RNB

YEAR-END REPORT

1 SEPTEMBER 2016 – 31 AUGUST 2017

4

RNB RETAIL AND BRANDS

POLARN O. PYRET

DEPARTMENTS & STORES

BROTHERS

Significant earnings improvement for the full year

Operating income was SEK 4 M (6) in the fourth quarter. Sales for comparable stores in Sweden were stable and clearly above the negative market trend during the quarter. Year-on-year profit in the quarter was affected by a slightly lower gross margin, increased investments in marketing and delayed deliveries in Polarn O. Pyret. Full year operating income increased to SEK 63 M (36).

FOURTH QUARTER, 1 JUNE 2017 – 31 AUGUST 2017, IN SUMMARY

- Sales for comparable stores in Sweden decreased by 0.2 percent during the quarter, above the market downturn of 2.4 percent.
- Net sales were SEK 555 M (555).
- Operating income was SEK 4 M (6).
- Profit after tax was SEK -13 M (10), of which market value of currency hedges was SEK -11 M (7).
- Earnings per share was SEK -0.38 (0.31).
- Cash flow from operating activities was SEK -24 M (18).

THE PERIOD, 1 SEPTEMBER 2016 – 31 AUGUST 2017, IN SUMMARY

- Sales for comparable stores in Sweden decreased by 0.7 percent in the period, above the market downturn of 2.0 percent.
- Net sales were SEK 2,222 M (2,173).
- Operating income before amortization was SEK 110 M (88).
- Operating income was SEK 63 M (36).
- Profit after tax was SEK 30 M (26), of which market value of currency hedges was SEK -14 M (0).
- Earnings per share was SEK 0.90 (0.76).
- Cashflow from operating activities was SEK 51 M (64).
- The Board of Directors proposes an increased dividend of SEK 0.30 per share (0.25).

EVENTS AFTER THE END OF THE PERIOD

- Acquisition of Frontmen.com to further strengthen the digital development.

CONTACT

Magnus Håkansson, President	+46 (0)8 410 520 02
Kristian Lustin, CFO	+46 (0)8 410 524 63

PRESS AND ANALYST MEETING

RNB will hold a press and analyst conference in connection with publication of today's report, presented by Magnus Håkansson, President and CEO and Kristian Lustin, CFO, today, October 12, 2017 at 10:00 a.m. and can be followed through a teleconference/auidocast.

To participate in the teleconference please call before the opening of the conference:

+46 8 566 426 96 (Sweden)

+44 20 300 898 03 (UK)

+1 855 831 59 46 (US)

Or through the following link: http://www.rnb.se/Investor-relations/

FINANCIAL CALENDAR

Annual General Meeting 2016/2017	December 21, 2017
Interim Report, first quarter 2017/2018	December 21, 2017
Interim Report, second quarter 2017/2018	March 27, 2018
Interim Report, third quarter 2017/2018	June 27, 2018
Interim Report, fourth quarter 2017/2018	October 11, 2018

Comments from the CEO

A SECTOR UNDERGOING CHANGE

RNB is active in a sector undergoing major change. A growing proportion of fashion retailing is now performed online and this trend is set to continue. In the short term, this will generate oversupply on the market and fashion retailers unable to manage the digital transition will be faced with major challenges.

RNB's pace of adjustment and reorientation remains high. We're focusing on our e-commerce operations which are in strong growth. During the quarter, we sharpened the focus further with the recruitment of Marcus Uggla, with extensive experience of e-commerce, as new General Manager of Man of a Kind, as well as the recruitment of David Backman, Chief Digital Officer and Martin Jonasson, Logistics Director, who joined group management. The acquisition of Frontmen also strengthened our digital presence.

SIGNIFICANT FULL YEAR PROFIT GROWTH

In terms of sales, RNB outperformed the market in the period. Stilindex decreased by -2.4% in Jun-Aug for comparable stores in Sweden, while sales were stable at -0.2% for comparable stores. This includes strong sales progress for Brothers and progress also for Departments & Stores, which compensated for weaker sales in Polarn O. Pyret.

Overall, RNB returned operating income of SEK 4 M in the fourth quarter against SEK 6 M in the previous year. For the full year, EBIT of SEK 63 M implied an improvement of as much as SEK 27 M on 2015/2016.

BROTHERS—IMPROVED VALUE OFFERING

Brothers' operating income of SEK 3 M was SEK 3 M up on the corresponding period last year. Over the financial year, operating income of SEK 24 M implied a year-on-year improvement of SEK 11 M.

Brothers continues to develop an attractive value offering, which is effective in e-commerce and proprietary stores alike.

For the full year, Brothers presented results within the framework of a target operating margin of 4-6 percent, and further potential for margin growth still remains.

DEPARTMENTS & STORES—EXTENSIVE REOIRENTATION OF NK LIMITS SHORT-TERM PROGRESS

Departments & Stores improved in the quarter compared to earlier in the year. Both NK stores contributed to the positive sales progress, while the Gothenburg store improved more than the Stockholm store.

Operating income of SEK 10 M in the quarter implied a small improvement, while the full-year figure of SEK 43 M represents a decrease of SEK 15 M year-on-year.

Accessibility to NK Stockholm is better than last fall, although visitor numbers remain weak. Unfortunately, the development of central Stockholm, particularly the area around NK, will continue over the coming years. The plans for realigning operations at NK are extensive, and our reorientation work plays a key part. The substantial initiatives at NK aim to bring the department store in line with world class standards, which will eventually benefit Departments & Stores.

POLARN O. PYRET—CONTINUED SIGNIFICANT POTENTIAL

Operating income for the quarter of SEK 4 M was SEK 3 M up on the previous year. The supply of goods for PO.P was affected by the prolonged conflict in the Port of Gothenburg, where detained deliveries led to lower sales towards the end of the quarter. Furthermore, the launch of the new product range also generated significantly increased marketing investments in the fourth quarter.

