

# **RNB RETAIL AND BRANDS**

## **RNB RETAIL AND BRANDS acquires Skandinaviskt Herr- and Dammode with retail operations in the NK department store in Gothenburg**

RNB RETAIL AND BRANDS AB has signed an agreement with Ljung & Ströby AB to acquire Skandinaviskt Herrmode AB and Skandinaviskt Dammode AB, with retail operations in the NK department store in Gothenburg. The acquired retail operation has reported sales of approximately SEK 104 M and an operating profit of approximately SEK 7 M for the most recent 12-month period. As of fiscal year 2005/2006, the acquired company's store area will increase by 35 percent and thereafter will total 3,100 square meters. Occupancy is scheduled for December 1, 2005.

"The acquisition another step in developing our distribution platform," Says Mikael Solberg, President and Chief Executive Officer of RNB RETAIL AND BRANDS AB. We have concluded that it is both a strategic and financially attractive acquisition," continues Mikael Solberg.

The purchase price of the acquisition totals SEK 40 M and payment will be in the form of a convertible debt instrument that does not carry interest and matures on December 22, 2006. The conversion rate is SEK 80, which corresponds to 500,000 new shares in RNB fully converted. The synergy effect of the acquisition is calculated to amount to not less than SEK 3 M and is judged to come into full effect from the 2005/2006 fiscal year. The Board of Directors will convene an Extraordinary General Meeting, planned for November 17, 2005, to approve the agreement.

### **For further information, please contact:**

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*RNB RETAIL AND BRANDS AB comprises the Polarn O. Pyret and RNB RETAIL business areas. Polarn O. Pyret is a branded company specializing in baby and children's wear. RNB RETAIL is a distribution platform for national and international brands.*