

# RNB RETAIL AND BRANDS

## Year-end report September 1, 2009 – August 31, 2010

### Fourth quarter, June 1, 2010 – August 31, 2010

- Net sales totaled SEK 759 M (813), down 6.7 percent. The negative impact from the divested operations at Steen & Ström department store is -4.0 percent and currency effects +0.7 percent. Sales in comparable proprietary stores decreased 0.8 percent.
- The operating result has improved with SEK 57 M to SEK 6 M (-51). The profit before tax amounted to SEK -12 M (-58).
- Profit after tax amounted to SEK -9 M (-43), corresponding to a profit per share of SEK -0.05 (-0.38).
- Cash flow from operating activities amounted to SEK 48 M (5).

### The interim-report period, September 1, 2009 – August 31, 2010

- Net sales totaled SEK 3 054 M (3 207), down 4.8 percent. The negative impact from the divested operations at Steen & Ström department store is -1.6 percent and currency effects is +0.1 percent. Sales in comparable proprietary stores declined 1.0 percent.
- The operating result improved with SEK 184 M to SEK 48 M (-636 including goodwill write-down of SEK 500 M). The profit before tax amounted to SEK 22 M (-689).
- The profit after tax amounted to SEK 29 M (-663), corresponding to a profit per share of SEK 0.18 (-6.12).
- Cash flow from operating activities amounted to SEK 120 M (-104).
- The operations at the Steen & Ström department store in Oslo is divested.
- RNB implemented a private placement to Konsumentföreningen Stockholm and a rights issue to existing shareholders that provided the company with about SEK 315 M before issue costs.
- The Board of Directors of RNB RETAIL AND BRANDS has decided to retain and continue to operate its departments at NK in Stockholm and NK in Gothenburg.
- Through new credit agreements, the company has secured its long-term loan financing.



# 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 402 stores, of which 184 are operated by franchisees.

## Group trend

	Q4		12 Months	
	2009/10	2008/09	2009/10	2008/09
Net turnover, Sek M	759	813	3 054	3 207
Gross margin, per cent	46.4	39.9	48.4	43.0
Operating income, Sek M	6	-51	48	-636*
Profit before tax, Sek M	-12	-58	22	-689*
Profit after tax, Sek M	-9	-43	29	-663*
Operating profit margin, per cent	0.8	Neg	1.6	Neg
Earnings per share, Sek	-0.05	-0.38	0.18	-6.12
Cash flow from current operation, Sek M	48	5	120	-104
Stores	402	429	402	429

\* Including goodwill write-down of SEK 500 M.

### ***RNB to retain its business at NK in Stockholm and Gothenburg***

The Board of Directors of RNB RETAIL AND BRANDS has decided to retain and continue to operate its departments at NK in Stockholm and NK in Gothenburg.

### **Divestiture of operations at Steen & Ström in Oslo**

RNB RETAIL AND BRANDS have sold its operations at the Steen & Ström department store in Oslo, Norway, to Airport Retail Group AS.

### **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. Operations will continue at the remaining department – Illum Cosmetics – until it can be discontinued.

### **Costs and tied-up capital**

The ongoing work to streamline and optimize the company's structure will continue until satisfied profitability has been achieved.

Inventories have declined substantially since the preceding year and are deemed to be at a satisfactory level.

### **New issues implemented**

To ensure financing for completion of the action program now in progress at JC and to provide financial capacity to take advantage of the opportunities arising in the current market climate, two share issues were implemented in the period. A private placement to Konsumentföreningen Stockholm (KfS) was implemented. Further a fully subscribed rights issue to existing shareholders has been implemented. As a result, the company's financial capacity was increased. The two implemented share issues thus provided RNB with a total of SEK 315 M before issue costs, SEK 303 M after costs.

The two share issues increased the number of RNB shares by 51,267,587 to a total of 165,425,251 shares outstanding.

