

RNB RETAIL AND BRANDS



Interim report September 1, 2010 – November 30, 2010

First quarter, September 1, 2010 – November 30, 2010

- Net sales totaled SEK 787 M (743), up 5.9 percent. The negative impact from the divested operations at Steen & Ström department store is -3.4 percent. Sales in comparable proprietary stores increased 6.3 percent.
- The operating result has improved with SEK 13 M to SEK 47 M (33) which includes cost for the closedown of the operations at Illum Kids in January 2011 with SEK 3 M.
- The profit before tax amounted to SEK 41 M (34). The measurement of forward contracts at fair value had a positive impact of SEK 2 M (last year +6) on net financials.
- Profit after tax amounted to SEK 34 M (25), corresponding to a profit per share of SEK 0.20 (0.17).
- Cash flow from operating activities amounted to SEK -35 M (-15).

Events after the end of the period

- The Board of Directors of RNB RETAIL AND BRANDS have appointed Magnus Håkansson as the new President and Chief Executive Officer of the company

Operations

RNB Group

RNB RETAIL AND BRANDS owns, operates and develops fashion, clothing, accessories, jewelry and cosmetics stores that focus on providing excellent service and a world-class shopping experience. Sales are mainly conducted in Scandinavia through the three store concepts Brothers & Sisters, JC and Polarn O. Pyret, as well as through shops in the department stores NK in Stockholm and Gothenburg, and Illum in Copenhagen. RNB RETAIL AND BRANDS has operation in 11 countries. RNB has a total of 405 stores, of which 181 are operated by franchisees.

Group trend

	Q1		12 Months	
	2010/11	2009/10	Last 12 months	2009/10
Net turnover, Sek M	787	743	3 098	3054
Gross margin, per cent	52.6	52.0	48.6	48.4
Operating income, Sek M	47	33	61	48
Profit before tax, Sek M	41	34	28	22
Profit after tax, Sek M	34	25	37	29
Operating profit margin, per cent	5.9	4.5	2.0	1.6
Earnings per share, Sek	0.20	0.17	0.20	0.18
Cash flow from current operation, Sek M	-35	-15	100	120
Stores	405	432		402

Divestment of operations at Illum in Copenhagen

Discontinuation of operations at Illum continues. RNB has entered into an agreement in September concerning the divestment of its operations at the Kids department as of January 2011. The profit for the first quarter have been affected with costs for the close-down of SEK 3 M. Operations will continue at the remaining department – Illum Cosmetics – until it can be discontinued.

New President and CEO of the company

The Board of Directors of RNB RETAIL AND BRANDS has appointed Magnus Håkansson, today the chairman of the company, as the new President and Chief Executive Officer of the company. He will assume his new position as soon as possible after his period of notice at Expert Sweden has expired. In connection with taking office as President and CEO of RNB, he will step down as Chairman of the RNB Board.



Revenues and earnings

First quarter September 2010 – November 2010

RNB's net sales during the first quarter totaled SEK 787 M (743), a increase with 5.9 percent. The negative impact from the divested operations at Steen & Ström department store in Oslo is -3.4 percent and currency effects on translation of foreign subsidiaries had a negative impact during the quarter with 1,6 percent. Sales in comparable proprietary stores increased 6.3 percent.

The gross margin in the first quarter was 52.6 percent (52.0).

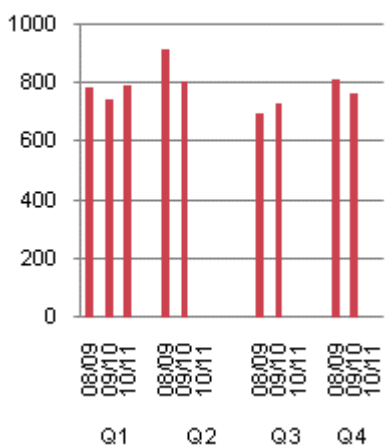
Operating profit, compared with the same period last year, totaled SEK 47 M (33) and the profit before tax totaled 41 SEK (34).

The measurement of forward contracts at fair value had a positive impact on net financial items of SEK 2 M. Last year net financials included a positive impact of SEK 6 M.

