RNB RETAIL AND BRANDS

Interim report
September 1, 2012 – February 28, 2013

Second quarter, December 1, 2012 – February 28, 2013

- Net sales totaled SEK 702 M (754), down by 6.9 percent.
- Write-down of JC-trademark has been made with SEK 260 M.
- The operating result amounted to SEK -28 M (-25) excluding write-down of JC-trademark with SEK 260 M.
- The profit before tax amounted to SEK -41 M (-42), excluding write-down of JC-trademark with SEK 260 M.
- Profit after tax amounted to SEK -300 M (-20), corresponding to a profit per share of SEK -1.81 (-0.12). Profit after tax includes a write-down of JC-trademark with SEK 203 M.
- Cash flow from operating activities amounted to SEK 15 M (37).

Half-Year report, September 1, 2012 – February 28, 2013

- Net sales totaled SEK 1.370 M (1.508), down by 9.2 percent.
- Write-down of JC-trademark has been made with SEK 260 M.
- The operating profit amounted to SEK -29 M (-40), excluding write-down of JC-trademark with SEK 260 M.
- The profit before tax amounted to SEK -51 M (-60), excluding write-down of JC-trademark with SEK 260 M.
- Profit after tax amounted to SEK -311 M (-47), corresponding to a profit per share of SEK -1.88 (-0.28). Profit after tax includes a write-down of JC-trademark with SEK 203 M.
- Cash flow from operating activities amounted to SEK -41 M (21).

CEO’s comments

Sales and earnings for the quarter were unsatisfactory, due to a combination of external and internal factors. and the sales trend for our different concepts showed relatively large variations.

Total sales for the RNB Group in comparable stores declined but were nevertheless better than the market during the quarter (decline of 2% compared with a decline of 2.9% in the year-earlier period). Sales development within the RNB group is better than the market with Brothers showing particularly strong sales growth. Two of our concepts reported sales trends that were weaker than the market, while one concept reported trends that were in line with the market. The underlying market remained weak during the period. For the first time since 1995 the retail market showed negative growth. December is normally the most important month during the year due to the Christmas shopping period. Sports retail posted a strong sales growth of 24 percent during December and was the exception in an otherwise dull development. The fact that sports retailers are growing fast accentuate the picture of them being strong competitors to our business. The beginning of 2013 has been somewhat positive for the retail market as a whole but for the clothing market the weak market development continued.

The sales trend for Brothers clearly outperformed the market with an increase of more than five percent during the quarter. Excluding Sisters which is under closure the development in Brothers was even stronger with an increase in sales of more than 18 percent. We are seeing a future development that is brighter and we dare to believe that this quarter marks the start of a positive trend in terms of both sales and earnings development. DSE continues to develop in a favourable and stable way. Sales in DSE tracked the market for the quarter. Polarn O. Pyret and JC were both weaker than the market, in particular JC.

In terms of earnings, Brothers showed strength and delivered earnings in line with anticipations despite the large-scale changes of stores that generated a loss in operational efficiency. DSE earnings continues to develop in a stable way despite the extensive decrease in inventory which affected gross margins in a negative way. The repositioning of JC to JC Jeans Company and the “Jeans for All” communication had the desired positive impact on sales of jeans, while the remainder of the range, primarily female wear, did not sell as planned. Since autumn 2012, we have been focusing on a number of projects aimed at further strengthening the customer offering and communications within Polarn O. Pyret. The results are expected to gradually have a positive impact starting with the autumn and winter 2013 collection.

The second quarter of the fiscal year was characterized by intense work on analyses, conclusions, decisions and formalities related to the refinancing and development of the company’s financial platform to secure long-term, stable development. New rationalization measures were also implemented to improve costs and efficiency at the head office for JC and Brothers and hours worked in stores, as well as the discontinuation of Sisters and the discontinuation or divestment of Kosta. Work on the planned strategic review of JC has been initiated.

During the quarter, work continued on earlier communicated strategic initiatives, such as e-shopping, the cooperation with Medmera and product coordination. We opened the first Polarn O. Pyret store in the Netherlands on February 22, and the next store will be opened in April. We have a number of new P O. P stores under development in Nordby, Ingelsta and Kupolen. The Hermès store at NK has been undergoing remodeling and expansion and was re-opened, with an expanded retail area, on March 22.

Ongoing efficiency enhancements launched during the quarter

Work to streamline head office functions for JC and Brothers has been conducted at a high pace during the winter and a largely new organization has been in place since March 1. The implementation of the new organization will generate some positive cost effects for the current fiscal year. The discontinuation of Sisters is progressing as planned and is expected to be fully implemented by January 31, 2014. The discontinuation or divestment of Kosta Outlet Mode will be completed by September 30, 2013. As of March, hours worked in stores in all four concepts have been reduced further to match the weak market trend.

Financial structure

The change in the loan structure announced in the first quarter has now been implemented but will be replaced by a renegotiated loan, accompanied by a new share issue. The proceeds from the new share issue will be used to repay part of the existing loans, and will to a certain extent function as a liquidity buffer to enable continued development of the DSE operation, to realize the growth potential in Polarn O. Pyret and to continue the conversion work in Brothers and the streamlining measures currently in progress. Following implementation of the new financial structure, interest expense is estimated to be reduced from approximately SEK 65 M annually to slightly more than SEK 10 M. The sharply reduced interest expense, as well as the new financial structure, will provide RNB with the conditions that have long been needed for the company to complete, according to plan, the change and development work on the operations included in the Group.

