

RNB RETAIL AND BRANDS

RNB divests operations at NK Stockholm and NK Gothenburg

- RNB RETAIL AND BRANDS has entered into an agreement with Åhléns AB to divest RNB's stores at NK Stockholm and NK Gothenburg
- The purchase consideration is SEK 440 M on a debt-free basis
- An Extraordinary General Meeting to approve the divestment is scheduled to be held on April 15, 2009

RNB RETAIL AND BRANDS AB ("RNB") has implemented a strategic review of the Group's structure and decided to divest the operations at NK Stockholm and NK Gothenburg. Following a structured sales process, RNB has entered into an agreement with Åhléns AB to divest the Group's stores at NK Stockholm and NK Gothenburg.

The divestment provides RNB with the possibility to focus time and resources on the remaining core operations – Polarn O. Pyret, JC and Brothers & Sisters – while considerably strengthening the company's financial position. The transaction is being carried out formally through the transfer of shares in RNB's wholly owned subsidiary Departments & Stores Europe AB.

"Considering the prevailing economic climate, I'm delighted to be able to present this agreement with Åhléns AB. The transaction facilitates an increased focus on the remaining operations and particularly the ongoing restructuring of JC, while also strengthening the company's financial position," says Mikael Solberg, President of RNB.

The divestment is conditional upon approval of the Swedish Competition Authority (Sw. *Konkurrensverket*) and that an Extraordinary General Meeting in RNB approves the divestment.

The purchase consideration amounts to SEK 440 M on a debt-free basis and is to be paid in cash.

RNB's operations in NK Stockholm and NK Gothenburg comprise distribution of well-known national and international fashion, clothing, accessories, jewelry and cosmetics brands. Operations in Stockholm cover about 7,000 square meters of floor space distributed among 32 stores and operations in Gothenburg approximately 5,000 square meters of floor space and 20 stores. During the first six months of the 2008/2009 fiscal year, the operations posted sales of SEK 462.3 M and operating profit of SEK 9.5 M. The comparable figures for the 2007/2008 fiscal year were SEK 899.8 M and SEK 48.6 M, respectively.

Net sales for RNB, excluding the operations at NK Stockholm and NK Gothenburg for the first six months of the 2008/009 fiscal year, amounted to SEK 1,235.7 M, resulting in an operating loss (excluding goodwill write down) of SEK 58.2 M for the same period. The divestment will reduce RNB's pro forma net debt at the end of February 2009 to approx. SEK 400 M. The transaction is expected to have a marginal positive net effect on earnings in 2008/2009.

Access Partners is financial advisor to RNB in the transaction.

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Åhléns AB currently conducts retailing operations in Sweden, Norway and Finland through the Åhléns department store chain, the Kicks cosmetic chain, the Lagerhaus homeware chain and the store concept myself & friends. The company is part of Axel Johnson AB, a family-owned company that currently holds 10.2% of the shares and votes in RNB.

With reference to today's announcement regarding the discontinuation of parts of the Department Stores business area and the previously announced second-quarter Interim Report, RNB will be holding a press and analysts' conference. The conference will be held on the company's premises at Regeringsgatan 29 today, March 25, at 10:00 a.m.

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RNB is organized on the basis of two business areas - Polarn O. Pyret and a distribution platform for national and international brands. Polarn O. Pyret is a brand focused on baby and children's wear. The distribution platform consists of two main areas, Department Stores and Store Concepts. Department store operations are conducted via stores in the NK, Steen & Ström, Illum and Kosta outlet department stores. The store concepts comprise JC, Brothers and Sisters.