### **Market and demand**

The market trend have, after the financial unrest in the markets, subsequently stabilized and is for the time being at a normal level.



## Revenues and earnings

### Fourth quarter June 2010 – August 2010

RNB's net sales during the fourth quarter totaled SEK 759 M (813), a decrease with 6.7 percent. The negative impact from the divested operations at Steen & Ström department store in Oslo is -4.0 percent and currency effects on translation of foreign subsidiaries had a positive impact during the quarter with +0.7 percent. Sales in comparable proprietary stores decreased 0.8 percent.

The gross margin in the second quarter was 46.4 percent (39.9). A lower level of discount sales and positive currency effects, compared with the year-earlier quarter, have had a positive impact on the gross margin..

Operating profit for the quarter, compared with the same period last year, improved by SEK 57 M and amounted to SEK 6 M (-51). The increase in profit is mainly a consequence of improved gross margin.

The measurement of forward contracts at fair value had a negative impact on net financial items of SEK 9 M.

The profit after tax totaled SEK -9 (-43). Our operation at the Illum department store, which is currently being discontinued, reported a loss of SEK 2 M (-11).

### The interim-report period September 2009 – August 2010

RNB's net sales during the period totaled SEK 3 054 M (3 207), which is a decline of 4.8 percent. The negative impact from the divested operations at Steen & Ström department store is -1.6 percent and currency effects on translation of foreign subsidiaries have impacted sales positive with +0.1 percent. Sales in comparable proprietary stores declined 1.0 percent.

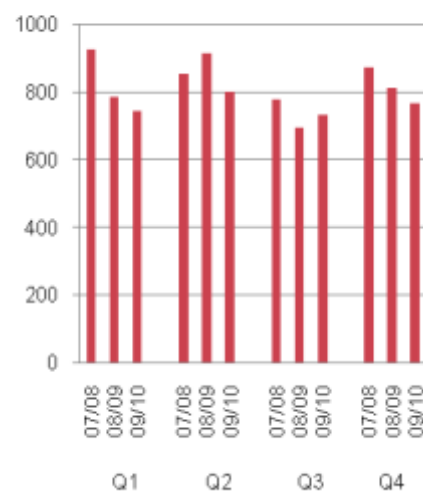
Lower invoicing to franchisees, compared with the year-earlier period, had a negative impact of SEK approx. 100 M on sales. The sales too franchisees have been stabilized during the second half of the fiscal year.

The gross margin in the period was 48.4 percent (43.0). A generally lower level of discount sales, compared with the year-earlier period, had a positive effect on the gross margin.

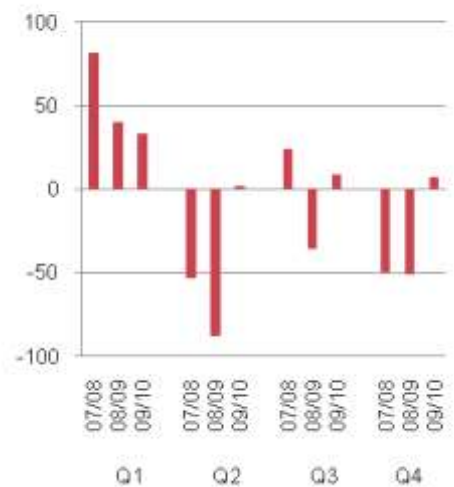
Operating profit for the period improved with SEK 184 M to SEK 48 M (-636 including goodwill write-down of 500), mainly due to the higher gross margin. Profit after tax totaled SEK 29 M (-663). The outcome from a tax dispute have had positive impact on the tax cost with SEK 15 M.

The RNB operation at Illum department store, which is currently being discontinued, reported a loss of SEK 13 M (-30). The divested operations at Steen & Ström department store in Oslo reported a loss of SEK 9 M (-5).