Forecast

During 2013, we will continue to focus on increasing sales efficiency and developing the concept to generate new revenue. Work to streamline our business through the actions described above will also continue to be a focus for RNB.

We will continue to concentrate on the international expansion of PO.P where the opening of our first store in the Netherlands was the first step. Regarding the DSE business we will continue to develop this according to our plan. The expansion and remodeling of the Hermès store is completed and will be the most extensive project at NK during 2013. The emerging signs of improvement in the Brothers business are energizing the ongoing turn-around work. The strategic overview of JC will require definite choices during the second half of the year.

As we have already communicated, we expect to establish a stronger financial platform. Accordingly, I am confident that we will succeed in maintaining a high pace in the change process and in terms of RNB RETAIL AND BRANDS' development and profitability potential prior to the end of the current fiscal year and for the 2013/2014 fiscal year.

Magnus Håkansson

Operations

RNB Group
RNB RETAIL AND BRANDS owns, operates and develops fashion, clothing, accessories, jewellery and cosmetics stores that focus on providing excellent service and a world-class 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. RNB RETAIL AND BRANDS has operation in 11 countries. RNB has a total of 380 stores, of which 146 are operated by franchisees.

Group trend

	Q2		Half-year sep-feb		Full year	
	2012/13	2011/12	2012/13	2011/12	Last 12 month	2011/12
Net turnover, SEK M	702	754	1 370	1 508	2 653	2 791
Gross Margin, %	46,5	44,2	49,7	47,9	48,6	47,7
Operating income excl. write-down of trademark and goodwill, SEK M	-27,7	-25,1	-28,6	-40,0	-90,5	-101,9
Operating income, SEK M	-287	-25	-288	-40	-552	-303
Profit before tax, SEK M	-300	-42	-311	-60	-611	-360
Profit after tax, SEK M	-300	-20	-311	-47	-593	-329
Operating profit margin, %	-40,9	-3,3	-21,1	-2,7	-20,8	-10,9
Earnings per shere, SEK	-1,8	-0,1	-1,9	-0,3	-3,6	-2,0
Cash flow from operations, SEK M	15	37	-41	21	-67	-4
Number of stores	380	390				376

Revenues and earnings

Second quarter, December 1, 2012 – February 28, 2013

RNB´s net sales during the quarter totaled SEK 702 M (754), a decrease with 6.9 percent. In the second quarter of the previous year, sales from the closed down operations in Norway and Denmark were included by a total of SEK 43 M.

In the previous year's quarter 2 result, losses from the operations in Norway (JC) and Denmark (Dept Stores) were included with SEK 22 M.

The operating result in the second quarter has been negatively impacted by the 30 franchise stores taken over during quarter 3 and 4 previous year. Compared to the second quarter 2011/12, the effect is SEK -13 M.

The gross margin in the quarter was 46.5 percent (44.2).

Costs for the currently ongoing refinancing process of SEK 4 M have been included in the operating result for the quarter. There have been no direct costs incurred in the quarter in relation to the rationalization program initiated during the second quarter.
The operating result amounted to SEK -28 M (-25) excluding write-down of JC-trademark with SEK 260 M.

Provisions for bad debt amount to SEK 3 M (3).

The profit before tax amounted to SEK -41 M (-42), excluding write-down of JC-trademark with SEK 260 M. Unrealized results on currency futures affected the quarter with SEK 2 M (-5).

Profit after tax amounted to SEK -300 M (-20), which includes a write-down of JC-trademark with SEK 203 M.

Half-Year, September 1, 2012 – February 28, 2013

RNB´s net sales during the period totaled SEK 1.370 M (1.508), a decrease with 9.2 percent In the half-year of the previous year, sales from the now closed down operations in Norway and Denmark were included by a total of SEK 80 M. Sales in comparable proprietary stores declined by 4.2 percent during the period.

In the half-year of the previous year the result losses from the operations in Norway (JC) and Denmark (Dept Stores) were included with SEK -64 M.

The operating result in the first half-year has been negatively impacted by the 30 franchise stores taken over during the second half-year in the previous year. Compared to the first half-year 2011/12, the effect is SEK -20 M.

The gross margin in the quarter was 49.7 percent (47.9).

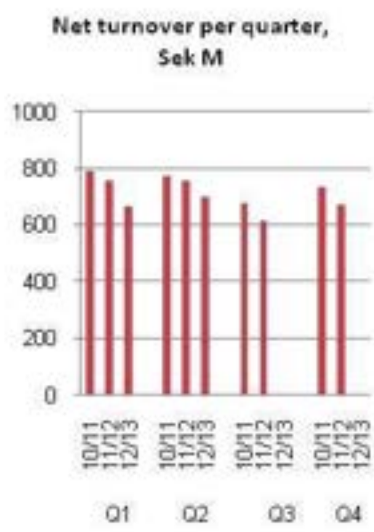
Costs for the currently ongoing refinancing process of SEK 4 M have been included in the operating result for the first half-year. There have been no direct costs incurred in the period in relation to the rationalization program initiated during the second quarter.

