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**NetOnNet increases the expansion speed of new Warehouse shops**

Now the building plan for the Warehouse Shop of 4 800 m<sup>2</sup> in the Sege-area in Malmö is ready and the opening will take place at turn of the month October/November.

In addition, negotiations concerning expansion of a Warehouse Shop in the Stockholm-area are under progress. Previously a contract of 4 000 m<sup>2</sup> at the Backa-area in Göteborg has been signed where opening time will be decided after the planning permission process is finished by October. NetOnNet plans to open the new Warehouse shops in Stockholm and Göteborg during the period of November 2006 to March 2007.

The expansions are in line with NetOnNet's strategy to integrate Internet with large scale Warehouse Shops, which creates the possibility for low prices and good service.

Today NetOnNet has two Warehouse Shops in Sweden located in Borås and Ullared of approximately 2 400 m<sup>2</sup> each and with an average annual turnover of SEK 160 million per unit.

"Finally we can start the roll-out of NetOnNet's unique distribution model that both we and the market have been waiting for", says Anders Halvarsson. NetOnNet's distribution model is a store concept that is significantly different from the traditional retail stores model. The differences enable lower costs in combination with higher turnover per unit and with maintained high level of customer service. "We are convinced that our store concept, which has 2-4 times higher turnover than the industry average, is the store concept for the future when customers in a larger extent requests larger assortments to low prices", Anders Halvarsson concludes.

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