

# RNB RETAIL AND BRANDS

Second Quarter Result 2007/2008

December 1 – February 29 2008

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# Half year report

Three good parts and one bad

# Half year report

The situation in JC is worse than we  
expected

# Half year report

Three good parts

## Q2 – Dec 2007-Feb 2008

- Q2 2007/2008
  - Net sales amounted to 854,1Mkr (881,0), an decrease of 3.1%. Sales in comparable stores decreased by 2.1%(HUI -0.5%)
  - EBIT amounted to -53,1Mkr (141,2) (56,8Mkr excl. one-offs)
  - Pre-tax amounted to -45Mkr (114,1)
  - Cash flow from current operations amounted to -101,4Mkr (71,2)

# 6M – Dec 2007-Feb 2008

- 6M 2007/2008
  - Net sales amounted to 1 777,8Mkr (1 770,8), an increase of 0.4%. Sales in comparable stores declined by 0.3% (HUI +1.1%)
  - EBIT amounted to 28,4Mkr (228,0) (143,6Mkr excl. one-offs)
  - Pre-tax amounted to 9,8Mkr (176,3)
  - Cash flow from current operations amounted to -100,9Mkr (133,2)

# Polarn O. Pyret

## Comments

- Q2 Sales 99,1Mkr (103,2)
- 6M Sales 208,2Mkr (210,7)
- Q2 EBIT 15,8Mkr (13,6)
- 6M EBIT 39,8Mkr (34)
- Q2 EBIT margin 15.9% (13.2%)
- 6M EBIT margin 19.1% (16.1%)
- Q2 4% down, -8.1% like-for-like (strong l-f-l comps, +24.2%)
- 4 new international stores opened in the quarter, 8 for the first half year  
(1 No, 1 Fi, 1 Ru, 1 Latvia)
- Improved gross margins

# Department Stores

## Comments

- Q2 Sales 325,1Mkr (256,4)
- 6M Sales 614,1Mkr (490,0)
- Q2 EBIT 13,8Mkr (18,1)
- 6M EBIT 30,4Mkr (38,5)
- Q2 EBIT margin 4.2% (7.1%)
- 6M EBIT margin 5% (7.9%)
- Q2 sales up 26.8%, +7% I-f-I
- Loss at Illum and Steen & Ström of 5,6Mkr in the second quarter (12,6Mkr 6M)
- 6M EBIT increase of 4.5Mkr in old entities, or growth of 11.7%

# Stores

- Q2 Sales 430,7Mkr (522,2 excl. Solo/Saks 479,2)
- 6M Sales 958,5Mkr  
(1 071,0Mkr, excl. Solo/Saks 982,3)
- Q2 EBIT -69,9Mkr (24,7, excl. Solo/Saks 21,4)
- 6M EBIT -23,7Mkr (67,3, excl. Solo/Saks 60,1)
- Q2 EBIT margin -16.2%  
(4.7%, excl. Solo/Saks 4.5%)
- 6M EBIT margin -2.5%  
(6.3%, excl. Solo/Saks 6.1%)

## Comments

- Q2 sales down -17.5%,  
-10.1% down excl Solo/Saks,  
Q2 I-f-I -8.7%
- JC, J-Store isolated I-f-I sales  
down 10.7% in the quarter
- Sales drop in JC, J-Store has  
lowered expected EBIT by  
97Mkr in the quarter  
including 55Mkr in  
extraordinary write-down of  
inventories (127Mkr 6M)
- Brothers and Sisters  
continues its positive  
development

# Issues

- Weaker-than-expected sales trend in JC, J-Store will persist into the remaining quarters of this fiscal year
- Write-down of inventory of 55Mkr
- Illum
- Cash flow -100,9Mkr (71,2 ex. extraordinary)
  - increased capital tied up in account receivables, new units and increased inventories within JC and J-Store

# Consolidated income statement

	<b>3M</b>	<b>3M</b>	<b>12M</b>
	<b>Dec-Feb</b>	<b>Dec-Feb</b>	<b>Sep-Aug</b>
<b>Income statement (MSEK)</b>	<b>07/08</b>	<b>06/07</b>	<b>06/07</b>
<b>Net turnover</b>	<b>854,1</b>	<b>881,0</b>	<b>3.468,3</b>
<b>Operating result</b>	<b>-53,1</b>	<b>141,2</b>	<b>342,2</b>
<b>Financial items</b>	<b>-10,7</b>	<b>-9,3</b>	<b>-36,4</b>
<b>Result after fin. items</b>	<b>-63,8</b>	<b>131,9</b>	<b>305,8</b>
<b>Result for period</b>	<b>-45,0</b>	<b>114,1</b>	<b>255,8</b>

# Consolidated balance sheet

(MSEK)	29/02/08	28/02/07	31/08/07
Intangible assets	1.871,0	1.860,0	1.870,4
Tangible assets	288,3	205,0	237,8
Financial assets	17,5	12,0	16,0
Inventories	532,2	490,9	549,8
Other current assets	434,5	297,7	319,0
<b>Total assets</b>	<b>3.143,5</b>	<b>2.865,6</b>	<b>2.993,0</b>
Equity	1.488,3	1.482,2	1.565,1
Convertible debenture	0	0	0
Long-term liabilities, interest bearing	577,6	629,5	608,3
Other long-term liabilities	151,0	196,1	150,4
Short-term liabilities, interest bearing	470,5	115,3	162,3
Other short-term liabilities	456,1	442,5	506,9
<b>Total equity and liabilities</b>	<b>3.143,5</b>	<b>2.865,6</b>	<b>2.993,0</b>

# Key figures

<b>Key figures</b>	<b>29/02/08</b>	<b>28/02/07</b>	<b>31/08/07</b>
Gross profit margin (%)	<b>43.0</b>	46.0	45.4
Operating margin (%)	<b>1.6</b>	12.9	9.9
Net profit margin (%)	<b>0.6</b>	9.9	7.3
Equity (Mkr)	<b>1.488,3</b>	1.482,2	1.565,1
Equity ratio (%)	<b>47.3</b>	51.7	52.3
Average number of employees	<b>1 520</b>	1 366	1 356
Number of stores	<b>473</b>	444	456



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Thank you!