Sales decreased by 3.9 percent in comparable stores in Sweden, although the new product range which reached stores in August was very well received by customers and remains above plan in terms of high sales volumes.

As early as the end of 2016, we started to see the results of the new international structure and our more commercially-oriented operations. For the full year, we achieved an EBIT margin close to 5%, a significant improvement on 2015/2016.

The new product range, gradual reorientation of stores and the ambitious progress of our omni-channel offering provide clear potential for continued profit growth in 2017/2018. The financial target is 10 percent.

LONG-TERM INITIATIVES TO IMPROVE COMPETITIVENESS

We're continuing to pursue long-term development plans to enhance competitiveness and strengthen our digital offering.

The reorientation of Polarn O. Pyret during the year and corresponding initiatives in Brothers over nearly four years have demonstrated our ability to realign operations to increase profitability.

We're continuing to focus on e-commerce and on developing our omni-channel offering with service leadership as an integrated part of the reorientation process. As expected, we achieved substantial profit growth in 2016/2017. Significant further potential still remains, and the first quarter 2017/2018 has come off to a good start.

Magnus Håkansson
President and CEO

RNB RETAIL AND BRANDS

RNB RETAIL AND BRANDS owns, operates and develops fashion wear, ready-to-wear clothing, accessories, jewelry and cosmetics stores that focus on providing excellent service and a world-class shopping experience. The RNB Group has operations in 10 countries with a total of 259 stores, of which 61 are operated by franchisees. The RNB RETAIL AND BRANDS share has been listed on the Nasdaq Stockholm Exchange 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.

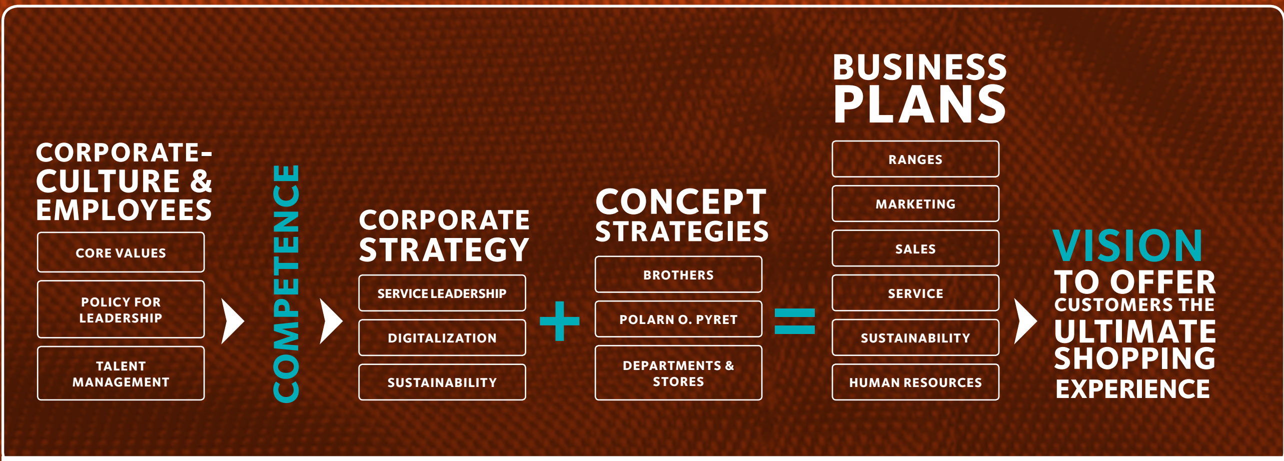
Vision

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

Business concept

RNB RETAIL AND BRANDS' business concept is to realize operational synergies through active ownership that develops and distributes brands in distinct concepts and stores offering an attractive range of fashion wear, ready-to-wear clothing, accessories, jewelry and cosmetics where customers are provided with excellent service and a world-class shopping experience.

Business model



The above figure illustrates how our corporate culture and core values – "The customer is most important", "We do sustainable and smart business", "We believe in people" and "Direct communication" – coupled with our strategy and vision, express RNB's business model and show the way forward. The core values pervade RNB's operations and define our strong corporate culture, which is a key building block of our strategy. The strategy is then given concrete form in the business plans of individual subsidiaries with the aim of realizing our vision.

The starting point for RNB's strategy is to operate through three clearly positioned and differentiated store concepts aimed at the respective target groups. The concepts are characterized by inspiring stores, excellent service with a pronounced digital presence, accessibility and attractive fashion ranges. Sales are conducted in large cities, smaller towns and shopping centers and through e-commerce. All aspects of operations are carried out on the basis of achieving clear and long-term sustainability.

Revenue and earnings, RNB Group

FOURTH QUARTER, 1 JUNE 2017 – 31 AUGUST 2017

Reported net sales for the Group in the fourth quarter was SEK 555 M, in line with the corresponding quarter of the previous year. The Departments & Stores business area increased sales, while Brothers and Polarn O. Pyret saw decreased sales in the quarter. For comparable stores in Sweden, sales were down 0.2 percent, and sales on all national markets decreased by 1.0 percent expressed in SEK.

The e-commerce concept Man of a kind (www.manofakind.se) has seen steadily increasing customer interest and increased sales during the quarter. The concept is reported under Other.

Gross margin for the Group decreased to 47.7 percent (48.3) in the quarter, with a decrease in gross margin from Departments & Stores and Polarn O. Pyret, while Brothers' gross margin Increased.

Total operating expenses were up slightly in the quarter year-on-year, with the majority attributable to marketing costs.

Operating income was SEK 4 M (6).

Net financial items were SEK -16 M (4), of which unrealized gains on currency hedges not affecting cash flow had a negative effect of SEK -11 M (7) on net financial items. Profit after tax was SEK -13 M (10)

Market progress in the quarter

In Sweden, clothing sales decreased by -2.4 percent in the quarter according to Stilindex (the Swedish Retail and Wholesale Trade Research Institute). Sales of men's, women's and children's clothing in Finland increased by 4.2 percent in June and by 0.9 percent in July according to Tekstiili- ja Muotialat TMA (Textile and Fashion Suppliers and Retailers in Finland).