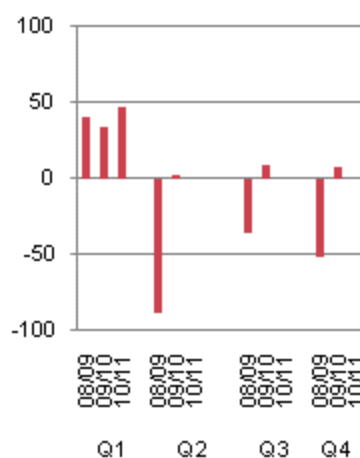
Profit after tax totaled 34 (25).

Our operation at the Illum department store, which is currently being discontinued, reported a loss of SEK 4 M (-3), of which SEK -3 M was attributable to the upcoming closure of the operations at the Kids department.

**Net turnover per quarter,
Sek M**



**Operating profit per
quarter, ex. goodwill-
writedown, Sek M**

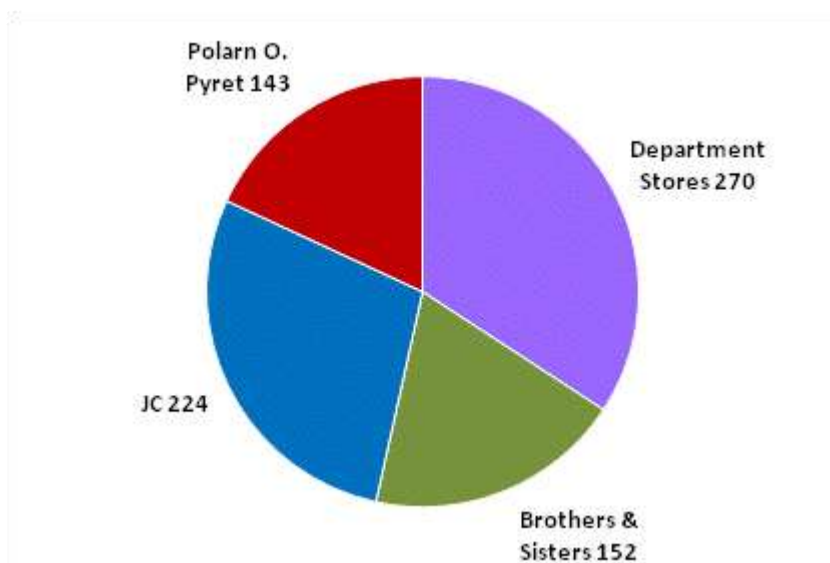


Business areas

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

	Polarn O. Pyret		Varuhus		JC		Brothers & Sisters	
	Q1 10/11	Q1 09/10	Q1 10/11	Q1 09/10	Q1 10/11	Q1 09/10	Q1 10/11	Q1 09/10
Net turnover, SEK M	143	120	270	281	224	207	152	135
Operating profit, SEK M	32	23	20	12	-3	-8	8	14
Stores	113	110	52	70	157	170	83	82
Of which franchise	66	65	-	-	74	84	41	42

Net sales September 10 – November 10, SEK M



Polarn O. Pyret

Polarn O. Pyret business area

First quarter, September 1, 2010 – November 30, 2010

Net sales in the third quarter amounted to SEK 143 M (120). Sales in comparable proprietary stores increased 9.4 percent.

Brand sales (total sales to consumers, excluding VAT in all markets and distribution channels) amounted to SEK 623 M (580), measured over a rolling 12-month period.

Operating profit totaled SEK 32 M (23), corresponding to an operating margin of 22.5 percent (18.9). The increase in profits is a consequence of the higher sales volume

The number of proprietary stores at the end of the period was 47 (45). In addition, there were 66 (65) franchise stores, including 14 (14) in Sweden and 52 (51) abroad.

Polarn O. Pyret is a brand focused on baby and children's wear and comprises 113 stores, of which 66 is franchise stores. Today, Polarn O. Pyret is located in 11 countries.



Department Stores business area

First quarter, September 1, 2010 – November 30, 2010

Net sales in the Department Stores business area amounted to SEK 270 M (281), down 3.9 percent. The divested operations at Steen & Ström department store in Oslo have had a negative impact with 9.1 percent. Sales in comparable proprietary stores increased 5.6 percent.

Operating profit totaled SEK 20 M (12). The increase in profits is due to a combination of higher sales and the discontinuation of loss-making operations.

