

Press release August 7, 2006

Notification of Annual General Meeting

The shareholders of Hemtex AB are hereby notified of the Annual General Meeting to be held on Tuesday, September 5, 2006, at 4:30 p.m. at Pulsen Konferens, Borås.

Registration

Shareholders who intend to participate in the Annual General Meeting must be listed in VPC AB's shareholder register by Wednesday, August 30, 2006 and notify the company not later than 4:00 p.m. on Thursday, August 31, 2006 at the following address: Hemtex AB, Årsstämma, P. O. Box 495, SE-503 13 Borås or by telefax at +46 (0)33 - 20 69 91 or e-mail at ir@hemtex.se. The registration must include name, national identity number/corporate registration number, shareholdings, address, daytime telephone number, information on possible deputies and, where applicable, information on representatives or substitutes. With respect to legal entities, for example, registration should also include complete authorization papers such as registration certificates or similar identification documents. The registration certificates must not be more than one year old.

Trustee-registered shares

Shareholders who have trustee-registered shares must temporarily re-register the shares in their own names to be entitled to participate in the Annual General Meeting. Shareholders requiring such re-registration must notify their trustees in ample time prior to Wednesday, August 30, 2006, when such re-registration must be executed.

Representatives, etc.

Shareholders that are represented by proxy must submit a dated power of attorney. If the authorization is issued by a legal entity, a signed copy of the registration certificate or similar certificate for the legal entity must be enclosed. The authorization document and registration certificate must not be more than one year old. Prior to the Annual General Meeting, the original of the authorization document and possible registration certificate should be sent, in ample time, by mail to the company at the above stated address.

Proposed agenda

1. Opening of the meeting
2. Election of chairman for the meeting
3. Election of minutes checker
4. Preparation and approval of voting list
5. Approval of the agenda
6. Determination that the Meeting has been duly convened

7. Presentation of the Annual Report and the Consolidated Accounts of operations for 2005/2006 and, in conjunction with this, the President's address and the report from the Chairman of the Board.
8. Adoption of the Income Statement and Balance Sheet and the Consolidated Income Statement and Consolidated Balance Sheet.
9. Resolution on the disposition of the company's profits in accordance with the adopted balance sheet.
10. The discharge of the Board of Directors and the President from personal liability.
11. Determination of the number of members of the Board of Directors and deputies to be elected by the Meeting.
12. Determination of the remuneration to be paid to the Board of Directors
13. Election of the Board of Directors and possible deputies
14. Determination of the principles for the nomination committee
15. Resolution on the guidelines for remuneration to senior executives
16. Resolution regarding amendment of the Articles of Association
17. Approval of acquisition of Hemtex stores from Board Member
18. Close

Resolution on the disposition of the company's profits (Item 9)

The Board proposes that profit for the year, in the amount of SEK 120,707,000, and the profit brought forward of SEK 52,000,000, in total SEK 172,707,000, be utilized so that SEK 2.35 per share, in total SEK 65,840,890, be distributed to shareholders and that the remaining amount be carried forward to a new account. The Board proposes that the record date for the dividend be Friday, September 8, 2006. If the Annual General Meeting votes in accordance with the proposal, dividends are estimated to be paid out through VPC AB's on Wednesday September 13, 2006.

Election of Chairman (Item 2), determination of the number of Board members and deputies (Item 11), determination of the remuneration to be paid to the Board of Directors (Item 12), and election of the Board of Directors and possible deputies (Item 13)

The nomination committee proposes that the General Meeting makes the following resolutions:

- That the Chairman of the Board of Directors, Leif Larsson, be elected as Chairman at the Annual Meeting (Item 2).
- That the number of Board members be seven, without deputies (Item 11)
- That Director's fees totaling SEK 1,000,000 be paid for the period up to the next Annual General Meeting. The Chairman will receive SEK 280,000 and each other Board member will receive SEK 120,000 (Item 12).

- Reelection of the following Board members (Item 13):
Leif Larsson, Chairman
Ingemar Charleson
Bodil Eriksson
Lars Nilsson
Louise Nilsson
Helena Skåntorp

And election of:

Hans Andersson

Hans Andersson is Chairman of GEKÅS, Ullared AB and in Fashion One Luxembourg SARL, and Board member of German-Swedish Chamber of Commerce. Hans Andersson has been active within Hennes & Mauritz for a considerable time, and was responsible for the company's operations in Germany during 1994 – 2005.