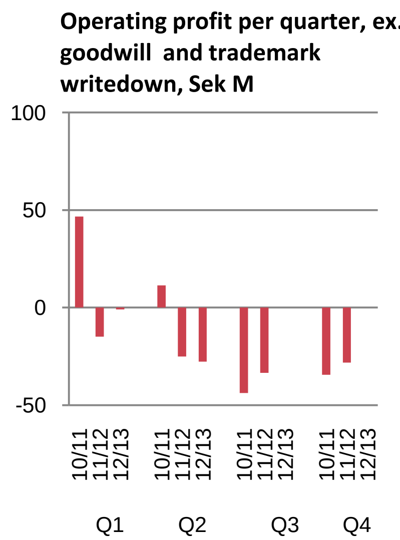
The operating profit amounted to SEK -29 M (-40), excluding write-down of JC-trademark with SEK 260 M.

Provisions for bad debt amount to SEK 5 M (4).

The profit before tax amounted to SEK -51 M (-60), excluding write-down of JC-trademark with SEK 260 M. Unrealized results on currency futures affected the quarter with SEK 5 M (1).

Profit after tax amounted to SEK -311 M (-47), which includes a write-down of JC-trademark with SEK 203 M.



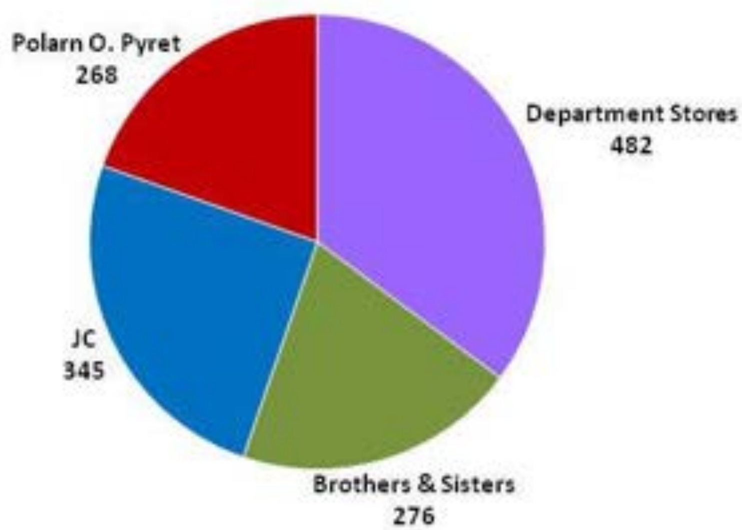


Business areas

RNB reports turnover and result for four business areas: Polarn O. Pyret, Department Stores, JC and Brothers & Sisters.

	Polarn O. Pyret		Department Stores		JC		Brothers & Sisters	
	Q2 12/13	Q2 11/12	Q2 12/13	Q2 11/12	Q2 12/13	Q2 11/12	Q2 12/13	Q2 11/12
Net turnover, Sek M	134	135	254	271	171	212	143	136
Operating profit, Sek M	5	11	17	16	-290	-30	-9	-15
Stores	135	121	46	47	114	136	85	86
Of wich franchise	78	71	-	-	38	58	30	40

Net sales September 2012 – February 2013, SEK M



Polarn O. Pyret business area

Second quarter, December 1, 2012 – February 28, 2013

Net sales in the quarter amounted to SEK 134 M (135), which includes a limited decrease in sales to franchise, offset by increased total sales in proprietary stores. Sales in comparable proprietary stores decreased by 4,5 percent.

Brand sales (total sales to consumers, excluding VAT, in all markets and distribution channels) amounted to SEK 708 M (697), measured over a rolling 12-month period.

The gross margin in the period showed a positive development compared to last year, primarily as a consequence of improved margins in December, but despite relatively aggressive price-reduction activities in January-February. The total gross profit increased during the quarter, as a consequence of the unchanged sales and improved gross margin percentage.

Fixed costs for proprietary stores increased compared to the second quarter last year, as a consequence of higher costs of staff and rent costs for new stores opening in Sweden.

Operating profit totaled SEK 5 M (11), corresponding to an operating margin of 3.6 percent (8.1).

The development of inventories has continued to be positive during the second quarter, with reduced levels as well as continued improvement in qualities – contributing to the improved gross margins.

The number of proprietary stores at the end of the period was 57 (50). In addition, there were 78 (71) franchise stores, including 9 (12) in Sweden and 69 (59) abroad.

Half-Year, September 1, 2012 – February 28, 2013

Net sales in the period amounted to SEK 268 M (293). The decrease is entirely due to reduced sales to franchise, while sales in proprietary stores had a marginal increase. Sales in comparable proprietary stores decreased by 6.5 percent.

The gross margin in the first half-year showed a positive development compared to last year, as a consequence of reduced levels of discounted sales, in combination with somewhat reduced costs of goods sold. The total gross profit decreased during the period, as a consequence of the decrease in sales, despite the improved gross margin percentage.
Fixed costs for proprietary stores increased during the period, as a consequence of new stores opening in Sweden. Other fixed costs remained unchanged.

Operating profit totaled SEK 16 M (33), corresponding to an operating margin of 5.8 percent (11.3).
The development of inventories has continued to be positive during the period, despite a somewhat weak sales situation, with reduced levels as well as continued improvement in qualities – contributing to the improved gross margins.

Polarn O. Pyret

Polarn O. Pyret is a brand focused on baby and children´s wear and comprises 135 stores, of wich 78 is franchise stores. Today, Polarn O. Pyret is located in 11 countries.

