

RNB RETAIL AND BRANDS

RNB to retain operations at NK

RNB RETAIL AND BRANDS has decided to retain and continue to operate its departments at NK in Stockholm and NK in Gothenburg.

The company communicated in March 2009 a declaration of intent to sell the NK operations in Stockholm and Gothenburg to Åhléns AB. Åhléns subsequently decided on December 1, 2009 to refrain from completing the acquisition because of the Swedish Competition Authority's time-consuming process to approve the transaction. RNB announced then that there were three possible scenarios that would be evaluated: parceling the NK operations and selling them in parts, selling the entire operation to another player or retaining the operation.

The rationale underlying RNB's decision to retain the NK operations is as follows. The company's situation has improved, as has the climate in the market and the financial community. The implementation of two new share issues during September 2009 – a private placement and a rights issue, totaling about SEK 305 million after issue expenses – has strengthened the company's financial position. In addition, the company has now received an offer of financing from Konsumentföreningen Stockholm, in the form of a loan commitment pertaining to a three-year loan of SEK 400 million, with other conditions that are commercially competitive. In total, this means that RNB will have a sustainably robust financial position that will enable it to focus time and resources on NK and on its other core operations – Polarn O. Pyret, JC and Brothers & Sisters.

"I am pleased that we have now reached an long-term financial agreement that enables RNB to retain its operations at NK in Stockholm and NK in Gothenburg. I firmly believe that this will enable us to create a stronger RNB," says Mikael Solberg.

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RNB RETAIL AND BRANDS AB owns, operates and develops fashion, clothing, accessories, jewellery and cosmetics stores that focus on providing excellent service and an extraordinary shopping experience. Sales are mainly conducted in Scandinavia through the three store concepts Brothers & Sisters, JC and Polarn O. Pyret, as well as through shops in the department stores NK in Stockholm and Gothenburg, Steen & Ström in Oslo and Illum in Copenhagen. RNB RETAIL AND BRANDS has operations in 11 countries. The RNB RETAIL AND BRANDS share has been listed on the Nasdaq OMX Nordic Exchange since 2001.