RNB

RNB RETAIL AND BRANDS

ANNUAL REPORT **2014/2015**

> ” The positive earnings trend for RNB continued during the 2014/2015 fiscal year with a total improvement in operating income of SEK 45 M to SEK 48 M. A strong operational focus combined with attractive customer ranges were well repaid during the year with good sales and increasing market shares for all three concepts as a result.”
>
> *– Magnus Håkansson, President and CEO*

RNB

RNB RETAIL AND BRANDS owns, operates and develops fashion, ready-to-wear clothing, accessories, jewelry and cosmetics stores that focus on providing excellent service and a world-class shopping experience.RNB has operations in 11 countries and the total number of stores in the RNB Group amounts to 262, of which 77 are operated by franchisees. The RNB RETAIL AND BRANDS share has been listed on Nasdaq Stockholm since 2001 in the Small Cap segment, retail sector under the ticker RNBS. Sales are mainly conducted through the store concepts Brothers and Polarn O. Pyret. In the Departments & Stores business area, RNB RETAIL AND BRANDS manages departments at NK in Stockholm and in Gothenburg.

BROTHERS

The Brothers business area is a volume-oriented comprehensive concept for men and offers a mix of strong proprietary and external brands with a distinct profile towards tailored and smart casual.

DEPARTMENTS & STORES

The Departments & Stores business area conducts sales of fashion wear for women, men and children as well as accessories, jewelry and cosmetics at the NK department stores in Stockholm and in Gothenburg.

POLARN O. PYRET

Polarn O. Pyret is the leading brand and store concept for baby and children’s wear in the quality segment of the Swedish market. Polarn O. Pyret also has an international presence.

Contents

The year in brief

Q1 During the quarter, a number of changes were made in the store network in Polarn O. Pyret and Brothers. Three new Polarn O. Pyret stores were opened in Norway. Meanwhile, a total of five stores were closed, of which three were Polarn O. Pyret stores in Sweden and two Brothers stores, also in Sweden.

Q2 During the second quarter, RNB entered into an agreement to extend part of the total business financing. The agreement extends the financing by one year, from 2016 to 2017. During the quarter, Kristian Lustin was employed as new CFO of RNBRETAIL AND BRANDS.

Q3 The strong sales trend from the first two quarters of the year continued. Despite the fact that the market decreased by 2.8 percent, RNB's sales in comparable stores increased by 8.8 percent in total.

Q4 The fiscal year ended with a record sales performance. Sales in comparable stores increased during the final quarter 2014/2015 by 17.7 percent.

For the first time in eight years, the Board has proposed a dividend. The proposal means that SEK 0.25 per share will be distributed.

The fiscal year in figures

Net sales	Operating income	Sales increase	Cash flow from operating activities
SEK **2,136** M	SEK **48** M	**11,9** %	SEK **73** M
(SEK 1,917 M)	(SEK –145 M)	(market –0,4%)	(SEK –6 M)

Vision, business concept, goals and strategy

Vision

RNB RETAIL AND BRANDS' vision is to offer customers the ultimate shopping experience.

Business concept

RNB RETAIL AND BRANDS' business concept is to develop and distribute its brands through distinct concepts and stores offering an attractive range of fashion wear, ready-to-wear clothing, accessories, jewelry and cosmetics, with the aim of providing customers with excellent service and a world-class shopping experience.

Strategy

The starting point of RNB's strategy is to work through three clearly positioned and differentiated store concepts towards each respective target group with inspiring stores, a high level of service with a clear digital presence and accessibility as well as an attractive range. Sales are conducted in large cities, smaller towns, shopping centers and via e-commerce. The operations in all respects shall be conducted on the basis of an ambition of clear long-term sustainability.

During the 2014/2015 fiscal year, RNB adopted new core values (read more on page 22) that pervade the entire business. The core values define RNB's strong culture, which in turn is an important basis for the strategy. Creating and maintaining a strong corporate culture is a crucial factor for realizing the vision through the strategy and business plans. The strategy is subsequently made concrete in the business plans for each subsidiary with the aim of realizing the vision.

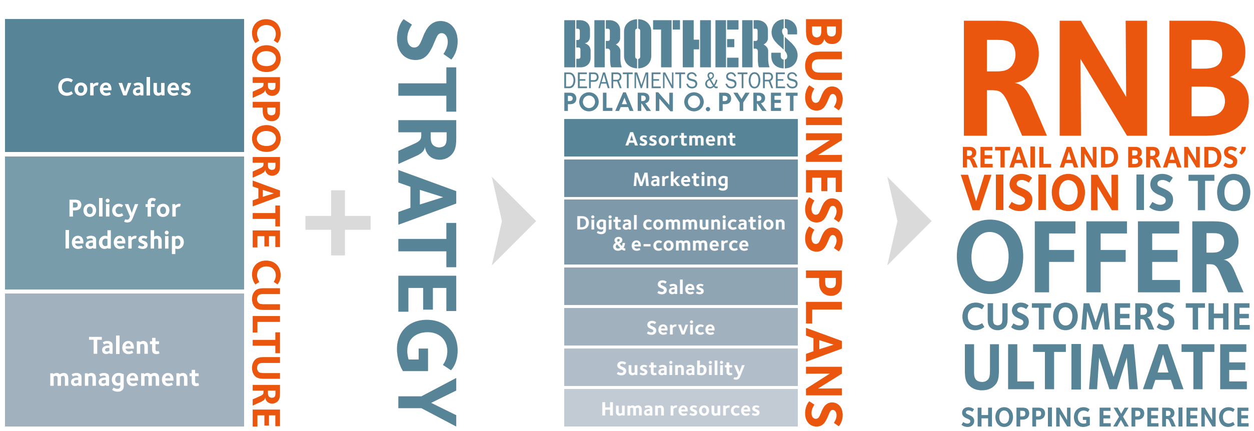
Goals

RNB RETAIL AND BRANDS' overriding goal is to create value for its shareholders and other stakeholders through profitable and sustainable growth. This overriding goal of profitable, sustainable growth will be achieved by working purposefully with the execution of a clear strategy with clearly-defined financial goals.

Financial goals

RNB works according to the following financial goals for the Group and its subsidiaries:

- The Group shall achieve a long-term EBIT margin of 5 percent
- Departments & Stores shall achieve a long-term EBIT margin of 6-7 percent
- Polarn O. Pyret shall achieve a long-term EBIT margin of 10 percent
- Brothers shall achieve a long-term EBIT margin of 4-6 percent



President's comments

The positive earnings trend for RNB continued during the financial year 2014/2015 with a total improvement in operating income of SEK 45 M to SEK 48 M. The execution of the clear strategies we have established for the concepts is starting to bear fruit and our customer ranges were well-received during the year with good sales and increasing market shares for all three concepts as a result.

A year with operational focus
The past fiscal year was dominated by four major, but necessary, structural measures. The current fiscal year has instead been defined by full operational focus on the businesses – Brothers, Departments & Stores and Polarn O. Pyret. The fact that we been able to be more proactive in our operational work has resulted in clear positive effects on both sales and earnings.

Better sales than the market
The Swedish Retail and Wholesale Trade Research Institute's (HUI) index for Sweden showed that the market for comparable stores decreased by 0.4 percent. RNB's sales in the same period increased by 11.9 percent in total. It is worth noting that our sales have been better than the market during the last six quarters. My view is that RNB also has good potential to continue growing sales at a higher rate than the market during the coming fiscal year.

Sustainability – a crucial part of our business
The focus on sustainability issues in the business community is continually increasing, something that applies to the fashion industry in particular. Today, our sustainability work is about taking genuine responsibility for creating an economic, ecological and socially sustainable development, which reflects the vision we have for our sustainability efforts. A success factor in managing and developing our sustainability work is to integrate it into everything we do.

During the recently ended fiscal year, we carried out a number of important activities. In Polarn O. Pyret, we completed a phase-out of the use of perfluorinated compounds (PFCs) and conducted internal training on sustainability for the purchasing organization in Departments & Stores. In Brothers, we initiated an investment in Better Cotton and in our Brothers and Polarn O. Pyret concepts we have taken further steps in our work on making improvements in our factories for proprietary production through the BSCI 2.0 initiative. However, RNB is a small player in a global context and to have a greater impact in bringing about change, we are collaborating with several national and international industry initiatives.

We are proud over what we have achieved so far and in the coming fiscal year, our ambition is to take further steps in our sustainability work. We are focusing on conducting clear activities based on our prioritized goals in the following areas; internal training, production, environmental impact and circular flows.

Brothers – a distinct offer that customers like
Of our three concepts, Brothers has seen the greatest changes in recent years. During the 2014/15 fiscal year, we were able to focus entirely on Brothers, which has delivered clear positive results. We have worked on the implementation of a plan to clarify the concept. Our focus on tailored, smart casual and complete customer ranges with our proprietary brands, Riley, East West and The Tailoring Club means that we have established ourselves as a leading men's fashion chain with a unique position in tailored fashion. In addition, we have outstanding service content in the physical customer interface through our store staff and our e-commerce business. We are getting clearly positive feedback from our customers, our employees and franchisees on our collections and new store look. The current fall collection is strong and our self-confidence is also high from private showings of the spring range. The performance confirms the view that Brothers is on the right track to reach positive operating income during the 2015/2016 fiscal year.

Departments & Stores – our stores are becoming destinations
Our Departments & Stores' (DSE) concept is the market leader in the premium and luxury goods segment with the NK department stores in Stockholm and Gothenburg as a marketplace. DSE also displayed good

sales and operating income during the fiscal year. As a market-leading player in terms of sales, service and management, DSE is important in the efforts to realize the vision that NK should be a world-class department store. This means that the brands should be the most attractive in the market and that our customers should perceive a very high level of service, in a nutshell – our departments should be perceived by everyone as destinations, not just parts of a marketplace. Our offer featuring a combination of brands, fashion ranges, environment and service has been upgraded further during the year through a large number of investments. In total, 11 departments out of 44 were completely converted and a number of others were improved.

Polarn O. Pyret – value proposition under renewal
Polarn O. Pyret captured market shares in Sweden during the year despite strong competitive pressure and is once again performing positively in terms of sales and profitability. With a leading position in relation to function, quality and service, the offer is being gradually developed in order to further strengthen our position and modernize the unique look that distinguishes Polarn O. Pyret. Customer values gradually change and they (now with an increasing share of parents born in the 90s) are becoming increasingly digitally-oriented. Polarn O. Pyret will continue to strengthen its role as an expert in children's wear with distinct service content both in the physical customer interface and through e-commerce.

Polarn O. Pyret in Norway performed considerably better than the previous year with strong sales growth. However, the Norwegian business is still not performing in line with our expectations. During the year, we focused on integrating the organizations in Sweden and Norway and on strengthening the Norwegian operation through a partially differentiated range, own marketing activities and e-commerce. The Norwegian operations will make a further contribution to stronger profitability during the 2015/2016 fiscal year.

Finally, it feels gratifying and exciting that we launched Polarn O. Pyret in China in November through Tmall.com, an e-commerce portal owned by Alibaba Group.

Service management and higher digitization tempo
The successes RNB has achieved, primarily during the past six quarters, have healed the wounds from the preceding period and given us a strong basis for developing the business further, driven by clear visions in relation to digital transformation, service management, sustainability and skills development.

We are continuing to implement our clear strategies for the three concepts – Brothers, Departments & Stores and Polarn O. Pyret. Based on strong collections and a distinct store look, we are continuing to develop the service content through physical stores and through e-commerce. The digitalization tempo has increased, in both marketing communication and in the development of e-commerce. We are also integrating the sustainability work more and more into our operational strategies.

All employees have participated in our successes and our strong sales trend, and going forward it is also a priority to strengthen our culture, which is characterized by teamwork with scope for individual initiative. RNB is now displaying a strong and clear positive trend that spans the entire operations. We will continue on this path in our efforts to achieve further improvements in profitability.

Magnus Håkansson,
President and CEO

An overview of RNB

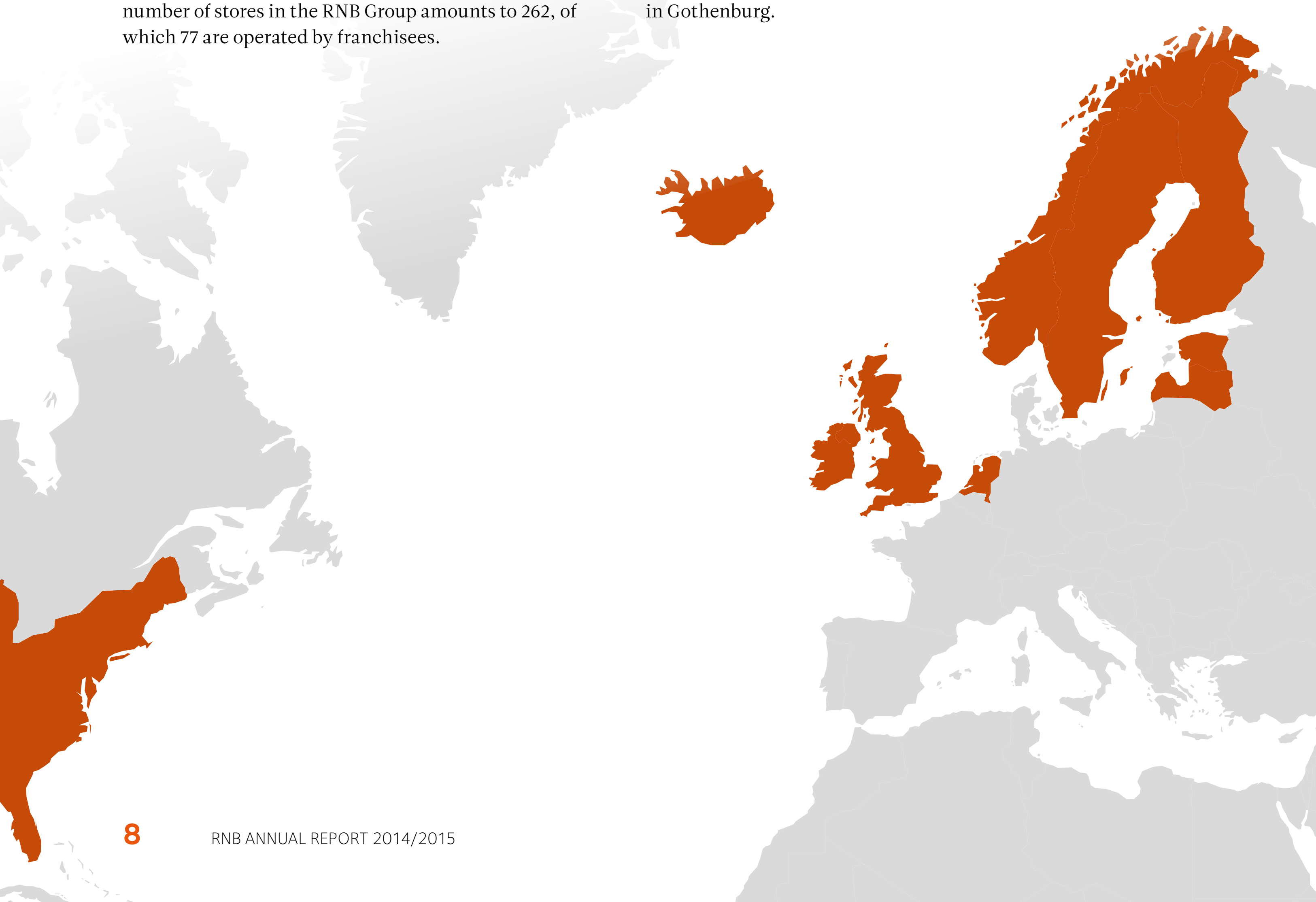
RNB RETAIL AND BRANDS owns, operates and develops fashion, ready-to-wear clothing, accessories, jewelry and cosmetics stores. The vision is to offer customers excellent service and a world-class shopping experience. Sales are conducted in large cities, smaller towns and shopping centers through the store concepts Brothers and Polarn O. Pyret. In the Departments & Stores business area, RNB RETAIL AND BRANDS manages departments at the NK department store in Stockholm and in Gothenburg. The three store concepts are clearly positioned and differentiated with inspiring stores, a high level of service and attractive and target-group-oriented ranges of fashion.

RNB has operations in 11 countries and the total number of stores in the RNB Group amounts to 262, of which 77 are operated by franchisees.

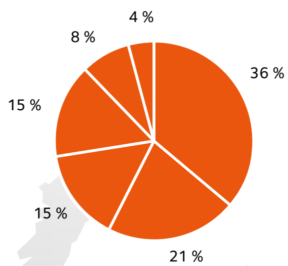
The **Brothers** business area is a volume-oriented comprehensive concept for men and offers a strong mix of proprietary and external brands with a distinct profile towards tailored and smart casual with a high level of service.

Polarn O. Pyret is the leading brand and store concept for baby and children's wear in the quality segment of the Swedish market and also has an international presence.

The **Departments & Stores** business area conducts sales, with a high level of service, of fashion wear for women, men and children as well as accessories, jewelry and cosmetics at the department stores NK in Stockholm and in Gothenburg.

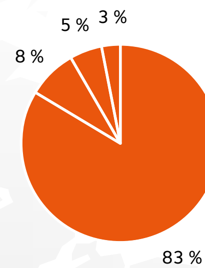


Sales 2014/2015 per product category, %



36 %	Men
21 %	Children
15 %	Women
15 %	Cosmetics
8 %	Underwear & accessories
4 %	Jewelry

Sales 2014/2015 per geographical market, %



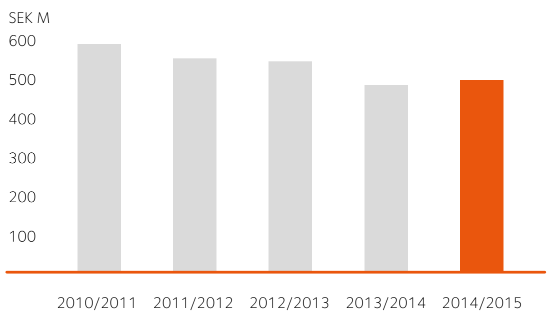
83 %	Sweden
8 %	Norway
5 %	Finland
3 %	Others

Business area	Total sales	Share, %	Stores			Number of employees
BROTHERS	SEK492M	23%	Total	78	of which, 25 franchise	240
			Sweden	65	of which, 25 franchise	
			Finland	13	of which, 0 franchise	
DEPARTMENTS & STORES	SEK977M	46%	Total	44	11,055 m²	366
			NK Stockholm	29	6,650 m²	
			NK Gothenburg	15	4,405 m²	
POLARN O. PYRET	SEK667M	31%	Total	140	of which, 52 franchise	337
			Sweden	63	of which, 7 franchise	
			Norway	28	of which, 0 franchise	
			Finland	16	of which, 16 franchise	
			England	14	of which 14 franchise	
			USA	5	of which, 5 franchise	
			Netherlands	4	of which, 0 franchise	
			Estonia	4	of which, 4 franchise	
			Ireland	2	of which, 2 franchise	
			Scotland	2	of which, 2 franchise	
			Iceland	1	of which, 1 franchise	
			Latvia	1	of which, 1 franchise	
Total RNB RETAIL AND BRANDS	SEK2,136M		262 stores	11 countries		1,024

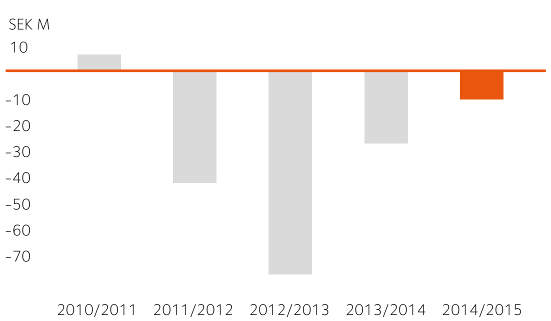
BROTHERS

Brothers is a comprehensive concept for men in the upper mid-price segment. The concept offers well-tailored garments and casual fashion in an inspiring store environment, with a strong emphasis on service. The range primarily consists of proprietary brands, which are supplemented with external brands. The stores in Sweden are operated either by RNB or by franchisees. In Finland, all stores are operated under RNB's own management.

Net sales



Operating profit



Excluding impairment of goodwill

Vision

Take a position and definitive **ownership of male tailored and smart casual fashion**

Mission

Brothers is a **service concept in** men's fashion that represents the **smart alternative** to leading premium brands and chains

Business concept

What: Tailored, Smart Casual and Leisure

Who: Well-dressed at work, socially and during leisure time. Stylish but with attitude

How: Commercial and attractive range that appeals during all buying opportunities within the stylish segment.
"Value for money"
Attractive stores with a strong product display
Superior shopping experience with personal service and a high level of knowledge about male purchasing behavior

Unique: Strong and innovative products in tailored and smart casual with own design, look and identity

Key ratios Brothers

SEK M	**14/15**	13/14
Net sales	492	479
Share of RNB's sales, %	23	25
Operating income	-11	-29
Number of employees	240	252
Number of stores	78	79
Of which, franchise	25	27
Of which, abroad	13	12

The year in review

The recently ended fiscal year can be summarized by a noticeable increase in sales and a marginal operating loss – quite simply a very strong year. Just as communicated in last year's annual report, the end of the year marked a new phase in Brothers' history. During the entire fall 2014, the weather was unusually warm, something that caused customers to defer purchases of outdoor garments and functional clothing. The sales decline in these product categories was more than offset by increases in other categories, which was positive in one way as it showed the strength and breadth in the collection.

The strong sales early in the year strengthened Brothers and gave the opportunity to further increase the tempo of aggressive investments, which were an important part of the conversion process in Brothers. These investments were gradually carried out during the fiscal year and included areas such as coordination between product categories and marketing as well as product presentation and sales activities in stores.

The aggressive investments in Brothers had a strong impression on sales. During the year, sales increased by 14 percent on average and growth for every quarter in isolation never fell below 11 percent.

A successful conversion

The strategy that formed the basis for the conversion of Brothers was about clarifying the concept in relation to the other chains in the market, with men's fashion in focus, while moving the brand towards a more premium position within tailored fashion. This has been successful through an attractive and inspiring customer offer in tailored and smart casual, which is mainly being delivered through proprietary brands. The offer is characterized by strong products with own design, functionality, look and identity combined with an attractive and selling presentation in stores and a high level of knowledge and service among the employees meeting the customers.

Since the repositioning of Brothers was launched in 2013, sales have developed positively, which was particularly noticeable during the past six quarters when the growth figures have been excellent. Brothers is now established as one of the leading men's fashion chains with a unique position in tailored and service.

Brothers' responsibility

The focus on sustainability issues is continually increasing, something that particularly applies to companies in the fashion industry. Companies are expected to take genuine responsibility for creating an economic, ecological and socially sustainable development, which applies to Brothers especially that produces its own products.

Brothers has drawn up written agreements with all suppliers that produce products for the Brothers concept. The agreements stipulate that only factories approved by Brothers may be used for production, which is followed up through factory inspections. The inspections are both announced and unannounced and are conducted by independent third parties, partners or by RNB's employees. A breach of the agreements will result in Brothers terminating cooperation with the supplier in question unless corrective action takes place immediately. The challenge is through a combination of requirements, dialogue and training, to get the supplier to understand the benefit of genuinely working with improvements – especially in cases where Brothers only accounts for a small part of the supplier's overall production capacity.

However, the goal for Brothers is to prioritize long-term relationships with suppliers, which enables greater knowledge and follow up, for example of conditions in factories. A long-term approach also facilitates dialogue with the factories in question about the benefits of implementing improvements. Brothers' ambition is to create continual improvements instead of terminating the collaboration.

Profitability target for 2015/2016

The strong performance during the recently ended year has created a strong basis for developing the concept. There are a number of fundamental market trends that are working to Brothers' advantage. As a target group, men are showing new purchasing behaviors, higher awareness and a greater willingness to consume, combined with "smart casual" dressing in both professional situations and during leisure time. These trends are benefitting Brothers.

In the coming years, campaigns that drive traffic to stores and e-commerce are in focus as well as increased digital communication. It is important to continue boosting the share of marketing in digital channels while reducing traditional marketing, in order to create additional interfaces with customers and strengthen relationships with them.

Brothers is getting clearly positive feedback from customers, employees and franchisees on its collections and store look. The strong performance on all levels confirms the view that Brothers is continuing to capture market shares and is on the right track to reach positive operating income during the 2015/16 fiscal year.

THIS IS WHAT THE CUSTOMERS THINK

Pontus, 27, has purchased a pair of trousers and a shirt

Is this the first time you shop at Brothers?
No, it is one of the stores I shop most in.

What made you go to Brothers?
Brothers has a broad range of garments that suit me. The staff are knowledgeable and the atmosphere is nice. It feels like I can stay here for a long time in peace and quiet and try on several things.

Is there anything that distinguishes Brothers from other similar players, and if so what?
I really like that they have garments that I can use for a long time, over several seasons, and that the fit feels modern. If I find something that fits nicely there is a broad range to choose from. I also like that Brothers doesn't have that hasty throwaway feeling you can get in certain other stores and I think this is also reflected in the way the staff act. I get good service and it feels like they are taking time for my sake.

What do you think that Brothers stands for?
Probably garments that last a long time and have a classic style while still feeling modern. And high quality at a good price. Brothers quite simply seems like a somewhat smarter alternative to the more expensive brands.

What do you think that Brothers can improve?
I really like the Oxford shirts from East West but would like to see them in more colors.

Do you shop much online? At what stores in that case?
Well, not so much for clothes. But when I know that things will fit it's no problem to buy a pair of underpants, socks or a belt. But I think that it's fun to try on many different garments when I'm in the store and you can't get that feeling online.

What do you want as a Christmas present?
Speakers with a Bluetooth connection and an Apple TV.

BROTHERS

Nina, 25, has purchased a sweater and suit shirts

Is this the first time you shop at Brothers?
No, I usually buy presents here, perhaps 3-4 times a year.

What made you go to Brothers?
Most stuff at Brothers suits my boyfriend very well, both in terms of style and fit. The staff are service-minded in a natural way and the product display/layout means that you feel like you are in someone's home. I think that the store is nice and cosy.

Have you other favorite stores or men's fashion chains?
I like NK. I mainly go to NK to buy presents for my boyfriend, and then the departments NK Man, NK Herrtrend and NK Manlig depå. J. Lindberg and Jupiter also have nice stuff.