Department Stores business area

Second quarter, December 1, 2012 – February 28, 2013

Net sales in the Department Stores business area amounted to SEK 254 M (271), down 6.2 percent. In the corresponding quarter last year sales from the now discontinued Danish operation was included with SEK 9 M. Sales in comparable proprietary stores decreased 2.9 percent.

The gross margin in the period decreased compared to last year, primarily due to price-reduction activities in order to reduce inventory levels in this quarter.

Fixed costs in Sweden, for stores as well as central head office functions, remained unchanged compared to last year.

Operating profit totaled SEK 17 M (16). Eliminating the impact on results in the second quarter last year from the discontinued Danish operation of SEK 6 M, the operating profit fell by SEK 5 M.

Inventory levels in the Department Stores business area developed positively in the quarter, with a reduced total level as well as a continued positive development of the aging structure.

Half-Year, September 1, 2012 – February 28, 2013

Net sales in the Department Stores business area amounted to SEK 482 M (526), down 8.3 percent. In the corresponding the period last year sales from the now discontinued Danish operation was included with SEK 37 M. Sales in comparable proprietary stores decreased 2.8 percent.

The gross margin in the period remained in principle unchanged compared to last year, with a marginal decrease due to slightly more aggressive price-reduction activities in this half-year, as a consequence from continued focus on reductions in inventories..

Fixed costs in Sweden, for stores as well as central head office functions decreased by SEK 2 M from last year.

Operating profit totaled SEK 36 M (30). Out of the improved profit, SEK 6 M was generated from last years inclusion in the half-year result of the operation at Illum, Denmark – this business was discontinued in January, 2012.

Inventory levels in the Department Stores business area developed positively in the quarter, with a reduced total level as well as a continued positive development of the aging structure.

Department Stores

The business area comprises operations at the department stores NK Stockholm, NK Gothenburg and Kosta Outlet. The number of proprietary stores at the end of the period, was 46 (47) with a total retail area of 17 113 square meters (16 818).

JC business area

JC

The business area has a total of 114 (136) stores, of which 38 (58) are operated by franchisees.

Second quarter, December 1, 2012 – February 28, 2013

Net sales for JC amounted to SEK 171 M (212), a reduction of -19.5 percent. Out of the decrease, SEK 34 M, related to the closed down business Norway. Sales in comparable proprietary stores decreased 11.2 percent.

Brand sales (total sales to consumers excluding VAT in all markets and in all distribution channels) measured on a rolling 12-month basis amounted to SEK 838 M (1.030).

Gross margin in the period developed positively compared to the second quarter in the previous accounting year, primarily as a consequence of the discontinuation of the Norwegian business. The gross margin for the other businesses remained stable versus last year. However, the decreased sales volumes generated a drop in gross profits for the quarter.

Fixed costs for the business area increased versus the second quarter last year (excl. Norway), almost entirely relating to new proprietary stores (newly opened and taken over from franchisees). Fixed costs for like-for-like stores as well as central head office functions have decreased in the quarter compared to last year.

Operating profit in JC amounts to SEK -30 M (-30) excluding write-down of JC-trademark with SEK 260 M.

Inventories levels have remained stable, with improved aging structures.

Half-Year, September 1, 2012 – February 28, 2013

Net sales for JC amounted to SEK 345 M (414), down -16.6 percent. Out of the decrease SEK 58 M, related to the closed down business Norway. Sales in comparable proprietary stores decreased 8.5 percent.

Gross margin in the period developed positively compared to the first half-year in the previous accounting year for the franchise business, while margins in proprietary stores remained largely unchanged. The decreased sales volumes generated a drop in gross profits compared to last year.

Fixed costs for the business area increased versus the first half-year last year (excl. Norway), almost entirely relating to new proprietary stores (newly opened and taken over from franchisees). Fixed costs for like-for-like stores increased marginally, while costs for central head office functions have mainly remained stable in the quarter.

Operating profit in JC amounts to SEK -50 M (-75), excluding write-down of JC-trademark with SEK 260 M.

Inventories levels have remained stable in the first half-year, with continued improvements in aging structures.

Brothers & Sisters business area

Second quarter, December 1, 2012 – February 28, 2013

Net sales for Brothers & Sisters totaled SEK 143 M (136), up 5.3 percent. Sales in comparable proprietary stores increased 5.1 percent.
Net sales for Brothers continued to increase, and amounted to SEK 122 M (103), equal to an increase of 18.1 percent.
The increase in sales is generated from like-for-like stores (+11.2 percent) as well as new stores, while sales to franchisees decrease.
Net sales for Sisters decreased, according to plan, to SEK 21 M (33) as a consequence from reduced sales areas and the discontinuation of the internal product range. This represents a reduction of 35.2 percent.

Brand sales (total sales to consumers excluding VAT in all markets and in all distribution channels) measured on a rolling 12-month basis amounted to SEK 647 M (691).
The total gross margin for the business area has increased compared to the same quarter last year, due to a positive development for Brothers in proprietary stores as well as for franchise sales, while the gross margin for Sisters decreased, mainly due to the phasing out of the internal product range.

Increases in fixed costs for new proprietary stores have been covered by gross profits from the added sales volumes. Fixed costs in like-for-like stores and closed down stores as well as head office functions have decreased compared to last year.

Operating profit for Brothers & Sisters totaled SEK -9 M (-15).

The quality, as well as the level, of inventories has continued to develop well, with a certain increase in the quarter.