Discontinuation of operations at Illum continues. RNB has entered into an agreement in September concerning the divestment of its operations at the Kids department as of January 2011. Operations will continue at the remaining department – Illum Cosmetics – until it can be discontinued. The Illum operations reported an operating loss in the quarter with SEK 4 M (-3) of which SEK -3 M was attributable to the upcoming closure of the operations at the Kids department.

Department Stores

The business area comprises operations at the department stores NK Stockholm, NK Gothenburg, Illum in Copenhagen and Kosta Outlet. The number of proprietary stores at the end of the period, after the sale of the Steen & Ström operations, was 52 (70) with a total retail area of 18 782 square meters (21 584).



JC business area

First quarter, September 1, 2010 – November 30, 2010

Net sales for JC amounted to SEK 224 M (207), up 8.1 percent. Sales in comparable proprietary stores increased 3.4 percent.

Brand sales (total sales to consumers excluding VAT in all markets and in all distribution channels) measured on a rolling 12-month basis amounted to SEK 1 135 M (1 316).

JC's operating result improved SEK 5 M, due to increase in margins, and a loss of SEK 3 M (-8) was reported for the quarter.

Divestments and closure of unprofitable JC units are in progress primarily in Norway.

The number of proprietary stores at the end of the quarter totaled 83 (86). In addition, there are 74 (84) franchise stores.

JC

The business area has a total of 157 stores, of which 74 are operated by franchisees



Brothers & Sisters business area

First quarter, September 1, 2010 – November 30, 2010

Net sales for Brothers & Sisters totaled SEK 152 M (135), up 13.0 percent. Sales in comparable proprietary stores increased 9.2 percent.

Brand sales (total sales to consumers excluding VAT in all markets and in all distribution channels) measured on a rolling 12-month basis amounted to SEK 722 M (691).

Operating profit for Brothers & Sisters totaled SEK 8 M (14). The decline in profit is mainly due to higher marketing costs which is estimated to improve future profits.

The number of proprietary stores at the end of the quarter was 42 (40). In addition, there are 41 (42) franchise stores.

Brothers & Sisters

The business area has a total of 83 stores, of which 41 are operated by franchisees.



Financial position and liquidity

The Group had total assets of SEK 2 526 M compared with SEK 2 518 M at the end of the preceding fiscal year. Shareholders' equity amounted to SEK 1 438 M (1 405), resulting in an equity/assets ratio of 56.9 percent (55.8).

At November 30, 2010, inventories totaled SEK 583 M compared with SEK 568 M a year earlier.

Cash flow from operating activities in the first quarter was SEK -35 M (-15). Cash flow after investments was SEK -48 M (-12).

Net debt amounted to SEK 472 M compared with SEK 535 M a year earlier and SEK 429 M on August 31, 2010.

Consolidated cash and cash equivalents at the close of the interim-report period, including unutilized overdraft facilities, amounted to SEK 191 M compared with SEK 240 M at the end of the preceding fiscal year.

The company fulfills the conditions in contained in the existing credit agreements, which is described in note 31 in the annual report for the fiscal year 2009/10.

Investments and depreciation/amortization

Investments during the period totaled SEK 16 M (4).

Depreciation/amortization during the period amounted to SEK 20 M (23).

Personnel

The average number of employees during the period was 1 421 (1 427).

Tax paid

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

Parent Company

Net sales in the Parent Company amounted to SEK 25 M (24). After net financial items a loss of SEK -15 M (-12) was reported. Investments during the period totaled SEK 1 M (0).

Outlook

In the opinion of the Board of Directors, the actions taken and those in progress will create the conditions necessary for the Group to report continued increase in profits during the fiscal year.

Accounting principles

This report was prepared in accordance with IAS 34 Interim Reporting and the Swedish Annual Accounts Act. The statement of comprehensive income was prepared in accordance with IAS 1 (R), which was first applied on September 1, 2009. The comparative year has been

recalculated. The interim report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.2 Accounting for Legal Entities. The accounting policies applied correspond with those stated in the 2009/2010 Annual Report. This report has not been examined by the company's auditors.

Press and analyst meeting

With reference to the interim report on the first quarter of 2010/2011, RNB will be holding a press and analyst conference. The conference will be held at the company's premises at Regeringsgatan 29 today, January 19, 2011 at 9:30 a.m.

Annual General Meeting

The Annual General Meeting for the 2010/2011 fiscal year will be held on Thursday, January 20, 2011 at 5:00 p.m. The Annual General Meeting will be held at the company's premises at Regeringsgatan 29 in Stockholm.