THE PERIOD, 1 SEPTEMBER 2016 – 31 AUGUSTI 2017

Reported net sales for the Group's concept was SEK 2 222 M (2 173) in the period, corresponding to an increase of 2.2 percent. All business areas reported increased net sales in the period. For comparable stores in Sweden, sales decreased by 0.7 percent, and sales on all national markets decreased by 1.1 percent expressed in SEK.

During the year, RNB has built up the e-commerce concept Man of a kind (www.manofakind.se), a destination for exclusive men's fashion online. The concept is reported under Other.

Gross margin for the Group increased to 50.6 percent (50.3) In the period, with Brothers and Polarn O. Pyret making a positive margin contribution, while Departments & Stores' gross margin decreased slightly.

Total operating expenses increased in the period due to the acquisition of Polarn O. Pyret's operations in Finland, which was completed in the third quarter last year. Excluding this acquisition, expenses are stable.

Operating income increased by SEK 27 M to SEK 63 M (36).

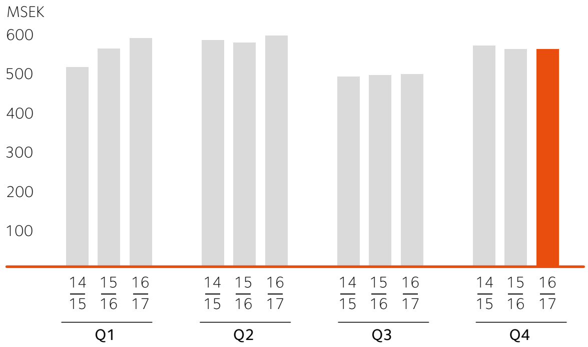
Net financial items amounted to SEK -30 M (-10), of which unrealized gains on currency hedges not affecting cash flow had a negative impact of -14 M (0) on net financial items. Profit after tax was SEK 30 M (26).

Market progress in the period

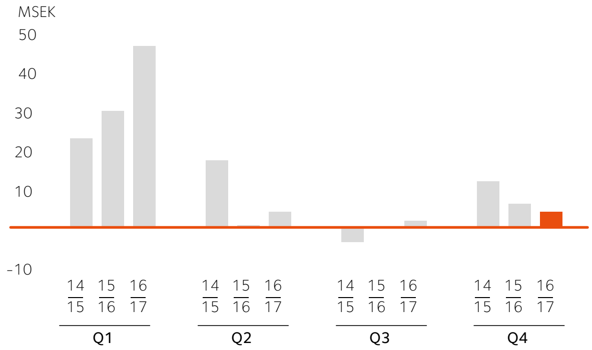
In Sweden, clothing sales decreased by -2.0 percent in the period according to Stilindex (the Swedish Retail and Wholesale Trade Research Institute. Sales of men's, women's and children's clothing in Finland decreased by -1.7 percent in September-July according to Tekstiili- ja Muotialat TMA (Textile and Fashion Suppliers and Retailers in Finland).

Group overview	3 months		12 months	
	Jun 2017 –Aug 2017	Jun 2016 –Aug 2016	**Sep 2016 –Aug 2017**	Sep 2015 –Aug 2016
Net sales, SEK M	555	555	2,222	2,173
Gross margin (%)	47.7	48.3	50.6	50.3
Operating income, SEK M	4	6	63	36
Profit before tax, SEK M	-12	10	33	26
Profit after tax, SEK M	-13	10	30	26
Operating margin (%)	0.7	1.1	2.8	1.7
Earnings per share, SEK	-0.38	0.31	0.90	0.76
Cash flow from operating activities, SEK M	-24	18	51	64
Number of stores	259	263	259	263

Net sales per quarter

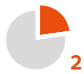
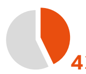
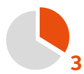


Operating income per quarter



Financial overview, business areas

RNB RETAIL AND BRANDS reports sales and results for three business areas: Brothers, Departments & Stores and Polarn O. Pyret.

Business area	Net sales, interim period	Share, %	Operating income, interim period	Stores		
BROTHERS	531 MSEK	 24%	24 MSEK	**Total**	**71**	of which 18 franchise stores
				Sweden	58	of which 18 franchise stores
				Finland	13	of which 0 franchise stores
DEPARTMENTS & STORES	966 MSEK	 43%	43 MSEK	**Total**	**42**	
				NK Stockholm	27	
				NK Gothenburg	15	
POLARN O. PYRET	723 MSEK	 33%	36 MSEK	**Total**	**146**	of which 43 franchise stores
				Sweden	64	of which 7 franchise stores
				Norway	29	of which 0 franchise stores
				Finland	19	of which 2 franchise stores
				England	19	of which 19 franchise stores
				USA	4	of which 4 franchise stores
				Estonia	4	of which 4 franchise stores
				Ireland	2	of which 2 franchise stores
				Scotland	3	of which 3 franchise stores
				Iceland	1	of which 1 franchise stores
				Latvia	1	of which 1 franchise stores
Total **RNB** RETAIL AND BRANDS	**2 222 MSEK**		**63 MSEK**	**259 stores**	**10 countries**	

Net sales and operating income per business area	3 months **Jun 2017 –Aug 2017**	Jun 2016 –Aug 2016	12 months **Sep 2016 –Aug 2017**	Sep 2015 –Aug 2016
Net sales, SEK M				
Brothers	135.3	136.1	530.8	526.0
Departments & Stores	243.0	238.5	965.9	958.6
Polarn O. Pyret	176.2	180.7	722.9	688.5
Other	0.9	0.0	2.0	0.0
Total	**555.4**	**555.3**	**2,221.6**	**2,173.1**
Operating income, SEK M				
Brothers	3.2	0.3	23.8	12.8
Departments & Stores	9.6	8.7	42.9	58.0
Polarn O. Pyret	3.6	0.9	36.0	-5.3
Other	-12.4	-3.9	-40.1	-29.2
Total	**4.0**	**6.0**	**62.6**	**36.3**

BROTHERS

Brothers is a men's fashion concept with a total of 71 (75) stores, including e-commerce stores in Sweden and Finland. Of total stores, 18 (21) are operated as franchisees.