Half-Year, September 1, 2012 – February 28, 2013

Net sales for Brothers & Sisters totaled SEK 276 M (282), down 2.4 percent. Sales in comparable proprietary stores declined 0.4 percent.
Net sales for Brothers continued to increase, and amounted to SEK 235 M (213), equal to an increase of 10.5 percent.
The increase in sales is generated from like-for-like stores (+6.9 percent) as well as new stores, while sales to franchisees decrease.
Net sales for Sisters decreased, according to plan, to SEK 40 M (69) as a consequence from reduced sales areas and the discontinuation of the internal product range. This represents a reduction of 41.9 percent.

The gross margin for the business area has increase compared to the first half year 2011/12, leading to an increase in gross profits.

Increases in fixed costs for new proprietary stores have been covered by gross profits from the added sales volumes. Fixed costs in like-for-like stores and for the franchise business increased slightly, while head office costs have decreased, and

Brothers & Sisters

The business area has a total of 85 (86) stores, of which 30 (40) are operated by franchisees.

additionally, cost reductions have followed from the closing down of some stores in the first half year.

Operating profit for Brothers & Sisters totaled SEK -15 M (-9).

The quality, as well as the level, of inventories has continued to develop well, with a certain increase in the first half year, primarily from non-seasonal products.

Financial position and liquidity

The Group had total assets of SEK 1 475 M compared with SEK 1 802 M at the end of the prior fiscal year. Shareholders' equity amounted to SEK 317 M (911), resulting in an equity/assets ratio of 21.5 percent (46.3).

At February 28, 2013, inventories totaled SEK 464 M compared with SEK 451 M a year earlier.

Cash flow from operating activities was SEK -41 M (21). Working capital has been positively impacted by a decrease in inventory levels, in combination with reduced receivables, although the effect from decreased liabilities to suppliers in the quarter generated a net increase in working capital by SEK 10 M (-49). The reported change in inventory levels in the first half of the previous year were significantly impacted by discounted sales and write-offs.

Cash flow after investments was SEK -78 M (-30).
Net debt amounted to SEK 673 M compared with SEK 528 M a year earlier.

Consolidated cash and cash equivalents at the close of the interim-report period, including unutilized overdraft facilities, amounted to SEK 51 M compared with SEK 146 M at the end of the preceding fiscal year.

The Board of Directors of RNB concludes that the available working capital for the Group is not sufficient to cover the necessary funding for the next 12-month period, as the required capital exceeds the Groups available short- and long-term funding. The Group has therefore, in the second quarter, announced a fully guaranteed rights issue of approx. SEK 450 M. In relation to, and subject to, a successful rights issue, the Group has renegotiated its long-term funding, covering the period to May 2016 (with a possible prolongation to May 2017).

Investments and depreciation/amortization

Investments during the period totaled SEK 42 M (51). Depreciation/amortization during the period amounted to SEK 298 M (46), which includes a write-down of the JC-trademark with SEK 260 M.

Personnel

The average number of employees during the period was 1 358 (1 414).

Related-party transactions

No transactions have taken place between the Group and related parties that have materially affected the Group's financial position and results.
The Company has two loans from majority shareholder Konsumentföreningen Stockholm,totaling SEK 585 M at market interest rate and covenant terms.
For further information on transactions with related parties, see Note 4 in the Annual Report 2011/2012, page 70.

Tax paid

During the interim-report period, the Group has paid tax of SEK 3 M (3).

Parent Company

Net sales in the Parent Company amounted to SEK 73 M (72). After net financial items a loss of SEK -341 M (-39) was reported. Investments during the period totaled SEK 7 M (23).

Accounting principles

This report was prepared in accordance with IAS 34 Interim Reporting and the Swedish Annual Accounts Act. The interim report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 - Accounting for Legal Entities. The accounting policies applied correspond with those stated in the 2010/2011 Annual Report.

Press and analyst meeting

With reference to the interim report on the second quarter of 2012/2013, RNB will be holding a press and analyst conference. The conference will be held at the company's premises at Regeringsgatan 29 today, March 25, 2013 at 09:30 a.m.

Risks and uncertainties

RNB is exposed to a number of risks that are in full or in part beyond the company's control but which could affect its earnings.

Financial risks

- Currency exposure comprising purchases of goods and sales in international markets.
- Interest-rate exposure associated with the Group's net debt.
- Financial covenants to lenders.

Strategic and operational risks

- In common with all retailers, the demand for RNB's products is affected by fluctuations in the general state of the economy.
- Competition from other players active in the same segment as RNB.
- Identification of constantly shifting fashion trends and consumer preferences.

In other respects, refer to the detailed description of the Group's management of financial risks in the 2011/2012 Annual Report.

Future publication dates

Q3 Interim Report for 2012/2013	27 June, 2013
Year-End Report for 2012/2013	24 October, 2013

The Board of Directors and the President declare that the report provides an accurate view of the development of the Group's operations, position and earnings and also describes significant risks and uncertainties facing the Group and the subsidiaries including in the Group.

