

# RNB RETAIL AND BRANDS

## RNB RETAIL AND BRANDS sells JC

**RNB RETAIL AND BRANDS AB has entered into an agreement to sell the subsidiary JC to Denim Island AB. Denim Island AB is a part of Denim Island Group owned by Gordon Wu. The buyer Denim Island Group is a leading producer of denim products as well as a wholesaler of a number of denim brands sold in Western Europe and the USA. The agreement means that Denim Island AB will take over all operations in the subsidiaries JC AB and JC Jeans Clothes Oy. Thommy Nilsson will be appointed Chairman of the Board of JC. RNB will henceforth focus on development of the operations within Polarn & Pyret, Departments & Stores and Brothers & Sisters.**

As previously communicated, RNB RETAIL AND BRANDS has conducted a strategic review of the operations in JC. A disposal was the preferred alternative and accordingly, RNB has now entered into an agreement to sell JC to Denim Island AB.

Today, JC has a total of 386 employees and 112 stores (of which, 77 are proprietary stores) and generated sales during the fiscal year 2012/2013 of SEK 675 M with operating income, excluding non-recurring items, of SEK -76 M. For RNB, the transaction will have a neutral effect on the company's cash flow and generate a write-down of shareholders' equity of SEK 100 million. RNB will henceforth focus on development of the operations within Polarn & Pyret, Departments & Stores and Brothers & Sisters.

Denim Island Group, based in Guangzhou in China, is owned by Gordon Wu. The Group is a leading producer of denim products as well as a owner and wholesaler of a number of denim brands sold primarily in Western Europe and the USA.

"We have carried out intensive work since March in relation to JC, which has involved refining and streamlining its operations. Concurrently with this conversion work, we have conducted discussions with a number of interested parties regarding an acquisition of JC. I am happy that we have managed to find a good industrial solution in that Denim Island will now take over all operations in JC, while the sale is being conducted on financial terms that are acceptable to RNB," says Magnus Håkansson, President and CEO of RNB RETAIL AND BRANDS.

"It is with confidence I return to my professional roots in JC. There is a huge power in the JC brand – a leading market position in jeans, the service-minded staff and the network of franchisees. Denim Island Group's strong platform within development and production of denim products have given JC the best opportunities for a long-term sustainable turn-around and future development," says Thommy Nilsson, aceding Chairman of the Board of JC.

For further information, please contact:

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*The information is such that RNB RETAIL AND BRANDS AB (publ) is required to disclose in accordance with the Swedish Financial Instruments Trading Act and/or the Swedish Securities Market Act. The information was submitted for publishing on November 1, 2013, at 08:35 a.m.*

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. RNB RETAIL AND BRANDS has operations in 11 countries. RNB RETAIL AND BRANDS has been listed on the NASDAQ OMX Nordic Exchange since 2001.