Shareholders are reminded that the Annual General Meeting in 2004 elected registered firm of auditors KPMG as the company's auditor, with Jan Malm as the principal auditor, and, resolved that the auditors would receive fees on current account for the period up to the end of the Annual General Meeting in 2008.

Determination of the principles for the nomination committee (Item 14)

The nomination committee proposes that the General Meeting determine the current principles for the nomination committee, subject to an amendment that if there are several shareholder syndicates only one syndicate shall be entitled to elect a representative to the nomination committee.

Resolution on guidelines for remuneration to senior executives (Item 15)

The Board proposes that the Annual General Meeting determines the following principles for remuneration and other terms of employment for senior executives. Remuneration for the Chief Executive Officer and other senior executives shall consist of basic salary, possible variable remuneration, other benefits and pension. Other senior executives are defined as members of the Group's Board of Directors. The remuneration shall be market based and competitive in the appropriate labor market for the executive concerned. Basic salary and variable remuneration shall be related to the executive's responsibilities and authority. The variable remuneration for the Chief Executive Officer, and the other senior executives, shall be maximized and relate to the basic salary. The variable remuneration shall be based on the outcome in relation to established targets and, as far as possible, be connected to the value growth trend for Hemtex shares, in order to benefit shareholders. At normal termination of employment, the period of notice should be two years for the Chief Executive Officer and one year for other senior executives, if the termination is initiated by the employer. If termination is initiated by the employee, the period of notice is six months. Pension benefits shall be based on either the defined-benefit or defined-contribution plan, or a combination of both. At resignation prior to retirement age, the executive shall receive a paid-up policy. Issues relating to remuneration to the CEO shall be determined by the Board.

Resolution regarding amendment to the Articles of Association (Item 16)

The Board proposes that the Articles of Association be amended in order to adapt the Articles of Association to the new Swedish Companies Act that came into effect on January 1, 2006. The proposal primarily signifies that the provisions on the nominal amount for shares be replaced by a provision on the lowest and the highest number of shares in the company, that notification of the Annual General Meeting shall occur through advertising in Dagens Nyheter, in addition to the Swedish Official Gazette, that the record-day provision be adjusted in accordance with the notification in Chapter 1, Section 10 of the Swedish Companies Act, and that certain other editorial changes may occur. The proposal also signifies that parts of certain provisions will be deleted since these conditions are already in accordance with the Swedish Companies Act.

Approval of acquisition of Hemtex stores from Board member (Item 17)

On July 15, 2006, Hemtex signed an agreement with Lars Nilsson regarding the acquisition of two Hemtex stores within the framework of the Hemtex franchise system. Since Lars Nilsson is a Board member of Hemtex AB, and as a consequence of the listing agreement with the Stockholm Stock Exchange, the Board's decision to acquire these stores must be approved by the General Meeting. The Board proposes that the General Meeting approve the Board's decision.

Majority requirement

Resolutions relating to Item 16 require the support of shareholders with more than two thirds of both the votes cast and the shares represented at the General Meeting.

Documents

The Company's Annual Report and Auditors' Report regarding the 2005/2006 fiscal year, as well as documents relating to Items 14, 16 and 17, will be made available on the company's website from August 22, 2006, and also at the company's above-mentioned address. Documents will also be sent, free of charge, to shareholders who provide their postal addresses. The documents will also be available at the Annual General Meeting.

Borås, August 2006

Hemtex AB

Board of Directors

For further information, please contact:

Anders Jansson, President and CEO: +46 (0)705-50 42 87

Tommy Svensson, Chief Financial Officer: +46 (0)702-10 80 69.

Visit the Hemtex website at: www.hemtex.com

Hemtex is the leading home textile retail chain in the Nordic region, with a total of 155 stores, of which 123 in Sweden, 23 in Finland, eight in Denmark and one in Norway. Currently, 106 of the stores are owned by the Hemtex Group and 49 by franchise companies. All stores outside Sweden are owned by the Hemtex Group. Under a common brand, the stores sell home decorating products, with an emphasis on home textiles. Sales in the consumer operations (including franchise stores) amount to SEK 1.4 billion annually, excluding VAT. During the period May 2005 – April 2006, the Hemtex Group's sales amounted to SEK 1,2 billion.