Stockholm, March 25, 2013
RNB RETAIL AND BRANDS AB (publ)

Board of Directors and President, RNB RETAIL AND BRANDS (publ)

Laszlo Kriss Chairman of the Board	Jan Carlzon	Ann-Sofie Danielsson
Michael Lemner	Mikael Solberg	Per Thunell
Ivar Fransson	Magnus Håkansson President and CEO	

For further information, please contact:

Magnus Håkansson, President, Tel: +46 (0)8-410 520 02, +46 (0)768-87 20 02
Stefan Danieli, CFO, Tel: +46 (0)8-410 522 25, +46 (0)768-87 22 25

This is the type of information that must be published by RNB RETAIL AND BRANDS AB (publ) in accordance with the Swedish Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publishing on March 25, 2013, at 7:00 a.m.

Review report

RNB RETAIL AND BRANDS AB (publ), org. nr 556495-4682

Introduction

We have reviewed the condensed interim report for RNB RETAIL AND BRANDS AB (publ) as at February 28, 2013 and for the six months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the Swedish Standard on Review Engagements, SÖG 2410 *Review of Interim Reports Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material aspects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Emphasis of matter

Without qualifying our conclusion we would like to draw attention to the future need for capital described in the interim financial statements. The Board has according to this called to an extra general meeting to decide about a new share issue. A material condition to ensure and finance future operations is that the proposed new share issue is decided by the extra general meeting.

Stockholm March, 25, 2013

Ernst & Young AB

Johan Eklund
Authorized Public Accountant

CONSOLIDATED INCOME STATEMENT

MSEK	3 months Dec 2012- Feb 2013	3 months Dec 2011- Feb 2012	6 months Sep 2012- Feb 2013	6 months Sep 2011- Feb 2012	Last 12 months	12 months Sep 2011- Aug 2012
Net turnover	701,9	754,0	1 369,5	1 507,6	2 652,9	2 791,0
Goods for resale	-375,3	-420,6	-689,1	-785,8	-1 362,5	-1 459,2
Gross profit	**326,6**	**333,4**	**680,4**	**721,8**	**1 290,4**	**1 331,8**
Other operating incomes	2,5	4,8	5,7	7,4	8,4	10,1
Other external costs	-175,1	-185,4	-353,2	-399,9	-684,8	-731,5
Personnel costs	-164,4	-160,2	-323,5	-322,9	-625,8	-625,2
Depreciation and impairment of fixed assets	-17,3	-17,7	-38,0	-46,4	-78,7	-87,1
Impairment of goodwill and trademark	-259,7	0,0	-259,7	0,0	-461,1	-201,4
Operating income	**-287,4**	**-25,1**	**-288,3**	**-40,0**	**-551,6**	**-303,3**
Financial incomes	0,9	3,6	2,1	5,6	1,3	4,8
Financial costs	-15,3	-15,4	-29,4	-26,9	-61,4	-58,9
Unrealised profit on futures	1,5	-4,7	4,5	1,4	1,0	-2,1
Net financial	**-12,9**	**-16,5**	**-22,8**	**-19,9**	**-59,1**	**-56,2**
Income after financial items	**-300,3**	**-41,6**	**-311,1**	**-59,9**	**-610,7**	**-359,5**
Tax for the period	0,2	22,1	0,3	12,8	18,1	30,6
Profit/loss for period	**-300,1**	**-19,5**	**-310,8**	**-47,1**	**-592,6**	**-328,9**
Other comprehensive income						
Translation difference	-1,2	-0,5	-0,1	-0,9	-1,8	-2,6
Total Income for the period	**-301,3**	**-20,0**	**-310,9**	**-48,0**	**-594,4**	**-331,5**
Net profit/loss for the period pertaining to:						
Parent Company´s shareholders	-300,1	-19,5	-310,8	-47,1	-592,6	-328,9
Minority shareholders	-	-	-	-	-	-
Comprehensive income for the period pertaining to:						
Parent Company´s shareholders	-301,3	-20,0	-310,9	-48,0	-594,4	-331,5
Minority shareholders	-	-	-	-	-	-
Earnings per share before and after dilution (SEK)	**-1,81**	**-0,12**	**-1,88**	**-0,28**	**-3,58**	**-1,99**
Average number of shares, 000's	**165 425**	**165 425**	**165 425**	**165 425**	**165 425**	**165 425**

CONSOLIDATED BALANCE SHEET

MSEK	28 Feb 2013	28 Feb 2012	31 Aug 2012
Assets			
Goodw ill	483,7	685,1	483,7
Brands	0,0	259,7	259,7
Other intangible fixed assets	115,0	110,2	121,5
Tangible fixed assets	154,3	121,2	144,6
Long-term recivibals	10,7	0,0	16,4
Inventories	463,5	451,1	483,8
Other current assets	247,4	342,8	291,9
Total assets	**1 474,6**	**1 970,1**	**1 801,6**
Shareholders´equity and liabilities			
Shareholders´equity attributable to Parent Company´s shareholder	317,0	911,4	627,9
Long-term liabilities	518,1	450,8	534,4
Short-term liabilities	639,5	607,9	639,3
Total shareholders´ equity and liabilities	**1 474,6**	**1 970,1**	**1 801,6**