Net turnover per quarter SEK M



Net profit per quarter, ex goodwill writedown, SEK M

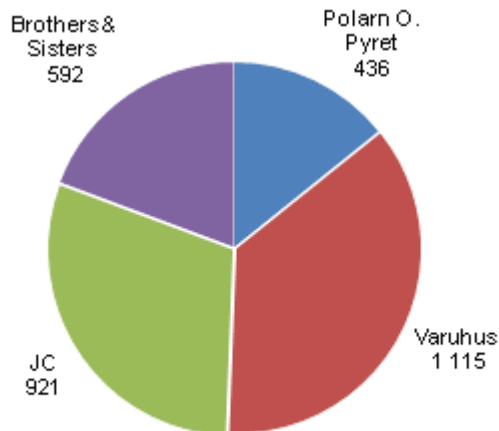


## Business areas

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

	Polarn O. Pyret		Varuhus		JC		Brothers & Sisters	
	Q4 09/10	Q4 08/09	Q4 09/10	Q4 08/09	Q4 09/10	Q4 08/09	Q4 09/10	Q4 08/09
Net turnover, SEK M	105	111	269	300	238	257	150	148
Operating profit, Sek M	19	25	10	-16	-12	-45	2	-4
Stores	111	106	53	72	157	169	238	251
Of which franchise	66	62	-	-	81	82	118	126

### Net sales September 09 – August 10, SEK M



**Polarn O. Pyret**

### Polarn O. Pyret business area

#### Fourth June 2010 – August 2010

Net sales in the third quarter amounted to SEK 105 M (111). Sales in comparable proprietary stores decreased 6.2 percent, compared with the year-earlier period. Total brand sales (total sales to consumers, excluding VAT in all markets and distribution channels) amounted to SEK 599 M (573), measured over a rolling 12-month period.

Operating profit totaled SEK 19 M (25), corresponding to an operating margin of 18.1 percent (22.9). The decrease is mainly due to the lower sales volume and slightly lower gross margin.

The number of proprietary stores at the end of the period was 45 (44). In addition, there were 66 (62) franchise stores, including 14 (14) in Sweden and 52 (48) abroad.

*Polarn O. Pyret is a brand focused on baby and children's wear and comprises 111 stores, of which 66 is franchise stores. Today, Polarn O. Pyret is located in 11 countries.*

### ***The interim-report period September 2009 – August 2010***

Net sales in the period amounted to SEK 436 M (431), an increase of 1.1 percent. Sales in comparable proprietary stores all countries declined 3.3 percent, compared with the year-earlier period.

Operating profit totaled SEK 71 M (77), corresponding to an operating margin of 16.3 percent (17.9).

### **Department & Stores business area**

#### ***Fourth quarter June 2010 – August 2010***

Net sales in the Department Stores business area amounted to SEK 269 M (300), down 10.3 percent. The divested operations at Steen & Ström department store in Oslo have had a negative impact with 14.7 percent. Sales in comparable proprietary stores increased 2.7 percent.

Operating profit totaled SEK 10 M (-16). The increased profit is mainly due to increased gross margin, but also as an effect from the discontinuation of 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 2 M (-11)

### ***The interim-report period September 2009 – August 2010***

Net sales in the Department Stores business area amounted to SEK 1 115 M (1 153). Sales in comparable proprietary stores increased 4.1 percent.

Operating profit increased with SEK 68 M and totaled SEK 40 M (-28). The increase in profits is a combination of higher sales in remaining operations, higher gross margins and as an effect from the discontinuation of operations.

The business at Illum had a negative effect of SEK 13 M (-30) on operating profit.

RNB RETAIL AND BRANDS has sold its operations at Steen & Ström department store in Oslo to Airport Retail Group AS. Sales in the 2008/2009 fiscal year totalled SEK 118 M and the company posted an operating loss of SEK 5 M. In 2009/2010, sales amounted to SEK 68 M, resulting in an operating loss of SEK 9 M (-4).