What do you think that Brothers stands for?
Well-dressed. Comprehensive. You can find just about all you need for the wardrobe, both to wear to work and for a day off in the countryside.

What do you think that Brothers can improve?
I would like shirts to try on in all relevant models and sizes in the stores.

Do you shop much online?
Very little. I like to touch and feel when I shop. If I shop online for myself, I mainly buy foreign brands that are hard to find in Swedish stores.

What do you want as a Christmas present?
If I would wish for a non-material object, I would really appreciate a spa weekend right now. Otherwise a lot of brightly colored training clothes!

Bobby, 47, has purchased a knitted sweater

Is this the first time you shop at Brothers?
No, I usually have a look a few times each year.

What made you go to Brothers?
I like the concept, this particular store is located close to my work and I know that I will always find something here. Even though I don't always shop here, I always go in to take a look and get a reference.

Is there anything that distinguishes Brothers from other similar players, and if so what?
Very good value in relation to the high garment quality. For instance, you can get a perfect wool suit for work meetings for about SEK 4,000.

What do you think that Brothers can improve?
Open more stores with the range that exists in the Suit Service department on Drottninggatan in Stockholm.

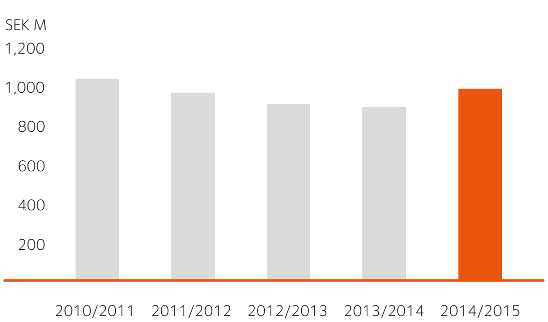
Do you shop much online?
No, not for clothes.

What do you want as a Christmas present?
I would actually like a suit even though I would prefer to buy it myself.

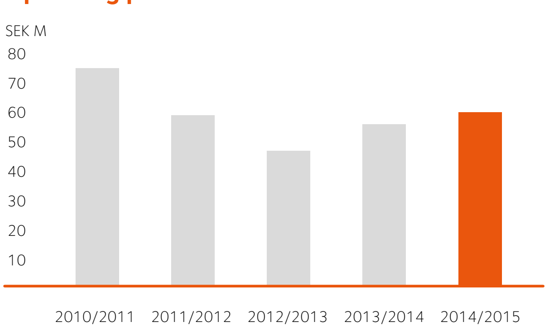
DEPARTMENTS & STORES

Departments & Stores (DSE) offers a unique distribution platform for national and international brands in the premium and luxury segment in strong marketplaces. The company has extensive operations in the Nordic region's two leading department stores – NK in Stockholm and NK in Gothenburg. A shared feature of RNB's department stores concept is a focus on the customer interface and service, combined with a high-quality fashion range and store environment. The operations extend from children's wear to jewelry, and all our customers impose strict demands when it comes to service, knowledge and quality.

Net sales



Operating profit



Vision

Departments & Stores shall offer a world-class shopping experience.

Mission

Departments & Stores shall offer the customer an international fashion range mix in an inspiring environment with world-class service.

Business concept

Departments & Stores develops inspiring destinations with world-class brands and service.

Key ratios Departments & Stores

SEK M	**14/15**	13/14
Net sales	977	885
Share of RNB's sales, %	46	46
Operating income	59	55
Number of employees	366	379
Number of stores	44	45
Total area, m^2	11,055	11,145

A look back at the past year

Both sales and operating income for the Departments & Stores business area developed positively during the fiscal year, mainly driven by an improved sales rate and a higher average spend combined with strong collections and highly efficient management. The sales increase during the year totaled 10 percent where growth for each quarter in isolation amounted to at least five percent. The supplier portfolio was strengthened during the year with a number of new brands and the plan for the coming years is to launch more new brands, which is also an important factor for continued growth.

Departments & Stores' departments have a unique position in the premium and luxury goods segment. Despite this unique position and strong market position, increasing competition is being noticed from other players, e-commerce and all the new shopping malls that are opening. The increased competition, high consumer demand and information flow are making it increasingly important to communicate with consumers using relevant and reliable communication before they enter the stores. In a nutshell – digital communication via website, customer clubs and social media is becoming increasingly important in the purchasing process.

All communication and external marketing in the framework of the NK brand is managed and controlled by AB NK, including digital communication in all channels. Departments & Stores has an important role as the largest player in the NK department stores to drive the development of digital communications. This is mainly done by providing marketing content. As more than 500 brands and about 100 merchants are represented in NK, it is naturally a challenge to develop the digital communication rapidly as account must be taken of all the merchants and brands. However, an important activity initiated by NK during the year was advertising via Face book.

NK – a destination for 100 years

One hundred years' ago, on 22 September 1915 – NK on Hamngatan opened its doors for the first time and since then NK has been Sweden's only world-class department store. When NK's founder and first CEO Josef Sachs commissioned the architect Ferdinand Boberg to design the NK department store in Stockholm it was against the backdrop of the vision that NK should be a department store that radiated luxury and exclusivity. This legacy has been carried on and refined during the 100 years that the department store has existed and the NK department stores are today the market leader in the premium and luxury goods segment and a natural destination for tourists as well as Stockholmers and Gothenburgers.

Since 2005, RNB through the unique department store concept of its Departments & Stores business area has been an attractive partner for both Swedish and international luxury brands to establish in NK. Departments & Stores, with 44 departments in fashion, beauty and jewelry, is currently by far the largest of the total of about 100 merchants operating in the two NK department stores. The business area accounts for about 40 percent of the total area in NK and offers more than 500 unique brands.

Today's competitive climate faced by all players operating in the consumer industry is imposing strict requirements to clarify and distinguish market positions. In this respect, NK with its famous brands, enjoys a unique position in Sweden. In order to capitalize on this strong market position, Departments & Stores offers a unique combination of a broad range of fashion, a high level of service and exceptional marketing. The idea is to create destinations instead of store departments in order to enhance the customer's shopping experience. This idea is a refinement and modern variant of the original vision that NK should radiate luxury and exclusivity.

Investments crucial for continued growth

Departments & Stores' business concept – to develop inspiring destinations with world-class brands and service – requires stores to be managed with great efficiency. Efficiency in this context is largely about optimizing space and sales per hour worked and ensuring cost efficiency in logistics, inventory and head office functions.

Departments & Stores' business is different from the other operations in the RNB Group as it focuses on managing departments under the NK department stores framework in Stockholm and Gothenburg. The property company Hufuvdstaden owns NK in Stockholm and Gothenburg with about 100 individual merchants, which means that the room for expansion in the NK department store framework is limited. This means that continual investments in the existing space have become even more important. During the recently ended fiscal year, a number of investments were made, both involving renovation of retail space as well as complete store conversions. These investments are the main reason behind the strong sales increase during the year and are a crucial factor for continued growth.

THIS IS WHAT THE CUSTOMERS THINK

Malte, 59, has purchased a jacket at NK Man

Is this the first time you buy at NK Man?
No, I come here quite a lot. I usually find what I'm looking for here.

Why do you like to shop at NK Man?
For me, the most important thing is that the fashion range is right and broad. I like that NK Man has everything from socks to suits. And everything is very nice too.

Do you have other favorite departments at NK?
Yes, several – mainly NK Glass and Porcelain and NK Men's Footwear.

Is there anything that distinguishes NK Man from other similar players, and if so what?
The level of service and the nice treatment. It almost feels like I know the people working here.

What do you think that NK stands for?
A broad fashion range. You can find everything here.

Do you shop much online?
No, I still haven't caught on to that. I like to see what I am going to buy in reality and have the chance to try it on properly before I buy something.

What do you want most of all as a Christmas present?
Good food.

Linda, 41, has purchased eye shadow at NK Cosmetics

Is this the first time you buy at NK Cosmetics?
No, I often come here to update the contents of my make-up bag.

Why do you like to shop at NK Cosmetics?
NK is located in the right place for me considering where I work and I also like the fantastic environment and the high level of service.

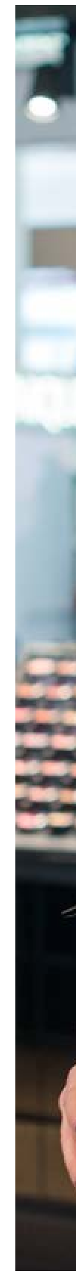
Do you have other favorite departments at NK?
I like the lingerie department, good brands and the fantastic staff.

Is there anything that distinguishes NK Cosmetics from other similar players, and if so what?
The broad fashion range and nice treatment from everyone working at NK.

What do you think that NK stands for?
For me, NK stands for a broad fashion range, good product knowledge and a lovely environment. It is inspiring to enter NK regardless of whether or not I decide to buy something.

It's common to buy Cosmetics online, do you shop much on the Internet?
No, I usually don't. I think that it's better to shop in stores as I get personal service and individualized tips on what really suits my skin, shape and lines.

What do you want most of all as a Christmas present?
It sounds a bit clichéd but health for my loved ones.



DEPARTMENTS &

Marie, 43, has purchased an orange bracelet from Hermès

What made you come here?
Hermès has classically stylish and classy products. So I naturally wanted to buy the bracelet.

Do you have other favorite departments at NK?
Yes, sometimes I shop at NK Boutique.

Is there anything that distinguishes Hermès from other similar players, and if so what?
Hermès is well-known and recognized for good quality even if it is a little expensive. I also think that it's very contemporary.

What do you think that NK stands for?
Luxury, fashion, beauty.

What can NK generally, and Hermès specifically, improve?
Always continue to be a step ahead when it comes to fashion and trends.
Quite simply, to continue to be a source of inspiration.

Do you shop much online?
I don't actually but perhaps I should?

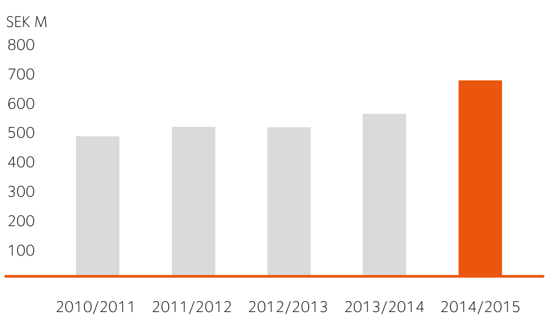
What do you want as a Christmas present?
Suede shoes (Jackie) from Hermès.

STORES

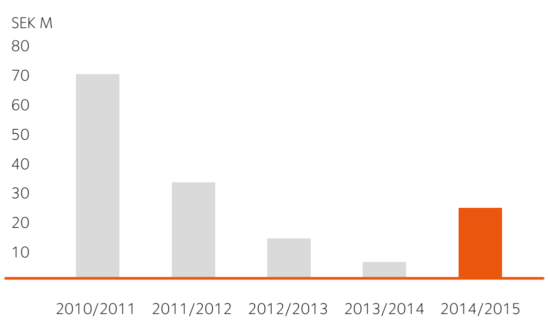
POLARN O. PYRET

Polarn O. Pyret is a fully integrated brand for baby and children's wear, with products that are designed, produced and distributed through proprietary stores and franchise stores in Sweden and abroad. Since its inception in 1976, Polarn O. Pyret has established a position as the leading brand and store concept for children's wear in the quality segment of the Swedish market and is famous for its high quality, functionality, design and service. Polarn O. Pyret is currently established in 11 markets.

Net sales



Operating profit



Vision

Polarn O. Pyret shall be a world-leading children's wear chain

Mission

Polarn O. Pyret's watchwords are **happy, warm** and **dry** children in **all weather conditions**

Business concept

What: Smart clothing for all children's needs

Who: Parents and present buyers, with relevance for children

How: In an inspiring environment, using proprietary sales channels (stores, shop-in shop and e-commerce) where we share our expertise and service about how to dress children in order to help the customer find the best solution.

Unique: The combination of smart functionality for children's' needs, with quality that is comfortable and durable in a distinctive simple contemporary and exciting design with bright colors and flexible models.

Key ratios Polarn O. Pyret

SEK M	**14/15**	13/14
Net sales	667	553
Share of RNB's sales, %	31	29
Operating income	24	6
Number of employees	337	321
Number of stores	140	143
Of which, franchise	52	52
Of which, abroad	77	74

The past year

The recently ended fiscal year was characterized by a strengthening of the leading market position in Sweden despite continued strong competitive pressure. Both sales and earnings increased overall and continued to show positive trends.

However, the year began weakly in terms of sales but the trend was reversed and sales have been increasing positively during the year, culminating in an exceptionally strong Christmas period. Sales during the summer were stronger than normal, largely due to good inventories and favorable weather. The year concluded with clearance sales that were also very strong generally as many products were in stock due to the slightly weaker fall. Total sales increased by 20.5 percent while sales in Sweden increased by the equivalent of 11.9 percent.

The Norwegian operations, which now consist of 27 proprietary stores and e-commerce, performed well during the year, both in terms of sales and earnings. During the fiscal year, the management of the Norwegian business was replaced, which means that the operations are now more like the Swedish business from an operational standpoint. Despite the fact that the central organisation for Norway is relatively small, the change made it possible to realise some synergies. Even though Norway and Sweden are neighbouring countries, the markets differ. In order to offer Norwegian customers an attractive fashion range some adaptations of collections are required. For example sales of outdoor garments, rainwear and woollen underwear are higher in Norway than in Sweden.

Increased digitalization

For a long time, Polarn O. Pyret has been a market-leading brand in the premium segment and the only chain focused exclusively on children's wear in Sweden.

Part of the sales increase during the recently completed fiscal year was due to strong growth in e-commerce. E-commerce sales gradually increased during the year, primarily in the Swedish market, and e-commerce is now growing faster than in-store sales. In many cases, it is easier to buy children's wear on the Internet than other clothes and accessories and the proportion of returns is very low.

The trend in recent years shows a clear shift in customer behavior. Many customers who come into to a store today have already done thorough research on the Internet before purchasing. This means that the physical store and the e-commerce store are connected. This trend also means that a certain proportion of sales in stores are instead moving to e-commerce, which means that Polarn O. Pyret has to work with its retail spaces in a different way.

The shift in customer behavior also means that companies now have to communicate with customers differently than before in order to build relationships with them. For Polarn O. Pyret, this implies that even more is required to persuade the customer, both online and in the physical store. Expert knowledge and service level will be competitive advantages in the physical store, while digital communication will be crucial online. Polarn O. Pyret has loyal and curious customers who want to communicate and build relationships with the company. This is confirmed by the fact that about 80 percent of sales are made via Polarn O. Pyret's customer club where a large part of the communication occurs digitally.

E-commerce is an important instrument for boosting brand awareness during continued expansion to new markets. During the year, e-commerce was established as a complement to the physical stores in the Baltic countries and the first step was taken in China through an establishment on Tmall.com, an e-commerce portal owned by e-commerce giant Alibaba Group.

Polarn O. Pyret's responsibility

Today's consumers are becoming increasingly focused on thinking sustainably when they consume. An important part of Polarn O. Pyret's value proposition is to offer garments that are manufactured in a sustainable production process and from sustainable material. The garments contain a high proportion of ecological cotton and have high durability, which prolongs the life and means that garments can be reused. The trend of more conscious consumers is benefitting Polarn O. Pyret.

Polarn O. Pyret has drawn up written agreements with all suppliers. The agreements lay down what chemicals may not be used in production or that can found in the products. Polarn O. Pyret continually performs tests during the production process to ensure compliance with agreements. These tests are performed at external laboratories and a breach of an agreement will result in Polarn O. Pyret terminating cooperation with the supplier in question unless corrective action is taken immediately.

THIS IS WHAT THE CUSTOMERS THINK

POLARN O. PYRET

Nicole, 8, has asked her mother to buy a dress

What have you bought today?
A dress.

Did you buy it yourself?
No, my mother bought it.

Is this the first time you are in Polarn O. Pyret?
No, we have been here several times before. But not in this store.

What's the best thing about Polarn O. Pyret stores:
They are great, you can try on stuff in the stores and also run around. You can play in some stores but it's not so much fun.

Have you other favorite stores?
Yes, H&M and Zara. And BR toy store of course.

Is there anything that can be better in this store?
I don't know.

What do you want as a Christmas present?
An Apple watch, a talking doll, a children's manicure set and that pink jacket (from Polarn O. Pyret). I can't think of anything else.

Suzanne, 34, has purchased a dress, a pair of tights, socks and hair bands for Stina, 2 years old.

Is this the first time you shop in Polarn O. Pyret?
No, absolutely not. I have shopped at Polarn continually since 2008 when my eldest daughter was born.

What made you come here?
I just like to enter the stores, even if I don't intend to buy. You always become happy and very inspired. Today, I was just passing by and my youngest daughter fell in love with a dress that we ended up buying.

Why did you decide to shop in Polarn O. Pyret?
I think that children's clothes should be functional, comfortable and brightly colored. Polarn always delivers this. I also think that the clothes are of very good quality and last a long time. Quite a lot of the garments I bought for my daughter in 2008, were also used by my son and youngest daughter.

What other favorite stores do you have for buying children's clothes?
I don't really have any other favorite stores, but buy in slightly different stores depending on which of my children needs clothes and the season. Sometimes I buy outdoor wear at Stadium or Intersport, and occasionally basic garments at Lindex and H&M. However, I always think that the clothes do not have the same quality and are not nearly as functional as PO.P. But I think that NK Children's Department is totally fantastic to stroll around in, although I very seldom buy there.

Is there anything that distinguishes PO.P from other similar players, and if so what?
Nice and knowledgeable staff who are always helpful and know the range inside out. I don't always perceive this in the other stores, where children's clothes are not in focus, where there is clothing for women, men and young people. I also think that it's very important that you can always trust the size when you buy. In certain other stores, sizes can vary enormously depending on what garment you take from the shelf.

Do you shop much online?
No, actually I don't. I like touching and feeling the garments before I buy.

What do you want as a Christmas present?
A 1,000-piece jigsaw puzzle that the entire family can help to make.

Hans, 71, has purchased a quilted-jacket for his grandchild

Is this the first time you shop in Polarn O. Pyret?
No, it's not the first time but I definitely don't buy here often. My wife comes here most.

What made you come here?
My wife said that I should come here. She gave me the size, color and said what I should buy. But of course I know Polarn O. Pyret for many years. Everyone one from my generation does.

What other favorite stores do you have for buying children's clothes?
To tell you the truth, I don't have any favorite store, quite simply, I shop too little. I know of course that several of the larger chains, for example H&M and Stadium, have children's clothes to some degree but if I was to name a favorite, it would be Polarn O. Pyret.

Do you shop much online?
No, I'm probably too old for that, haha. But I should say that I use the Internet for a lot of other things.

What do you want as a Christmas present?
I have reached an age where I have everything I need. But If I would wish for something, it would be to have a white Christmas and that the AIK floorball team would make the play-offs.

Our core values

Starting in summer 2015, RNB initiated work on establishing new core values. The work began with a large management conference that brought together more than 30 managers from across the entire Group. During the conference, four new core values were developed. After the conference, efforts began to firmly establish the core values in all of the Group's operations.

The core values should inspire and act as guiding principles in the day-to-day work and also make the vision concrete. Regardless of what role an employee has in RNB, the primary task is to work towards the vision of creating the market's best shopping experience for the customer. The core values pervade the day-to-day work performed by all our employees in the Group and in our three subsidiaries.

RNB

The customer is most important

- We are passionate about satisfying customers through our products and our service
- Customer value is always in focus in what we do, in how we act and in all decisions we take
- We strive for a world-class shopping experience and to exceed the customer's expectations every time.

We believe in people

- We believe in the strength and potential of people
- We take responsibility and our own initiatives and learn from each other
- We show loyalty to one another and set a good example
- Acting together we make one another even better

We do sustainable and smart business

- We invest our time and money where it has the most benefit
- We work based on a long-term approach and sustainability in all relations Ð with our customers, suppliers and our environment
- We operate sustainably and with business acumen in all situations

Direct communication

- We say what we feel and think Ð constructive, well-reasoned and with consideration
- We listen to each other, are open for feedback and the opinions of others
- Even if decisions go against what we said and think, we are loyal to decisions taken
- We talk with each other and not about each other

Financial statements

Board of Directors' Report 2014/2015

The Board of Directors and President of RNB RETAIL AND BRANDS AB (publ), Corp. Reg. No. 556495-4682, hereby submit the annual accounts and consolidated financial statements for the fiscal year, September 1, 2014 – August 31, 2015.

Operations, business idea and strategy
RNB RETAIL AND BRANDS owns, operates and develops fashion, ready-to-wear clothing, accessories, jewelry and cosmetics stores that focus on providing excellent service and a world-class shopping experience. The Group has operations in 11 countries where sales are mainly conducted in Scandinavia through the two store concepts Brothers and Polarn O. Pyret, as well as through stores in the NK department stores in Stockholm and in Gothenburg. On August 31, 2015, the total number of stores was 262 (267), of which 77 (79) were operated by franchisees.

The store concept strategy is to offer attractive and target-group-oriented ranges of fashion and accessories in major cities, towns and shopping centers. The Brothers business area is a volume-oriented comprehensive concept for men and offers a strong mix of proprietary and external brands. In the Department and Stores business area, RNB focuses on the customer interface and on providing high-quality fashion ranges and store environments. The stores offer fashion for women, men and children, as well as accessories, jewelry and cosmetics for customers demanding top-class service and quality. Sales are conducted in the NK department stores in Stockholm and Gothenburg. Polarn O. Pyret is the leading brand and store concept for baby and children's wear in the quality segment of the Swedish market and it also has an international presence.

Events during the year
The Group has displayed a positive development during the fiscal year and reported better sales than the market in every quarter of the year. The increasing sales meant that the Group's result for the year was positive for the first time since the 2009/2010 fiscal year. For the first time in eight years, the Board will propose a dividend.

During the year, the total number of stores, including franchise stores, decreased from 267 to 262. Three new stores were opened in Norway while the number of stores in Sweden decreased by seven overall. The number of stores in the Netherlands was unchanged while one store was closed in Finland.

In December 2014, RNB entered into an agreement on a unilateral option to extend part of the business financing from the company's main owner, Konsumentföreningen Stockholm. The agreement implies an option to extend the financing by one year, from 2016 to 2017. RNB intends to extend the financing by one year.

Market
According to HUI Research, sales of clothes in specialist retailers fell by 0.4 percent during the fiscal year. RNB's sales in comparable stores increased during the same period by 11.9 percent.

Net sales and earnings
The Group's net sales for remaining concepts totaled SEK 2,136 M (1,917) during the fiscal year, which was a decrease of 11.4 percent. Gross margin during the period was 50.1 percent (51.0). Gross margin was negatively impacted by currency effects during the fiscal year.

Operating income amounted to SEK 48 M (-145, including impairment of goodwill of SEK 151 M).

Profit before tax amounted to SEK 42 M (-155).

Net income for the year amounted to SEK 42 M (-155), corresponding to SEK 1.25 (-4.57) per share. Net income for the fiscal year, including the discontinued operation amounted to SEK 42 M (-161), corresponding to SEK 1.25 (-4.75) per share.

The concepts' performance during the fiscal year
Brothers business area
Net sales for Brothers totaled SEK 492 M (479), an increase of 2.8 percent. Net sales for Brothers during the fiscal year showed an increase in proprietary stores and in e-commerce, and stable sales on the franchise side. The number of visitors increased during almost every month of the year.

Gross margin for the business area increased compared to the previous year, despite negative currency effects. Consistently strong sales during the entire period had a positive effect on gross margin, and like the increased sales, contributed to higher gross profit, despite negative currency effects.

Overhead costs in Brothers remained at the same level as the previous year.

Operating income amounted to SEK -11 M (-29), excluding the previous year's impairment of goodwill in Brothers & Sisters of SEK 151 M.

The quality and level of inventories continued to develop favorably, however, with increased levels during the year, due to increased purchase volumes, earlier deliveries and higher value of goods due to exchange rate fluctuations.

Departments & Stores business area
Net sales in the Departments & Stores business area amounted to SEK 977 M (885), an increase of 10.4 percent. Sales continued to rise in Stockholm and Gothenburg and beat HUI's Stil clothing sales index during all months.

Gross profit in the NK department stores increased on account of the strong sales trend, which was due to more paying customers combined with a higher average spend. Gross margin fell slightly, which was primarily due to a slightly larger obsolescence write-down of inventories during the year, but also due to the currency trend, which combined meant more expensive cost of goods sold. 11 sections were converted during the period.

Overhead costs showed some increases compared to the previous year in stores and in head office functions, due to contractual increases in the cost of premises, higher personnel expenses and certain non-recurring costs during the period.

Operating income amounted to SEK 59 M (55), with an operating margin of 6.0 percent (6.2).

The business area's inventories increased during the period, due to additional purchasing, new premium brands, altered contractual terms where Departments & Stores changed to holding inventories for certain brands, slightly higher value of goods due to fluctuations in exchange rates and earlier delivery of the fall collection.

Polarn O. Pyret business area
Net sales during the fiscal year amounted to SEK 667 M (554), including a continued increase in proprietary store sales (partly explained by the acquired operations in Norway) and in the e-commerce business. Franchise sales decreased on account of the acquisition in Norway, where sales have shifted to proprietary stores.

Gross margin decreased slightly during the year compared to the previous year, where a major reason was increased cost of goods sold due to changes in exchange rates. This was offset somewhat by an altered mix between proprietary stores and franchise-owned stores, where Polarn O. Pyret Norway was owned for 8 months in the previous year compared to 12 months during the period. Despite the gross margin trend, gross profit increased due to the higher sales.

Fixed costs for proprietary stores increased compared to the previous year, due to the acquisition of the Norwegian operations.

Operating income amounted to SEK 24 (6), equivalent to an operating margin of 3.6 percent (1.0). Earnings in all countries improved compared to the previous year. Earnings improved during the period in the Norwegian operations, which were acquired in January 2014. The operations in Holland, where the first store was established in the second quarter 2013/2014, continued to have an adverse effect on the business area's results, but to a lesser extent than before.

Inventory levels increased during the period as a consequence of a higher value of goods due to fluctuations in exchange rates and additional purchase volumes. Current inventory levels are considered to be effective, with good quality and age structure.