FOURTH QUARTER, 1 JUNE 2017 – 31 AUGUST 2017

Net sales in the Brothers business area totaled SEK 135 M (136), a decrease of -0.7 percent. Net sales in proprietary stores decreased in the quarter partly as a result of a reduction in the number of stores. Sales in e-commerce increased significantly and franchise stores increased slightly despite fewer franchise stores.

Sales for comparable proprietary stores in Sweden and Finland increased by 0.6 percent. The number of paying customers was down compared to the corresponding quarter of the previous year, while average spend increased. Total brand sales (total sales to consumers excluding VAT across all markets and distribution channels) were SEK 602 M (618) on a rolling 12-month basis.

Gross margin for the business area increased in the quarter compared to the corresponding period in the previous year. The higher gross margin was due to more restrictive discounting and cost of goods.

Brothers' operating expenses were stable year-on-year, despite significantly higher marketing costs.

Operating profit for the quarter increased to SEK 3 M (0), implying an operating margin of 2.4 percent (0,2).

Inventories increased in the quarter, and were also up year-on-year. Higher inventories are largely due to more incoming items and the coming fall and winter collection.

THE PERIOD, 1 SEPTEMBER 2017 – 31 AUGUST 2017

Brothers' net sales totaled SEK 531 M (526), an increase of 0.9 percent. Net sales in proprietary stores decreased in the period, partly due to fewer proprietary stores. Sales increased significantly in e-commerce and in franchise stores sales increased slightly in the period despite fewer franchise stores.

Sales for comparable proprietary stores in Sweden and Finland increased by 1.7 percent. The number of paying customers in proprietary stores was down year-on-year, although average spend increased.

Gross margin for the business area increased in the period compared to the previous year. Expenses are slightly higher than in the corresponding period in the previous year as a result of significantly higher marketing costs offset by lower other external and personnel costs.

Operating income was positive in the period, amounting to SEK 24 M (13), an increase of 77 percent, generating an operating margin of 4.5 percent (2.4).

Inventories increased in the period, largely due to more incoming items and the coming fall and winter collection.

DEPARTMENTS & STORES

The business area comprises operations in the NK Stockholm and NK Gothenburg department stores. There were 42 (44) proprietary stores at the end of the period.

FOURTH QUARTER, 1 JUNE 2017 – 31 AUGUST 2017

Net sales in the Departments & Stores business area were SEK 243 M (239), an increase of 1.9 percent. The number of visitors in the two in-store departments fluctuated; visitor numbers in Stockholm decreased while visitors in Gothenburg were up. The total number of visitors remained at the same level as in the corresponding quarter of the previous year. Although customer numbers were down in the quarter, average spend offset this.

Gross margin decreased slightly year-on-year. Operating expenses were lower year-on-year despite additional floor space and normal cost increases.

Operating income was SEK 10 M (9), with operating margin of 4.0 percent (3,6).

Business area inventories decreased in the quarter but were up slightly at the end of the quarter compared to the corresponding quarter in the previous year.

THE PERIOD, 1 SEPTEMBER 2016 – 31 AUGUST 2017

Net sales in the Departments & Stores business area increased to SEK 966 M (959), up 0.8 percent. The number of visitors in the two in-store departments fluctuated in the period. Stockholm saw fewer visitors in the period, while visitor numbers in the Gothenburg store increased. The total number of visitors remained stable in the period year-on-year. Although customer numbers were down in the period, increased average spend contributed to slightly higher net sales.

Gross margin was down year-on-year, mainly due to more price activities and the sales mix.

Operating expenses were up on last year, due to higher costs for premises attributable to increased store space, increased rents and allocations to periods.

Operating income was SEK 43 M (58), with an operating margin of 4.4 percent (6.1). The lower operating income was mainly attributable to the first and third quarters.

Business area inventories increased in the period and were up slightly at the end of the period year-on-year. The increase is mainly due to new store space.

POLARN O. PYRET

Polarn O. Pyret is a brand focusing on baby and children's wear. The concept comprises 146 stores, of which 43 are franchises, and e-commerce. Polarn O. Pyret is established in 10 countries.

FOURTH QUARTER, 1 JUNE 2017 – 31 AUGUST 2017

Net sales for the quarter were SEK 176 M (181), with a decrease in sales for proprietary stores and continued growth in e-commerce. Sales in comparable proprietary stores, excluding e-commerce, on all national markets decreased by 4.9 percent year-on-year. Average spend increased in the quarter. Brand sales (total sales to consumers excluding VAT across all markets and distribution channels) were SEK 844 M (866) on a rolling 12-month basis.

Gross margin in the quarter decreased compared to the corresponding period in the previous year. The main reason for the lower sales and lower gross margin is delayed deliveries due to longer lead times in the Port of Gothenburg for the fall collections.

Underlying expenses were lower than the corresponding quarter in the previous year.

Operating income was SEK 4 M (1), an improvement of SEK 3 M, corresponding to an operating margin of 2.0 percent (0.5).

Business area inventories were up in year-on-year terms at the end of the quarter, with the biggest reason more incoming goods.

THE PERIOD, 1 SEPTEMBER 2016 – 31 AUGUST 2017

Net sales for the period were SEK 723 M (689), with higher sales in both proprietary stores and e-commerce. Sales in comparable proprietary stores, including e-commerce, on all national markets decreased by 2.4 percent year-on-year. Average spend increased in the period.

Gross margin in the period increased year-on-year, mainly due to a limited number of discounting activities across all markets and the product mix.

Underlying expenses were lower than previous year.

Operating income was SEK 36 M (-5), an improvement of SEK 41 M, corresponding to an operating margin of 5.0 percent (-0.8).

Business area inventories was up year-on-year, mainly due to more incoming items.