CASH-FLOW STATEMENT

MSEK	Sep 2012- Feb 2013	Sep 2011- Feb 2012	Sep 2011- Aug 2012
Operating activities			
Operating profit/loss	-288,3	-40,0	-303,3
Adjustment for non-cash items	289,1	35,0	264,9
Interest received	2,1	5,6	4,8
Interest paid	-31,2	-26,3	-54,3
Other	-3,1	-2,6	-6,6
Cash flow from operation activities before changes in working capital	**-31,4**	**-28,3**	**-94,5**
Cash flow from change in working capital			
Inventories	20,3	122,0	88,7
Change in current receivables and liabilities	-30,3	-72,9	1,5
Change in working capital	**-10,0**	**49,1**	**90,2**
Cash flow from operating activities	**-41,4**	**20,8**	**-4,3**
Cash flow from investing activities	**-36,6**	**-50,9**	**-108,9**
Cash flow after investments	**-78,0**	**-30,1**	**-113,2**
Financing activities			
Change in liabilities to credit institutions	0,0	22,6	23,9
Change in overdraft facility	85,0	-	100,0
Borrow ings	-18,8	-16,2	-31,2
Other	-2,5	-2,4	-3,3
Cash flow from financing activities	**63,7**	**4,0**	**89,4**
Cash flow during the period	**-14,3**	**-26,1**	**-23,8**

CHANGES IN SHAREHOLDERS´ EQUITY

MSEK	Sep 2012- Feb 2013	Sep 2011- Feb 2012	Sep 2011- Aug 2012
Opening balance	627,9	959,4	959,4
Profit/loss for period	-310,8	-47,1	-328,9
Other overall results	-0,1	-0,9	-2,6
Balance at end of period	**317,0**	**911,4**	**627,9**

KEY FIGURES

		6 months Sep 2012- Feb 2013	6 months Sep 2011- Feb 2012	12 months Sep 2011- Aug 2012
Gross margin	%	49,7	47,9	47,7
Operating margin	%	-21,1	-2,7	-10,9
Profit margin	%	-22,7	-3,1	-11,8
Solidity	%	21,5	46,3	34,9
Interest coverage ratio	mult	-11,5	-1,3	-4,9
Net debt	Mkr	672,7	527,8	603,6
Net debt/equity ratio	%	212,2	57,9	96,1
Average number of employees, full time		1 358	1 414	1 404
Average number of shares, 000's		165 425	165 425	165 425
Number of shares at end of period, 000's		165 425	165 425	165 425
Earnings per share before and after dil	Kr	-1,88	-0,28	-1,99
Shareholders´equity per share at end c	Kr	1,92	5,51	3,80

NET TURNOVER AND OPERATING RESULT PER BUSINESS AREA

Net turnover, MSEK	3 months Dec 2012- Feb 2013	3 months Dec 2011- Feb 2012	6 months Sep 2012- Feb 2013	6 months Sep 2011- Feb 2012	Last 12 months	12 months Sep 2011- Aug 2012
Polarn O. Pyret	134,4	135,3	268,2	292,9	490,3	515,0
Department Stores	254,2	271,0	482,4	525,9	913,8	957,3
Brothers & Sisters	142,9	135,7	275,5	282,2	542,7	549,4
JC	170,9	212,2	345,0	413,7	710,2	778,9
Other	-0,5	-0,2	-1,6	-7,1	-4,1	-9,6
Total	**701,9**	**754,0**	**1 369,5**	**1 507,6**	**2 652,9**	**2 791,0**
Operating result, MSEK						
Polarn O. Pyret	4,8	11,0	15,6	33,2	15,2	32,8
Department Stores	16,8	16,4	35,5	29,9	64,0	58,4
Brothers & Sisters	-9,0	-15,1	-14,8	-9,3	-249,6	-244,1
JC	-289,7	-30,1	-310,3	-74,9	-346,0	-110,6
Other	-10,3	-7,3	-14,3	-18,9	-35,2	-39,8
Total	**-287,4**	**-25,1**	**-288,3**	**-40,0**	**-551,6**	**-303,3**

INCOME STATEMENT PER QUARTER, GROUP

MSEK	2012/2013 Dec-Feb	2012 Sep-Nov	2012 Jun-Aug	2012 Mar-May	2011/2012 Dec-Feb	2011 Sep-Nov
Net turnover	701,9	667,6	670,5	612,9	754,0	753,6
Goods for resale	-375,3	-313,8	-369,5	-303,9	-420,6	-365,2
Gross profit	**326,6**	**353,8**	**301,0**	**309,0**	**333,4**	**388,4**
Gross margin	***46,5%***	***53,0%***	***44,9%***	***50,4%***	***44,2%***	***51,5%***
Other operating incomes	2,5	3,2	-2,5	5,2	4,8	2,6
Other external costs	-175,1	-178,1	-162,9	-168,7	-185,4	-214,5
Personnel costs	-164,4	-159,1	-146,3	-156,0	-160,2	-162,7
Depreciation and impairment of fixed assets	-17,3	-20,7	-17,5	-23,2	-17,7	-28,7
Impairment of goodw ill and trademark	-259,7	-	-201,4	-	-	-
Operating income	**-287,4**	**-0,9**	**-229,6**	**-33,7**	**-25,1**	**-14,9**
Finacial incomes	0,9	1,2	0,2	-1,0	3,6	2,0
Financial costs	-15,3	-14,1	-20,6	-11,4	-15,4	-11,5
Unrealised profit on futures	1,5	3,0	-8,1	4,6	-4,7	6,1
Income after financial items	**-300,3**	**-10,8**	**-258,1**	**-41,5**	**-41,6**	**-18,3**
Tax	0,2	0,1	7,9	9,9	22,1	-9,3
Profit/loss for period	**-300,1**	**-10,7**	**-250,2**	**-31,6**	**-19,5**	**-27,6**
Other overall results						
Translation difference	-1,2	1,1	-2,3	0,6	-0,5	-0,4
Total Income for the period	**-301,3**	**-9,6**	**-252,5**	**-31,0**	**-20,0**	**-28,0**