Parent Company

The Parent Company provides company-wide services.

Net sales in the Parent Company amounted to SEK 85 M (108) The result after net financial items amounted to SEK 62 M (-159 M, including SEK 151 M for impairment of shares in subsidiaries). Investments totaled SEK 6 M (4).

Financial position and liquidity

The Group had total assets of SEK 1,076 M compared to SEK 1,030 M at the end of the previous fiscal year. Shareholders' equity amounted to SEK 306 M (266) at the end of the period, providing an equity/assets ratio of 28.4 percent (25.8).

At August 31, 2015, inventories totaled SEK 401 M (347), where all three business areas increased their inventory levels. The increase was largely due to currency effects on the inventory value.

Cash flow from operating activities amounted to SEK 73 M (-6). Working capital was negatively impacted by higher inventories while other items resulted in a positive cash flow. Working capital (excluding inventories) decreased by SEK 27 M during the fiscal year. Cash flow after investments amounted to SEK 22 M (-56), which is equivalent to an improvement of SEK 78 M compared to the previous year.

Net debt amounted to SEK 341 M compared to SEK 365 M at the end of the previous fiscal year. The ratio between net debt and operating income before depreciation, amortisation and impairment losses amounted to 3.6 (7.3).

The Group's cash and cash equivalents at the end of the period, including unutilized overdraft facilities, amounted to SEK 147 M compared to SEK 140 M at the end of the previous fiscal year.

Investments, depreciation and impairments

Investments during the period, excluding investment in subsidiaries totaled SEK 42 M (38). Depreciation/amortization and impairment losses amounted to SEK -48 M (-44), excluding the previous year's impairment of goodwill in Brothers & Sisters of SEK 151 M.

Personnel

The average number of employees during the period was 1,024 (1,092).

RNB has employees in four countries who work with production, marketing, sales and in support functions. Our success is based on working with a high level of service in stores and the fact that our corporate culture is defined by our core values. During 2015, RNB launched revised core values.

RNB's core values

- The customer is most important.
- We do sustainable and smart business
- We believe in people
- Direct communication

In connection with the relaunch of RNB's core values, we have also implemented new management guidelines. RNB's management guidelines aim to serve as a guide for our managers' behavior but also as information to our employees about what they can expect from their manager. Our personnel policy is based on mutual responsibility and describes what the company offers as well as what expectations are imposed on the employee. We are convinced that a good reputation as an employer attracts employees who can build a strong company – a company that will grow and continue to be successful. Our organization is multicultural with international experience and we work in an open and informal atmosphere with the ability to adapt to changes.

RNB is affiliated to the employers' organization, the Swedish Trade Federation, and has collective agreements with trade unions Unionen and the Commercial Employees' Union.

Sustainability reporting

As a player in the fashion and beauty industry, RNB has responsibility for how its operations impact the environment and people at a local and global level. We strive to continually improve based on Sweden's environmental goals and the UN's sustainability targets.

RNB embraces the term CSR, Corporate Social Responsibility, to summarize the work that is performed to contribute to an ecological, economic and socially sustainable development. CSR is not an individual employee's efforts but an integrated part of everyone's duties, and therefore a long-term approach and sustainability are a part of RNB's company-wide core values.

CSR and sustainability issues at RNB are driven by the following three objectives:

- Responsible production
- Attractive products
- Operations that are sustainable in the long term

The basis for RNB's sustainability work is driven at a Group level through a CSR platform, from where common guidelines are established for each subsidiary about communication, policies and memberships. Apart from common guidelines, each subsidiary has action plans adapted to their operational profiles in the following four areas:

- Supply chain
- Product and value proposition
- Point-of-sales and charity
- Internal environmental work and RNB as an employer

All action plans are relevant to the operations and the most important are supplemented with prioritized goals for the next three years, as follows:

- Thorough knowledge about production conditions in factories used for production of proprietary brands.
- No suppliers producing proprietary brands with serious breaches of the Code of Conduct
- Improved water and chemical management during production
- Reduced impact based on choice of material and method
- Increased recycling and end-of-life treatment
- Internal knowledge and engagement around CSR and sustainability

RNB presents a separate sustainability report that follows the fiscal year in which the Group's and subsidiaries' sustainability work is reported. This is published on http://www.rnb.se/en/Our-responsibility/SUSTAINABILITY-REPORT/.

Related-party transactions

No transactions were conducted between the RNB Group and related parties, which have materially impacted the Group's financial position and results.

The Company has two loans from its principal shareholder Konsumentföreningen Stockholm based on market-related interest terms, totaling SEK 400 M, of which SEK 385 M is used.

For further information on transactions with related parties, refer to Note 5.

Tax paid

During the period, the Group paid tax totaling SEK 0 M (0).

Risk factors

RNB is exposed to a number of risk factors that are fully or partly beyond the company's control, but which could adversely impact consolidated results. These risks are described in detail in Note 39.

Corporate governance

RNB is governed by the Annual General Meeting, the Board of Directors and the President in accordance with the Swedish Companies Act, the company's Articles of Association and the Swedish Code of Corporate Governance. The company's Corporate Governance Report is presented on pages 64-72.

The Board's work

RNB's Board of Directors after the Annual General Meeting (AGM) in December consisted of six members. The Board is appointed at the AGM for the period until the next Annual General Meeting. The company's Articles of Association do not include any provisions on the appointment or dismissal of Board members.

RNB's Board of Directors is governed by a formal work plan that complies with the Swedish Companies Act with respect to division of duties and reporting. The formal work plan governs Board meetings, issues to be addressed at Board meetings, the Chairman's duties, the President's duties and certain other matters. Within the Board, there is a Remuneration Committee and an Audit Committee.

In addition to the statutory meeting, the Board held six scheduled Board meetings and one extraordinary meeting. The regular meetings were primarily devoted to budget follow-up, investment matters, external reporting, budgets and strategy issues.

Nomination Committee

The Nomination Committee's duties include preparing and submitting proposals to shareholders of the company concerning election of Board members and, when applicable, auditors.

The Chairman of the Board shall annually, and no later than in connection with publication of the company's interim report for the third quarter of the fiscal year, convene the four largest shareholders in the company. They shall then appoint one member each to the Nomination Committee. The Chairman of the Board is to be co-opted to the Nomination Committee, but not as its Chairman. The Chairman of the Board shall also ensure that information about the composition of the Nomination Committee, with contact information, is published well in advance of the AGM. The Chairman of the Board shall also to report to the Nomination Committee regarding the conditions for the Board of Directors' work and specific expertise requirements that may be important for the Nomination Committee's work. Shareholders shall be able to submit proposals to the Nomination Committee for further evaluation within the framework of its work. The Nomination Committee shall hold meetings as necessary, but at least once per year.

Prior to the AGM on December 17, 2015, members of the Nomination Committee were appointed in accordance with this resolution at the AGM in December 2014. The Nomination Committee consists of Sune Dahlqvist, Chairman of Konsumentföreningen Stockholm, Ulf Strömsten, Catella Fondförvaltning, Patrick von Schenck, representing Michael Löfman and Joel Lindeman, Provobis Property & Leisure AB.

Guidelines for remuneration to Senior Executives

On December 18, 2014, the AGM resolved on the guidelines for remuneration and other terms of employment for the company management. These are described in Note 5.

The Board of Directors proposes that the AGM resolve to adopt the following guidelines:

The company shall offer market-related total remuneration, making it possible to recruit and retain senior executives. The remuneration structure for company management shall comprise fixed and variable salary as well as pension and other remuneration. Combined, these parts comprise the individual's total remuneration. Fixed salary and variable salary together represent the employee's salary.

The fixed salary, in SEK per month, is based on the individual's areas of responsibility and experience. The variable salary shall primarily relate to the outcome of the subsidiaries' operating results and/or consolidated results after financial items compared to established targets.

In respect of the currently applicable bonus, it is proposed that the maximum outcome in terms of the company's costs for the variable salary, which implies fulfillment of all bonus-based targets and the bonus to be paid shall be fully financed by the surplus generated, may not exceed SEK 3,250,000 in total (excluding social security contributions), of which SEK 750,000 to the President and CEO and SEK 500,000 or SEK 250,000 to the other senior executives, depending on position. The calculation is based on the seven persons, including President who currently comprise the company management. The bonus will be evaluated annually and the bonus structure will be re-established each year based on budgeted earnings as the target. The bonus does not qualify for vacation or pension.

The variable salary in the bonus program may not exceed 40 percent of the fixed salary.

As in the past, the President is entitled to an occupational pension corresponding to a maximum premium of 30 percent of his current annual salary. Other members of the company management are entitled to a pension according to the ITP plan or equivalent. The retirement age is 65.

Other remuneration and benefits shall be market-related and contribute to the ability of executives to fulfill their duties.

The company management's terms of employment include provisions governing notice of termination. Under these agreements, employment may normally be terminated by the employee subject to a notice period of three to six months and, if termination is initiated by the company, a notice period of six to twelve months. Unchanged salary is paid during the notice period. For the President, a notice period of up to 12 months applies if termination is initiated by the company.

The Board is entitled to deviate from the above guidelines if deems that there are specific grounds to justify such a deviation in an individual case.

Ownership

The number of shareholders on August 31, 2015 was 6,821, of whom 6,030 were registered in Sweden. The three largest shareholders as of August 31, 2015 were Konsumentföreningen Stockholm (33.2 percent share capital/votes), Catella Fondförvaltning (12.3 percent) and Avanza Pension (6.8 percent). Aside from Konsumentföreningen Stockholm and Catella Fondförvaltning, no shareholder, directly or indirectly, holds more than 10 percent of the shares in RNB RETAIL AND BRANDS AB (publ) as of August 31, 2015.

The number of shares in the company on August 31, 2015 was 33,912,176, which were all common shares, each with a quota value of SEK 6. Each share carries one vote at the AGM and all shares have an equal right to share in the company's assets and profits. There are no provisions in the company's Articles of Association limiting the number of votes that each shareholder can cast at the AGM nor any limitations on the right to transfer shares. Further information is available in the section "the RNB Share" on pages 73–74.

Expected future trend

During the year, sales of clothes in specialist retailers decreased according to HUI while e-commerce players continued to launch aggressive offers and cross merchandising between the sports goods and clothing trade. In the near term, we expect this market climate to persist, while the company is picking up indications of improved market conditions in the medium term due to increased consumer demand. On the other hand, consolidated sales increased during the fiscal year to a much greater extent than the clothing trade generally and in view of the concepts' strong and positive trend, the development looks favorable for the coming financial year.

Dividend

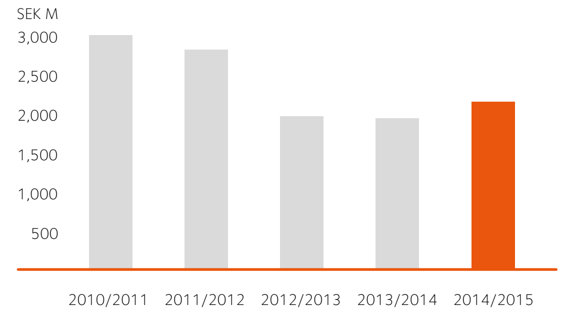
The Board of Directors proposes a dividend of SEK 0.25 per share to the Annual General Meeting for the 2014/2015 fiscal year. Full coverage exists for the Parent Company's equity after the proposed dividend. As a basis for its proposed dividend, the Board under Chapter 18 Section 4 of the Swedish Companies Act, has deemed that the dividend is defensible in view of the requirements imposed by the operations on the size of the Parent Company's and the Group's equity and the Parent Company's and the Group's need to strengthen the balance sheet, liquidity and financial position generally.

Proposed distribution of the company's earnings

The following funds are at the disposal of the Annual General Meeting, SEK:	
Retained earnings	-846,017
Net income for the year	61,499,655
	60,653,638
The Board proposes that the retained earnings be allocated as follows:	
Dividend (SEK 0.25 per share)	8,478,044
To be carried forward	52,175,594
	60,653,638

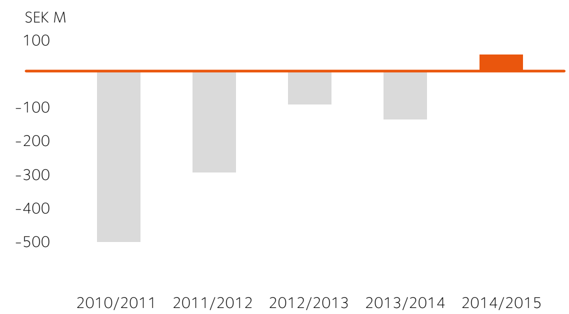
For further information regarding the company's earnings and financial position, refer to the following statements of comprehensive income and balance sheets with accompanying notes. All amounts are presented in thousands of SEK (SEK '000s) unless otherwise stated.

Net sales



Including divested opertion

Operating profit



Including divested opertion

Consolidated statement of comprehensive income

SEK 000s	Note	**Sep 14–Aug 15**	Sep 13–Aug 14
Net sales	4	2,136,164	1,916,942
Other operating income	4,7	15,340	10,410
		2,151,504	**1,927,352**
Operating expenses			
Goods for resale	9,20	–1,065,684	–939,364
Other external expenses	6,8,32	–467,824	–432,567
Personnel expenses	5	–522,176	–502,923
Depreciation/amortization and impairment of property, plant and equipment and intangible assets	14,15,16,18	–47,871	–44,005
Impairment of goodwill	14,17	–	–150,900
Capital loss on sale of subsidiaries		–	–2,644
Operating income	4	**47,949**	**–145,051**
Profit/loss from financial investments			
Interest income and similar profit/loss items	4,10	5,511	3,132
Interest expenses and similar profit/loss items	11	–11,167	–13,081
Profit/loss after financial items	4	**42,293**	**–155,000**
Tax on net income for the year	12	0	–93
Net income for the year from continuing operations		**42,293**	**–155,093**
Discontinued operations			
Profit after tax for the fiscal year relating to discontinued operations	3	–	–5,919
Net income for the year		**42,293**	**–161,012**
Other comprehensive income			
Other comprehensive income, which will be reclassified to net income in subsequent periods			
Translation differences		–2,742	–622
Comprehensive income for the year		**39,551**	**–161,634**
Net income for the year attributable to:			
The parent company's shareholders		42,293	-161,012
Comprehensive income attributable to:			
The parent company's shareholders		39,551	-161,634
Earnings per share from continuing operations (SEK)	13	1.25	–4.57
Earnings per share from discontinued operations (SEK)	13	–	–0.18
Average number of outstanding shares, (thousands)	13	33,912	33,912

Consolidated statement of cash flows

SEK 000s	Note	**Sep 14–Aug 15**	Sep 13–Aug 14
Operating activities			
Operating income from continuing operations		47,949	-145,051
Operating income from discontinued operations		-	-5,600
Interest received		4,940	1,755
Interest paid		-14,164	-10,662
Tax paid		0	0
Adjustment for non-cash items	33	47,044	195,777
Cash flow from operating activities before change in working capital		**85,769**	**36,219**
Cash flow from changes in working capital			
Decrease (+)/increase (–) in inventories		-54,568	-9,784
Decrease (+)/increase (–) in current receivables		3,434	6,986
Decrease (–)/increase (+) in current liabilities		38,966	-39,342
Cash flow from operating activities		**73,601**	**-5,921**
Investing activities			
Acquisition of property, plant and equipment and intangible assets		-37,900	-35,650
Divestment of property, plant and equipment		918	-
Change in non-current receivables		3,129	7,122
Acquisition of subsidiaries	34	-17,386	-20,052
Divestment of subsidiaries	34	-	-1,429
Cash flow from investing activities		**-51,239**	**-50,009**
Financing activities			
Redemption of pension provisions		-	-1,556
Borrowings		-	51,000
Amortization of loans		-15,000	-
Cash flow from financing activities		**-15,000**	**49,444**
Cash flow for the year		**7,362**	**-6,486**
Cash and cash equivalents at the beginning of the year		40,225	46,846
Exchange difference in cash and cash equivalents		-394	-135
Cash and cash equivalents at the end of the year	22	**47,193**	**40,225**

Consolidated balance sheet

SEK 000s	Note	**Aug 31, 2015**	Aug 31, 2014
ASSETS			
Non-current assets			
Intangible assets	14		
Software	15	15,776	20,880
Rental rights	16	12,808	11,158
Goodwill	2,17	379,218	379,229
		407,802	**411,267**
Property, plant and equipment			
Equipment and store fittings	18	87,562	92,118
		87,562	**92,118**
Financial assets			
Non-current receivables	2,36	5,650	8,779
		5,650	**8,779**
Total non-current assets		**501,014**	**512,164**
Current assets			
Inventories			
Goods for resale	2,20	400,921	347,353
		400,921	**347,353**
Current receivables			
Trade receivables	2,36	48,701	49,785
Current tax assets		9,004	6,556
Others receivables		9,708	10,587
Derivative assets	36	4,056	1,361
Prepaid expenses and accrued income	21	55,264	62,310
		126,733	**130,599**
Cash and cash equivalents	22,24,26	47,193	40,225
Total current assets		**574,847**	**518,177**
TOTAL ASSETS	4	**1,075,861**	**1,030,341**

SEK 000s	Note	**Aug 31, 2015**	Aug 31, 2014
EQUITY AND LIABILITIES			
Equity attributable to the parent company's shareholders			
Share capital		203,473	203,473
Other contributed capital		2,240,118	2,240,118
Other reserves		-12,141	-9,399
Retained earnings		-2,168,048	-2,007,036
Net income for the year		42,293	-161,012
Total equity attributable to the Parent Company's shareholders		**305,695**	**266,144**
Non-current liabilities			
Liabilities to credit institutions	24	510	2,725
Deferred tax liabilities	12	0	0
Other non-current liabilities	24,25	385,000	400,000
Total non-current liabilities		**385,510**	**402,725**
Current liabilities			
Liabilities to credit institutions	24	2,215	2,193
Provisions for pensions	23	-	-
Trade payables	27	202,000	190,770
Other liabilities	28	53,386	62,990
Derivative liabilities	36	2,123	-
Accrued expenses and deferred income	29	124,932	105,519
Total current liabilities		**384,656**	**361,472**
TOTAL EQUITY AND LIABILITIES	4	**1,075,861**	**1,030,341**
Pledged assets	30	428,934	367,473
Contingent liabilities	31	-	-

Consolidated changes in shareholders' equity

SEK 000s	Share capital	Other contrib-uted capital	Other reserves	Profit/loss brought forward	Net income for the year	**Total equity**
Shareholders' equity, August 31, 2013	**203,473**	**2,240,118**	**-8,777**	**-1,378,317**	**-628,719**	**427,778**
Transfer of previous year's profit/loss				-628,719	628,719	0
Net income for the year					-161,012	-161,012
Other comprehensive income for the year			-622			-622
Comprehensive income for the year			*-622*		*-161,012*	*-161,634*
Shareholders' equity, August 31, 2014	**203,473**	**2,240,118**	**-9,399**	**-2,007,036**	**-161,012**	**266,144**
Transfer of previous year's profit/loss				-161,012	161,012	0
Net income for the year					42,293	42,293
Other comprehensive income for the year			-2,742			-2,742
Comprehensive income for the year			*-2,742*		*42,293*	*39,551*
Shareholders' equity, August 31, 2015	**203,473**	**2,240,118**	**-12,141**	**-2,168,048**	**42,293**	**305,695**

Presentation of shareholders' equity for the Group
Pursuant to IAS 1, shareholders' equity must be broken down into its constituent components.

RNB has chosen to specify shareholders' equity as follows:
Share capital, Other contributed capital, Other reserves, Profit/loss brought forward and Net income for the year.

The item "share capital" encompasses the registered share capital of the Parent Company. "Other contributed capital" consists essentially of all funds contributed by shareholders in excess of shareholders' equity. "Other reserves" consists of those items that are recognized directly in "Other comprehensive income." In RNB's case, this item comprises translation differences attributable to translation of foreign subsidiaries pursuant to IAS 21.

"Profit/loss brought forward" corresponds to the total accumulated profits and losses of the Group less dividends paid.

Share capital comprised 33,912,176 shares on August 31, 2015. All shares are common shares.

A dividend of SEK 0.25 per share is proposed for the fiscal year September 1, 2014 – August 31, 2015.

Equity is entirely attributable to the Parent Company's shareholders.

Parent Company income statement

SEK 000s	Note	**Sep 14–Aug 15**	Sep 13–Aug 14
Net sales	38	85,236	107,658
Other operating income	7	8,633	4,873
		93,869	**112,531**
Operating expenses			
Other external expenses	6,8,32	–59,613	–79,071
Personnel expenses	5	–50,558	–51,486
Depreciation/amortization and impairment of property, plant and equipment and intangible assets	14,15,17,18	–9,341	–6,665
Operating income		**–25,643**	**–24,691**
Profit/loss from financial investments			
Result from participations in group companies	35	95,453	–123,184
Interest income and similar profit/loss items	10	1,500	921
Interest expenses and similar profit/loss items	11	–9,810	–11,744
Profit/loss after financial items		**61,500**	**–158,698**
Tax on net income for the year	12	–	–
Net income for the year		**61,500**	**–158,698**

Parent Company statement of comprehensive income

SEK 000s	Note	**Sep 14–Aug 15**	Sep 13–Aug 14
Net income for the year		61,500	–158,698
Other comprehensive income		–	–
Comprehensive income for the year		**61,500**	**–158,698**

Parent Company balance sheet

SEK 000s	Note	**Aug 31, 2015**	Aug 31, 2014
ASSETS			
Non-current assets			
Intangible assets			
Software	15	15,324	19,982
		15,324	**19,982**
Property, plant and equipment			
Equipment	18	2,835	1,458
		2,835	**1,458**
Financial assets			
Participations in subsidiaries	19	561,654	501,654
		561,654	**501,654**
Total non-current assets		**579,813**	**523,094**
Current assets			
Current receivables			
Trade receivables	36	26	514
Receivables from group companies	37	61,409	82,139
Current tax assets		3,267	1,860
Others receivables		136	132
Prepaid expenses and accrued income	21	5,504	6,168
		70,342	**90,813**
Cash and cash equivalents	22,24,26	35,961	28,910
Total current assets		**106,303**	**119,723**
TOTAL ASSETS		**686,116**	**642,817**

SEK 000s	Note	**Aug 31, 2015**	Aug 31, 2014
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		203,473	203,473
Statutory reserve		–	157,853
Total restricted equity		**203,473**	**361,326**
Non-restricted equity / Accumulated loss			
Share premium reserve		–	–
Retained earnings		-845	0
Net income for the year		61,500	-158,698
Total non-restricted equity / accumulated loss		**60,655**	**-158,698**
Total equity		**264,128**	**202,628**
Non-current liabilities			
Other non-current liabilities	24,25	385,000	400,000
Total non-current liabilities		**385,000**	**400,000**
Current liabilities			
Trade payables	27	5,227	7,696
Liabilities to group companies	37	18,394	14,347
Other liabilities	28	2,939	1,546
Accrued expenses and deferred income	29	10,428	16,600
Total current liabilities		**36,988**	**40,189**
TOTAL EQUITY AND LIABILITIES		**686,116**	**642,817**
Pledged assets	30	121,000	46,000
Contingent liabilities	31	16,881	24,089

Parent Company statement of cash flows

SEK 000s	Note	**Sep 14–Aug 15**	Sep 13–Aug 14
Operating activities			
Operating income		–25,643	–24,691
Interest received		1,500	921
Interest paid		–13,143	–8,517
Tax paid		0	0
Adjustment for non-cash items	33	9,341	7,018
Cash flow from operating activities before change in working capital		**–27,945**	**–25,269**
Cash flow from changes in working capital			
Decrease (+)/increase (–) in current receivables		20,471	–35,414
Decrease (–)/increase (+) in current liabilities		288	–3,551
Cash flow from operating activities		**–7,186**	**–64,234**
Investing activities			
Acquisition of intangible assets and property, plant and equipment		–6,216	–4,421
Shareholders' contribution paid		–60,000	–10,004
Cash flow from investing activities		**–66,216**	**–14,425**
Financing activities			
Group contributions received		95,453	72,450
Group contributions paid		–	–35,000
Borrowings		–	51,000
Amortization of loans		–15,000	–
Cash flow from financing activities		**80,453**	**88,450**
Cash flow for the year		**7,051**	**9,791**
Cash and cash equivalents at the beginning of the year		28,910	19,119
Cash and cash equivalents at the end of the year	22	35,961	28,910

Parent Company changes in shareholders' equity

SEK 000s	Restricted equity		Accumulated loss/non-restricted equity			
	Share capital	Statutory reserve	Share premium reserve	Profit/loss brought forward	Net income for the year	**Total equity**
Shareholders' equity, August 31, 2013	**203,473**	**183,647**	**1,940,087**	**- 1,264,726**	**- 701,155**	**361,326**
Transfer of previous year's profit/loss		-25,794	- 1,940,087	1,264,726	701,155	0
Net income for the year					-158,698	-158,698
Other comprehensive income for the year					0	0
Comprehensive income for the year					*-158,698*	*-158,698*
Shareholders' equity, August 31, 2014	**203,473**	**157,853**	**0**	**0**	**-158,698**	**202,628**
Transfer of previous year's profit/loss		-157,853		-845	158,698	0
Net income for the year					61,500	61,500
Other comprehensive income for the year					0	0
Comprehensive income for the year					*61,500*	*61,500*
Shareholders' equity, August 31, 2015	**203,473**	**0**	**0**	**-845**	**61,500**	**264,128**

The share capital comprised 33,912,176 shares on August 31, 2015. All shares are common shares.
A dividend of SEK 0.25 per share is proposed for the fiscal year September 1, 2014 – August 31, 2015.

Notes to the financial statements

Amounts in SEK 000s unless otherwise stated.

Note 1 Accounting policies, etc.

Information about the company and the annual accounts
RNB RETAIL AND BRANDS AB (publ), Corp. Reg. No. 556495-4682, is a Swedish public limited liability company with its registered office in the Municipality of Stockholm, Stockholm County. The company is listed on Nasdaq Stockholm, Small Cap segment. RNB RETAIL AND BRANDS AB (publ) is the Parent Company of the Group. The Group owns, operates and develops stores that sell fashion wear, ready-to-wear clothing, accessories, jewelry and cosmetics. The company's fiscal year runs from September 1 to August 31.