Risks and uncertainties

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

Financial risks

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

Strategic and operational risks

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

In other respects, refer to the detailed description of the Group's management of financial risks in the 2009/2010 Annual Report.

Future publication dates

Annual General Meeting	20 January, 2011
Q2 Interim Report for 2010/2011	6 April, 2011
Q3 Interim Report for 2010/2011	30 June, 2011
Year - End Report for 2010/2011	27 October, 2011

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

Stockholm, January 19, 2011
RNB RETAIL AND BRANDS AB (publ)

Board of Directors,
RNB RETAIL AND BRANDS

Magnus Håkansson
Chairman of the Board

Jan Carlzon

Lilian Fossum Biner

Torsten Jansson

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Nils Vinberg

John Wallmark

Mikael Solberg
President and CEO

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This is the type of information that must be published by RNB RETAIL AND BRANDS AB (publ) in accordance with the Swedish Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publishing on January 19, 2011, at 7:00 a.m.

CONSOLIDATED INCOME STATEMENT

MSEK	3 months Sep 2010- Nov 2010	3 months Sep 2009- Nov 2009	12 months Sep 2009- Aug 2010
Net turnover	787,2	743,2	3 054,5
Goods for resale	-373,1	-356,9	-1 575,6
Gross profit	414,1	386,3	1 478,9
Other operating incomes	6,3	12,1	17,8
Other external costs	-195,1	-178,4	-726,8
Personnel costs	-158,4	-163,1	-628,4
Depreciation of tangible and intangible fixed assets	-20,2	-23,4	-91,6
Impairment of goodwill	-	-	-
Capital loss on the sale of subsidiaries	-	-	-2,0
Operating income	46,7	33,5	48,0
Financial incomes	3,1	7,7	17,6
Financial costs	-9,1	-7,1	-44,0
Net financial	-6,0	0,6	-26,3
Income after financial items	40,7	34,1	21,7
Tax for the period	-7,1	-8,9	7,2
Profit/loss for period	33,6	25,2	28,9
Other overall results			
Translation difference	-0,5	-1,8	-1,7
Total Income for the period	33,1	23,4	27,2
Net profit of the year attributable to:			
Parent Company's shareholders	33,1	23,4	27,2
Minority owners	-	-	-
Earnings per share before and after dilution (SEK)	0,20	0,17	0,18
Average number of shares, 000's	165 425	147 882	161 052

CONSOLIDATED BALANCE SHEET

MSEK	30-Nov-2010	30-Nov-2009	31-Aug-2010
Assets			
Goodwill	876,0	876,0	876,0
Brands	500,0	500,0	500,0
Other intangible fixed assets	81,1	81,3	82,3
Tangible fixed assets	137,6	184,2	139,9
Long-term receivables	5,0	-	7,6
Deferred tax assets	-	-	-
Inventories	583,4	568,4	563,2
Other current assets	343,1	342,6	348,8
Total assets	2 526,2	2 552,5	2 517,9
Shareholders' equity and liabilities			
Shareholders' equity attributable to Parent Company's shareholder	1 437,6	1 397,7	1 404,5
Shareholders' equity attributable to minority owners	-	-	-
Long-term liabilities	571,7	594,4	571,1
Short-term liabilities	516,9	560,4	542,2
Total shareholders' equity and liabilities	2 526,2	2 552,5	2 517,9

CASH-FLOW STATEMENT

MSEK	Sep 2010- Nov 2010	Sep 2009- Nov 2009	Sep 2009- Aug 2010
Operating activities			
Operating profit/loss	46,7	33,5	48,0
Adjustment for non-cash items	15,8	11,7	68,4
Interest received	3,1	7,7	17,6
Interest paid	-8,9	-7,1	-41,0
Other	-3,3	-0,9	2,4
Changes in working capital	53,4	44,9	95,4
Cash flow from change in working capital			
Inventories	-19,9	22,2	6,7
Change in current receivables and liabilities	-68,0	-82,2	17,5
Change in working capital	-87,9	-60,0	24,2
Cash flow from operating activities	-34,5	-15,1	119,6
Cash flow from investing activities	-13,6	3,4	-46,7
Cash flow after investments	-48,1	-11,7	72,9
Financing activities			
Change in liabilities to credit institutions	0,0	-71,2	-535,7
Borrowings	0,0	-	400,0
New issue	-	303,0	302,8
Change in overdraft facility	49,5	-197,2	-200,1
Other	-1,2	-1,1	-5,6
Cash flow from financing activities	48,3	33,5	-38,7
Cash flow during the period	0,2	21,8	34,2

