

Press release
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Accent and Nordic Capital acquire KappAhl

KF (the Swedish Cooperative Union) is selling the KappAhl fashion chain to Accent Equity Partners and Nordic Capital. The purchase price amounts to SEK 1.95 billion on a debt-free basis.

KappAhl is one of Sweden's leading fashion chains with over 240 stores in Sweden, Norway, Finland and Poland and around 3,300 employees. Since the start in 1953, the company's mission has been to offer value-priced fashion with wide appeal, the prime target group being women aged 30–50 years with husbands and children.

In recent years KappAhl has turned its earnings performance around by concentrating its operations and its product range, focusing on its prime target group and cutting costs. In 2003, KappAhl reported net sales of SEK 3.8 billion and an operating profit of SEK 120 million.

“With the sale of KappAhl, KF is realizing the strategy established in 2001 for transforming KF from a weak and indebted organization to a strong and debt-free one whose main function is to support development and renewal in the Swedish consumer-cooperative retail trade for fast-moving consumer goods,” says Börje Fors, President and CEO of KF.

“KappAhl's new management team has accomplished an impressive transformation of the company over the past few years,” says Jan Ohlsson, CEO at Accent Equity Partners. “The full potential of their work has not yet been realized. We look forward to contributing to KappAhl's further development together with Nordic Capital and the company's management.”

“This is good for KappAhl and for our customers. Now we will have the strength and opportunity to grow on our own accord,” says Christian W. Jansson, President and CEO of KappAhl.

The members of the Swedish consumer cooperative movement comprise an important portion of KappAhl's customers. It will still be possible to use the Coop MedMera membership card in KappAhl's stores.

The deal is predicated on approval by the competition authorities in the concerned countries (Sweden, Norway, Finland and Poland).