The consolidated financial statements and financial statements for the Parent Company for the 2014/2015 fiscal year were signed by the Board of Directors and the President on November 26, 2015, thereby approving these consolidated financial statements for publication. The consolidated statement of comprehensive income and balance sheets for the Parent Company and the Group will be subject to adoption at the Annual General Meeting to be held on December 17, 2015.

Conformity with standards and statutes
The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and International Financial Reporting Standards (IFRS), as approved by the European Commission for application within the EU. In addition, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has been applied.

The Parent Company applies the same accounting policies as the Group except in the instances described below in the section "Parent Company's accounting policies". The deviations that occur between the Parent Company and Group accounting policies are due to limitations in the possibilities of fully applying IFRS in the Parent Company on account of the Annual Accounts Act and in certain cases due to tax considerations. The Parent Company has prepared its financial statements in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board.

Basis of preparation of financial statements for the Parent Company and the Group
The Parent Company's functional currency is SEK, which is also the presentation currency for the Parent Company and the Group. This means that the financial statements are presented in Swedish kronor. All figures, unless otherwise stated, are rounded off to the nearest thousand. Recognition of assets and liabilities is based on historical cost (cost), with the exception of certain financial assets and liabilities that are measured at fair value. Financial assets and liabilities, which are measured at fair value, consist of derivatives (currency futures contracts).

Preparing the financial statements in accordance with IFRS requires that the company management makes assessments and estimates as well as assumptions that affect the application of accounting policies and the recognized amounts for assets, liabilities, revenue and expenses. Estimates and assumptions are based on historical experience and on a number of other factors that, under prevailing circumstances, are considered reasonable. The result of these judgments and assumptions is then used to judge the carrying amounts of assets and liabilities that would not be evident from other sources. The actual outcome may differ from these estimates and assumptions.

In the application of IFRS, assessments made by the company management that have a significant impact on the financial statements and the estimates made that can cause substantial adjustments in the following years' financial statements are described in detail in Note 2.

Events after the balance sheet date refer to both favorable and unfavorable events that occur after the balance sheet date but before the date in the following year on which the financial statements are authorized for issue by the members of the Board of Directors. Information is disclosed in the annual accounts concerning significant events after the balance sheet date that were not taken into account when preparing the balance sheets and the income statements. Only such events that provide evidence of conditions that existed on the balance sheet date have been considered when presenting the financial statements.

The most important accounting policies applied when these consolidated financial statements were prepared are presented below. These policies have been applied consistently for all of the years presented unless otherwise stated.

New and amended accounting policies
The following updated standards have been applied as of the current fiscal year: None of the new standards that have become effective as shown below have had any material impact on the financial statements.

IFRS 10 Consolidated Financial Statements and amendment to IAS 27 Consolidated and Separate Financial Statements (Approved by the EU on December 11, 2012) shall be applied for annual periods beginning on or after January 1, 2014. IFRS 10 replaces the section in IAS 27 dealing with preparation of consolidated financial statements. The rules pertaining to how the consolidated financial statements shall be prepared have not been changed. More specifically, the amendment provides further guidance on how a company is to determine whether control exists and thus whether a company is to be consolidated. As all units are wholly-owned, IFRS 10 and amendments in IAS 27 have not affected the financial statements.

IFRS 11 Joint Arrangements and amendment to IAS 28 Investments in Associates and Joint Ventures (approved by the EU on December 11, 2012).
IFRS 11 and the amendment to IAS 28 shall be applied for annual periods beginning on or after January 1, 2014. IFRS 11 addresses the recognition of two types of joint arrangements; joint operations where the parties (joint operators) have rights and obligations to assets and liabilities and joint ventures where parties (joint venturers) have rights to the net assets. In a joint operation, joint operators shall recognize their assets, liabilities, revenue and expenses, and/or their relative share. In a joint venture, the rules in IAS 28 shall be applied, i.e. the joint venture shall be recognized in accordance with the equity method. Since RNB Retail AND BRANDS does not have any joint arrangements, IFRS 11 and the amendments in IAS 28 have not impacted the financial reporting.

IFRS 12, Disclosures Of Interests in Other Entities (approved by the EU on December 11, 2012)
IFRS 12 is to be applied for annual periods beginning on or after January 1, 2014. The standard contains more extensive disclosure requirements than previous disclosure standards in an annual report. The standard has not had any impact on the content of the financial statements.

IAS 27 Separate Financial Statements (Approved by the EU on December 11, 2012)
This revised version of IAS 27 shall be applied for annual periods beginning on or after January 1, 2014. The standard shall be applied in recognition of holdings in subsidiaries, joint ventures and associated companies when a company opts, or is obliged under local regulations, to prepare separate

Note 1 **Cont.**

financial statements. The revision has not implied any changes in the financial statements for the Parent Company.

IAS 28 Investments in Associates and Joint Ventures (approved by the EU on December 11, 2012)
This revised version of IAS 28 shall be applied for annual periods beginning on or after January 1, 2014. The standard describes the equity method for both associated companies and for joint ventures. The standard has not implied any changes in the financial statements.

IAS 32 Financial Instruments: Presentation – revised (Approved by the EU on December 13, 2012)
The amendment to IAS 32 shall be applied for annual periods beginning on or after 1 January 2014. The amendment to IAS 32 provides guidance regarding offsetting financial assets and financial liabilities. Clarification has been provided of the definition of "a legally enforceable right of set-off" and what is meant by "items that can be settled net" in various contexts. The amendment has not given rise to any changes in the financial statements.

IAS 36 Impairment of Assets
The amendment to IAS 36 shall be applied for annual periods beginning on or after 1 January 2014. The amendment means that information should be provided on the basis for calculating the recoverable amount of impaired assets if the recoverable amount was based on fair value less costs to sell.

The amendment has not implied any changes in the financial statements.

IAS 38 Intangible Assets - revised
The amendment to IAS 38 shall be applied to fiscal years beginning on or after January 1, 2014. The amendment means that the requirement to disclose the recoverable amount of all cash-generating units to which goodwill is allocated, introduced in connection with the introduction of IFRS 13, is removed. Instead additional fair value disclosure requirements are introduced when the recoverable amount of an impaired asset is based on fair value less selling expenses. In addition, disclosure requirements are harmonized when the recoverable amount is calculated on the basis of fair value less selling expenses and based on value in use. The revision has not implied any changes in the financial statements.

IFRIC 21 Levies (Not yet approved by EU)
The interpretation will become effective for annual periods beginning after June 17, 2014 according to the EU. The interpretation clarifies when a liability for shall be recognized for various forms of levies/taxes that a governmental or equivalent organ imposes on companies. The interpretation has not implied any changes in the financial statements.

New and amended IFRS not yet applied
A brief description follows below of the standards and interpretations that have not yet been adopted by RNB RETAIL AND BRANDS but, which are expected to have a future impact.

IFRS 9 Financial Instruments:
IFRS 9 deals with recognition of financial assets and liabilities and replaces IAS 39 Financial Instruments: Recognition and measurement. Like IAS 39, financial assets are classified in different categories, of which some are measured at amortized cost and others at fair value. IFRS 9 introduces other categories than those found in IAS 39. IFRS 9 also introduces a new model for impairment of financial assets. For financial liabilities, IFRS 9 largely conforms with IAS 39. IFRS 9 will become effective on January 1, 2018. The EU has still not approved the standard.

RNB RETAIL AND BRANDS during the period began the work of evaluating what effects the standard will give rise to in the financial statements.

IFRS 15 Revenue from Customer Contracts
The standard introduces new principles for revenue recognition and extended disclosure requirements for revenue. This standard shall be applied from and including January 1, 2018. RNB RETAIL AND BRANDS during the period began the work of evaluating what effects the standard will give rise to in the financial statements.

None of the other IFRSs or IFRIC interpretations which have not yet become effective, are expected to have any material impact on the financial statements for the Group and Parent Company.

Classification
Non-current assets and non-current liabilities consist essentially of amounts that are expected to be recovered or paid, or if the Group and the Parent Company have both a unilateral right and intention to make payment after more than twelve months from the balance sheet date. Current assets and current liabilities consist essentially of amounts that are expected to be recovered or paid within twelve months from the balance sheet date.

Basis of consolidation
The consolidated financial statements cover the Parent Company and its subsidiaries. Subsidiaries are all companies over which the Parent Company exercises control.

The purchase method is used for recognition of business combinations. The acquisition analysis establishes the consideration transferred as well and the fair value of separately acquired identifiable assets, assumed liabilities and contingent liabilities. All transaction costs connected with acquisitions are expensed.

The financial statements of subsidiaries are consolidated from the date of acquisition until the date when control ceases.

Intra-group transactions, balance sheet items and intra-group unrealized gains and losses have been eliminated when preparing the consolidated financial statements.

Foreign currency translation
Functional currency and presentation currency Items included in the financial statements of the various units in the Group are measured in the currency used in the economic environment in which the each company mainly operates (functional currency). In the consolidated financial statements, the Swedish krona (SEK) is the Parent Company's functional currency and the Group's presentation currency.

Transactions and balance sheet items
Transactions in foreign currency are translated using the exchange rate that applied on the transaction date to the unit's functional currency. Receivables and liabilities in foreign currencies are measured at the closing day rate.

Exchange gains and losses attributable to loans are recognized through profit or loss as financial income or expenses. Other exchange gains and losses are recognized in Goods for resale.

Group companies
All Group companies whose earnings and financial position are in a functional currency other than the Group's presentation currency, are translated as follows:

(a) assets and liabilities are translated at the closing day rate;

(b) revenues and costs are translated at the average exchange rate. The average rate is considered to be a reasonable approximation of the cumulative effect of the rates prevailing on the transaction date;

and

(c) the translation differences that arise are recognized in other comprehensive income and in other reserves in equity.

Note 1 Cont.

Revenue

Group revenues mainly derive from sales of goods to consumers in proprietary stores and from wholesale sales to franchisees. Sales of goods are recognized on delivery to the customer, in accordance with the terms and conditions of sale. All store sales are conducted on a 10-30 days sale-or-return basis. Sales revenue is recognized less discounts and returns and excluding VAT revenue. Customer loyalty programs, which mainly comprise discounts provided in relation to the customers' actual purchases, are recognized as a special component of the sales transaction in which they are awarded by reducing sales revenues by this component. The reduction of sales revenues is based on the value for the customer and not the cost for RNB RETAIL AND BRANDS. The reduction is recognized as deferred income and taken up as income over the periods during which the commitment is fulfilled.

The Group's net sales also include franchise fees. Franchise fees are based on the franchisee's sales and are recognized in the consolidated income statement in the same period as when the sale was made to a consumer.

Financial income and expenses

Financial income and expenses primarily consists of interest income on cash and bank balances, interest expenses on loans, changes in value of all currency derivatives and other financial items. All currency derivatives hedge purchase of goods, also see Note 39.

Dividend income is recognized as financial income when the right to receive payment has been established.

Financial instruments

All financial assets and liabilities are classified in accordance with IAS 39 in the following categories:

- *Financial assets measured at fair value through profit or loss.* For RNB RETAIL AND BRANDS this category includes futures contracts with positive fair values. Hedge accounting is not applied. Related transaction costs are recognized in the income statement.
- *Held-to-maturity investments* RNB RETAIL AND BRANDS has no financial assets in this category.
- *Loans and receivables* For RNB RETAIL AND BRANDS, this category comprises cash and cash equivalents, trade receivables, accrued income and loan receivables.

  Loans and receivables are initially recognized at fair value and thereafter at amortized cost. Since the estimated duration of trade receivables is generally short, their value is recognized without discounting.

  On each reporting date, the company assesses if there are objective indications that a financial asset is impaired. The indications used primarily by the Group to determine whether there is objective evidence that an impairment need exists include:
  - significant financial difficulties displayed by the issuer or the debtor,
  - breach of contract, such as lack of or delayed payment of interest or capital amounts,
  - probability that the borrower will enter bankruptcy or some other form of financial reconstruction,
  - an active market for the particular asset ceases to operate due to financial difficulties.
  - Impairment testing is performed individually and, where applicable, impairment losses are recognized in other external expenses.
- *Financial assets available for sale* RNB RETAIL AND BRANDS has no financial assets classified in this category.
- *Financial liabilities measured at fair value through profit or loss.* For RNB RETAIL AND BRANDS this category includes futures contracts with positive fair values. The Group does not apply hedge accounting. Related transaction costs are recognized in the income statement.
- *Other financial liabilities.* For RNB RETAIL AND BRANDS, this category consists of trade payables, accrued costs and loan liabilities. Other liabilities are measured at amortized cost. Since the estimated maturity of trade payables is short, their value is recognized without discounting.

  A financial asset or financial liability is recognized in the balance sheet when the company becomes a party to the contractual terms and conditions of the instrument. Trade receivables are recognized in the balance sheet when the invoice has been sent. A liability is recognized when the counterparty has performed a service and a contractual payment obligation prevails, even if the invoice has not yet been received. Trade payables are recognized when the invoice has been received.

  A financial asset is derecognized when the contractual rights to the asset are realized, extinguished or the company loses control over them. The same applies to a portion of a financial asset. A financial liability is derecognized when the contractual obligation has been fulfilled or in some other manner extinguished. The same applies to a portion of a financial liability.

Financial assets and liabilities are offset and recognized as a net amount in the balance sheet only when there is a legal right to offset the recognized amounts and there is an intention to settle them with a net amount.

Intangible assets

Goodwill: Goodwill arises on acquisition of a businesses. Goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized; instead it is tested annually for any impairment or as soon as any indications arise that suggest that the asset in question has decreased in value. In order to test for impairment of goodwill, it is allocated to cash-generating units which comprise the Group's operating segments. Any impairment losses are not reversed.

Rental rights: Rental rights are recognized at cost less amortization. Rental rights are amortized over ten years, which corresponds to their estimated useful lives, in light of the fact that these rights pertain to stores primarily situated in central locations.

Software: Software is recognized at cost less amortization. Software is amortized over five years, which corresponds to its expected useful life.

Property, plant and equipment

Property, plant and equipment refers to equipment and store fittings and is recognized at cost less depreciation and any impairments.

Additional expenditure is added to the asset's carrying amount or is recognized as a separate asset, depending on what is most suitable, only if it is probable that the future economic benefits associated with the asset will accrue to the Group and that the cost of the asset can be measured in a reliable manner. Repair and maintenance expenditure is expensed during the period that such expenditure arises. Property, plant and equipment is depreciated systematically over the estimated useful life of the assets concerned. The straight-line method of depreciation is used for all types of property, plant and equipment. For equipment and store fittings, a depreciation period of five years is used.

The assets' residual values and useful lives are tested for impairment at the close of each reporting period and adjusted if required. The carrying amount of an asset is impaired immediately to the asset's recoverable amount should the carrying amount of the asset exceed its estimated recoverable amount.

Lease agreements

When lease agreements mean that the Group, as the lessee, essentially enjoys the financial benefits and bears the financial risks associated with the leased object, the leasing agreements are classified as financial and the object is recognized as a non-current asset in the consolidated balance sheet and is written down to the shorter of the leasing period or the

Note 1 **Cont.**

useful life. The corresponding obligation to pay leasing fees in the future is recognized as non-current and current liabilities. Each leasing payment is allocated between amortization of the recognized debt and financial expenses.

Other lease agreements, mainly rental agreements for premises, are recognized as operating leases.

Operating leasing means that the leasing fee is expensed over the term of the lease.

In a certain number of the Group's rental contracts, the rent is divided into basic rent and revenue-based rent, whereby the rental amount depends on the store's sales during the fiscal year. In such cases, only the basic rent is expensed on a straight-line basis. The revenue-based rent is recognized during the period to which the revenue pertains.

Inventories

Inventories are measured at the lower of cost and net realizable value.

When calculating the cost of inventories, the first-in, first-out principle is applied, and includes expenses arising after the acquisition of inventory items and the transportation of them to the Group's warehouses.

Cash and cash equivalents

Cash and cash equivalents consist of cash funds and immediately available balances with banks and similar institutions.

Impairment losses

On each balance sheet date, an impairment test is performed to determine whether there is any indication that the carrying amounts of Group's property, plant and equipment and intangible assets have fallen in value. If such indications exist, the recoverable amount of the asset concerned is calculated (the highest of value in use or net realizable value). If the recoverable amount is lower than the carrying amount, an impairment loss is recognized in the income statement.

For goodwill, the recoverable amount is calculated on an annual basis.

If it is not possible to assign essentially independent cash flows to a single asset, the assets are grouped at the lowest level where it is possible to identify essentially independent cash flows when the impairment test is performed.

Dividends paid

Dividends paid are recognized as a liability after the Annual General Meeting has approved the dividend.

Pensions

The Group has both defined contribution and defined benefit pension plans.

Employees in Sweden are covered by both defined benefit and defined contribution plans, while employees in Norway, Finland, the Netherlands and Hong Kong are only covered by defined contribution plans.

Defined contribution plans

For employees covered by defined contribution plans, contributions are paid to a separate legal entity and there is no obligation to pay additional contributions. Commitments pertaining to defined contribution plans are recognized as a personnel cost through profit or loss when they arise.

Defined benefit plans

For employees covered by defined benefit plans, remuneration is paid to employees and former employees based on such factors as salary level on retirement and the number of years of service. The Group bears the risk of paying the promised remuneration. In RNB RETAIL AND BRANDS, previously unfunded defined benefit pension plans with PRI, were closed during the 2013/14 fiscal year. Therefore in the balance sheet, liabilities related to defined benefit plans are no longer recognized. New vesting is secured through payment of insurance premiums to Alecta.

Alecta

Certain commitments for salaried employees in Sweden are also secured through insurance with Alecta. According to statement UFR 10 from the Swedish Financial Accounting Standards Council's Emerging Issues Task Force, the insurance with Alecta constitutes a multi-employer defined benefit plan. Similar to previous years, Alecta has not had access to such information that would make it possible to recognize this plan as a defined benefit plan. Accordingly, the ITP pension plan secured through insurance with Alecta is recognized as a defined contribution plan. For more information, refer to Note 23.

Remuneration upon termination of employment

A provision is recognized in conjunction with the termination of employment only if the company is unquestionably obligated to terminate employment prior to the scheduled time or when remuneration is paid as an offer to encourage voluntary resignation. In cases where the company terminates employment, a detailed plan is prepared, which at a minimum includes workplace, positions held, the approximate number of employees involved, the remuneration for each personnel category or position and the time for implementation of the plan.

Taxes

Income taxes recognized through profit or loss include tax that is to be paid or received and pertains to the current year, adjustments of current tax in prior years and changes in deferred tax. These taxes have been calculated in accordance with the applicable tax regulations in each country.

Tax liabilities/assets are measured at nominal amounts in accordance with the taxation rules and tax rates that have been decided or announced and that with considerable certainty will be enacted. In the balance sheet, current tax receivables and current tax liabilities are recognized as current items.

For items recognized through profit or loss, the associated tax effects are also recognized through profit or loss. Tax effects of items recognized directly in equity are recognized in equity and for items recognized directly in other comprehensive income, the tax effect is also recognized in other comprehensive income.

Deferred tax is calculated and recognized on all temporary differences between the tax-assessment value and the carrying amount of assets and liabilities and for loss carryforwards. Deferred tax assets are recognized as non-current receivables and deferred tax liabilities are recognized as non-current liabilities.

The value of deferred tax assets is assessed every time the annual accounts are prepared and is reduced to the extent that it is no longer probable that sufficiently large taxable profits will be available to offset all or portions of the deferred tax assets.

Deferred tax assets and deferred tax liabilities are offset when there is a legal right to offset current tax assets against tax liabilities against each other and when the deferred tax assets and tax liabilities pertain to taxes charged by the same tax authority and that pertain either to the same taxpayer or to different taxpayers, where there is an intention to settle the balances through a net payment.

Statement of cash flows

The statement of cash flows was prepared in accordance with the indirect method. The recognized cash flow only includes transactions that involve incoming or outgoing payments.

Reporting by operating segment

RNB RETAIL AND BRANDS has identified the Group Management as its chief operating decision maker. The Group Management is further described in Note 5. RNB reports three operating segments as of the end of the 2014/2015 fiscal year, namely Polarn O. Pyret, Department & Stores and Brothers & Sisters. During the 2013/14 fiscal year, the JC operating segment was divested. The operating segments' earnings, assets

Note 1 Cont.

and liabilities include directly attributable items that can be allocated to the operating segments in a reasonable and reliable manner. The Group Management assesses the earnings of the operating segments on the basis of operating income. This measurement does not vary from the measurement of operating income recognized in the consolidated income statement. In the financial statements for the operating segments, central administration is recognized under the header "Other."

Contingent liabilities
A contingent liability is recognised when a possible obligation arises from past events whose existence will only be confirmed by one or more uncertain future events or when an obligation exists that is not recognised as a liability or provision, since it is not probable that an outflow of resources will be required.

Parent Company's accounting policies
The Parent Company prepares its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2. Accounting for Legal Entities. According to RFR 2, the Parent Company, in the annual accounts for the legal entity, must apply all EU-approved IFRS and statements, to the greatest possible extent, within the framework of the Annual Accounts Act and taking into consideration the relationship between accounting and taxation. The recommendation specifies the exceptions and supplements that are permissible in relation to IFRS. The most important differences between the Group's and the Parent Company's accounting policies are presented below.

Lease agreements
All lease agreements in the Parent Company are recognized as operating leases, irrespective of whether they are financial or operating.

Shareholders' contributions and Group contributions
The Parent Company recognizes group contributions received and group contributions paid according to the general rule, which means group contributions received from subsidiaries are recognized as financial income and group contributions paid to subsidiaries are recognized as an increase in participations in Group companies.

Shareholders' contributions received are recognized directly in the recipient's equity and shareholders' contributions paid are recognized as an increase in participations in Group companies.

Insofar as impairments are required after group contributions and shareholders' contributions paid, the impairment loss is recognized as a cost through profit or loss under the heading "Profit from participations in Group companies."

Participations in subsidiaries
Participations in subsidiaries are recognized in the Parent Company in accordance with the cost method. All dividends received from subsidiaries are recognized as income through profit or loss under the heading "Profit from participations in Group companies." The balance sheet item "Participations in subsidiaries" is tested for impairment insofar as there are indications or reasons to assume that the recoverable amount is less than the carrying amount.

Note 2 Critical estimates and judgements

When preparing the financial statements, certain accounting methods and accounting policies are used whose application may be based on difficult, complex and subjective assessments on the part of company management. The company management makes its assessments on the basis of previous experience and assumptions that, taking the present circumstances into account, are considered reasonable and realistic. The use of such estimates and assumptions influences carrying amounts. Using other assumptions and under different circumstances, actual outcomes could differ from these estimates. According to the company management, critical assessments pertaining to applied accounting policies and sources of uncertainty in estimates, are primarily related to the valuation of goodwill, taxes, doubtful trade receivables and recognition of inventories.

Goodwill
In accordance with what is stated in Note 14, RNB conducts impairment testing of goodwill, each year or more often in the event of an indication of impairment. Goodwill is attributable to the following operating segments: Department & Stores, SEK 233,445,000 (233,445,000); Polarn O. Pyret, SEK 48,105,000 (48,116,000); and Brothers & Sisters, SEK 97,668,000 (97,668,000). In order to calculate the recoverable amount, value in use is deployed. For these calculations, certain assumptions and estimates must be made. The principal assumptions pertain to the discount rate, the cash flow forecast for the 2015/16-2019/20 period and for the period thereafter and assumptions concerning growth after the forecast period. See Note 14, for an overview of the sensitivity analysis performed on the assumptions made.

Taxes
When preparing the financial statements, RNB conducts a calculation of the income tax applicable in each tax jurisdiction in which the company operates, as well as of deferred taxes attributable to temporary differences. Deferred tax assets are recognized insofar as it is probable that future taxable surpluses will be available against which the temporary differences can be offset. Changes in assumptions concerning forecast future taxable income, as well as changes in tax rates and actual future outcomes, could result in significant differences in the measurement of deferred taxes. RNB has unrecognized deferred tax assets attributable to loss carryforwards in both Swedish and foreign entities. An additional description of the Group's deferred tax assets is provided in Note 12.

Trade receivables
Trade receivables are recognized net after provisions for bad debts. The provision pertaining to trade receivables is based mainly on receivables from franchisees. In-store sales take the form of payment in cash or by credit card, in which the bank bears the risk. The net value corresponds to the value expected to be received. In RNB's assessment, the current provision is sufficient. At year-end, the total provision for bad debts amounted to SEK 15,617,000 (15,730,000) and trade receivables, net after provisions, amounted to SEK 54,351,000 (58,564,000), of which SEK 5,650,000 (8,779,000) was recognized as non-current receivables taking into account the agreed terms of payment.

Inventories
Inventories have been measured at the lower of cost and net realizable value. The amount of net realizable value reflects calculations of such factors as future selling prices, in which anticipated discounts are taken into account. The actual outcome of future selling prices could deviate from the assessments and estimates made.

Note 3 Disposal group that is sold

In February 2013, RNB RETAIL AND BRANDS AB (publ) announced that the company was intending to conduct a strategic review of the JC business area. One of the alternatives in this strategic review was a divestment of JC. In line with this, RNB Retail and Brands entered into an agreement on divestment of JC during the first quarter of 2013/2014 to an external buyer. The sale was completed with effect from November 1, 2013.