The Board of Directors in RNB RETAIL AND BRANDS has decided to retain and continue to operate its departments at NK in Stockholm and NK in Gothenburg. The company communicated in March 2009 a declaration of intent to sell the NK operations in Stockholm and Gothenburg to Åhléns AB. Åhléns subsequently decided on December 1, 2009 to refrain from completing the acquisition because of the Swedish Competition Authority's time-consuming process to approve the transaction.

### **Departments & 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 53 (72) with a total retail area of 18 782 square meters (22 236).*





## JC business area

### **Fourth quarter June 2010 – August 2010**

Net sales within JC amounted to SEK 238 M (257), down 7.4 percent. Sales in comparable proprietary stores declined 10.4 percent.

Total 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 1 138 M (1 372).

JC's operating result improved SEK 34 M and a loss of SEK 12 M (- 46) 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 81 (85). In addition, there are 76 (84) franchise stores.

### **Interim report period September 2009 – August 2010**

Net sales for JC totaled SEK 921 M (1 066) for the period. The reduced sales were primarily due to lower invoicing to franchise owners and high level of discount sales last year. Sales in comparable units dropped 12.8 percent during the period.

Despite a decline in sales, JC improved its operating result by SEK 107 M compared with the year-earlier period and reported an operating loss of SEK 52 M (-159 excluding goodwill impairment). The profit improvement was achieved primarily through stronger gross margins – thanks to a better range and, consequently, less need for discount sales – and cost savings.

## Brothers & Sisters business area

### **Fourth quarter June 2010 – August 2010**

Net sales for Brothers & Sisters totaled SEK 150 M (148), up 1.4 percent. Sales in comparable proprietary stores increased 5.0 percent.

Total 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 716 M (686).

Operating profit for Brothers & Sisters increased SEK 6 M to SEK 2 M (- 4), due to an improved gross margin.

The number of proprietary stores at the end of the quarter was 39 (40). In addition, there are 42 (42) franchise stores.

### **The interim period September 2009 – August 2010**

Net sales in the Store Concepts business area amounted to SEK 592 M (564) for the period. The increase in sales was attributable to new establishments and the conversion of a number of franchise stores to proprietary stores. Sales in comparable units dropped 1.0 percent during the period.

Operating profit increased SEK 25 M to SEK 34 M (9). This was primarily attributable to improved gross margins.

JC

*The business area has a total of 157 stores, of which 76 are operated by franchisees.*



Brothers & Sisters

*The business area has a total of 81 stores, of which 42 are operated by franchisees.*



## Financial position and liquidity

The Group had total assets of SEK 2 513 M compared with SEK 2 601 M at the end of the preceding fiscal year. Shareholders' equity at the close of the period amounted to SEK 1 404 M (1 071), resulting in an equity/assets ratio of 55.9 percent (41.2).

At August 31, 2010, inventories totaled SEK 563 M compared with SEK 591 M a year earlier.

Cash flow from operating activities in the fourth quarter was SEK 48 M (5).

Cash flow from operating activities in the period September 2009 – August 2010 was SEK 120 M (-104).

Cash flow after investments was SEK 73 M (-143).

Net debt amounted to SEK 429 M compared with SEK 827 M on August 31, 2009.

Consolidated cash and cash equivalents at the close of the interim-report period, including unutilized overdraft facilities, amounted to SEK 240 M compared with SEK 109 M at the end of the preceding fiscal year.

In September 2009, a directed new share issue to Konsumentföreningen Stockholm, (KfS) was carried out. The directed issue generated approx. SEK 215 M before issue expenses. Parallel to the directed new share issue a new share issue with preferential rights for the company's shareholders was carried out and fully subscribed. The rights issue generated approx. SEK 100 M before issue expenses. After a deduction for issue expenses, approx. SEK 303 M was contributed to the company.

Through new credit agreements, the company has secured its long-term loan financing.

## Investments and depreciation/amortization

Investments during the period totaled SEK 41 M (43).  
Depreciation/amortization during the period amounted to SEK 92 M (100).