CHANGES IN SHAREHOLDERS' EQUITY

MSEK	Sep 2010- Nov 2010	Sep 2009- Nov 2009	Sep 2009- Aug 2010
Opening balance	1 404,5	1 071,3	1 071,3
Profit/loss for period	33,6	25,2	28,9
Other overall results	-0,5	-1,8	-1,7
Shareholders' equity attributable to minority owners	-	-	-
New issue	0,0	303,0	306,0
Balance at end of period	1 437,6	1 397,7	1 404,5

KEY FIGURES

		3 months Sep 2010- Nov 2010	3 months Sep 2009- Nov 2009	12 months Sep 2009- Aug 2010
Gross margin	%	52,6	52,0	48,4
Operating margin	%	5,9	4,5	1,6
Profit margin	%	4,3	3,4	0,9
Solidity	%	56,9	54,8	55,8
Interest coverage ratio	mult	5,5	5,8	1,5
Net debt	Mkr	472,2	535,3	428,6
Net debt/equity ratio	%	32,8	38,3	30,5
Average number of employees, full time		1 421	1 427	1 423
Average number of shares, 000's		165 425	147 882	161 052
Number of shares at end of period, 000's		165 425	165 425	165 425
Earnings per share before and after dilution (SEK)	Kr	0,20	0,17	0,18
Shareholders' equity per share at end of period	Kr	8,69	8,45	8,49

NET TURNOVER AND OPERATING RESULT PER BUSINESS AREA

	3 months Sep 2010- Nov 2010	3 months Sep 2009- Nov 2009	12 months Sep 2009- Aug 2010
Net turnover, MSEK			
Polarn O. Pyret	142,7	120,4	0
Department Stores	269,8	280,7	0,0
Brothers & Sisters	152,2	134,7	592,3
JC	224,2	207,4	920,2
Other	-1,7	-	0,0
Total	787,2	743,2	1 512,5
Operating result, MSEK			
Polarn O. Pyret	32,1	22,8	71,4
Department Stores	20,2	11,9	40,3
Brothers & Sisters	7,9	14,4	34,0
JC	-2,9	-8,2	-51,6
Other	-10,6	-7,4	-46,1
Total	46,7	33,5	48,0

INCOME STATEMENT PER QUARTER, GROUP

MSEK	2010	2010	2010	2009/2010	2009	2009	2009
	Sep-Nov	Jun-Aug	Mar-May	Dec-Feb	Sep-Nov	Jun-Aug	Mar-May
Net turnover	787,2	758,7	730,6	822,0	743,2	813,4	695,9
Goods for resale	-373,1	-406,4	-372,6	-439,6	-356,9	-488,7	-382,9
Gross profit	414,1	352,3	358,0	382,4	386,3	324,7	313,0
Gross margin	52,6%	46,4%	49,0%	46,5%	52,0%	39,9%	45,0%
Other operating incomes	6,3	-5,8	7,2	4,3	12,1	0,6	0,9
Other external costs	-195,1	-177,6	-181,2	-189,6	-178,4	-200,8	-175,7
Personnel costs	-158,4	-139,0	-155,0	-171,3	-163,1	-144,8	-152,2
Depreciation of tangible and intangible fixed assets	-20,2	-22,3	-22,8	-23,0	-23,4	-30,9	-22,1
Impairment of goodwill	-	-	-	-	-	-	-
Restructuring costs	-	-	-	-	-	-	-
Capital loss on the sale of subsidiaries	0,0	0,0	-2,0	0,0	0,0	0,0	0,0
Operating income	46,7	7,6	4,2	2,8	33,5	-51,2	-36,1
Financial incomes	3,1	-4,7	9,2	5,4	7,7	2,8	0,3
Financial costs	-9,1	-13,3	-11,4	-12,2	-7,1	-9,5	-19,1
Income after financial items	40,7	-10,4	2,0	-4,0	34,1	-57,9	-54,9
Tax	-7,1	3,6	11,9	0,6	-8,9	14,9	-9,3
Profit/loss for period	33,6	-6,8	13,9	-3,4	25,2	-43,0	-64,2
Other overall results							
Translation difference	-0,5	-2,6	0,3	2,4	-1,8	-6,7	-9,6
Total Income for the period	33,1	-9,4	14,2	-1,0	23,4	-49,7	-73,8