	Sep 14 - Aug 15	Sep 13 - Aug 14
Net sales	-	110,842
Other operating income	-	-1,693
Total revenue	**0**	**109,149**
Operating expenses		
Goods for resale	-	-56,214
Other external expenses	-	-31,028
Personnel expenses	-	-27,507
Depreciation and impairment of non-current assets	-	0
Impairment of goodwill and trademark	-	0
Operating income	**0**	**-5,600**
Profit/loss from financial investments		
Financial income	-	85
Financial expenses	-	-306
Net financial items	**0**	**-221**
Profit before tax of operation for disposal	**0**	**-5,821**
Tax on net income for the year	-	-98
Net income for the year of operation for disposal	**0**	**-5,919**

Net cash flow in the JC segment is as follows:

	Aug 31, 2015	Aug 31, 2014
Operating activities	-	-3,023
Investment	-	-
Financing	-	-11,994
Net cash flow	**0**	**-15,017**

Note 4 Segment and revenue reporting by country

Sep 14 – Aug 15	Polarn O. Pyret	Departments & Stores	Brothers	Other	Eliminations	Total
Revenue						
External sales	667,148	976,591	492,425	–	–	2,136,164
Internal sales	39	–	–	102,043	-102,082	0
Interest income	1,418	–	3,383	710	–	5,511
Other revenue	9,587	131	7,393	8,633	-10,404	15,340
Total	**678,192**	**976,722**	**503,201**	**111,386**	**-112,486**	**2,157,015**
Earnings						
Operating income	23,975	58,902	-10,827	-24,101	–	47,949
Profit/loss after financial items	**23,444**	**58,503**	**-7,477**	**-32,177**	**–**	**42,293**
Other disclosures						
Assets	234,701	465,048	305,690	144,833	-74,411	1,075,861
Liabilities and provisions	142,266	163,735	116,473	422,103	-74,411	770,166
Investments	8,879	15,953	10,945	6,420	–	42,196
Depreciation and impairment losses	12,215	10,415	13,876	11,365	–	47,871
Non-current assets by country						
Sweden	19,442	263,570	134,560	20,029	–	437,601
Norway	52,753	–	–	–	–	52,753
Finland	–	–	4,954	–	–	4,954
Denmark	–	–	–	–	–	0
Netherlands	4,403	–	–	–	–	4,403
Hong Kong	–	–	–	1,303	–	1,303

Sep 13 – Aug 14	Polarn O. Pyret	Departments & Stores	Brothers	Other	Eliminations	Total
Revenue						
External sales	553,126	884,632	479,184	–	–	1,916,942
Internal sales	523	–	–	122,264	-122,787	0
Interest income	849	2	904	–	1,377	3,132
Other revenue	8,485	380	932	4,873	-4,260	10,410
Total	**562,983**	**885,014**	**481,020**	**127,137**	**-125,670**	**1,930,484**
Earnings						
Operating income	5,610	54,622	-179,924	-25,359	–	-145,051
Profit/loss after financial items	**5,260**	**54,651**	**-179,330**	**-35,581**	**–**	**-155,000**
Other disclosures						
Assets	219,858	460,973	282,373	159,355	-92,218	1,030,341
Liabilities and provisions	174,159	156,555	89,727	435,974	-92,218	764,197
Investments	55,699	9,343	10,609	4,457	–	80,108
Depreciation and impairment losses	11,021	8,843	164,000	11,041	–	194,905
Non-current assets by country						
Sweden	25,373	258,032	141,665	24,763	–	449,833
Norway	49,958	–	–	–	–	49,958
Finland	–	–	5,407	–	–	5,407
Denmark	–	–	–	–	–	0
Netherlands	5,866	–	–	–	–	5,866
Hong Kong	–	–	–	1,100	–	1,100

Central administration is recognized under the header "Other" in the segment reporting.

Note 4 Cont.

Net sales per country

	Sep 14 - Aug 15	Sep 13 - Aug 14
Net sales in Sweden	1,826,008	1,669,868
Net sales in Norway	131,326	95,396
Net sales in Finland	106,448	97,504
Net sales in other countries	72,382	54,174
	2,136,164	**1,916,942**

No individual customer represents more than 10 percent of total revenue.

Note 5 Personnel and personnel costs

Average number of employees distributed among women and men

Group	**Sep 14– Aug 15** Total	Of whom, men	Sep 13 – Aug 14 Total	Of whom, men
Sweden	889	151	910	150
Norway	61	0	51	2
Finland	44	4	42	2
Hong Kong	22	7	25	7
Netherlands	8	0	12	0
	1,024	**162**	**1,040**	**161**

Parent Company	**Sep 14– Aug 15** Total	Of whom, men	Sep 13 – Aug 14 Total	Of whom, men
Sweden	59	22	63	22
	59	**22**	**63**	**22**

Distribution between women and men in the Board of Directors and Management Team at August 31

Group	**Aug 31, 2015** Total	Of whom, men	Aug 31, 2014 Total	Of whom, men
Board of Directors	6	4	6	4
Management Team incl. President	6	4	5	4

Salaries, other remuneration and social security expenses

	Sep 14– Aug 15			Sep 13 – Aug 14		
Group total	Board of Directors and President	Other employees	Total	Board of Directors and President	Other employees	Total
Salaries and other remuneration	13,021	376,848	389,869	11,976	367,975	379,951
Social security expenses	3,760	102,276	106,036	3,626	100,818	104,444
Pension expenses	2,212	20,405	22,617	1,582	21,311	22,893
	18,993	**499,529**	**518,522**	**17,184**	**490,104**	**507,288**

During the fiscal year, contributions for personnel of SEK 27,107,000 (25,341,000) were obtained.

	Sep 14 – Aug 15			Sep 13 – Aug 14		
Parent Company	Board of Directors and President	Other e mployees	Total	Board of Directors and President	Other employees	Total
Salaries and other remuneration	6,462	24,004	30,466	5,922	29,363	35,285
Social security expenses	2,059	7,655	9,714	1,773	10,554	12,327
Pension expenses	1,129	3,223	4,352	133	3,853	3,986
	9,650	**34,882**	**44,532**	**7,828**	**43,770**	**51,598**

Note 5 Cont.

Remuneration to the Board and Senior Executives

Guidelines for remuneration to senior executives

On December 18, 2014, the AGM resolved on the guidelines set out below for remuneration and other terms of employment for the company management.

The company shall offer market-related total remuneration, making it possible to recruit and retain senior executives. The remuneration structure for company management shall comprise fixed and variable salary as well as pension and other remuneration. Combined, these parts comprise the individual's total remuneration. Fixed salary and variable salary together represent the employee's salary.

The fixed salary, in SEK per month, is based on the individual's areas of responsibility and experience. The variable salary shall primarily relate to the outcome of the subsidiaries' operating results and/or consolidated results after financial items compared to established targets.

In respect of the currently applicable bonus, it is proposed that the maximum outcome in terms of the company's costs for the variable salary, which implies fulfillment of all bonus-based targets and the bonus to be paid shall be fully financed by the surplus generated, may not exceed SEK 2,750,000 in total (excluding social security expenses), of which SEK 750,000 to the President and CEO and SEK 500,00 to the other Senior Executives. The calculation is based on the five persons, including President who currently comprise the company management. The bonus will be evaluated annually and the bonus structure will be re-established each year based on budgeted earnings as the target. The bonus does not qualify for vacation or pension.

The variable salary in the bonus program may not exceed 40 percent of the fixed salary.

As in the past, the President is entitled to an occupational pension corresponding to a maximum premium of 30 percent of his current annual salary. Other members of the company management are entitled to a pension according to the ITP plan or equivalent. The retirement age is 65.

Other remuneration and benefits shall be market-related and contribute to the ability of executives to fulfill their duties.

The company management's terms of employment include provisions governing notice of termination. Under these agreements, employment may normally be terminated by the employee subject to a notice period of three to six months and, if termination is initiated by the company, a notice period of six to twelve months. Unchanged salary is paid during the notice period. For the President, a notice period of up to 12 months applies if termination is initiated by the company.

The Board is entitled to deviate from the above guidelines if it deems that there are specific grounds to justify such a deviation in an individual case.

Board of Directors

The Chairman and Board members receive directors' fees in accordance with resolutions of the Annual General Meeting (AGM). A special fee is paid to the Chairman of the Audit Committee. During the 2014/2015 fiscal year, the Board Directors received total fees of SEK 1,275,000 (1,295,000), allocated as follows: SEK 375,000 (369,000) to the Chairman of the Board, SEK 235,000 (206,000) to the Deputy Chairman of the Board who also served as Chairman of the Audit Committee, SEK 185,000 (177,000) to Board members who are ordinary members of the Audit Committee and SEK 160,000 (162,000) to each of the other Board members who served on the Board during the entire fiscal year (see table below). The Chairman of the Board and the other Board members who are not employed by the Group received no other remuneration or benefits during the fiscal year and no pension costs were charged against consolidated earnings.

President and CEO

Remuneration to the President and CEO consists of fixed salary, variable salary, pension, company car and other remuneration. During the 2014/2015 fiscal year, President and CEO Magnus Håkansson received salary and other remuneration totaling SEK 4,437,000 (4,628,000), excluding bonus. The President is entitled to a maximum bonus of SEK 750,000 based on the Group's profit after financial items. The President received a bonus of SEK 750,000 (250,000) for the 2014/2015 fiscal year.

RNB's pension costs for President and CEO Magnus Håkansson amounted to SEK 1,129,000 (133,000) during the fiscal year. The previous year's pension cost was reduced due to the crediting of the retroactive ITP 2 premium. The President is covered by an occupational pension plan corresponding to a premium of 30 percent of his current annual salary. No restrictions apply to the President's choice of pension solution. The parties agree that the pension provision selected must, under all circumstances, be tax deductible for the company. The ordinary age of retirement is 65 years.

The President is subject to a notice period of 12 months if termination is initiated by the company, and six months if termination is initiated by the President. Unchanged salary is paid during the notice period for the President.

Other senior executives

Other senior executives are defined as those persons, apart from the President, who are members of the Group Management.

During the 2014/2015 fiscal year, the following individuals, in addition to the President, were members of the Group Management: Kristian Lustin, Anders Wiberg, Peter Bondelid, Hanna Graflund-Sleyman, Mia Bystedt and Helena Lundenfelt. During the year, the former member of the Group Management Stefan Danieli was succeeded by Kristian Lustin and the Group Management was expanded to include Mia Bystedt and Helena Lundenfelt.

During the 2013/2014 fiscal year, the following individuals, in addition to the President, were members of the Group Management: Stefan Danieli, Anders Wiberg, Peter Bondelid and Hanna Graflund-Sleyman.

Remuneration of other senior executives comprises fixed salary, variable salary, pension and other remuneration. Fixed salary and variable salary together constitute the employee's salary. The variable salary is based on the outcome of the subsidiaries' operating results and/or consolidated results after financial items compared to established targets.

Salary and other payments totaling SEK 7,544,000 were paid to other senior executives in the 2014/2015 fiscal year (8,642,000). Bonus amounts totaling SEK 1,945,000 were paid to senior executives during the 2014/2015 fiscal year (250,000).

The retirement age for the other senior executives is 65. Pension fees are payable either in accordance with the ITP plan or of amounts corresponding to 20-25% of the gross salary. Pension costs for the other senior executives amounted to SEK 1,862,000 (1,449,000) for the 2014/2015 fiscal year.

Other senior executives are subject to a notice period of six to twelve months if their employment is terminated by the company and three to six months if it is terminated by the executive. Unchanged salary is paid during the notice period.

Related-party transactions

Brothers & Sisters procured services for SEK 42,000 (75,000) during the fiscal year from a company controlled by Michael Lemner. The pricing was based on market-related terms. At August 31, 2015, the RNB Group's outstanding debt to the related company amounted to SEK 0 (0). Departments & Stores procured services for SEK 92,000 during the fiscal year from a company controlled by Monika Elling. The pricing was based on market-related terms. At August 31, 2015, the RNB Group's outstanding debt to the related company was SEK 116,000. Departments & Stores leased premises during the fiscal year from a company where Hanna Graflund-Sleyman is a Board member for SEK 2,351,000. The pricing was based on market-related terms. At August 31, 2015, the RNB Group's outstanding debt to the related company was SEK 180,000.

During the 2009/2010 fiscal year, the RNB Group signed a loan agreement with Konsumentföreningen Stockholm on market-related terms. Loan agreements were renegotiated during 2014/2015. Further information about both loan agreements is provided in Note 27 and Note 38. During the year, interest charges also amounted to SEK 872,000 (2,732,000) for the promissory note loan and SEK 7,970,000 (8,703,000) for the revolving loan, equivalent to an average interest rate of 0.4 percent for the promissory note loan and 3.9 percent for the revolving loan. Outstanding debt on August 31, 2015 amounted to SEK 385 M (400) and accrued interest of SEK 0 (3,361,000).

Note 5 Cont.

Remuneration to the Board of Directors and President

	Sep 14 – Aug 15			Sep 13–Aug 14		
	Salaries and other remuneration	Of which, bonus	Pension expense	Salaries and other remuneration	Of which, bonus	Pension expense
Chairman of the Board, Laszlo Kriss	375.0			368.8		
Board member, Mikael Solberg	-			68.8		
Board member, Jan Carlzon	-			68.8		
Board member, Ann-Sofie Danielsson	235.0			205.8		
Board member, Ivar Fransson	160.0			162.1		
Board member, Per Thunell	185.0			176.7		
Board member, Michael Lemner	160.0			150.6		
Board member Monika Elling	160.0			93.3		
President and CEO Magnus Håkansson	4,437.0	750.0	1,129.0	4,627.6	250.0	133.5
	5,712.0	**750.0**	**1,129.0**	**5,922.5**	**250.0**	**133.5**

Note 6 Remuneration to auditors

	Group		Parent Company	
	Sep 14– Aug 15	Sep 13– Aug 14	**Sep 14– Aug 15**	Sep 13– Aug 14
Ernst & Young AB				
Audit assignments	2,437	2,164	782	829
Audit work apart from the audit assignment	366	364	296	322
Tax consultancy	315	333	127	333
Other services	–	–	–	–
	3,118	**2,861**	**1,205**	**1,484**
Other auditing firms				
Audit assignments	56	59	-	-
Audit work apart from the audit assignment	-	-	-	-
Tax consultancy	-	-	-	-
Other services	–	–	–	–
	56	**59**	**0**	**0**

Audit activities apart from audit assignments refer to various forms of quality assurance services that result in reports or certificates etc. and include administration and advisory services or other assistance resulting from observations made during such examinations or carrying out of such duties. Audit activities apart from audit assignments refer to various forms of quality assurance services that result in reports or certificates etc. and include review of interim reports, for example. Tax consultancy services include advice relating to tax, VAT and private taxation. Everything else is regarded as other services.

Note 7 Other operating income

	Group		Parent Company	
	Sep 14– Aug 15	Sep 13– Aug 14	**Sep 14– Aug 15**	Sep 13– Aug 14
Capital gain on divestment of property, plant and equipment and intangible assets	75	23	-	-
Forwarding of other expenses to franchisees	5,192	2,083	-	-
Invoiced services and rents externally	10,073	8,304	8,633	4,873
Other revenue	–	–	–	–
	15,340	**10,410**	**8,633**	**4,873**

Note 8 Other external expenses

	Group		Parent Company	
	Sep 14– Aug 15	Sep 13– Aug 14	**Sep 14– Aug 15**	Sep 13– Aug 14
Premises expenses	307,526	296,443	9,945	14,640
Marketing	54,565	58,587	88	92
Other	105,733	77,537	49,580	64,339
	467,824	**432,567**	**59,613**	**79,071**

Note 9 Exchange differences

Group operating income was impacted by exchange differences of SEK 1,262,000 (-5 619,000) during the fiscal year. The exchange differences were attributable to the Group's purchases of goods and are recognized through profit or loss in the item "Goods for resale."

Note 10 Interest income and similar profit/loss items

Group
Interest income for 2014/2015 included SEK 571,000 (1,377,000) in changes in value of currency future contracts to fair value.

Parent Company
Interest income for 2014/2015 included interest income from Group companies of SEK 85,000 (146,000).

Note 11 Interest expenses and similar profit/loss items

Group
Interest expenses 2014/2015 included changes in value of currency futures contracts to fair value of SEK 0 (0).

Parent Company
Interest expenses for 2014/2015 included interest expense from Group companies of SEK 0 (0).

Note 12 Taxes

Tax on net income for the year

	Group		Parent Company	
	Sep 14– Aug 15	Sep 13– Aug 14	**Sep 14– Aug 15**	Sep 13– Aug 14
Current tax	–	-15	–	–
Current tax attributable to prior years	–	-11	–	–
Deferred tax	–	-67	–	–
	0	**-93**	**0**	**0**

Deferred tax for the year

	Group		Parent Company	
	Sep 14– Aug 15	Sep 13– Aug 14	**Sep 14– Aug 15**	Sep 13– Aug 14
Deferred tax revenue pertaining to other temporary differences	–	–	–	–
Deferred tax expense pertaining to other temporary differences	–	-67	–	–
	0	**-67**	**0**	**0**

Tax pertaining to items recognized directly in equity

	Group		Parent Company	
	Sep 14– Aug 15	Sep 13– Aug 14	**Sep 14– Aug 15**	Sep 13– Aug 14
Other tax effects	–	–	–	–
Unutilized tax effect due to unconsidered effects of loss carryforwards.	–	–	–	–
	0	**0**	**0**	**0**

Difference between the Group's tax expense and tax expense based on the current tax rate:

	Group		Parent Company	
	Sep 14– Aug 15	Sep 13– Aug 14	**Sep 14– Aug 15**	Sep 13– Aug 14
Recognized profit/loss before tax from continuing operations	42,293	-155,000	61,500	-158,699
Recognized profit/loss before tax from divested operations	–	-5,821	–	–
Recognized loss before tax	**42,293**	**-160,821**	**61,500**	**-158,699**
Tax according to current tax rate, 22% (22%)	-9,304	35,381	-13,530	34,914
Tax effect of non-deductible items				
- Impairment of participations in subsidiaries	–	–	–	-35,201
-Impairment of goodwill	–	-33,198	–	–
-Profit/loss on divestment of subsidiaries	–	-582	–	–
-Other, non-deductible	-1,641	-846	-26	-729
Tax effect of non-taxable items				
-Dividends received	–	–	–	–
-Other, non-taxable	607	4,057	180	309
Effect of tax change attributable to prior years	–	-11	–	–
Effect of other tax rates in foreign subsidiaries	412	530	–	–
Utilization of previously unrecognized loss carryforwards	9,926	-5,522	13,376	707
Tax on net income for the year	**0**	**-191**	**0**	**0**
Tax on net income for the year from continuing operations	–	-93	–	–
Tax on net income for the year from divested operations	–	-98	–	–
	0	**-191**	**0**	**0**

Note 12 Cont.

Temporary differences relating to the following items have resulted in deferred tax liabilities and deferred tax assets:

	Group		Parent Company	
	Aug 31, 2015	Aug 31, 2014	**Aug 31, 2015**	Aug 31, 2014
Deferred tax liabilities				
Derivative receivables	892	351	–	–
Non-current assets				
-Equipment				
Derivative liabilities	-425	-351	–	–
Derivatskulder	-467	–	–	–
	0	**0**	**0**	**0**

Given the past earnings trend, deferred tax assets attributable to loss carryforwards are recognized only insofar as deferred tax liabilities exist against which to offset them. Unutilized, unrecognized loss carryforwards are found in both the Group's foreign and Swedish units. These amount to SEK 769,812,000 (792,376,000) in total and are allocated as follows between different countries: Sweden SEK 393,867,000 (448,702,000), Norway SEK 122,136,000 (121,197,000), Denmark SEK 118,632,000 (114,912,000) Germany SEK 111,679,000 (91,800,000) and Netherlands SEK 23,500,000 (15,765,000). The loss carryforwards in the Netherlands run subject to a time limitation, SEK 6,165,000 shall be used within 7 years at the latest and SEK 10,132,000 shall be used within 8 years at the latest and SEK 7,203,000 shall be used within 9 years at the latest. Other loss carryforwards are not subject to any time limitations.

Deferred tax assets and tax liabilities are offset against each other if there is a legal right to offset the particular tax assets and tax liabilities and if the deferred taxes pertain to the same tax authority. After such offsetting, the following amounts arose and were recognized in the balance sheet:

	Group		Parent Company	
	Aug 31, 2015	Aug 31, 2014	**Aug 31, 2015**	Aug 31, 2014
Deferred tax assets	892	351	–	–
Deferred tax liabilities	-892	-351	–	–
	0	**0**	**0**	**0**

Note 13 Earnings per share

RNB has no outstanding equity instruments that imply a dilutive effect. With this in mind, earnings per share and the average number of shares refers to before and after dilution. Calculation of the average number of shares was based on the following reconciling items.

	Number of shares at end of period	
Period	**Sep 14 – Aug 15**	Sep 13 – Aug 14
Sep 1 - August 31	33,912,176	33,912,176

The average number of outstanding shares based on the above amounted to 33,912,176 (33,912,176).

Earnings per share are obtained by dividing net income for the year by the average number of shares.

Note 14 Intangible assets

The Group has significant values in respect of goodwill.

Goodwill

The goodwill that resulted from previous year's acquisitions pertained to synergies that became available as a result of the acquisitions. The anticipated synergies relate to more streamlined logistics, organizational mergers and more favorable purchasing terms from external suppliers. The carrying amount for the Group's goodwill at August 31, 2015 was SEK 379,218,000 (379,229,000). Goodwill is allocated among the operating segments as follows: Polarn O.Pyret SEK 48,105,000 (48,116,000), Department & Stores SEK 233,445,000 (233,445,000) and Brothers SEK 97,668,000 (97,668,000). In connection with impairment testing in the third quarter, 2013/14, the carrying amount of goodwill in Brothers was impaired by SEK 150,900,000.

Impairment testing of carrying amounts for goodwill was conducted in accordance with the conditions described below.

Impairment testing

Goodwill associated with the Group's operating segments that are deemed to be the lowest cash-generating units is tested for impairment every year. The Group has a considerable value in respect of goodwill and the recoverable amount of the items included is based on the same key assumptions.

Impairment testing is based on calculations of future values in use. The calculations are based on forecasts of cash flows over the period 2015/2016- 2019/2020 (5 years), based on the budget and strategic plans, and, thereafter, on a perpetual flow (terminal period), since it is not possible to establish a limited useful life for these assets.

The cash flows of the operating segments are affected by commercial factors such as market growth, competitiveness, margins, cost trend, investment levels and tied-up working capital. Additional assessment of such factors as interest rate situation, borrowing costs, market risk, beta values and tax rates is performed in connection with discounting. Refer also to the comments below regarding key assumptions.

Forecast cash flows during the terminal period are based on an annual growth rate of 3 percent (3), which is deemed to correspond to the long-term growth rate of the market. The forecast cash flows have been calculated at present value based on a discount rate of 8.4 percent (9.5) after tax, corresponding to approximately 9.6 percent (10.9) before tax. The discount rate is calculated as a weighted average between return on equity and borrowed capital (WACC). The forecast corresponds to prior experiences and external sources of information. All operating segments are deemed to have a similar risk profile, which is why the same discount rate is used.

The impairment tests conducted in 2013/2014 resulted, as a result of the then trend and performance in the Brothers operating segment, in a revision of future expectations, which meant that the prior carrying amount of goodwill was indefensible. Therefore, as described above, an impairment of goodwill of SEK 150,900,000 was made in relation to the Brothers operating segment. After prior impairments, a carrying amount for goodwill of SEK 97,668,000 remains for the Brothers operating segment and a total of SEK 379,218,000 for all operating segments.

Sensitivity analysis

A general analysis of the sensitivity of the variables utilized has been performed.

Assuming a decline in the annual growth rate from 3 percent to 2 percent does not imply any impairment need in respect of the carrying amounts for goodwill of any of the operating segments. Nor does a decline to 1 percent imply any impairment need.

An assumption of an increase in the discount rate from 9.6 percent to 10.6 percent or 11.6 percent before tax, does not imply an impairment need for any of the operating segments.

For all operating segments, a combination of the above-mentioned changed assumptions would not result in any impairment need either.

Note 14 Cont.

A maintained level of results during the entire forecast period for the Polarn O. Pyret and Departments & Stores operating segments would mean that the carrying amounts were defensible, and that no impairment need would exist. Deviations in the forecast cash flows during individual years affect the impairment testing, although the decisive factor for the model is the expected sustainable operating income and cash flow.

To warrant the carrying amount for goodwill, the Brothers operating segment must operate on the basis of sustainable operating income of just over SEK 13 M, corresponding to a basis of a sustainable cash flow of about SEK 10 after tax. A deviation from sustainable operating income (SEK 13 M stated above) of about SEK 7 M would impact the value of goodwill by an amount of almost SEK 100 M.

Other key assumptions

In addition to the above, comments are provided below on a number of assumptions linked to the assessment of Brothers' future cash flows.

Sales, market share and growth

The company, after a period of losing market shares, has managed to recapture market shares during the past year as a result of successful work on development of the range, among other things. It is a natural part of all fashion retail operations that collection outcomes vary. The company's assessment is based on a continuation and stabilization of the trend towards strong market shares. Accordingly, sales in comparable stores are expected to be positive during the forecast period. The performed impairment tests were based on the existing franchisee structure. Sensitivity analysis relating to sales growth for the Brothers operating segment indicates that a decrease in the annual sales growth of 1 percentage point based on the adopted budget and forecast , would impact sustainable operating income negatively by almost SEK 10 M.

Gross margins

During the present and preceding year, gross margins continued to improve, primarily due successful range development, combined with less discount sales on account of low/normalized inventory levels, and improved initial margins through lower costs prices. Inventories are still favorable both in terms of level and composition. The calculation model is based on an assumption that the gross margin over a 5-year period is slightly lower than the current level. A sensitivity analysis relating to gross margin's impact on sustainable operating income shows that a lower gross margin of 1 percentage point compared to the forecast will impact sustainable operating income negatively by almost SEK 3 M, which means that no impairment is required in such a scenario.

Overhead costs

Overhead costs are essentially expected to grow with sales except certain common expenses that are expected to grow with inflation.

Personnel expenses

The forecast for personnel costs is based on expected inflation, a certain increase in real salaries and planned efficiency improvements. Personnel expenses are the largest individual cost item for the Brothers operating segment, corresponding to about 45 percent of total overhead costs. A change of 1 percentage point in personnel expenses annually would impact sustainable operating income by about SEK 1 M.

Premises expenses

The forecast for premises expenses is based on expected inflation and certain rent adjustments. Premises expenses are equivalent to almost 30 percent of total overhead expenses. A change of 1 percentage point in personnel expenses annually would impact sustainable operating income by about SEK 1 M.

Actions have been taken to improve the performance in previous years and during the current year, such as enhancing the product range, product display, optimizing inventories, streamlining processes and cost savings.