## Personnel

The average number of employees during the period was 1 423 (1 451).

## Tax paid

During the interim-report period, the Group has net received tax of SEK 2 M. The outcome from a tax dispute have had positive impact on tax with SEK 15 M.

## Parent Company

Net sales in the Parent Company amounted to SEK 99 M (104). After net financial items a loss of SEK -79 M (-653 including goodwill write-down of 500) was reported. Investments during the period totaled SEK 23 M (21).





## 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 forthcoming fiscal year.

## Dividend

The Board proposes that no dividend be paid for the 2009/2010 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 2008/2009 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 fourth quarter of 2009/2010, RNB will be holding a press and analyst conference. The conference will be held at the company's premises at Regeringsgatan 29 today, October 21, 2010 at 9:30 a.m.

## Annual General Meeting

The Annual General Meeting for the 2009/2010 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.

## Annual Report

RNB's 2009/2010 Annual Report will be completed in December 2010 and will be available at the company's head office and on the company's website: [www.rnb.se](http://www.rnb.se).

## 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 2008/2009 Annual Report.

## **Future publication dates**

Annual Report for 2009/2010	December, 2010
Q1 Interim Report for 2010/2011	19 January, 2011
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, October 21, 2010  
RNB RETAIL AND BRANDS AB (publ)

Board of Directors,  
RNB RETAIL AND BRANDS

Magnus Håkansson                      Jan Carlzon                      Lilian Fossum Biner  
Chairman of the Board

Torsten Jansson                      Laszlo Kriss                      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 October 21, 2010, at 7:00 a.m.

## CONSOLIDATED INCOME STATEMENT

MSEK	3 months Jun 2010- Aug 2010	3 months Jun 2009- Aug 2009	12 months Sep 2008- Aug 2009	12 months Sep 2008- Aug 2009
Net turnover	758,7	813,4	3 054,5	3 207,3
Goods for resale	-406,5	-488,7	-1 575,6	-1 827,0
<b>Gross profit</b>	<b>352,2</b>	<b>324,7</b>	<b>1 478,9</b>	<b>1 380,3</b>
Other operating incomes	-5,9	0,6	17,7	4,7
Other external costs	-179,5	-200,8	-726,7	-777,1
Personnel costs	-138,9	-144,8	-628,3	-644,2
Depreciation of tangible and intangible fixed assets	-22,4	-30,9	-91,6	-99,7
Impairment of goodwill	-	0,0	-	-500,0
Capital loss on the sale of subsidiaries	0,0	-	-2,0	-
<b>Operating income</b>	<b>5,5</b>	<b>-51,2</b>	<b>48,0</b>	<b>-636,0</b>
Financial incomes	-2,6	2,8	19,7	6,5
Financial costs	-15,3	-9,5	-46,0	-59,1
<b>Net financial</b>	<b>-17,9</b>	<b>-6,7</b>	<b>-26,3</b>	<b>-52,6</b>
<b>Income after financial items</b>	<b>-12,4</b>	<b>-57,9</b>	<b>21,7</b>	<b>-688,6</b>
Tax for the period	3,6	14,9	7,2	25,8
<b>Profit/loss for period</b>	<b>-8,8</b>	<b>-43,0</b>	<b>28,9</b>	<b>-662,8</b>
<b>Other overall results</b>				
Translation difference	-2,6	-4,2	-1,7	-4,2
<b>Total Income for the period</b>	<b>-11,4</b>	<b>-47,2</b>	<b>27,2</b>	<b>-667,0</b>
Net profit of the year attributable to:				
Parent Company's shareholders	-11,4	-47,2	27,2	-667,0
Minority owners	-	-	-	-
<b>Earnings per share before and after dilution (SEK)</b>	<b>-0,05</b>	<b>-0,38</b>	<b>0,18</b>	<b>-6,12</b>
<b>Average number of shares, 000's</b>	<b>165 425</b>	<b>114 158</b>	<b>161 052</b>	<b>108 371</b>