Financial position and liquidity

The Group's total assets amounted to SEK 1,123 M, compared to SEK 1,103 M at the end of the previous financial year. At the end of the period, equity was SEK 340 M, and SEK 323 M at the end of the previous financial year, providing an equity/assets ratio of 30.3 percent (29.3).

As of 31 August, inventories totaled SEK 428 M (404). All business areas increased their inventories in the period.

Cashflow from changes in working capital was negative at SEK -43 M (-12), mainly due to increased inventories and receivables. Cashflow from operating activities decreased to SEK 51 M (64) in the period. After investments, cashflow increased to SEK 27 M (-14).

Net debt decreased to SEK 363 M, against SEK 379 M at the end of the previous financial year. The work continues to refinance the Group's existing borrowing. Current borrowing has been extended to november 2018. SEK 5 M was amortized in the fourth quarter.

The Group's cash and cash equivalents including unutilized overdraft facilities were SEK 136 M at the end of the period compared to SEK 124 M at the end of the previous financial year.

INVESTMENTS AND DEPRECIATION/AMORTIZATION

Investments during the period, excluding investments in subsidiaries, totaled SEK 30 M (56). Depreciation /amortization totaled SEK -47 M (-52).

EMPLOYEES

The average number of employees was 1,028 (1,047) in the period.

RELATED-PARTY TRANSACTIONS

No transactions were conducted between the RNB Group and related parties which materially impacted the Group's financial position and profit/loss.

The company has two loans from Konsumentföreningen Stockholm, the company's principal shareholder, totaling SEK 380 M (385).

For more information on transactions with related parties, see Note 4 in the Annual Report 2015/2016

TAX

During the period, the Group paid tax totaling SEK 1 M (0). As the company has non-capitalized loss carryforwards of SEK 689 M, the tax expenses are expected to remain low. For more information see Note 11 in the 2015/2016 Annual Report.

PARENT COMPANY

Parent Company net sales were SEK 110 M (98). Profit after net financial items was SEK 20 M (1). Investments totaled SEK 12 M (19).

DIVIDEND

The Board of Directors proposes a dividend of SEK 0.30 per share for the financial year 2016/2017. According to the proposal, total dividends amount to SEK 10.2 M.

SEASONAL VARIATIONS

Retail sales are affected by seasonal variations, with the highest sales generated during the fall and winter. Gross margin is affected by clearance sales periods. Deviations from normal weather conditions impact both sales and margins. Sales per quarter are relatively evenly distributed during the year, although the first quarter is generally the strongest and the third quarter weakest in terms of sales. Operating income varies significantly between quarters. The first quarter generates the highest share of earnings, and has increased in recent years. The third quarter generally generates the lowest operating income.

RISKS AND UNCERTAINTIES

RNB is exposed to a number of risk factors that are wholly or partly outside the company's control, but which could affect the Group's earnings and operations.

Financial risks

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

Strategic and operational risks

- Demand for RNB's products, like general demand in the retail sector, is affected by changes in overall market conditions, consumer patterns and weather conditions.
- Competition from other operators active in RNB's segment.
- Identifying continuously shifting fashion trends and customer preferences.

For a more detailed description of the Group's management of financial risks, see the 2015/2016 Annual Report.

REVIEW

This Interim Report has not been subject to review by the company's auditors.

The Board of Directors and the President declare that the Interim Report provides a true and fair overview of the Company's and the Group's operations, financial position and earnings and also describes significant risks and uncertainties facing the Company and other companies in the Group.

Stockholm, October 12, 2017

The Board of Directors and President of
RNB RETAIL AND BRANDS (publ), corporate ID no. 556495-4682

Laszlo Kriss
Chairman of the Board

Per Thunell
Deputy Chairman of the Board

Monika Elling
Board member

Ivar Fransson
Board member

Michael Lemner
Board member

Sara Wimmercranz
Board member

Magnus Håkansson
President & CEO

Largest shareholders as of August 31, 2017

	Number of shares	Share capital/ Voting rights, %
Konsumentföreningen Stockholm	11,246,598	33.16
Novobis AB	4,000,000	11.80
Avanza Pension Försäkringsaktiebolaget	2,689,958	7.93
Catella Fondförvaltning	2,196,806	6.48
Nordnet pensionsförsäkring AB	1,003,132	2.96
Hawk Invest AS	986,249	2.91
Christian Kock	451,779	1.33
Johan Fahlin	337,585	1.00
Hans Björkstrand	300,000	0.88
Clients Account - DCS	234,030	0.69
Total 10 largest shareholders	**23,446,137**	**69.2**
Other	10,466,039	30.8
Total	**33,912,176**	**100.0**