Note 15 Software

Group	Aug 31, 2015	Aug 31, 2014
Opening cost	91,161	88,060
Purchasing during the year	3,404	5,690
Disposals for the year	-5,378	-2,589
Translation difference	–	–
Closing accumulated cost	**89,187**	**91,161**
Opening amortization	-70,281	-63,021
Disposals for the year	5,377	144
Amortization for the year	-7,417	-7,404
Closing accumulated amortization	**-72,321**	**-70,281**
Opening impairment	0	0
Disposals for the year	–	–
Impairment for the year	-1,090	–
Closing accumulated impairment	**-1,090**	**0**
Closing planned residual value	**15,776**	**20,880**

The Group's non-current assets include lease items pertaining to IT platforms held on the basis of financial leasing contracts with a cost of SEK 48,725,000 (52,837,000) and accumulated amortization amounting to SEK 48,450,000 (52,231,000). The carrying amount is thus SEK 275,000 (606,000).

Parent Company	Aug 31, 2015	Aug 31, 2014
Opening cost	34,075	31,156
Disposals for the year	–	-2,587
Purchasing during the year	3,404	5,506
Closing accumulated cost	**37,479**	**34,075**
Opening amortization	-14,093	-8,216
Disposals for the year	–	142
Amortization for the year	-6,972	-6,019
Closing accumulated amortization	**-21,065**	**-14,093**
Opening impairment	0	0
Disposals for the year	–	–
Impairment for the year	-1,090	–
Closing accumulated impairment	**-1,090**	**0**
Closing planned residual value	**15,324**	**19,982**

All lease agreements in the Parent Company are recognized as operating leases, irrespective of whether they are financial or operating.

Note 16 Rental rights

Group	Aug 31, 2015	Aug 31, 2014
Opening cost	116,238	116,189
Purchasing during the year	5,215	2,049
Divestments and disposals for the year	-18,844	-2,000
Translation difference	-199	-
Closing accumulated cost	**102,409**	**116,238**
Opening amortization	-95,583	-94,530
Divestments and disposals for the year	17,746	2,000
Amortization for the year	-2,297	-3,053
Translation difference	30	-
Closing accumulated amortization	**-80,104**	**-95,583**
Opening impairment	-9,497	-9,497
Divestments and disposals for the year	-	-
Impairment for the year	-	-
Translation difference	-	-
Closing accumulated impairment	**-9,497**	**-9,497**
Closing planned residual value	**12,808**	**11,158**

Note 17 Goodwill

Group	Aug 31, 2015	Aug 31, 2014
Opening cost	379,229	483,673
Impairment for the year	-	-150,900
Purchasing during the year	-	46,456
Translation difference	-11	-
Closing accumulated cost	**379,218**	**379,229**

Goodwill item allocated by segment:

	Aug 31, 2015	Aug 31, 2014
Polarn O. Pyret	48,105	48,116
Departments & Stores	233,445	233,445
Brothers & Sisters	97,668	97,668
Closing accumulated cost	**379,218**	**379,229**

Note 18 Equipment and store fittings

Group	Aug 31, 2015	Aug 31, 2014
Opening cost	393,404	425,892
Accumulated cost acquired companies	-	8,239
Purchasing during the year	33,578	27,881
Divestments and disposals for the year	-43,215	-70,442
Translation difference	590	1,833
Closing accumulated cost	**384,356**	**393,404**
Opening depreciation	-301,286	-317,560
Accumulated depreciation acquired companies	-	-6,625
Divestments and disposals for the year	40,331	57,557
Depreciation for the year	-35,587	-33,547
Translation difference	-172	-1,110
Closing accumulated depreciation	**-296,714**	**-301,286**
Opening impairment	0	-2,556
Disposals for the year	1,400	2,556
Impairment for the year	-1,480	-
Closing accumulated impairment	**-80**	**0**
Closing planned residual value	**87,562**	**92,118**

The Group's non-current assets include lease items pertaining to store fittings held on the basis of financial lease agreements with a cost of SEK 15,190,000 (20,556,000) and accumulated depreciation of SEK 13,596,000 (17,839,000). The carrying amount is thus SEK 1,794,000 (2,717,000).

Parent Company	Aug 31, 2015	Aug 31, 2014
Opening cost	56,616	55,609
Purchasing during the year	2,812	1,007
Divestments and disposals for the year	-157	-
Closing accumulated cost	**59,271**	**56,616**
Opening depreciation	-55,158	-54,512
Divestments and disposals for the year	0	-
Depreciation for the year	-1,198	-646
Closing accumulated depreciation	**-56,356**	**-55,158**
Opening impairment	0	0
Disposals for the year	-	-
Impairment for the year	-80	-
Closing accumulated impairment	**-80**	**0**
Closing planned residual value	**2,835**	**1,458**

All lease agreements in the Parent Company are recognized as operating leases, irrespective of whether they are financial or operating.

Note 19 Participations in subsidiaries

Bolag	Corporate identity no.	Registered office	Number	Share of equity (%)	Carrying amount
Ängsviol Blomstern AB	556539-1926	Stockholm	1,000	100	-
Polarn O. Pyret AB	556235-7383	Stockholm	10,000	100	106,000
PO.P International IP AB	556889-3704	Stockholm	500	100	-
PO.P International OTH AB	556889-3613	Stockholm	500	100	-
PO.P International Suomi AB	556890-1630	Stockholm	500	100	-
PO.P International UK AB	556899-3654	Stockholm	500	100	-
Polarn O. Pyret Netherlands B.V.	852 123 747	Amsterdam	1	100	-
Polarn O. Pyret Norge AS	985 983 860	Oslo	4,597	100	-
Portwear AB	556188-7513	Stockholm	1,911,680	100	270,654
Departments & Stores Europe AB	556541-8778	Stockholm	810,000	100	-
Departments & Stores Denmark ApS	30 27 43 18	Copenhagen	1	100	-
Brothers & Sisters AB	556468-8991	Stockholm	37,147,880	100	185,000
Brothers & Sisters Sverige AB	556513-6826	Stockholm	1,000	100	-
RNB Retail and Brands Norge AS	961,313,880	Oslo	500	100	-
Nordic Textile Grosshandels GmbH	HR B 52245	Cologne	1	100	-
Brothers Clothing Oy	2587462-8	Helsinki	100	100	-
RNB Far East Ltd.	1642223	Hong Kong	1	100	-
Carrying amount					**561,654**

The share of equity and share of voting power are the same in all companies.

Parent Company	Aug 31, 2015	Aug 31, 2014
Opening carrying amount	501,654	651,654
Purchasing during the year	-	-
Divestments during the year	-	-
Shareholders' contribution paid	60,000	10,000
Group contributions paid	-	35,000
Impairments during the year	-	-195,000
Closing carrying amount	**561,654**	**501,654**

Impairment losses of SEK 0 (150,000,000) in the preceding year were attributable to Brothers & Sisters AB as well as the shareholders' contributions and group contributions paid from the Parent Company to the subsidiaries, which were tested for impairment.

Note 20 Inventories

Group	Aug 31, 2015	Aug 31, 2014
Carrying amount per segment		
Polarn O. Pyret	125,007	104,084
Departments & Stores	164,780	157,875
Brothers & Sisters	111,134	85,395
Closing carrying amount	**400,921**	**347,354**

Of the total recognized inventories of SEK 400,921,000 (347,353,000), SEK 8,869000 (13,370,000) represents inventories recognized at fair value less selling expenses. The remainder were recognized at cost. Inventories consist exclusively of goods for resale.

Note 21 Prepaid expenses and accrued income

Group	Aug 31, 2015	Aug 31, 2014
Prepaid rent	26,121	20,167
Prepaid other expenses	23,352	37,251
Accrued income	5,791	4,892
	55,264	**62,310**

Parent Company	Aug 31, 2015	Aug 31, 2014
Prepaid rent	768	1,257
Prepaid leasing	558	791
Prepaid other expenses	4,178	4,120
	5,504	**6,168**

In accordance with IAS 39, derivative assets are classified in the category financial assets measured at fair value through profit or loss and accrued income is classified in the loan receivables category; read more in Note 36.

Note 22 Cash and cash equivalents

Cash and cash equivalents are held in the following currencies.

Group	Rate Aug 31, 2015	Rate Aug 31, 2014	Aug 31, 2015	Aug 31, 2014
SEK			32,754	16,224
NOK	1.02	1.13	5,266	-2,041
DKK	1.27	1.23	25	91
USD	8.46	6.97	8,299	467
EUR	9.49	9.18	-3,350	22,766
HKD	1.09	0.90	4,199	2,717
			47,193	**40,225**

Parent Company	Rate Aug 31, 2015	Rate Aug 31, 2014	Aug 31, 2015	Aug 31, 2014
SEK			33,382	14,712
NOK	1.02	1.13	2,252	4,634
EUR	9.49	9.18	-7,972	8,602
USD	8.46	6.97	8,299	962
			35,961	**28,910**

Note 23 Provisions for pensions

The Group's net obligation relating to defined benefit plans is calculated by estimating the future payments vested to employees through their employment during current and prior periods. This amount is discounted to present value and the fair value of any plan assets is deducted.

The defined benefit pension plans are unfunded, which is why no plan assets are recognized. All defined benefit plans relate to Sweden. As shown in Note 1 Accounting policies, the pension insurance with Alecta is treated as a defined contribution plan. In RNB RETAIL AND BRANDS, previously unfunded defined benefit pension plans with PRI, were closed during the 2013/14 fiscal year. Therefore in the balance sheet, liabilities related to defined benefit plans are no longer recognized.

Pensions and other remuneration, post-employment
Defined benefit plans

Group	Aug 31, 2015	Aug 31, 2014
Present value of unfunded obligations	0	0
	0	**0**

Historical development of present value of unfunded obligations

Group	Aug 31, 2015
August 31, 2013	682
August 31, 2012	4,235
August 31, 2011	9,076

Change in net obligation for defined benefit plans recognized in the balance sheet

Group	Aug 31, 2015	Aug 31, 2014
Net obligation for defined benefit plans, September 1	-	682
Costs recognized through profit or loss	-	408
Redemption of obligations	-	-1,090
Net obligation for defined benefit plans, August 31	**0**	**0**

Costs recognized through profit or loss

Group	Sep 14 - Aug 15	Sep 13 - Aug 14
Adjustments of unrecognized actuarial gains/losses due to redemption	-	316
Profit/loss items for the period relating to actuarial gains/losses	-	89
Interest	-	3
	0	**408**

Costs recognized under the following items through profit or loss

Group	Sep 14 - Aug 15	Sep 13 - Aug 14
Personnel expenses	-	405
Interest expenses and similar profit/loss items	-	3
	0	**408**

For the 2014/2015 fiscal year, the Group's expenses for defined contribution pension plans amounted to SEK 22.6 M (22.5).

Plans covering several employers
The Group has retirement and family pension obligations for white-collar employees in Sweden, which are secured through insurance with the insurance company, Alecta. This is multi-employer pension plan. At present, Alecta cannot provide specific defined benefit amounts for those participating and therefore premiums paid to Alecta are recognized as a part of defined contribution plans.

Alecta's surplus in the form of the collective consolidation level amounted to 148 percent (146). The collective solvency margin is defined as the market value of Alecta's assets in percent of the insurance commitments calculated in accordance with Alecta's actuarial calculation assumptions, which do not correspond to IAS 19.

Group companies share of total savings premiums for ITP 2 in Alecta

	Aug 31, 2015	Aug 31, 2014
Brothers & Sisters AB	0.000%	0.016%
Brothers & Sisters Sweden AB	0.006%	0.004%
Departments & Stores Europe AB	0.010%	0.010%
Polarn O. Pyret AB	0.012%	0.011%
RNB Retail and Brands AB	0.006%	0.005%

Note 23 Cont.

Group companies share of total number of active insured persons in ITP 2

	Aug 31, 2015	Aug 31, 2014
Brothers & Sisters AB	0.000%	0.001%
Brothers & Sisters Sweden AB	0.007%	0.007%
Departments & Stores Europe AB	0.011%	0.011%
Polarn O. Pyret AB	0.014%	0.015%
RNB Retail and Brands AB	0.004%	0.005%

Note 24 Non-current liabilities and committed credit facility

The Group has raised loans from Konsumentföreningen Stockholm (refer to Notes 25 and 36), which are recognized as other liabilities. The entire liability falls due for repayment within five years. Remaining liabilities to credit institutions pertain to financial lease agreements. The present value of future repayment obligations resulting from these financial lease agreements is recognized as "liabilities to credit institutions" and amounts to SEK 2,725,000 (4,918,000), including a short-term portion of SEK 2,215,000 (2,193,000). The entire liability falls due for repayment within 5 years.

The rate of interest on deposits and loans at Danske Bank is based on Danske BOR plus/minus a margin. Danske BOR is set daily by the bank based on short-term interest rates for each currency. According to Group's central account system, netting occurs between various currencies.

The Group's average interest rates on loans and overdraft facilities amounted to:

Group	**Sep 14 – Aug 15**	Sep 13 – Aug 14
Konsumentföreningen Stockholm, promissory note loan	0.43%	1.35%
Konsumentföreningen Stockholm, revolving loan	3.93%	4.68%
Committed credit facility with Danske Bank	2.23%	2.57%

Note 25 Other non-current liabilities

The company renegotiated its loans in 2012/2013 from the company's principal owner, Konsumentföreningen Stockholm. The company has two loans of SEK 200 M each, of which one is a promissory note loan and the other is a revolving loan. The utilized loan facility on August 31, 2015 was SEK 385 M. Both loans run until May 2016, with a unilateral option to extend the promissory note loan until May 2017. The company intends to extend the loan. Both loans are free from redemption until the maturity date. The Group fulfills the covenants contained in the prevailing agreements with creditors. The company opted to the amortize the loan to Konsumentföreningen Stockholm by SEK 15 M during the fiscal year. Note 36 describes the terms and conditions of the loan agreements entered into.

Maturity structure of long-term borrowing is distributed as follows:

	Group		**Parent Company**	
	Aug 31, 2015	Aug 31, 2014	**Aug 31, 2015**	Aug 31, 2014
between 1 and 2 years	385,000	400,000	385,000	400,000
between 2 and 5 years	–	–	–	–
more than 5 years	–	–	–	–
	385,000	**400,000**	**385,000**	**400,000**

Note 26 Overdraft facilities

Group

On August 31, 2015, approved overdraft facilities amounted to SEK 100 M (100).

Parent Company

On August 31, 2015, approved overdraft facilities amounted to SEK 100 M (100).

Note 27 Trades payables

Trade payables are held in the following currencies.

Koncernen	**Rate Aug 31, 2015**	Rate Aug 31, 2014	**Aug 31, 2015**	Aug 31, 2014
SEK			133,320	137,512
NOK	1.02	1.13	4,957	8,817
DKK	1.27	1.23	0	6
USD	8.46	6.97	25,321	11,176
EUR	9.49	9.18	38,102	32,525
GBP	13.04	11.57	300	734
			202,000	**190,770**

The payment terms of trade payables are 10–90 days.

Parent Company	**Rate Aug 31, 2015**	Rate Aug 31, 2014	**Aug 31, 2015**	Aug 31, 2014
SEK			5,189	7,696
NOK	1.02	1.13	29	0
EUR	9.49	9.18	9	0
			5,227	**7,696**

The payment terms of trade payables are 10–90 days.

Note 28 Other liabilities

Group	Aug 31, 2015	Aug 31, 2014
Value added tax	18,944	11,918
Personnel-related taxes	14,048	13,084
Gift vouchers	9,957	11,036
Other	10,438	26,952
	53,386	**62,990**

Parent Company	Aug 31, 2015	Aug 31, 2014
Value added tax	681	188
Personnel-related taxes	1,207	1,358
Other	1,051	-
	2,939	**1,546**

Note 29 Accrued expenses and deferred income

Group	Aug 31, 2015	Aug 31, 2014
Accrued vacation and payroll liabilities	56,800	51,994
Accrued social security expenses	22,385	25,667
Accrued interest	185	3,398
Other accrued expenses	35,984	16,408
Deferred income	9,577	8,052
	124,932	**105,519**

Parent Company	Aug 31, 2015	Aug 31, 2014
Accrued vacation and payroll liabilities	4,921	4,139
Accrued social security expenses	1,718	4,583
Accrued interest	66	3,398
Other accrued expenses	3,723	4,480
	10,428	**16,600**

In accordance with IAS 39, derivative liabilities are classified in the category financial liabilities measured at fair value through profit or loss and accrued expenses are classified in the category other financial liabilities; read more in Note 36.

Note 30 Pledged assets

For liabilities to credit institutions and overdraft facilities

Group	Aug 31, 2015	Aug 31, 2014
Chattel mortgages	650	650
Assets with reservation of title	16,869	3,323
Shares in subsidiaries	411,415	363,500
	428,934	**367,473**

Parent Company	Aug 31, 2015	Aug 31, 2014
Assets with reservation of title	15,000	-
Shares in subsidiaries	106,000	46,000
	121,000	**46,000**

Note 31 Contingent liabilities

Group	Aug 31, 2015	Aug 31, 2014
Other guarantees	0	0
	0	**0**

Parent Company	Aug 31, 2015	Aug 31, 2014
Guarantees for subsidiaries	16,881	24,089
	16,881	**24,089**

Note 32 Rental and operating lease agreements

Group and Parent Company
The Group and the Parent Company have entered into operating lease agreements regarding stores and offices subject to the following non-terminable rental commitments.

Fees during the fiscal year	Group	Parent Company
September 2014 - August 2015	281,821	11,773
September 2013 - August 2014	290,428	16,583

This only relates to fixed minimum fees. Apart from this, there are commitments relating to sales-based rental income which are variable. Fixed rental fees for the year amounted to SEK 269,547,000 (290,428,000) and the sales-based fee to SEK 6,042,000 (2,396,000).

The Group's future commitments for lease and rental agreements amount to the following:

	Group		Parent Company	
Fees that are due	Aug 31, 2015	Aug 31, 2014	Aug 31, 2015	Aug 31, 2014
Within 1 year	293,596	301,186	13,130	14,182
Within 2-5 years	432,743	432,599	43,002	6,285
More than 5 years	20,061	8,718	5,155	-

This refers to fixed and variable rental fees. The Parent Company has entered into new leases in respect of premises.

Of the future rental commitments listed above, SEK 4,917,000 (5,230,000) comprises financial lease agreements in the Group. This amount refers to undiscounted rental commitments. Discounted rental commitments relating to financial lease agreements amounted to SEK 2,726,000 (2,725,000).

Note 33 Statement of cash flows

Adjustment for non-cash items

Group	Aug 31, 2015	Aug 31, 2014
Depreciation and impairment losses	47,871	44,005
Impairment of goodwill and trade-mark	-	150,900
Capital gain on sale of non-current assets	1,701	2,966
Capital loss on sale of subsidiaries	-	2,644
Other adjustments	-2,528	-4,738
	47,044	**195,777**

Parent Company	Aug 31, 2015	Aug 31, 2014
Depreciation and impairment losses	9,341	6,665
Capital gain on retirement of non-current assets	-	353
	9,341	**7,018**

Note 34 Acquisition and divestment of subsidiaries

No acquisitions or divestments were made during the 2014/2015 fiscal year. However, the previous year's contingent consideration was paid, which was entered as a liability.

During the comparative year 2013/2014, Brothers Clothing Oy was formed with a capital investment of EUR 2,500.

The fair value of the assets and liabilities acquired during the 2013/2014 fiscal year is stated below:

Item	Polarn O. Pyret Norge AS
Goodwill	46,453
Other non-current assets	12,395
Inventories	293
Current receivables	2,327
Cash and cash equivalents	10,967
Current liabilities	-24,030
Purchase price	**48,406**
Additional purchase price entered as a liability	-17,386
Purchase price paid	**31,020**
Cash and cash equivalents in the divested company	-10,967
Impact on the Group's cash and cash equivalents	**20,052**

The fair value of the assets and liabilities sold during the 2013/2014 fiscal year is stated below:

Item	JC Sverige AB	JC Clothing Oy
Other non-current assets	522	-
Inventories	59,202	13,517
Current receivables	65,132	9,020
Cash and cash equivalents	6,090	4,330
Current liabilities	-122,640	-26,182
Consideration received	**8,306**	**685**
Cash and cash equivalents in the divested company	-6,090	-4,330
Impact on the Group's cash and cash equivalents	**2,216**	**-3,645**

No adjustment was made to the above acquisition analyses during the fiscal year.

Note 35 Results from participations in Group companies

Parent Company	Aug 31, 2015	Aug 31, 2014
Impairment of shares in subsidiaries	-	-195,000
Impairment of receivables to subsidiaries	-	-634
Group contributions received	95,453	72,450
	95,453	**-123,184**

Note 36 Financial instruments

Financial assets

The financial assets that are available for utilization by the Group consist of cash and cash equivalents, trade receivables, loan receivables, accrued income and financial assets measured at fair value through profit and loss. All amounts stated below under cash and cash equivalents, loan receivables, trade receivables, accrued income and futures contracts correspond to the carrying amounts in the Group. The carrying amounts correspond to the fair values of each particular asset.

Cash and cash equivalents

Cash and cash equivalents are deposited in bank accounts at standard rates of interest. On August 31, 2015, cash and cash equivalents amounted to SEK 47,193,000 (40,225,000) for the Group and SEK 35,961,000 (28,910,000) for the Parent Company.

Loan receivables and trade receivables

The terms for payment of trade receivables are 10-30 days. Certain customers, as well as franchisees in the Group's concepts, benefitted from extended repayment plans. Such receivables on repayment plans falling due after more than one year are recognized as non-current receivables. The item non-current receivables refers in its entirety to repayment receivables in relation to franchisees falling due after more than one year. On August 31, 2015, trade receivables falling due within one year amounted to SEK 48,701,000 (49,785,000) for the Group and SEK 25,000 (514,000) for the Parent Company. In addition to this, non-current receivables, which are interest-based, amounted to SEK 5,650,000 (8,779,000).

Note 36 Cont.

Age analysis trade receivables	Aug 31, 2015	Aug 31, 2014
Not due	42,334	28,527
< 60 days	6,367	19,062
60-90 days	0	1,537
90-180 days	0	659
> 180 days	0	0
Total trade receivables	**48,701**	**49,785**

The age analysis of trade receivables presented above has provision for depreciation of SEK 3,762,000 (5,423,000).

Age analysis other non-current receivables	Aug 31, 2015	Aug 31, 2014
Not due	5,650	8,779
Total other non-current receivables	**5,650**	**8,779**

The age analysis of non-current receivables presented above has provision for depreciation of SEK 11,855,000 (10,307,000).

The need for impairment concerning trade receivables is tested on an individual basis. Receivables from customers benefitting from extended repayment plans are not recognized as due in the above age analysis as long as the repayment plans are followed. Provision for depreciation/amortization has also been made based on a risk assessment.

Provisions for doubtful receivables have been changed as follows:

	Aug 31, 2015	Aug 31, 2014
Opening provisions	15,730	21,222
Provisions for probable losses	2,031	193
Confirmed losses	-2,144	-5,685
Closing provisions	**15,617**	**15,730**

Financial assets measured at fair value through profit or loss
Outstanding hedging and value on August 31, 2015:

Currency	Hedged volume	Fair value	Number of hedged months
USD	10,700	4,032	0-12 months
EUR	4,950	24	0-12 months
Total		**4,056**	

Changes in fair value of futures contracts are recognized through profit or loss; also refer to Notes 10 and 11.

Accrued income
Accrued income amounted to 5,791,000 (4,892,000).

Financial liabilities
The financial liabilities that are available and utilized by the Group consist of trade payables, overdraft facilities, loans from credit institutions, other loan liabilities, accrued costs and financial liabilities measured at fair value through profit and loss. All amounts stated below under financial liabilities correspond to the carrying amounts in the Group. The carrying amounts correspond to the fair values of each particular liability.

Trade payables
The Group's trade payables consist mainly of liabilities in SEK, EUR and USD. The terms and conditions for payment of trade payables allow 10 to 90 days of credit. Also refer to Note 27, for a description of the composition of trade payables by currency.

Financial liabilities measured at fair value through profit or loss
Outstanding hedging and value on August 31, 2015:

Currency	Hedged volume	Fair value	Number of hedged months
USD	14,000	2,123	0-12 months
EUR	0	0	0-12 months
Total		**2,123**	

Changes in fair value of futures contracts are recognized through profit or loss; also refer to Notes 10 and 11. All hedging contracts mature within 12 months.

Overdraft facilities
The Group and Parent Company have an overdraft facility with Danske Bank totaling SEK 100 M (100) at August 31, 2015. Utilized amounts on the balance sheet date amounted to SEK 0 M (0).

The interest rate on the overdraft facility is variable and the average interest rate during the fiscal year was 2.23 percent (2.57).

The overdraft facility since early 2014 is raised with Danske Bank, and is a part of the total business financing of SEK 140 M. The financing represents a total sum that can be allocated flexibly among overdraft facilities and guarantees, letters of credit etc.

No specific financial covenants are linked to the financing.

Other loan liabilities
In the 2012/2013 fiscal year, the company raised two loans, each loan of SEK 200 M from Konsumentföreningen Stockholm. Loan 1 is a promissory note loan, whereas loan 2 is a revolving loan. The credit facility allowed under the revolving loan is SEK 200 M and is available based on the needs of the Group. On August, 31 2015, SEK 385 M was utilised. During the fiscal year, the company entered into an agreement with a unilateral option to extend the two loans. The agreement implies an option to extend the financing by one year, from 2016 to 2017. The company intends to extend the loans. Both loans are free from redemption until the maturity date and are recognized as non-current liabilities. The entire liability falls due for repayment within five years. No specific financial covenants are linked to the loans. The loans run according to variable rates of interest, based on Stibor, including an additional margin. The current interest rate on August 31, 2015 was 0.43 percent for the promissory note loan and 3.58 percent for the revolving loan.

Loans relating to financial leases
The present value of future repayment obligations resulting from these financial lease agreements is recognized as "liabilities to credit institutions" and amounts to SEK 2,725,000 (4,918,000), including a short-term portion of SEK 2,215,000 (2,193,000). The entire liability falls due for repayment within five years.

Accrued expenses
Accrued expenses primarily comprise personnel-related items; see Note 31.

Note 36 Cont.