## CONSOLIDATED BALANCE SHEET

MSEK	31-Aug-2010	31-Aug-2009
<b>Assets</b>		
Goodwill	876,0	876,0
Brands	500,0	500,0
Other intangible fixed assets	82,3	88,0
Tangible fixed assets	139,9	196,9
Long-term receivables	7,6	-
Deferred tax assets	-	-
Inventories	563,2	590,6
Other current assets	343,5	349,4
<b>Total assets</b>	<b>2 512,5</b>	<b>2 600,9</b>
<b>Shareholders' equity and liabilities</b>		
Shareholders' equity attributable to Parent Company's shareholder	1 404,5	1 071,3
Shareholders' equity attributable to minority owners	-	-
Long-term liabilities	571,1	590,5
Short-term liabilities	536,9	939,1
<b>Total shareholders' equity and liabilities</b>	<b>2 512,5</b>	<b>2 600,9</b>

## CASH-FLOW STATEMENT

MSEK	Sep 2009- Aug 2010	Sep 2008- Aug 2009
<b>Operating activities</b>		
Operating profit/loss	48,0	-636,0
Adjustment for non-cash items	72,6	581,2
Interest received	19,7	6,5
Interest paid	-43,0	-61,4
Other	2,4	9,9
<b>Changes in working capital</b>	<b>99,7</b>	<b>-99,8</b>
<b>Cash flow from change in working capital</b>		
Inventories	6,4	86,2
Change in current receivables and liabilities	13,5	-90,3
<b>Change in working capital</b>	<b>19,9</b>	<b>-4,1</b>
<b>Cash flow from operating activities</b>	<b>119,6</b>	<b>-103,9</b>
<b>Cash flow from investing activities</b>	<b>-46,7</b>	<b>-39,2</b>
<b>Cash flow after investments</b>	<b>72,9</b>	<b>-143,1</b>
<b>Financing activities</b>		
Change in liabilities to credit institutions	-535,7	-63,0
Borrowings	400,0	-
New issue	302,8	331,0
Change in overdraft facility	-200,2	-137,4
Other	-5,6	-3,8
<b>Cash flow from financing activities</b>	<b>-38,7</b>	<b>126,8</b>
<b>Cash flow during the period</b>	<b>34,2</b>	<b>-16,3</b>

## CHANGES IN SHAREHOLDERS' EQUITY

MSEK	Sep 2009- Aug 2010	Sep 2008- Aug 2009
Opening balance	1 071,3	1 404,1
Profit/loss for period	28,9	-662,8
Other overall results	-1,7	-4,2
Shareholders' equity attributable to minority owners	-	-
New issue	306,0	334,2
<b>Balance at end of period</b>	<b>1 404,5</b>	<b>1 071,3</b>

## KEY FIGURES

		12 months Sep 2009- Aug 2010	12 months Sep 2008- Aug 2009
Gross margin	%	48,4	43,0
Operating margin	%	1,6	neg
Profit margin	%	0,9	neg
Solidity	%	55,9	41,2
Interest coverage ratio	mult	1,5	neg
Net debt	Mkr	428,6	826,6
Net debt/equity ratio	%	30,5	77,2
Average number of employees, full time		1 423	1 451
Average number of shares, 000's		161 052	108 371
Number of shares at end of period, 000's		165 425	114 158
Earnings per share before and after dil	Kr	0,18	-6,12
Shareholders' equity per share at end of	Kr	8,49	9,38

