

RNB RETAIL AND BRANDS

RNB IMPLEMENTS STRATEGIC ACQUISITION – TAKES OVER COSMETICS, UNDERWEAR AND ACCESSORIES AT NK IN STOCKHOLM AND GÖTEBORG

RNB has reached an agreement to acquire C/O Departments & Stores AB (DSN), a leading retailer in Sweden in high-quality cosmetics, underwear and accessories, with operations at NK in Stockholm and Göteborg. The part of operations to be acquired by RNB posted sales in the fiscal year September 1, 2003 – August 31, 2004, pro forma, amounting to SEK 254.3 M and operating profit of SEK 21.9 M.

“The acquisition of DSN strengthens RNB’s offering in the department store segment, but we also envision attractive possibilities for the new product groups within our other store concepts” , says Mikael Solberg, President of RNB.

The acquisition of DSN is expected to be implemented on March 1, 2005. The purchase price for the acquisition amounts to SEK 80 M in cash and 800,000 newly issued shares in RNB to present owners of DSN, CARLSON PLACERING AB and ISIS EUROPE B.V. After the new issue, the number of shares in RNB will amount to 8,304,437. The Board of Directors of RNB will convene an Extraordinary General Meeting on February 25, 2005 to approve the transaction. At the same time, the current principal owner of DSN, Göran Carlsson, is proposed for election as a new member of the Board of RNB.

“The synergy effects of the acquisition are estimated to amount to at least SEK 10 M on an annual basis and gain full effect in the 2005/2006 fiscal year. We expect that the acquisition will yield a certain positive effect on earnings per share already in the current fiscal year,” says Mikael Solberg.

DSN is a leading retailer in Sweden in high-quality cosmetics, underwear and accessories. The company has been in operation since NK was restructured 14 years ago. The part of operations being acquired by RNB is located entirely at NK in Stockholm and Göteborg. Average number of employees amounted 127 persons.

For further information, contact:

Mikael Solberg, President and CEO, RNB RETAIL AND BRANDS
+46 (0)8-670 95 95, +46 (0)708-18 44 40, e-mail: mikael.solberg@rnb.se

Göran Blomberg, CFO, RNB RETAIL AND BRANDS
+46 (0)8-670 95 99, +46 (0)733-97 95 99, e-mail: goran.blomberg@rnb.se

RNB Retail and Brands AB comprises the Polarn O. Pyret and Portwear Retail business areas. Polarn O. Pyret is a branded company specializing in baby and children’s wear. Portwear Retail is a distribution platform for national and international brands.