Group, August 31, 2015

Financial Assets	Assets measured at fair value through profit or loss	Loan receivables and trade receivables	Total
Trade receivables		48,701	48,701
Others receivables		15,358	15,358
Accrued income		5,791	5,791
Derivatives	4,056		4,056
Cash and cash equivalents		47,193	47,193
			121,099

Financial liabilities	Liabilities measured at fair value through profit or loss	Other financial liabilities	Total
Trade payables		202,000	202,000
Derivatives	2,123		2,123
Loans from credit institutions		2,725	2,725
Other loan liabilities		385,000	385,000
Other liabilities		43,429	43,429
Accrued expenses		79,371	79,371
			714,648

Group, August 31, 2014

Financial Assets	Assets measured at fair value through profit or loss	Loan receivables and trade receivables	Total
Trade receivables		49,785	49,785
Others receivables		19,366	19,366
Accrued income		4,892	4,892
Derivatives	1,361		1,361
Cash and cash equivalents		40,225	40,225
			115,629

Financial liabilities	Liabilities measured at fair value through profit or loss	Other financial liabilities	Total
Trade payables		190,770	190,770
Derivatives	0		0
Loans from credit institutions		4,918	4,918
Other loan liabilities		400,000	400,000
Other liabilities		51,954	51,954
Accrued expenses		81,059	81,059
			728,701

Note 36 Cont.

Fair value hierarchy

The Group has financial instruments in the form of currency futures that are measured at fair value in the balance sheet. The Group uses the following hierarchy in order to classify the instruments based on measurement techniques:

1. Quoted prices (not adjusted/unconfirmed) on active markets for identical assets or liabilities.
2. Other input data than the quoted prices included in Level 1, which is observable for assets or liabilities either direct (i.e. as prices) or indirect (i.e. derived from prices)
3. Input data for assets or liabilities in question, which is not based on observable (non-observable input data).

2014/2015	Value	Level 1	Level 2	Level 3
Assets				
Financial assets at fair value through profit or loss:				
Currency futures	4,056	–	4,056	–
Liabilities				
Financial liabilities at fair value through profit or loss:	–	–	–	–
Currency futures	2,123		2,123	

No transfers have occurred between the levels during the fiscal year.

2013/2014	Value	Level 1	Level 2	Level 3
Assets				
Financial assets at fair value through profit or loss:				
Currency futures	1,361	–	1,361	–
Liabilities				
Financial liabilities at fair value through profit or loss:				
Currency futures	–	–	–	–

No transfers have occurred between the levels during the fiscal year.

Financial liabilities age analysis

The following age analysis is based on undiscounted cash flows and included interest and amortization. In the analysis, the interest rate level on the balance sheet date has been assumed for future interest payments. The company has two loans of SEK 200 M each, of which one is a promissory note loan and the other is a revolving loan. The utilized loan facility on August 31, 2015 was SEK 385 M. Both loans run until May 2016, with a unilateral option to extend the promissory note loan until May 2017. The company intends to utilize this option. Both loans are free from redemption until the maturity date. The Group fulfills the covenants contained in the prevailing agreements with creditors.

Maturity of the Group's financial liabilities

2014/2015	0-3 months	4-12 months	1-2 years	2-3 years	3-4 years	More than 4 years	**Total contracted cash flows**
Other non-current liabilities	–	–	385,000	–	–	–	385,000
Liabilities to credit institutions	1,935	342	448	–	–	–	2,725
Overdraft facilities	–	–	–	–	–	–	0
Interest rates	171	–	–	–	–	–	171
Trade payables	202,000	–	–	–	–	–	202,000
Currency futures contracts	–	2,123	–	–	–	–	2,123

2013/2014	0-3 months	4-12 months	1-2 years	2-3 years	3-4 years	More than 4 years	**Total contracted cash flows**
Other non-current liabilities	–	–	400,000	–	–	–	400,000
Liabilities to credit institutions	2,443	2,080	395	–	–	–	4,918
Overdraft facilities	–	–	–	–	–	–	0
Interest rates	3,398	–	–	–	–	–	3,398
Trade payables	190,770	–	–	–	–	–	190,770
Currency futures contracts	–	–	–	–	–	–	0

Note 37 Receivables/liabilities from group companies

Parent Company
The subsidiaries' share of liabilities/receivables in the Group's central account system with banks is recognized among current liabilities/receivables from Group companies.

	Receivables		Liabilities	
Parent Company	**Aug 31, 2015**	Aug 31, 2014	**Aug 31, 2015**	Aug 31, 2014
Brothers & Sisters AB	–	668	4,315	–
Brothers Clothing Oy	–	–	13,352	11,172
Polarn O. Pyret AB	30,574	45,253	–	–
Departments & Stores Europe AB	25,830	32,144	–	–
Brothers & Sisters Sverige AB	–	–	424	2,956
Ängsviol Blomstern AB	–	–	219	219
RNB Far East Ltd.	5,004	4,074	–	–
RNB Retail and Brands Norge AS	–	–	84	–
	61,408	**82,139**	**18,394**	**14,347**

Note 38 Purchases and sales between Group companies

The Parent Company's net sales of SEK 85,236,000 (107,658,000) are entirely attributable to internally debited services provided to subsidiaries. The Parent Company has purchased services from subsidiaries amounting to SEK 1,380,000 (314,000).

Note 39 Risks and risk management

Foreign exchange risk
The RNB Group's currency exposure consists of the 45-50 percent of the Group's purchases of goods that are made in foreign currency. The Board of Directors has established a Group policy in the form of a framework for managing foreign exchange risk. The main focus is that 70-90 percent of the anticipated net flows in foreign currency for each season must be hedged using futures contracts or currency options. The two principal foreign currencies in which products are purchased are EUR and USD. A sensitivity analysis shows that a change in the exchange rate has the following impact on earnings:

Currency	Change	Impact, SEK M
EUR	+/– 10%	–/+ 21
USD	+/– 10%	–/+ 29

Capital structure
The Group had been under pressure due to a weak financial structure for quite some time, which led to the decision to carry out a rights issue of SEK 463 M (before issue costs), which was completed during spring 2013. This created opportunities for renegotiation of the company's loans as well as for implementation of structural measures, particularly the divestment of the JC concept, which was carried out during spring 2013. Therefore a considerably improved basis now exists for continued improvement of the capital structure, provided that we see a positive development of earnings and cash flow from the Group's remaining concepts. A long-term goal of the Group is no achieve an improved ratio between net debt and operating income before depreciation/amortization and impairments, in line with, or better than similar companies in the retail sector.

Credit, interest and liquidity risks
RNB's credits consist of loans and overdraft facilities. Available cash and cash equivalents are used to reduce the utilization of overdraft facilities, thereby reducing interest expense.

Interest risk mainly consists of changes in market rates of interest. RNB limits its interest rate risk by endeavoring to have short interest rate refixing periods.

A change in loan interest of 1% would, in the event of maximum utilization of available loan facilities (SEK 400 M in total) impact the interest expense of the Group by SEK 4.0 M, while an equivalent change in the bank interest would affect interest expenses by SEK 1.4 M in the event of maximum utilization of available bank financing (SEK 140 M).

Liquidity risk refers to the risk that financing cannot be obtained or can be obtained only at significantly increased costs. The Group's goal is to strike a balance between continuity and flexibility in the financing through loans and overdraft facilities. Credits to customers, the rate of receivables due, credits from suppliers and tied-up capital in inventories affects the need for liquid assets. Note 36 describes the terms and conditions of the loan agreements entered into.

Dependence on market conditions
Demand for RNB's products, like general demand in the retail sector, is affected by changes (actual or expected) in the overall market conditions. A positive economic trend normally has a favorable effect on RNB's sales and earnings trend. Weaker market conditions could have an adverse effect on RNB's sales and earnings trends, if disposable household income declines simultaneously. Demographics are another factor impacting demand. A gradual shift toward older age groups during an extended period means that individuals between the ages of 30 and 60 are gradually accounting for a relatively large proportion of the population, thus also increasing the significance of this age group for RNB.

Seasonal and weather variations
Generally speaking, the retail sales trend varies with the seasons. Sales are at their strongest during the fall and winter, peaking in December when Christmas shopping is a powerful driver. The beginning of the school year in August has historically proved to be a strong sales month during which sales of children's clothes increase. The price level is generally higher for the fall and winter collections, which also has a positive impact on gross profit during the first quarter (September–November) of the split fiscal year. The major discount months of January, February and July have an adverse impact on both gross margins and operating margins during these periods.

The weather is another factor that affects sales. A mild fall and winter generally tends to have an adverse impact on sales, and a cold and rainy summer has historically proven to have a positive impact on sales.

Fashion risks and changed purchasing behavior
RNB is dependent on consumer preferences in terms of the design, quality and price of clothing, accessories, cosmetics, jewelry and clocks and watches. RNB's own brands, combined with the distribution of other national and international brands, provide an extensive decision-making base in respect of discerning fashion trends and adapting products to demand. RNB endeavors to limit dependence on fashion trends by having a basic range of classic designs included in the proprietarily developed collections. However, since the fashion industry is subject to rapid changes,

the possibility of temporary declines in sales of certain collections cannot be excluded. RNB in the longer term also needs to adjust to changes in customers, e.g. due to demographic or other reasons as well as to changes in consumer purchasing behavior.

Distribution centers
Most of the goods sold in RNB's stores pass through one of the company's distribution centers in Slagsta or Borås. If one of the distribution centers or its equipment is damaged or needs to be shut down, the company may experience problems with deliveries to stores. If these conditions are not rectified rapidly and cost-effectively, it could damage the operations. Insurance policies cover property and production interruptions, but there are no guarantees that such insurance amounts are sufficient or that financial losses can be completely recovered.

Information systems
RNB depends on information systems in all parts of the operations to monitor the flow of goods from purchasing to sales in stores, and to coordinate operational and statistical information. The risks comprise both the suitability of existing systems as well as securing sensitive operational information. Each long-term interruption, or defective functionality in information systems, may result in the loss of important information or in actions being delayed, particularly if problems occur during peak season, for example, during the Christmas period.

Franchise agreements
RNB's operations in Polarn O. Pyret and Brothers are conducted to some extent through franchisees. Despite extensive and well-functioning cooperation with franchisees, agreements can be terminated with negative consequences for the company's operations.

Competitive situation
The market for RNB's products is exposed to strong competition in terms of products and markets. RNB's market position is dependent on the company's own and its competitors' resources for marketing, investments and product development, and the ability to adapt to the changing preferences of consumers. Increased competition could exacerbate pressure on prices and reduce market shares.

Supplier risks
RNB is highly dependent on suppliers for delivery of the company's products. Approximately 50 percent of purchases are made from suppliers in China. Companies in Turkey, Bangladesh, Pakistan and the Baltic region represent a major portion of other deliveries. Consequently, disruptions in suppliers' operations could have an impact on RNB's sales and earnings. Any trade restrictions at a national or international level, such as EU restrictions on textile imports from China, could result in the company changing its purchasing procedures, which could in turn have a negative impact on operations. Similar measures, or other restrictions in suppliers' ability to deliver goods, could have negative consequences on the company's earnings. RNB works actively to ensure its suppliers comply with specific ethical guidelines, including bans on child labor.

Trademarks
RNB's policy is to register and protect its brands and names. However, there are no guarantees that these measures will prove sufficient to protect the brands and other intellectual property.

In addition, unauthorized use of the brand in pirate copies or the copying of RNB's stores could damage the company's image and reputation.

Risk of bad debt losses
The risk of bad debt losses refers to the risk of franchisees not being able to pay for delivered products due to their financial situation.

Translation exposure
RNB reports items in income statements and balance sheets in SEK. Parts of the Group report in currencies other than SEK, which means that RNB's consolidated earnings and shareholders' equity are exposed to exchange rate fluctuations. This currency risk is known as translation exposure and is not hedged.

The Board of Directors and the President provide their assurance that the Annual Report has been prepared in accordance with generally accepted accounting policies, provides a true and fair view of the Parent Company's financial position and results and that the Board of Directors' report provides a true and fair overview of the Parent Company's operations, financial position and results and also describes the material risks and uncertainties faced by the Parent Company. The Board of Directors and President also provide their assurance that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and provide a true and fair view of the Group's financial position and results and that the Board of Directors' report for the Group provides a true and fair overview of the Group's operations, financial position and results and also describes the material risks and uncertainties faced by the Group.

Stockholm, November 26, 2015

Laszlo Kriss
Chairman of the Board

Magnus Håkansson
President and CEO
and Board member

Ann-Sofie Danielsson
Vice Chairman of the Board
Board member

Monika Elling
Styrelseledamot

Ivar Fransson
Board member

Michael Lemner
Board member

Per Thunell
Board member

Our audit report was submitted on November 26, 2015.
Ernst & Young AB

Johan Eklund
Authorized Public Accountant

Audit report

To the Annual General Meeting of the shareholders of **RNB RETAIL AND BRANDS AB** (publ)
Corp. Reg. No. 556495-4682

Report on the annual accounts and consolidated financial statements

We have audited the annual accounts and consolidated financial statements for RNB RETAIL AND BRANDS AB (publ) for the fiscal year, September 1, 2014 to August 31, 2015. The company's annual accounts and consolidated accounts are included in the printed version of this document on pages 24-62.

Responsibilities of the Board of Directors and the President for the annual accounts and consolidated accounts

The Board of Directors and the President are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the President determine is necessary to enable the preparation of annual accounts and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the President, as well as evaluating the overall presentation of the annual accounts and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of August 31, 2015 and of its financial performance and its cash flows for the year in accordance with the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of August 31, 2015 and of its financial performance and cash flows in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report and the corporate governance report are consistent with the other parts of the annual accounts and consolidated financial statements.

We therefore recommend that the Annual Meeting of shareholders adopt the income statement and balance sheet for the Parent Company and the statement of comprehensive income and balance sheet for the Group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated financial statements, we have also examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the President of RNB RETAIL AND BRANDS AB (PUBL) for the September 1, 2014 – August 31, 2015 fiscal year.

Responsibilities of the Board of Directors and the President

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the President are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' explanatory statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the President is liable to the company. We also examined whether any member of the Board of Directors or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

Stockholm, November 26, 2015
Ernst & Young AB

Johan Eklund
Authorized Public Accountant

Corporate Governance Report

RNB RETAIL AND BRANDS AB (publ), RNB, is a Swedish public limited liability company listed on Nasdaq Stockholm. RNB applies the Swedish Code of Corporate Governance and issues this Corporate Governance Report for the fiscal year September 1, 2014 – August 31, 2015. RBB has prepared this Corporate Governance Report in accordance with the provisions of the Swedish Code of Corporate Governance (the Code) as well as with Chapter 6, Sections 6–9 of the Swedish Annual Accounts Act and Chapter 9 Section 31 of the Swedish Companies Act. The guidelines pertaining to the Swedish Code of Corporate Governance are available on the website of the Swedish Corporate Governance Board (www.bolagsstyrning.se). The Corporate Governance Report is not part of the Board of Directors' Report.

Corporate governance is concerned with the relationship between the shareholders and the company's Board and President/Group Management. The Group's corporate governance is based on Swedish legislation, the articles of association and Nasdaq Stockholm's rules for issuers as well as other relevant statutes and regulations. Governance is exercised through the Annual General Meeting, the Board of Directors and the President in accordance with the Swedish Companies Act, the Articles of Association and the Swedish Code of Corporate Governance.

RNB RETAIL AND BRANDS' overriding goal is to create long-term value for its shareholders and other stakeholders. This requires a well-functioning corporate governance model, which is characterized by an efficient organizational structure, internal control system, risk management and transparency.

RNB RETAIL AND BRANDS applies the rules contained in the Swedish Code of Corporate Governance. The Code is based on the principle "comply or explain" which means that companies which apply the Code may depart from specific rules but should then provide an explanation for the departure.

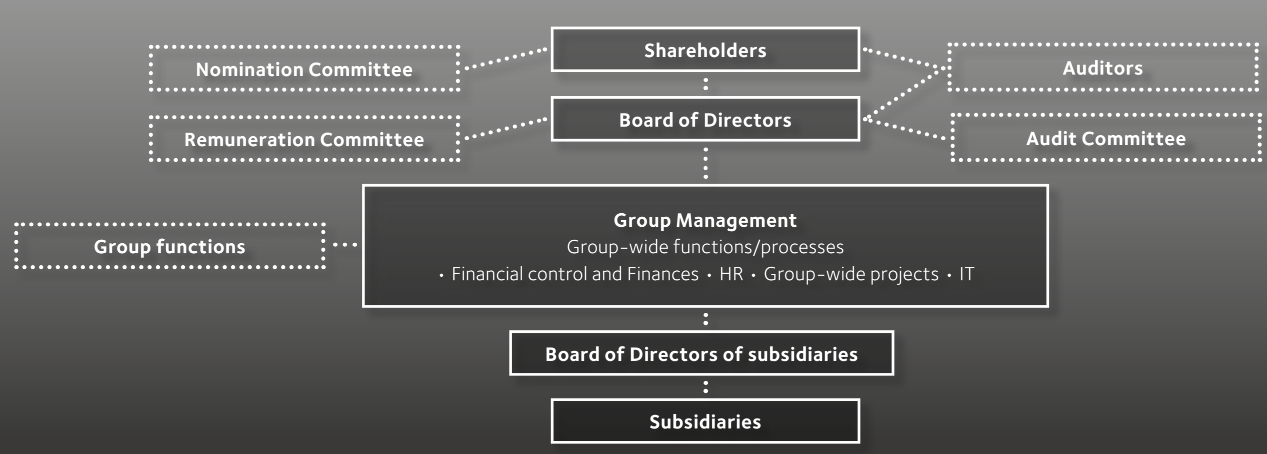
RNB RETAIL AND BRANDS also applies the Swedish Annual Accounts Act for how the company reports its corporate governance work. RNB Retail AND BRANDS follows developments in the corporate governance field and continually adjusts its corporate governance principles with the aim of creating value for owners and other stakeholders. No breaches of applicable stock exchange regulations have occurred.

Shares and shareholders

At August 31, 2015, the share capital of RNB was SEK 203,473,056 distributed among 33,912,176 shares with a quota value of SEK 6. All shares are common shares. Each share carries one vote at the AGM and all shares have an equal right to share in the company's assets and profits.

At August 31, 2015, the number of shareholders amounted to 6,821, of whom 88.5 percent were registered in Sweden. The three largest shareholders as of August

Governance structure



31, 2015 were Konsumentföreningen Stockholm with 33.2 percent, Catella Fondförvaltning with 12.3 percent and Försäkringsaktiebolaget Avanza Pension with 6.8 percent. Apart from Konsumentföreningen Stockholm and Catella Fondförvaltning, no other shareholders hold more than 10 percent of the votes. RNB's ten largest owners held shares corresponding to 67.1 percent of both the share capital and the voting rights in the company. For further information about the share and shareholders, please refer to pages 73–74 and RNB's website, www.rnb.se.

Annual General Meeting

The Annual General Meeting (AGM) is RNB RETAIL AND BRANDS' highest decision-making body. The AGM elects the company's Board and auditors and also approves the fees payable to the Board of Directors, among other things. The AGM is also responsible for adopting the company's balance sheets and income statements, making resolutions concerning the disposal of profits from operations and discharging members of the Board and the President from liability. The AGM also elects RNB's auditors.

The AGM must be held no later than six months after the end of the fiscal year. Notification of the AGM and of general shareholder meetings convened to address a motion concerning amendment of the Articles of Association must take place no earlier than six weeks before and no later than four weeks before the AGM. Notification of other extraordinary general meetings must take place no earlier than six weeks before and no later than three weeks before the meeting. All shareholders registered in the share register and who have notified their attendance in time are entitled to attend and vote at the AGM. Those shareholders who are unable to attend in person may be represented by a proxy.

Information from previous AGMs and Extraordinary General Meetings is available on http://www.rnb.se/en/Corporate-governance/Annual-general-meeting/.

Annual General Meeting for the 2013/2014 fiscal year

The AGM took place on Thursday, December 18, 2014 in RNB's premises at Regeringsgatan 29 in Stockholm. At the AGM, seven shareholders participated, personally or via proxy, representing 32.4 percent of the number of shares and votes in the company. Laszlo Kriss was elected as Chairman of the AGM.

Annual General Meeting for the 2014/2015 fiscal year

The AGM for shareholders in RNB will be held at 5 p.m. on Thursday, December 17, 2015 in the company's premises at Regeringsgatan 29 in Stockholm. For further information about the AGM, please see RNB's website, http://www.rnb.se/en/Corporate-governance/Annual-general-meeting/.

Nomination Committee

RNB RETAIL AND BRANDS has a Nomination Committee whose duties include preparing and submitting proposals to shareholders of the company concerning election of Board members and, when applicable, auditors. The Chairman of the Board shall annually, and no later than in connection with publication of the company's interim report for the third quarter of the fiscal year, convene the four largest shareholders in the company. They shall then appoint one member each to the Nomination Committee. The Chairman of the Board is to be co-opted to the Nomination Committee, but not as its Chairman. The Chairman of the Board shall also ensure that information about the composition of the Nomination Committee, with contact information, is published well in advance of the AGM. The Chairman of the Board shall also report to the Nomination Committee regarding the conditions for the Board of Directors' work and specific expertise requirements that may be important for the Nomination Committee's work. To perform its work, the Nomination Committee must keep itself informed about the Group's strategy and its future challenges in order to be able to judge what skills and experience are required by the Board members. The Nomination Committee also has to consider the rules on independence, which apply to the Board. The Nomination Committee shall hold meetings as necessary, but at least once per year. Shareholders shall be able to submit proposals to the Nomination Committee for further evaluation within the framework of its work.

The AGM in December 2014 resolved that a Nomination Committee would be appointed from among the large shareholders with the task of proposing Board members ahead of the AGM for the 2014/2015 fiscal year. Prior to the AGM on December 17, 2015, members of the Nomination Committee were appointed in accordance with this resolution at the AGM in December 2014. The Nomination Committee consists of Sune Dahlqvist, Chairman of Konsumentföreningen Stockholm, Ulf Strömsten, Catella Fondförvaltning, Patrick von Schenck, representing Michael Löfman and Joel Lindeman, Provobis Property & Leisure AB. No remuneration is paid to members of the Nomination Committee.

Participation in Board meetings during the fiscal year was as follows:

	Attendance at Board meetings		Attendance at meetings of	
Board members	Ordinary (6)	Extra (1)	Remuneration Committee (4)	Audit Committee (5)
Laszlo Kriss	6	1		5
Ann-Sofie Danielsson	5	1		5
Per Thunell	6			5
Monika Elling	6	1	4	
Ivar Fransson	6	1	4	
Michael Lemner	6	1	4	

Board of Directors

The Board of Directors is RNB RETAIL AND BRANDS' highest administrative body under the AGM and has ultimate responsibility for the management and organization of the company's operations. The Board monitors the company's operations and management and also takes decisions on important matters relating to strategies, investments, organization and financial questions. The Board has two permanent committees: an Audit Committee and a Remuneration Committee. In accordance with the Articles of Association, the Board shall consist of not less than five and no more than eight members, with no deputies. Members are elected at the AGM for the period up to the end of the following AGM. RNB's Articles of Association do not include any provisions on the appointment or dismissal of Board members. The Board's work is governed by the Swedish Companies Act, the Articles of Association and the formal work plan established by the Board for its work. At the AGM on December 18, 2014, the following Board members were re-elected; Laszlo Kriss, Ann-Sofie Danielsson, Monika Elling, Ivar Fransson, Michael Lemner and Per Thunell. The President and CEO is co-opted to the Board.

Articles of Association

The Articles of Association may only be amended at the AGM or an Extraordinary General Meeting. The current Articles of Association are available at http://www.rnb.se/en/Corporate-governance/Articles-of-association/.

Board of Directors

Laszlo Kriss, born 1946

Chairman of the Board; Member of the RNB Board since 2009.

Independent in relation to the Company and the Management, independent in relation to the Company's major owners.

Other directorships: Chairman of the Board of Blomsterfonden in Stockholm and Frostlight Solutions AB

Shareholding in RNB: 20,500 shares

Ann-Sofie Danielsson, born 1959, Degree in business administration

Vice Chairman of the Board; Member of the RNB Board since 2013.

Independent in relation to the Company and the Management, independent in relation to the Company's major owners.

CFO at NCC

Other directorships: Board member of Bulten AB

Shareholding in RNB: 0 shares

Ivar Fransson, born 1957, Degree in economics.

Member of the RNB Board since 2012

Independent in relation to the Company and the Management, independent in relation to the Company's major owners.

Management consultant at Trinovo Consulting Group

Other directorships: Board member of OKQ8 Bank AB

Shareholding in RNB: 17,436 shares via endowment insurance

The formal work plan of the Board of Directors

RNB RETAIL AND BRANDS' Board is subject to a formal work plan that complies with the Swedish Companies Act with respect to the division of duties and reporting. The formal work plan governs Board's meetings, issues to be addressed at Board meetings, the Chairman's duties, the President's duties and certain other matters.

The Board holds six scheduled Board meetings during a fiscal year and extraordinary meetings are held if necessary. Four of the scheduled meetings are held in connection with publication of each of the four quarterly reports, one is reserved for strategy issues and one scheduled meetings addresses the budget for the following fiscal year. In addition to the statutory meeting and scheduled meetings, the Board held one extraordinary meeting during the 2014/2015 fiscal year. The regular meetings were primarily devoted to budget follow-up, investment matters, external reporting, budgets and strategy issues. The extraordinary meeting dealt with the business financing.

During the fall of 2014, an evaluation of the Board and the President was conducted under the responsibility of the Swedish Academy of Board Directors. The evaluation involved filling in documentation that was then compiled into a report by the Swedish Academy of Board Directors. The conclusions of this report were subsequently presented at an extraordinary board meeting.

RNB RETAIL AND BRANDS AB (publ) complies with the listing agreement and the Swedish Code of Corporate Governance regarding the requirement for independent Board members. The Board's assessment regarding the independence of Board members in relation to the company and shareholders is shown in the description of the Board on pages 66-67 of the annual report.

Board Committees

Within the Board, there is a Remuneration Committee and an Audit Committee. The Remuneration Committee deals with salaries and bonus to the President and to officers who report directly to the President. The Audit Committee reviews and prepares the company's financial reporting before it is dealt with by the Board.

Per Thunell, born 1953,

Degree in business administration

Member of the RNB Board since 2012

Independent in relation to the Company and the Management, not independent of owners

CFO of Konsumentföreningen Stockholm

Other directorships: No other significant directorships

Shareholding in RNB: 0 shares

Michael Lemner, born 1957, Degree in economics.