## NET TURNOVER AND OPERATING RESULT PER BUSINESS AREA

	3 months Jun 2010- Aug 2010	3 months Jun 2009- Aug 2009	12 months Sep 2009- Aug 2010	12 months Sep 2008- Aug 2009
<b>Net turnover, MSEK</b>				
Polarn O. Pyret	105,4	110,9	435,7	431,2
Department Stores	269,2	299,6	1 114,7	1 153,0
Brothers & Sisters	149,6	148,0	591,5	564,0
JC	237,7	257,5	921,0	1 066,0
Other	-3,2	-2,6	-8,4	-6,9
<b>Total</b>	<b>758,7</b>	<b>813,4</b>	<b>3 054,5</b>	<b>3 207,3</b>
<b>Operating result, MSEK</b>				
Polarn O. Pyret	18,8	25,4	71,1	77,3
Department Stores	10,1	-16,0	40,3	-27,9
Brothers & Sisters	2,1	-4,2	34,0	8,9
JC	-12,4	-45,3	-51,5	-658,8
Other	-13,1	-11,1	-45,9	-35,5
<b>Total</b>	<b>5,5</b>	<b>-51,2</b>	<b>48,0</b>	<b>-636,0</b>



## INCOME STATEMENT PER QUARTER, GROUP

MSEK	2010	2010	2009/2010	2009	2009	2009	2008/2009
	Jun-Aug	Mar-May	Dec-Feb	Sep-Nov	Jun-Aug	Mar-May	Dec-Feb
Net turnover	758,7	730,6	822,0	743,2	813,4	695,9	914,5
Goods for resale	-406,5	-372,6	-439,6	-356,9	-488,7	-382,9	-579,3
<b>Gross profit</b>	<b>352,2</b>	<b>358</b>	<b>382,4</b>	<b>386,3</b>	<b>324,7</b>	<b>313</b>	<b>335,2</b>
<b>Gross margin</b>	<b>46,4%</b>	<b>49,0%</b>	<b>46,5%</b>	<b>52,0%</b>	<b>39,9%</b>	<b>45,0%</b>	<b>36,7%</b>
Other operating incomes	-5,9	7,2	4,3	12,1	0,6	0,9	2,1
Other external costs	-179,5	-181,2	-189,6	-178,4	-200,8	-175,7	-223,5
Personnel costs	-138,9	-155,0	-171,3	-163,1	-144,8	-152,2	-178,1
Depreciation of tangible and intangible fixed assets	-22,4	-22,8	-23,0	-23,4	-30,9	-22,1	-24,6
Impairment of goodwill	-	-	-	-	-	-	-500,0
Restructuring costs	-	-	-	-	-	-	-
Capital loss on the sale of subsidiaries	0	-2	0	0	0	0	0
<b>Operating income</b>	<b>5,5</b>	<b>4,2</b>	<b>2,8</b>	<b>33,5</b>	<b>-51,2</b>	<b>-36,1</b>	<b>-588,9</b>
Financial incomes	-2,6	9,2	5,4	7,7	2,8	0,3	2,9
Financial costs	-15,3	-11,4	-12,2	-7,1	-9,5	-19,1	-12,5
<b>Income after financial items</b>	<b>-12,4</b>	<b>2,0</b>	<b>-4,0</b>	<b>34,1</b>	<b>-57,9</b>	<b>-54,9</b>	<b>-598,5</b>
Tax	3,6	11,9	0,6	-8,9	14,9	-9,3	26,3
<b>Profit/loss for period</b>	<b>-8,8</b>	<b>13,9</b>	<b>-3,4</b>	<b>25,2</b>	<b>-43,0</b>	<b>-64,2</b>	<b>-572,2</b>
<b>Other overall results</b>							
Translation difference	-2,6	0,3	2,4	-1,8	-6,7	-9,6	15,9
<b>Total Income for the period</b>	<b>-11,4</b>	<b>14,2</b>	<b>-1,0</b>	<b>23,4</b>	<b>-49,7</b>	<b>-73,8</b>	<b>-556,3</b>