INCOME STATEMENT PARENT COMPANY

Mkr	3 months Dec 2012- Feb 2013	3 months Dec 2011- Feb 2012	6 months Sep 2012- Feb 2013	6 months Sep 2011- Feb 2012	Last 12 months 0	12 months Sep 2011- Aug 2012
Net turnover	36,4	36,3	73,3	71,8	147,0	145,5
Other operating incomes	3,8	0,4	6,0	0,4	11,4	5,8
	40,2	**36,7**	**79,3**	**72,2**	**158,4**	**151,3**
Other external costs	-29,2	-26,8	-52,5	-55,8	-112,2	-115,5
Personnel costs	-17,7	-15,9	-33,7	-31,5	-66,3	-64,1
Depreciation and impairment of fixed assets	-4,8	-2,7	-9,4	-4,5	-19,6	-14,7
Operating income	**-11,5**	**-8,7**	**-16,3**	**-19,6**	**-39,7**	**-43,0**
Results from articipation in Group companies	-298,0	0,0	-298,0	0,0	-522,2	-224,2
Financial incomes	0,0	0,0	0,0	0,0	0,0	0,0
Financial costs	-14,2	-9,8	-27,0	-19,0	-49,6	-41,6
Income after financial items	**-323,7**	**-18,5**	**-341,3**	**-38,6**	**-611,5**	**-308,8**
Tax	-54,3	4,8	-63,9	10,0	-51,4	22,5
Profit/loss for period	**-378,0**	**-13,7**	**-405,2**	**-28,6**	**-662,9**	**-286,3**

Total Income equalies the profit/loss for the period

BALANCE SHEET PARENT COMPANY

Mkr	28 Feb 2013	28 Feb 2012	31 Aug 2012
Assets			
Intangible fixed assets	84,4	85,7	86,4
Tangible fixed assets	1,8	3,6	1,9
Financial fixed assets	795,2	1 146,7	945,2
Deferred tax assets	0,0	51,5	63,9
Other current assets	73,2	214,7	199,4
Total assets	**954,6**	**1 502,2**	**1 296,8**
Shareholders´equity and liabilities			
Shareholders´equity	228,0	891,0	633,2
Untaxed reserves	0,0	12,5	0,0
Long-term liabilities	500,0	400,0	500,0
Short-term liabilities	226,6	198,7	163,6
Total shareholders´ equity and liabilities	**954,6**	**1 502,2**	**1 296,8**

NUMBER OF STORES AT END OF PERIOD

	28 Feb 13	3o Nov 12	31 Aug 12	31 May 12	28 Feb 12	30 nov 11
Own stores Sweden	204	205	201	195	181	179
Own stores Norway	0	0	0	0	13	20
Own stores Finland	29	29	27	27	27	27
Own stores Denmark	0	0	0	0	0	1
Own stores Netherlands	1	0	0	0	0	0
Franchise stores Sweden	77	82	83	95	110	116
Franchise stores outside Sweden	69	69	65	60	59	59
Total	**380**	**385**	**376**	**377**	**390**	**402**

	28 Feb 2013			28 Feb 2012		
Polarn O. Pyret	**Own**	**Franchise**	**Total**	**Own**	**Franchise**	**Total**
Sweden	56	9	65	50	12	62
Norway	0	26	26	0	21	21
Finland	0	16	16	0	12	12
United Kingdom	0	11	11	0	14	14
Scotland	0	2	2	0	2	2
Ireland	0	4	4	0	2	2
Iceland	0	2	2	0	2	2
Estonia	0	2	2	0	2	2
Latvia	0	1	1	0	1	1
Netherlands	1	0	1	0	0	0
USA	0	5	5	0	3	3
Total	**57**	**78**	**135**	**50**	**71**	**121**

Department Stores	**Own**			**Own**		
Number of stores	**46**			**47**		
Total retail space, m2	17 113			16 118		

JC	**Own**	**Franchise**	**Total**	**Own**	**Franchise**	**Total**
JC, Sweden	59	38	97	47	58	105
JC, Norway	0	0	0	13	0	13
JC, Finland	17	0	17	18	0	18
Total	**76**	**38**	**114**	**78**	**58**	**136**

Brothers & Sisters	**Own**	**Franchise**	**Total**	**Own**	**Franchise**	**Total**
Brothers, Sweden (single)	20	16	36	10	16	26
Brothers, Finland (single)	12	0	12	9	0	9
Sisters, Sweden (single)	0	0	0	1	0	1
Bro&Sis, Sweden (duo)	23	14	37	25	24	49
Outlet (duo)	0	0	0	1	0	1
Total	**55**	**30**	**85**	**46**	**40**	**86**

Note 1 Acquisition

During the financial year RNB acquired the assets of 27 stores whose business previously was run by franchisees in JC and Brothers & Sisters. The purchase price amounts to SEK 29.6 M and has been paid mainly by set off against outstanding claims. Fair value of acquired assets consists primarily of tenancy rights and shop fittings.

RNB RETAIL AND BRANDS

Postadress:
Box 161 42
103 23 Stockholm

Besöksadress:
Regeringsgatan 29, 9 tr
Stockholm

www.rnb.se