Member of the RNB Board since 2013

Not independent in relation to the Company and the Management, independent in relation to the Company's major owners.

CEO and consultant in Tim-Tam Consulting SPRL (Belgium)

Other directorships: Chairman of Doors & Fashion (Belgium), Board member of Pimkie-Diramode SA (France), Orsay Gmbh (Germany) and PURetail Luxembourg Management Company SARL (Luxembourg)

Shareholding in RNB: 0 shares

Monika Elling, born 1962, Degree in business administration and mechanical engineer

Member of the RNB Board since 2014

Independent in relation to the Company and the Management, independent in relation to the Company's major owners.

Other directorships: Chairman of Talent Eye AB

Shareholding in RNB: 30,000 shares

Shareholdings as of August 31, 2015.

Remuneration Committee
The Board of Directors has established a Remuneration Committee with the main duties of reviewing, preparing and providing recommendations to the Board on questions relating to remuneration principles, including performance-based remuneration and pension terms and conditions, to the company's senior executives, complying with and evaluating ongoing and completed during the year programs for variable remuneration to the company management and also complying with and evaluating the application of the guidelines and remuneration to senior executives that the AGM has resolved upon by law. The Committee further prepares a proposal to the AGM regarding guidelines for remuneration to senior executives.

The company's Remuneration Committee, since the AGM on December 18, 2014, has been composed of Monika Elling (committee chairman), Michael Lemner and Ivar Fransson.

Audit Committee
The task of the company's Audit Committee, which is appointed by the Board, is to prepare the Board's work on quality assuring the company's financial reporting. The Committee maintains continuous contact with the company's auditors to keep itself informed of the focus and scope of the audit and to discuss views on the company's risks. The Audit Committee shall also adopt guidelines regarding what services other than audit, the company may procure from the company's auditor, The

Group Management




Magnus Håkansson, born 1963,

President and CEO

Degree in business administration, Stockholm School of Economics and MBA

Employed since 2011

Significant assignments outside the company: Chairman of Tenant & Partner Group AB

Shareholding in RNB: 51,500

Retail experience from competitive markets from earlier positions as a consultant, economist and CEO. Formerly CEO of Expert Sweden AB and CFO of the KF Group and Chairman of RNB during 2010.

Kristian Lustin, born 1970

Chief Financial Officer (CFO)

Degree in business administration, University of Uppsala

Employed since 2015

Shareholding in RNB: 5,000

Previously controller at Modern Times Group MTG and prior to this Finance Director at Munters and Authorized Public Accountant at Deloitte

Peter Bondelid, born 1962

President of Brothers

Degree in business administration, Stockholm School of Economics

Employed since 2012

Shareholding in RNB: 0

Previously Global Supply Chain Director for RNB. Prior to this, he was a management consultant at Accenture and Monitor Group with experience from a number of industries and functions.

Hanna Graflund Sleyman, born 1978

President of Departments & Stores

Degree in business administration, Stockholm School of Economics

Employed since 2009

Significant assignments outside the company: Board member of:

Atrium Ljungberg AB

Shareholding in RNB: 5,125 via related parties

Formerly Business Development Manager for Polarn O. Pyret and Production Director of RNB. Prior to this, she was a Management consultant at McKinsey & Company with experience from a number of industries and functions.

Committee's duties also include evaluating the audit work and providing this information to the Nomination Committee, and assisting the Nomination Committee in the preparation of proposals for auditors and fees for audit work.

During the 2014/2015 fiscal year, the Audit Committee comprised Ann-Sofie Danielsson (chairman of the committee) , Laszlo Kriss and Per Thunell.

Remuneration of the Board of Directors

The AGM on December 18, 2014 approved directors' fees of SEK 1,275,000, to be allocated as follows; SEK 350,000 to the Chairman of the Board and SEK 160,000 to each of the other Board members who do not receive salary from the company, SEK 75,000 to the chairman of the Audit Committee and SEK 25,000 to each of the other two members of the Audit Committee.

Auditors

RNB RETAIL AND BRANDS' auditors are elected by the AGM. At the AGM in December 2014, Ernst & Young were elected as auditors for the period until the end of the next AGM. Ernst & Young AB has appointed Authorized Public Accountant, Johan Eklund, as Auditor in Charge. Ernst & Young AB has been RNB RETAIL AND BRANDS' auditor since 2004.

The auditor's duties include reviewing the Board's and the President's administration of the company and the quality of the company's accounting records. The auditors report the results of their review to the shareholders

Anders Wiberg, born 1961

President of Polarn O. Pyret AB

Upper secondary school education

Employed since 2009

Shareholding in RNB: 0

Previous experience includes positions as CEO, COO and Sales Director at Filippa K AB and Global Supply Chain Director of RNB

Anders resigned from his position in October 2015

Mia Bystedt, born 1971

IT Director

Graduate engineer in computer technology, Royal Institute of Technology in Stockholm (KTH)

Employed since 2008.

Shareholding in RNB: 0

Previously systems manager and after that Group IT Director for RNB. Previous positions included system developer at AU System (Teleca) and TDC Sweden.

Helena Lundenfelt, born 1982

HR Director

Member of the Group Management between March–August 2015

Shareholding in RNB: 0

Helena resigned from her position in September 2015

Shareholdings as of August 31, 2015.

through their Audit Report, which is presented at the AGM. In addition, the auditors submit detailed reports to the Audit Committee at scheduled Audit Committee meetings and to the Board once every year. Apart from the audit, the auditor shall inform the Board of Directors about services that have been performed besides audit services, remuneration for such services and other circumstances, which are of important for the auditor's independence. During the fiscal year, Ernst & Young provided consultancy services pertaining to tax and accounting. RNB RETAIL AND BRANDS believes that the execution of these services does not compromise the independence of Ernst & Young.

Internal audit

To date, RNB has not found any reason to establish a specific internal audit function. The company conducts ongoing work to strengthen the internal control and a number of control activities have been implemented. The issue of a specific internal audit function will be assessed annually.

The President & CEO and Group Management

The President manages operations in accordance with the approved formal work division between the President and the Board as well as the Board's instructions. The President is responsible for keeping the Board informed and for ensuring that the Board has the necessary information and as complete decision-making data as possible. The President also keeps the Chairman of the Board informed of the company's and Group's performance and financial position

The President and other members of the Group Management hold meetings continuously during the fiscal year to review budget follow-ups and plans and to discuss strategic issues. RNB RETAIL AND BRANDS' decision-making Group Management consists of seven persons (of whom three are women) – President/CEO of RNB, CFO of RNB, Presidents of each business area, IT Director and HR Director.

Control of the business areas is conducted via intra-Group Boards in subsidiaries, in which the CEO, CFO and at least one president of a sister company are Board members. The Boards have formal work plans that comply with the Companies Act regarding the division of duties and reporting. The formal work plan governs Board's meetings, issues to be addressed at Board meetings, the Chairman's duties, the President's duties and certain other matters. The Boards have scheduled meetings every quarter, where matters dealt with include budget follow-ups, action plans and investments.

Remuneration to the President and senior executives

The guidelines for remuneration and other terms of employment to senior executives are approved annually by the AGM. Senior executives refers to the President and other members of the Group Management. Remuneration and other terms of employment for the President are prepared by the Remuneration Committee and approved by the Board of Directors. Remuneration and other terms of employment for the members of the Group Management are prepared by the President, after approval by the Remuneration Committee.

RNB RETAIL AND BRANDS shall apply market-related levels of compensation and terms of employment, which are necessary in order to recruit and retain a highly skilled Management team with the capability to achieve set goals. The forms of remuneration shall motivate the Group Management to do their utmost to safeguard the interests of shareholders.

Remuneration of the company management consists of fixed salary, variable salary, pension and other remuneration. Fixed and variable salary shall be determined by taking account of skills, area of responsibility and performance. The variable remuneration is based on the outcome in relation to clearly set goals for the company. The variable salary in the one-year program may not exceed 40 percent of the fixed salary. The variable remuneration is evaluated annually and does not qualify for vacation or pension. Pension benefits are defined contribution and the ordinary age of retirement is 65 years. A notice period of six to twelve months normally applies in connection with termination of employment as well as a right to termination benefits corresponding to the highest salary during the notice period in the event that the company terminates the employment.

The Board of RNB RETAIL AND BRANDS may depart from these guidelines if special grounds exist in a particular case.

For information about remuneration to the Board and senior executives, see Note 5 in the 2014/2015 Annual Report.

Internal control

The Board is responsible under the Swedish Companies Act and the Code for ensuring that an efficient system for internal control and risk management is in place. The President has been delegated the responsibility of creating a solid basis for working on these issues. Both the Group Management and managers at various levels in the company have this responsibility within their specific areas. Authority and responsibility are defined in guidelines, responsibility descriptions and authorization instructions. Board of Directors continually works to ensure that the internal control is effective by obtaining information and reports from the company management. Through the Audit Committee, discussions are also conducted with the company's auditors about the internal control.

The aim of the company's internal control is to create an operational basis where demands, goals and frameworks are distinctly defined. The control is ultimately aimed at protecting the company's assets and thereby the shareholders' investments. Internal control at RNB complies with an established framework and consists of the following five components: Control environment, risk assessment, control activities, information and communication and follow-up.

Control environment

The control environment constitutes the foundation for the internal control. The control environment consists primarily of ethical values, integrity, expertise, management philosophy, organizational structure, responsibility and authority. RNB's internal work plans, instructions, policies, guidelines and manuals are important in this context since they are used as guidelines for employees.

In respect of operating activities, the President is responsible for the system of internal controls that is required to create a control environment for material risks.

The President reports regularly to the Board in this respect.

Risk assessment and control activities

RNB also has guidelines and policies governing financial control and monitoring, communication issues and business ethics. Frameworks for credit and currency management, financial control and follow-up are established through approved financial-, accounting and investment policies. The company takes out insurance policies tied to property values and loss of earnings based on analysis of need and risk.

In addition, RNB operates a Code of Conduct that applies to the entire Group. The Code of Conduct, which is based on a number of internationally accepted conventions, is an expression of the values and guidelines that apply within the Group in terms of business ethics, freedom and rights.

The Board's opinion is that there is sufficient understanding among employees of the need for adequate control of financial reporting. In brief, RNB's internal control structure is based on the distribution of work between company bodies, reporting to the Board, established policies and guidelines, and the fact that employees comply with the policies and guidelines, thus ensuring that adequate control of financial reporting can be maintained.

RNB analyzes risk on an ongoing basis to identify potential sources of error within its financial reporting. The company has identified the processes in which the risks for significant errors in financial reporting may be assumed to be relatively higher than in other processes, due to the complexity of the business process, or due to high amounts or large transaction volumes. Among other areas, RNB has documented vulnerability in certain IT systems, the risk of incorrect valuations and slow-moving inventories, including assessments of obsolescence. The documentation and subsequent risk assessment have resulted in a number of countermeasures and control activities. Normal control activities include account reconciliations and support controls. The aim of all countermeasures and control activities is to prevent, discover and correct any mistakes or deviations in the financial reporting.

Risks are also deemed to exist in connection with the valuation of goodwill and also in relation to doubtful trade receivables and deferred tax assets. On each balance sheet date or when indications point to a decline in value, impairment tests of goodwill are performed to calculate the fair value of the underlying assets. In this context, assumptions concerning the future, growth, profitability and financing are key parameters. The counterparties' ability to meet their obligations for trade receivables is assessed continuously. Deferred tax assets tied to loss carryforwards are recognized to the extent that future surpluses can be utilized against deferred tax assets.

Information and communication

Correct internal and external information requires that all parts of the operations efficiently exchange and report relevant important information on operations. To achieve this, RNB has issued policies and guidelines pertaining to the handling of information in the financial process, which have been communicated from Group Management to employees. During the fiscal year or in the period thereafter, no violations have occurred that have led to disciplinary measures from Nasdaq Stockholm or to a statement from the Swedish Securities Council.

Follow up by the Board

The Board continuously evaluates the information submitted by the company management. The Board also monitors the efficiency of the work of the Group Management. The Board's work includes ensuring that measures are implemented to address the inadequacies and suggestions for corrective measures that may have arisen in connection with the external audit. The Board receives periodic financial reports and the financial position of the company and the group are dealt with at each Board meeting.

Stockholm, November 26, 2015

Laszlo Kriss
Chairman of the Board

Ann-Sofie Danielsson
Vice Chairman of the Board and Board member

Ivar Fransson
Board member

Per Thunell
Board member

Michael Lemner
Board member

Monika Elling
Board member

Magnus Håkansson
President and CEO

Audit opinion concerning the corporate governance report

To the Annual General Meeting of the shareholders of RNB RETAIL AND BRANDS AB (publ), Corporate Identity Number 556495-4682

The Board of Directors and the President are responsible for the corporate governance report for the fiscal year September 1, 2014 to August 31, 2015 on pages 64–72 and for its preparation in accordance with the Annual Accounts Act.

We have read the corporate governance report and based on this review and on our knowledge of the Company and the Group, we believe we have a sufficient basis for our opinion. This statutory review has another aim and direction, and is substantially less exhaustive in scope, than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing standards in Sweden.

We consider that a corporate governance report has been prepared and its statutory content is consistent with the annual accounts and the consolidated financial statements.

Stockholm, November 26, 2015

Ernst & Young AB

Johan Eklund
Authorized Public Accountant

The Share

RNB's share was listed on June 1, 2001 on the Nasdaq Stockholm Exchange under the ticker RNBS and is currently traded on the small cap list.

Trading in the share and share performance

The closing share price on August 31, 2015 was SEK 14.30, which gave a market capitalization for RNB of SEK 484,944,131 M. The highest price quoted during the fiscal year was SEK 17.10 and the lowest price was SEK 8.0.

Share capital

The registered share capital in RNB on August 31, 2015 amounted to SEK 203,473,056 distributed among 33,912,176 shares each with a quota value of SEK 6. All shares are common shares.

Shareholders

According to Euroclear, the number of RNB shareholders on August 31, 2015 was 6,821, of whom 88.5 percent were registered in Sweden. On the same date, the shares registered outside Sweden represented 11.5 percent of the total number of shares in the company. RNB's ten largest owners held shares corresponding to 67.1 percent of both the share capital and the voting rights in the company.

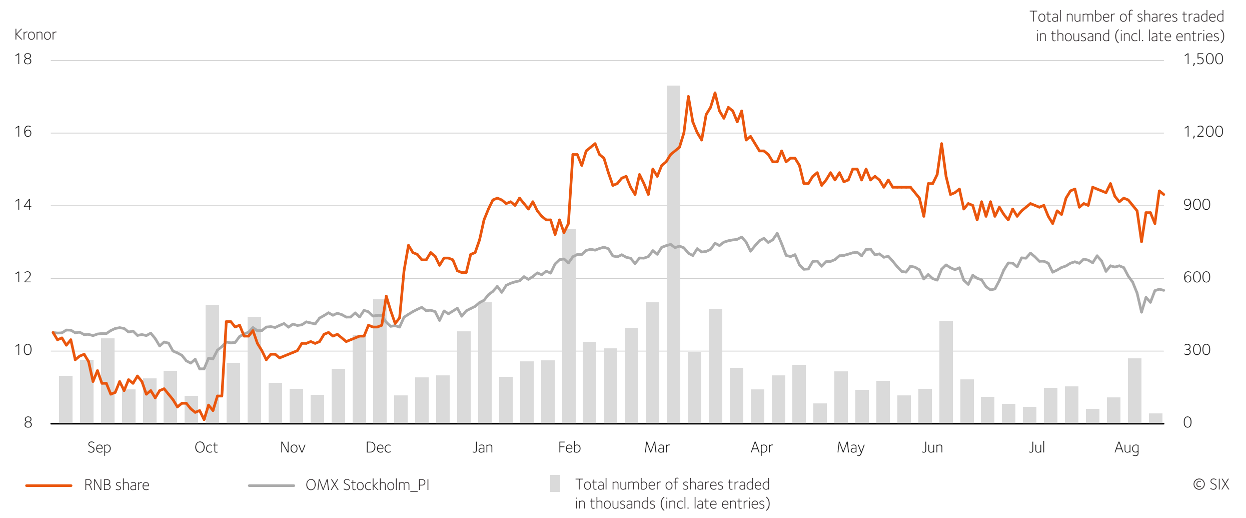
Dividend policy and proposed dividend

The Board of Directors' long-term objective is to distribute half of profit after taxes to shareholders. The Board proposes to the AGM that a dividend equivalent to SEK 0.25 per share after tax should be paid for the 2014/2015 fiscal year

Stock market information

RNB aims to provide the stock market with clear and up-to-date information. Financial information is mainly provided in the annual report, year-end report and in three interim reports. Before publication of interim and year-end reports, RNB observes a silent period for two weeks prior to publication. RNB's annual report is only distributed via the Group website and on request from the company. See more on RNB's website, www.rnb.se/ir

The RNB share development



RNB's share development

The largest shareholders	Number of shares	Share capital/Voting rights, %
Konsumentföreningen Stockholm	11,246,598	33.2
Catella Fondförvaltning	4,186,154	12.3
Avanza pension	2,322,607	6.8
Provobis Property & Leisure AB	1,400,000	4.1
Client Long	953,025	2.8
Skandinaviska Enskilda Banken	663,184	2.0
Michael Löfman	575,000	1.7
Case Asset Management	500,000	1.5
SEB Life International Assurance	476,512	1.4
Nordnet Pensionsförsäkring	424,852	1.3
Total largest shareholders	**22,747,932**	**67.1**
Others	11,164,244	32.9
Total	**33,912,176**	**100.0**

Ownership structure on August 31, 2015

Size of shareholding by category	Number of shares	Share capital/Voting rights, %
1–500	5,215	1.5
501–1,000	564	1.3
1,001–5,000	756	5.2
5,001–10,000	121	2.7
10,001–15,000	30	1.1
15,001–20,000	28	1.5
20,001 –	107	86.7
Total	**6,821**	**100.0**

Key data per share*

SEK per share	2010/2011	2011/2012	2012/2013	2013/2014	**2014/2015**
Earnings per share	-538.00	-398.00	-54.56	-4.75	1.25
Dividend per share	0	0	0	0	0.25
The buying price of the share at year-end on the OMX Nordic Exchange	3.03	2.2	10.3	10.3	14.3
Equity per share	5.80	3.80	12.62	7.85	9.01

Share capital development

Year, Transaction	Increase in number of shares	Accumulated no. of shares	Increase in share capital	Accumulated share capital	Quota value per share, SEK
1997, Opening balance		90,000		9,000,000	100
1998, New share issue	11,250	101,250	1,125,000	10,125,000	100
2000, New share issue	106,125	207,375	10,612,500	20,737,500	100
2001, Split 25-for-1	4,977,000	5,184,375		20,737,500	4
2001, New share issue	150,000	5,334,375	600,000	21,337,500	4
2001, New share issue	253,740	5,588,115	1,014,960	22,352,460	4
2001, New share issue	2	5,588,117	8	22,352,468	4
2001, New share issue	1,916,320	7,504,437	7,665,280	30,017,748	4
2005, New share issue	800,000	8,304,437	3,200,000	33,217,748	4
2005, Split 2:1	8,304,437	16,608,874		33,217,748	2
2006, Split 2:1	16,608,874	33,217,748		33,217,748	1
2006, New share issue	20,871,016	54,088,764	20,871,016	54,088,764	1
2006, New share issue	1,083,562	55,172,326	1,083,562	55,172,326	1
2006, New share issue	755,286	55,927,612	755,286	55,927,612	1
2006, New share issue	151,220	56,078,832	151,220	56,078,832	1
2006, Conversion of debt instruments	1,000,000	57,078,832	1,000,000	57,078,832	1
2008, New share issue	57,078,832	114,157,664	57,078,832	114,157,664	1
2009, New share issue	34,959,350	149,117,014	34,959,350	149,117,014	1
2009, New share issue	16,308,237	165 425,251	16,308,237	165 425,251	1
2013, New share issue	6,617,009,949	6,782,435,200	38,047,805	203,473,056	1
2013, Reverse share split 200-for-1	-6,748,523,024	33,912,176		203,473,056	1

Five-year summary

Income statement items

SEK M	Sep 10 – Aug 11**	Sep 11 – Aug 12**	Sep 12 – Aug 13	Sep 13 – Aug 14	**Sep 14 – Aug 15**
Revenue	2,987.2	2,801.1	1,952.9	1,927.4	2,151.5
Operating income	-509.5	-303.3	-100.0	-145.0	47.9
Net financial items	-25.1	-56.2	-27.0	-9.9	-5.7
Profit after financial items	-534.7	-359.5	-126.9	-155.0	42.3
Net income for the year	**-445.2**	**-328.9**	**-628.7**	**-161.0**	**42.3**

Balance sheet items

SEK M	Sep 10 – Aug 11**	Sep 11 – Aug 12**	Sep 12 – Aug 13	Sep 13 – Aug 14	**Sep 14 – Aug 15**
Non-current assets	1,171.7	1,025.8	632.1	512.2	501.0
Inventories	573.1	483.8	327.7	347.3	400.9
Trade receivables	191.6	134.3	66.0	49.8	48.7
Other current assets	89.2	128.0	71.8	80.8	78.0
Cash and cash equivalents	53.5	29.7	31.8	40.2	47.2
Assets included in disposal groups are classified as if they are held for sale/discontinuation	–	–	171.2	–	–
Total assets	**2,079.1**	**1,801.6**	**1,300.6**	**1,030.3**	**1,075.9**
Equity	959.4	627.9	427.8	266.1	305.7
Non-current liabilities	456.5	534.4	363.4	402.7	385.5
Current liabilities	663.2	639.3	342.6	361.5	384.7
Liabilities included in disposal groups are classified as if they are held for sale/discontinuation	–	–	166.8	–	–
Total equity and liabilities	**2,079.1**	**1,801.6**	**1,300.6**	**1,030.3**	**1,075.9**

Key ratios

	Sep 10 – Aug 11**	Sep 11 – Aug 12**	Sep 12 – Aug 13	Sep 13 – Aug 14	**Sep 14 – Aug 15**
Gross profit margin, %	46.9	47.7	49.3	51.0	50.1
Operating margin, %	neg	neg	neg	neg	2.2
Profit margin, %	neg	neg	neg	neg	2.0
Risk-bearing equity, SEK M	990.3	628.1	427.8	266.1	305.7
Share of risk-bearing equity, %	47.6	34.9	32.9	25.8	28.4
Equity/assets ratio, %	46.1	34.9	32.9	25.8	28.4
Capital employed, SEK M	1,520.1	1,261.2	800.0	671.0	693.4
Return on capital employed, %	neg	neg	neg	neg	7.8
Return on equity, %	neg	neg	neg	neg	14.8
Number of full-time employees	1,435	1,404	1,045	1,040	1,024
Number of proprietary stores at end of period	215	228	163	188	185
Number of franchise stores at end of period	177	148	108	79	77

Per share data*

	Sep 10 – Aug 11**	Sep 11 – Aug 12**	Sep 12 – Aug 13	Sep 13 – Aug 14	**Sep 14 – Aug 15**
Profit after tax, SEK	-538.00	-398.00	-54.56	-4.75	1.25
Shareholders' equity, SEK	1,160	760	13	8	9
Average number of outstanding shares, thousands	827	827	11,523	33,912	33,912
Number of shares at year-end, thousands	827	827	33,912	33,912	33,912

* In connection with the completed rights issue, a 200:1 reverse share split was carried out.
Historical comparative figures regarding the average number of shares and earnings per share have been adjusted for this.

** As regards these years, the divested JC segment is included in profit/loss and balance sheet items

Definition of key ratios

Share of risk-bearing equity
Risk-bearing equity in relation to total assets.

Number of full-time employees
Total number of hours of attendance during the past 12-month period divided by the normal hours worked per year in each country.

Return on equity
Profit after tax as a percentage of average shareholders' equity. Average shareholders' equity is calculated as shareholders' equity at the beginning of the year plus shareholders' equity at year-end divided by two.

Return on capital employed
Profit after financial items plus financial expenses as a percentage of average capital employed. Average capital employed is calculated as capital employed at the beginning of the year plus capital employed at year-end divided by two.

Gross profit margin
Net sales less goods for resale in relation to net sales.

Dividend yield
Dividend as a percentage of the share price on the balance sheet date.

Equity per share
Equity divided by the number of shares at the end of the period.

Comparable sales trends
Sales trend for comparable months in proprietary stores that have been open for more than 12 months.

Cash flow per share
Cash flow after investments divided by number of shares.

Operating capital
Total assets less cash and cash equivalents, other interest-bearing assets and non-interest-bearing liabilities

Earnings per share
Profit after full tax divided by the weighted average number of shares.

Risk-bearing equity
Total of reported shareholders' equity and deferred tax.

EBIT margin
Operating income in relation to net sales.

Equity/assets ratio
Shareholders' equity in relation to total assets.

Capital employed
Total assets less non-interest-bearing liabilities.

Profit margin
Net income in relation to net sales.

Information about the AGM

The Annual General Meeting will be held at 5 p.m. on December 17, 2015 at the company's premises at Regeringsgatan 29, Stockholm, Sweden.

Participation

Shareholders wishing to participate in the business of the Meeting must be recorded in the Securities Register maintained by Euroclear Sweden AB no later than Friday, December 11, 2015, And notify the company of their intention to participate no later than Monday, December 14, 2015 at the address RNB RETAIL AND BRANDS AB, PO Box 161 42, SE-103 23 Stockholm, Sweden by telephone to +46 8 410 520 60 or by e-mail to ann-charlotte.rudels@rnb.se.

Nominee-registered shares

To be entitled to vote at the Meeting, shareholders whose shares are registered in a nominee's name must temporarily register their shares via their bank's custody services department or in their own names with Euroclear Sweden AB. Such registration must be completed at Euroclear Sweden AB by Friday, December 11, 2015, at the latest. Shareholders must ask their nominees to arrange for re-registration in good time before this date.

Dividend

The Board proposes that a cash dividend for 2014/2015 fiscal year of SEK 0.25 per share should be declared, equivalent to SEK 8,478,044 in total.

Calendar

December 17, 2015	Interim report for the first quarter
December 17, 2015	Annual General Meeting, 5 p.m.
March 24, 2016	Interim report for the second quarter
June 23, 2016	Interim report for the third quarter
October 26, 2016	Year-end report

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