## INCOME STATEMENT PARENT COMPANY

Mkr	3 months	3 months	12 months	12 months
	Jun 2010- Aug 2010	Jun 2009- Aug 2009	Sep 2009- Aug 2010	Sep 2008- Aug 2009
Net turnover	25,7	26,1	98,9	104,3
Other operating incomes	1,8	0,1	4,9	0,2
	<b>27,5</b>	<b>26,2</b>	<b>103,8</b>	<b>104,5</b>
Other external costs	-24,8	-23,7	-96,9	-87,2
Personnel costs	-6,1	-9,1	-32,6	-35,4
Depreciation of tangible and intangible fixed assets	-4,8	-5,0	-19,7	-19,2
<b>Operating income</b>	<b>-8,2</b>	<b>-11,6</b>	<b>-45,4</b>	<b>-37,3</b>
Results from participation in Group companies	-13,0	-86,0	-13,0	-586,0
Financial incomes	-	-0,1	-	0,1
Financial costs	-5,9	-3,2	-20,7	-29,7
<b>Income after financial items</b>	<b>-27,1</b>	<b>-100,9</b>	<b>-79,1</b>	<b>-652,9</b>
Allocation to tax allocation reserve	0,5	4,4	0,5	4,4
Tax	17,2	15,5	17,2	15,5
<b>Profit/loss for period</b>	<b>-9,4</b>	<b>-81,0</b>	<b>-61,4</b>	<b>-633,0</b>

## BALANCE SHEET PARENT COMPANY

Mkr	31-Aug-2010	31-Aug-2009
<b>Assets</b>		
Intangible fixed assets	43,6	37,1
Tangible fixed assets	14,6	25,2
Financial fixed assets	1 517,2	1 586,5
Deferred tax assets	23,6	28,6
Other current assets	275,1	228,4
<b>Total assets</b>	<b>1 874,1</b>	<b>1 905,8</b>
<b>Shareholders' equity and liabilities</b>		
Shareholders' equity	1 391,3	1 075,6
Untaxed reserves	12,5	13,1
Long-term liabilities	400,0	394,2
Short-term liabilities	70,3	422,9
<b>Total shareholders' equity and liabilities</b>	<b>1 874,1</b>	<b>1 905,8</b>

## NUMBER OF STORES AT END OF PERIOD

	31-Aug-10	31-May-10	28-Feb-10	30-Nov-09	31-Aug-09	31-May-09	28-Feb-09
Own stores Sweden*	166	166	166	167	168	161	158
Own stores Norway	26	29	46	47	46	49	54
Own stores Finland	24	24	25	25	25	27	27
Own stores Denmark	2	2	2	2	2	4	4
Franchise stores Sweden	129	133	132	133	133	140	143
Franchise stores outside Sweden	55	54	54	58	55	55	52
<b>Total</b>	<b>402</b>	<b>408</b>	<b>425</b>	<b>432</b>	<b>429</b>	<b>436</b>	<b>438</b>

\*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	31-Aug-2010			31-Aug-2009		
	Own	Franchise	Total	Own	Franchise	Total
Sweden	45	14	59	44	14	58
Norway	0	20	20	0	18	18
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	1	1
Iceland	0	2	2	0	2	2
Russia	0	0	0	0	2	2
Estonia	0	2	2	0	1	1
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
<b>Total</b>	<b>45</b>	<b>66</b>	<b>111</b>	<b>44</b>	<b>62</b>	<b>106</b>

Department Stores	31-Aug-2010	31-Aug-2009
	Own	Own
Number of stores	53	72
Total retail space, m2	18 782	22 236

Store Concepts	31-Aug-2010			31-Aug-2009		
	Own	Franchise	Total	Own	Franchise	Total
JC, Sweden	38	73	111	38	77	115
JC, Norway	26	3	29	30	7	37
JC, Finland	17	0	17	17	0	17
Brothers, Sweden (single)	4	16	20	4	16	20
Brothers, Finland (single)	3	0	3	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)	27	26	53	27	26	53
Bro&Sis, Finland (duo)	4	0	4	4	0	4
<b>Total</b>	<b>120</b>	<b>118</b>	<b>238</b>	<b>125</b>	<b>126</b>	<b>251</b>



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