Source: Euroclear Sweden AB

Reconciliation of key ratios

SEK M	12 months **Sep 2016 –Aug 2017**	Sep 2015 –Aug 2016
Net sales	2,221.6	2,173.1
Goods for resale	-1,096.7	-1,079.5
Gross profit	**1,124.9**	**1,093.6**
Other operating income	30.1	16.7
Other external expenses	-499.6	-477.4
Personnel expenses	-545.4	-544.7
Depreciation and impairment of non-current assets	-47.4	-51.9
Operating income (EBIT)	**62.6**	**36.3**
Interest income and similar profit/loss items	2.5	1.9
Interest expenses and similar profit/loss items	-18.2	-12.6
Unrealized profit/loss on futures contracts	-14.2	0.3
Net financial items	**-29.9**	**-10.4**
Profit/loss after financial items	**32.7**	**25.9**
Adjustments:		
Tax on net profit/loss for the period	-2.3	0.0
Net income for the period	**30.4**	**25.9**
Operating income	62.6	36.3
Depreciation and impairment of non-current assets	47.4	51.9
Operating income before depreciation, amortization and impairment of non-current assets (EBITDA)	**110.0**	**88.2**
Loans	380.0	385.0
Contingent consideration	19.0	16.7
Other non-current interest-bearing liabilities	0.0	0.1
Non-current liabilities	**399.0**	**401.8**
Loans	380.0	385.0
Contingent consideration	19.0	16.7
Other non-current interest-bearing liabilities	0.0	0.1
Other current interest-bearing liabilities	0.1	1.3
Cash and cash equivalents	-36.4	-24.2
Net debt	**362.7**	**378.9**
Equity, opening balance	323.5	305.7
Equity, closing balance	340.0	323.5
Average equity	**331.8**	**314.6**
Total assets	1,122.9	1,102.6
Trade payables	-176.4	-180.5
Other current liabilities	-207.4	-195.5
Capital employed	**739.1**	**726.6**
Net income for the period	30.4	25.9
Average equity	331.8	314.6
Return on equity, %	**9.2**	**8.2**
Capital employed, opening balance	726.6	693.4
Capital employed, closing balance	739.1	726.6
Average capital employed	**732.9**	**710.0**
Interest expenses and similar profit/loss items	-18.2	-12.6
Unrealized expense on futures contracts	-14.2	0.0
Profit before tax from continuing operations	32.7	25.9
Average capital employed	732.9	710.0
Return on capital employed, %	**8.9**	**5.4**
Operating income	62.6	36.3
Interest income and similar profit/loss items	2.5	1.9
Unrealized income on futures contracts	0.0	0.3
Profit/loss after financial income	**65.1**	**38.5**

Definition of key ratios

This report contains financial metrics not defined in IFRS. These financial metrics are used to monitor, analyze and control operations, and to provide the Group's stakeholders with financial information about the Group's financial position, results and performance. These financial targets are considered necessary to follow and control the progress of the Group's financial targets and are therefore presented on a continual basis.

A list of definitions of the key ratios used in this report follows.

MARGIN METRICS

Gross profit margin
Net sales less goods for resale in relation to net sales.
Purpose: The margin illustrates the proportion of sales remaining to cover other expenses.

Operating margin
Operating income as a percentage of net sales.
Purpose: The margin measures operational profitability.

RETURN METRICS

Return on equity
Net income excluding minority interests as a percentage of average equity. Average equity is calculated as equity attributable to parent company shareholders at the beginning of the year plus equity attributable to parent company shareholders at year-end divided by two.
Purpose: The measure illustrates returns generated on shareholders' equity.

Return on capital employed
Profit/loss after net 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. Capital employed is calculated as equity plus interest-bearing liabilities.
Purpose: Return generated by the company independently of financing.

FINANCIAL METRICS

Equity/assets ratio
Shareholders' equity in relation to total assets.
Purpose: The equity/assets ratio indicates the proportion of assets financed by shareholders' equity.

Net debt
Loans and other current and non-current interest-bearing liabilities less financial assets including cash and cash equivalents.
Purpose: Net debt illustrates the company's ability to use cash and cash equivalents to repay interest-bearing liabilities if they were to become due on the day of calculation.

Net debt/equity ratio
Net debt as a percentage of equity attributable to parent company shareholders.
Purpose: The measure illustrates the company's financial strength.

Interest coverage ratio
Profit/loss after net financial items plus financial expenses divided by financial expenses and the expense for unrealized profit/loss on futures contracts.
Purpose: The interest coverage ratio illustrates the company's ability to cover its financial expenses.

SHARE-BASED METRICS

Equity per share
Equity attributable to parent company shareholders divided by the number of shares at the end of the period.
Purpose: The measure illustrates shareholders' equity per share.

Earnings per share
Net income divided by the weighted average number of shares in the period.
Purpose: The measure is used to assess investment progress from a shareholder perspective.

OTHER TERMS

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.

Average number of shares
Weighted average of outstanding ordinary shares during the period.

Sales for comparable units, change, %
Change in sales for comparable units including e-commerce after adjustment for opened/closed units and exchange rate effects.

Consolidated Income Statement

SEK M	3 months **Jun 2017 –Aug 2017**	 Jun 2016 –Aug 2016	12 months **Sep 2016 –Aug 2017**	 Sep 2015 –Aug 2016
Net sales	555.4	555.3	2,221.6	2,173.1
Goods for resale	-290.6	-286.9	-1,096.7	-1,079.5
Gross income	**264.8**	**268.4**	**1,124.9**	**1,093.6**
Other operating income	11.7	4.2	30.1	16.7
Other external expenses	-128.9	-119.9	-499.6	-477.4
Personnel expenses	-132.2	-130.1	-545.4	-544.7
Depreciation and impairment of non-current assets	-11.4	-16.6	-47.4	-51.9
Operating income	**4.0**	**6.0**	**62.6**	**36.3**
Financial income	-0.3	0.9	2.5	1.9
Financial expenses	-5.2	-3.9	-18.2	-12.6
Unrealized profit/loss on futures contracts	-10.6	7.4	-14.2	0.3
Net financial items	**-16.1**	**4.4**	**-29.9**	**-10.4**
Profit before tax from continuing operations	**-12.1**	**10.4**	**32.7**	**25.9**
Tax on net income for the period	-0.7	0.0	-2.3	0.0
Net income for the period	**-12.8**	**10.4**	**30.4**	**25.9**
Other comprehensive income				
Other comprehensive income, which will be reclassified to net income in subsequent periods				
Changes to cash flow hedges	-5.6	-	-5.6	**-**
Translation differences	1.5	0.6	0.2	**0.4**
Tax attributable to items in other comprehensive income	-	-	-	**-**
Comprehensive income for the period	**-16.9**	**11.0**	**25.0**	**26.3**
Net income for the period attributable to:				
Parent Company's shareholders	-12.8	10.4	30.4	25.9
	-12.8	**10.4**	**30.4**	**25.9**
Comprehensive income attributable to:				
Parent Company's shareholders	-16.9	11.0	25.0	26.3
	-16.9	**11.0**	**25.0**	**26.3**
Earnings per share before and after dilution (SEK)	**-0.38**	**0.31**	**0.90**	**0.76**
Average number of shares, (000s)	**33,912**	**33,912**	**33,912**	**33,912**