INCOME STATEMENT PARENT COMPANY

Mkr	3 months Sep 2010- Nov 2010	3 months Sep 2009- Nov 2009	12 months Sep 2009- Aug 2010
Net turnover	25,4	23,7	98,9
Other operating incomes	3,4	0,1	4,9
	28,8	23,8	103,8
Other external costs	-25,1	-17,0	-96,9
Personnel costs	-9,9	-9,6	-32,6
Depreciation of tangible and intangible fixed assets	-4,4	-4,9	-19,7
Operating income	-10,6	-7,7	-45,4
Results from participation in Group companies	-	-	-13,0
Financial incomes	-	-	3,5
Financial costs	-3,9	-4,2	-24,2
Income after financial items	-14,5	-11,9	-79,1
Allocation to tax allocation reserve	-	-	0,5
Tax	-	-	17,2
Profit/loss for period	-14,5	-11,9	-61,4

BALANCE SHEET PARENT COMPANY

Mkr	30-Nov-2010	30-Nov-2009	31-Aug-2010
Assets			
Intangible fixed assets	41,8	34,8	43,6
Tangible fixed assets	13,1	22,6	14,6
Financial fixed assets	1 517,3	1 586,5	1 517,2
Deferred tax assets	23,6	28,6	23,6
Other current assets	222,8	280,9	275,9
Total assets	1 818,6	1 953,4	1 874,9
Shareholders' equity and liabilities			
Shareholders' equity	1 376,8	1 366,7	1 391,3
Untaxed reserves	12,5	13,1	12,5
Long-term liabilities	400,0	394,2	400,0
Short-term liabilities	29,3	179,4	71,1
Total shareholders' equity and liabilities	1 818,6	1 953,4	1 874,9

NUMBER OF STORES AT END OF PERIOD

	30-Nov-10	31-Aug-10	31-May-10	28-Feb-10	30-Nov-09	31-Aug-09	31-May-09
Own stores Sweden*	170	166	166	166	167	167	161
Own stores Norway	27	26	29	46	47	48	49
Own stores Finland	25	24	24	25	25	26	27
Own stores Denmark	2	2	2	2	2	2	4
Franchise stores Sweden	126	129	133	132	133	135	140
Franchise stores outside Sweden	55	55	54	54	58	57	55
Total	405	402	408	425	432	435	436

*As of fiscal year 2009/2010, Brothers & Sisters stores that are located adjacent to one another are reported as due stores rather than two separate units, as they were in the past.

NUMBER OF STORES

Polarn O. Pyret	30-Nov-2010			30-Nov-2009		
	Own	Franchise	Total	Own	Franchise	Total
Sweden	47	14	61	45	14	59
Norway	0	20	20	0	19	19
Finland	0	10	10	0	9	9
United Kingdom	0	11	11	0	12	12
Scotland	0	2	2	0	2	2
Ireland	0	2	2	0	2	2
Iceland	0	2	2	0	2	2
Russia	0	0	0	0	2	2
Estonia	0	2	2	0	2	2
Latvia	0	1	1	0	0	0
USA (e-commerce)	0	2	2	0	1	1
Denmark (through Departments Stores)	0	0	0	0	0	0
Total	47	66	113	45	65	110

Department Stores	Own	Own
Number of stores	52	70
Total retail space, m2	18 782	21 584

JC	Own	Franchise	Total	Own	Franchise	Total
JC, Sweden	38	71	109	38	77	115
JC, Norway	27	3	30	31	7	38
JC, Finland	18	0	18	17	0	17
Total	83	74	157	86	84	170

Brothers & Sisters	Own	Franchise	Total	Own	Franchise	Total
Brothers, Sweden (single)	5	15	20	4	16	20
Brothers, Finland (single)	7	0	7	4	0	4
Sisters, Sweden (single)	1	0	1	1	0	1
Sisters, Finland (single)	0	0	0	0	0	0
Bro&Sis, Sweden (duo)	29	26	55	27	26	53
Bro&Sis, Finland (duo)	0	0	0	4	0	4
Total	42	41	83	40	42	82



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