 150,080,000.

The record day at Euroclear Sweden AB for participation in the rights issue is November 11, 2011. To participate in the rights issue shares shall be owned at least three days before the record day, which will be on November 8, 2011. The last day of trading in KappAhl shares, including the right to participate in the rights issue, is November 25, 2011. The prospectus is expected to be distributed on or about November 15, 2011. Subscription shall take place during the subscription period of November 16 – November 30, 2011 or such later date as resolved by the Board of Directors.

To enable the rights issue with preferential rights for current shareholders the Meeting resolved that the limits for the share capital in the Articles of Association shall be amended as follows. The limits of the share capital in the Articles of Association shall be changed from the current minimum of SEK 5,000,000 and a maximum of SEK 20,000,000 to a minimum of SEK 10,000,000 and a maximum of SEK 40,000,000.

Article 4 of the Articles of Association shall thereby be worded as follows:

"The share capital shall amount to no less than SEK ten million (10,000,000) and no more than SEK forty million (40,000,000). The number of shares shall be no less than seventy million (70,000,000) and no more than two hundred eighty million (280,000,000)."

The Chief Executive Officer, or the person who the Chief Executive Officer appoints, was authorized to make minor changes in the resolution regarding the rights issue as may be required in connection with the registration of the decision with the Companies Registration Office and Euroclear Sweden AB.

With the purpose of adapting the provisions of the Articles of Association regarding notice to attend shareholders' meeting to the changed provisions of the Swedish Companies Act, the meeting approved the Board of Directors proposal that the Articles of Association shall be amended so that the full notice to attend shareholders' meetings is published only in the official announcement organ Post och Inrikestidningar and at the Company's website, while an advertisement that notice to attend a shareholders' meeting has been announced is published in the newspapers Göteborgs-Posten and Svenska Dagbladet. At the same time, the provisions regarding deadlines for notice to attend shareholders' meetings set out in the Articles of Association shall be discarded since the regulations are provided in the Swedish Companies Act.

Article 6 of the Articles of Association shall thereby be worded as follows:

"Notice to attend a shareholders' meeting shall be published in Post och Inrikestidningar and at the Company's website. The fact that notice to attend a shareholders' meeting has been announced shall be published in Göteborgs-Posten and Svenska Dagbladet. "

Financial and legal advisors

Nordea and Swedbank Corporate Finance are financial advisers to KappAhl. Setterwalls Advokatbyrå is acting as legal advisor to KappAhl.

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KappAhl is a leading Nordic fashion chain with more than 370 stores and close to 4 900 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. During the financial year 2010/2011, KappAhl had sales of close to SEK 5 billion, with an operating profit of SEK 222 million. KappAhl shares are listed on the NASDAQ OMX Stockholm. In 1999, KappAhl was the first fashion chain to receive environmental management standard certification. 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 8 November 2011 at 13.30 CET.

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Neither of the subscription rights, the BTAs (interim shares) or the new shares will be registered in accordance with the Securities Act or any provincial act in Canada and may not be transferred or offered for sale in the United States or Canada or to persons resident there or on account of such persons other than in such exceptional cases that do not require registration in accordance with the Securities Act or any provincial act in Canada.