Consolidated Cash Flow Statement, in summary

SEK M	3 months Jun 2017 –Aug 2017	Jun 2016 –Aug 2016	12 months Sep 2016 –Aug 2017	Sep 2015 –Aug 2016
Operating activities				
Operating income	4.0	6.0	62.6	36.3
Interest received and other financial income	-0.3	0.9	2.5	1.9
Interest paid	-9.0	-3.5	-18.2	-12.1
Adjustment for non-cash items	11.4	16.4	48.1	49.8
Tax paid	0.0	0.0	-0.9	0.0
Cash flow before change in working capital	**6.1**	**19.8**	**94.1**	**75.9**
Cash flow from change in working capital				
Change in inventories	-27.6	1.0	-24.1	9.3
Decrease (+)/increase (-) in current receivables	-14.8	-6.7	-14.2	-6.2
Decrease (-)/increase (+) in current liabilities	12.7	3.8	-5.0	-15.1
Change in working capital	**-29.7**	**-1.9**	**-43.3**	**-12.0**
Cash flow from operating activities	**-23.6**	**17.9**	**50.9**	**63.9**
Cash flow from investing activities	**3.6**	**-21.5**	**-24.1**	**-78.1**
Cash flow after investments	**-20.0**	**-3.6**	**26.8**	**-14.3**
Financing activities				
Change in liabilities to financial institutions	-0.3	-0.8	-0.8	-0.3
Amortization of loan	-5.0	0.0	-5.0	0.0
Paid dividend	0.0	0.0	-8.5	-8.5
Cash flow from financing activities	**-5.3**	**-0.8**	**-14.3**	**-8.8**
Cash flow during the period	**-25.3**	**-4.5**	**12.4**	**-23.1**
Cash and cash equivalents at beginning of period	62.0	27.9	24.2	47.2
Exchange difference in cash and cash equivalents	-0.3	0.8	-0.2	0.0
Cash and cash equivalents at end of period	**36.4**	**24.2**	**36.4**	**24.2**

Consolidated Balance Sheet, in summary

SEK M	**Aug 31, 2017**	Aug 31, 2016
Assets		
Intangible assets	429.4	422.7
Tangible assets	70.6	90.3
Financial assets	9.5	22.8
Total non-current assets	**509.5**	**535.8**
Inventories	427.7	404.0
Current receivables	149.3	138.6
Cash	36.4	24.2
Total current assets	**613.4**	**566.8**
Total assets	**1,122.9**	**1,102.6**
Shareholders' equity and liabilities		
Equity attributable to the Parent Company shareholders	340.0	323.5
Total equity	**340.0**	**323.5**
Non-current liabilities	399.0	401.8
Current liabilities	383.9	377.3
Total liabilities	**782.9**	**779.1**
Total equity and liabilities	**1,122.9**	**1,102.6**

Changes in shareholders' equity, in summary

SEK M	**Sep 2016 –Aug2017**	Sep 2015 –Aug 2016
Opening balance	323.5	305.7
Net income for the period	30.4	25.9
Other comprehensive income		
Changes to cash flow hedges	-5.6	-
Translation differences	0.2	0.4
Total comprehensive income for the year	**25.0**	**26.3**
Paid dividend	-8.5	-8.5
Balance at end of period	**340.0**	**323.5**

Key ratios

SEK M	**Sep 2016 –Aug 2017**	Sep 2015 –Aug 2016
Gross margin, %	50.6	50.3
Operating margin, %	2.8	1.7
Equity/assets ratio, %	30.3	29.3
Interest coverage ratio, x	2.0	3.1
Net debt, MSEK	362.7	378.9
Net debt/equity ratio, %	106.7	117.1
Return on equity, %	9.2	8.2
Return on capital employed, %	8.9	5.4
Average number of shares, 000s	33,912	33,912
Number of shares at end of period, 000s	33,912	33,912
Profit after tax per share, SEK	0.90	0.76
Equity per share at end of period, SEK	10.03	9.54
Average number of employees, full time	1,028	1,047

Income Statement per quarter, Group

SEK M	Q4 2016/ 2017	Q4 2015/ 2016	Q3 2016/ 2017	Q3 2015/ 2016	Q2 2016/ 2017	Q2 2015/ 2016	Q1 2016/ 2017	Q1 2015/ 2016
Net sales	555.4	555.3	491.7	488.9	590.2	572.5	584.3	556.4
Goods for resale	-290.6	-286.9	-226.9	-223.6	-315.8	-303.2	-263.4	-265.8
Gross income	**264.8**	**268.4**	**264.8**	**265.3**	**274.4**	**269.3**	**320.9**	**290.6**
Other operating income	11.7	4.2	6.8	5.9	7.2	2.3	4.4	4.3
Other external expenses	-128.9	-119.9	-124.6	-121.5	-117.4	-116.3	-128.7	-119.7
Personnel expenses	-132.2	-130.1	-133.6	-137.6	-141.5	-143.4	-138.1	-133.6
Depreciation and impairment of non-current assets	-11.4	-16.6	-11.7	-12.1	-12.1	-11.4	-12.2	-11.8
Operating income	**4.0**	**6.0**	**1.7**	**0.0**	**10.6**	**0.5**	**46.3**	**29.8**
Financial income	-0.3	0.9	0.8	0.4	-0.2	0.4	2.2	0.2
Financial expenses	-5.2	-3.9	-3.8	-3.1	-4.5	-2.3	-4.7	-3.3
Unrealized profit/loss on futures contracts	-10.6	7.4	-9.1	-7.6	-9.6	-3.2	15.1	3.7
Net financial items	**-16.1**	**4.4**	**-12.1**	**-10.3**	**-14.3**	**-5.1**	**12.6**	**0.6**
Profit before tax from continuing operations	**-12.1**	**10.4**	**-10.4**	**-10.3**	**-3.7**	**-4.6**	**58.9**	**30.4**
Tax on net income for the quarter	-0.7	0.0	-1.6	0.0	1.0	0.0	-1.0	0.0
Net income for the quarter	**-12.8**	**10.4**	**-12.0**	**-10.3**	**-2.7**	**-4.6**	**57.9**	**30.4**
Other comprehensive income								
Other comprehensive income, to be reclassified to net income in subsequent quarters								
Changes to cash flow hedges	-5.6	-	-	-	-	-	-	-
Translation differences	1.5	0.6	-0.1	-0.7	0.1	0.1	-1.3	0.4
Tax attributable to items in other comprehensive income	-	-	-	-	-	-	-	-
Comprehensive income for the quarter	**-16.9**	**11.0**	**-12.1**	**-11.0**	**-2.6**	**-4.5**	**56.6**	**30.8**

Key ratios per quarter

SEK M	Q4 2016/ 2017	Q4 2015/ 2016	Q3 2016/ 2017	Q3 2015/ 2016	Q2 2016/ 2017	Q2 2015/ 2016	Q1 2016/ 2017	Q1 2015/ 2016
Gross margin, %	47.7	48.3	53.9	54.3	46.5	47.0	54.9	52.2
Operating margin, %	0.7	1.1	0.3	0.0	1.8	0.1	7.9	5.4
Return on equity, %	-3.67	3.21	-3.31	-3.18	-0.72	-1.39	16.46	9.47
Number of shares at end of quarter, 000s	33,912	33,912	33,912	33,912	33,912	33,912	33,912	33,912
Profit after tax per share, SEK	-0.38	0.31	-0.35	-0.30	-0.08	-0.14	1.71	0.90
Equity per share at end of quarter, SEK	10.03	9.54	10.52	9.54	10.88	9.54	11.21	9.92
Total equity	340.0	323.5	356.9	323.6	369.0	323.5	380.1	336.5
Cash flow per share from operating activities	-0.7	0.5	0.3	0.3	0.8	0.6	1.1	0.5
Cash flow from operating activities	-23.6	17.8	11.2	10.1	25.7	20.3	37.6	15.7
Share price at end of quarter, SEK	12.6	11.6	12.8	11.5	18.6	17.3	10.9	16.9

Income Statement, Parent Company

SEK M	3 months **Jun 2017 –Aug 2017**	 Jun 2016 –Aug 2016	12 months **Sep 2016 –Aug 2017**	 Sep 2015 –Aug 2016
Net sales	28.8	26.2	109.8	98.0
Other operating income	-2.3	2.8	2.6	5.6
	26.5	**29.0**	**112.4**	**103.6**
Operating expenses				
Other external expenses	-15.8	-14.6	-62.7	-64.9
Personnel expenses	-16.5	-15.2	-65.6	-59.3
Depreciation and impairment of non-current assets	-2.7	-2.6	-11.1	-8.1
Operating income	**-8.5**	**-3.4**	**-27.0**	**-28.7**
Result from participations in group companies	73.2	39.4	73.2	39.4
Financial income	-0.5	0.7	0.7	0.9
Financial expenses	-14.5	-4.6	-26.6	-10.6
Result after financial items	**49.7**	**32.1**	**20.3**	**1.0**
Taxes	-	-	-	-
Net income for the period	**49.7**	**32.1**	**20.3**	**1.0**

Comprehensive income for the period corresponds to net income for the period

Balance Sheet, Parent Company, in summary

SEK M	**Aug 31, 2017**	Aug 31, 2016
Assets		
Intangible assets	24.3	21.7
Property, plant and equipment	4.7	5.9
Financial assets	566.7	576.7
Defered tax assets	92.0	82.7
Other current assets	25.9	9.3
Total assets	**713.6**	**696.3**
Shareholders' equity and liabilities		
Equity	268.5	256.7
Non-current liabilities	380.0	385.0
Current liabilities	65.1	54.6
Total equity and liabilities	**713.6**	**696.3**

Notes

NOTE 1 ACCOUNTING POLICIES

This report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The Interim Report for the Parent Company has been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2—Accounting for Legal Entities. The accounting policies applied correspond to the information provided in the Annual Report 2015/2016.

In the Interim Report, gross profit is reported separately, which diverges from the presentation in the Annual Report.

From the fourth quarter 2016/2017, hedge accounting has been applied where there is an effective link between hedged future cash flows and financial derivatives. This implies that value changes in currency derivatives where there is an effective link are presented in Other comprehensive income, in the line Cash flow hedges—value change, instead of being included under financial items in the Income Statement. The change is forward looking and has not been adjusted retroactively, as the measurement of hedge effectiveness was not initiated until the fourth quarter.

Furthermore, since the previous quarter, unrealized losses on currency hedges that fail to comply with hedge accounting are reported on a dedicated line under Net financial items.

NOTE 2 FINANCIAL ASSETS AND LIABILITIES VALUED AT FAIR VALUE

The Group's financial instruments consist of cash and cash equivalents, trade receivables, accrued income, other receivables, trade payables, interest-bearing liabilities, accrued expenses, conditional purchase price and other liabilities and currency derivatives. Trade receivables and trade payables are reported at estimated fair value. Group borrowing is reported at accrued cost. Currency derivatives in the form of currency futures and currency options are valued at fair value based on the valuation of credit institutions in accordance with level 2 in the Fair value hierarchy.

The Group uses derivative instruments to manage currency risks in USD and EUR. From the fourth quarter 2016/2017, the reporting applies hedge accounting when there is an effective link between hedged future cash flows and financial derivatives. Furthermore, since previous quarter, unrealized losses on currency hedges that fail to comply with hedge accounting are reported on a dedicated line under Net financial items.

Fair value of financial derivatives was SEK -17 (3) M.

RNB RETAIL AND BRANDS

Postal address:
Box 161 42
SE-103 23 Stockholm

Visiting address:
Drottninggatan 33
Stockholm

www.rnb.se

Corp. ID no. 556495-4682

Questions about this report
should be directed to info@rnb.se