

Björn Borg – Q3 2007



The Group

Growth and profitability on
a continued high level



 Bjorn Borg
SWEDISH SPORT

 Bjorn Borg
BJORNBORG.COM

Development 2007

	Q3 2007	9 months 2007
• Brand sales SEK M	657 (409)	1,584 (920)
• Net sales SEK M	149 (93)	355 (216)
• <i>Gross profit margin %</i>	<i>54.6 (46.9)</i>	<i>53.4 (49.6)</i>
• Operating profit SEK M	49 (24)	100 (47)
• <i>Operating margin %</i>	<i>33.1 (25.7)</i>	<i>28.1 (21.7)</i>
• Earnings per share SEK	1.42 (0.75)	2.96 (1.49)

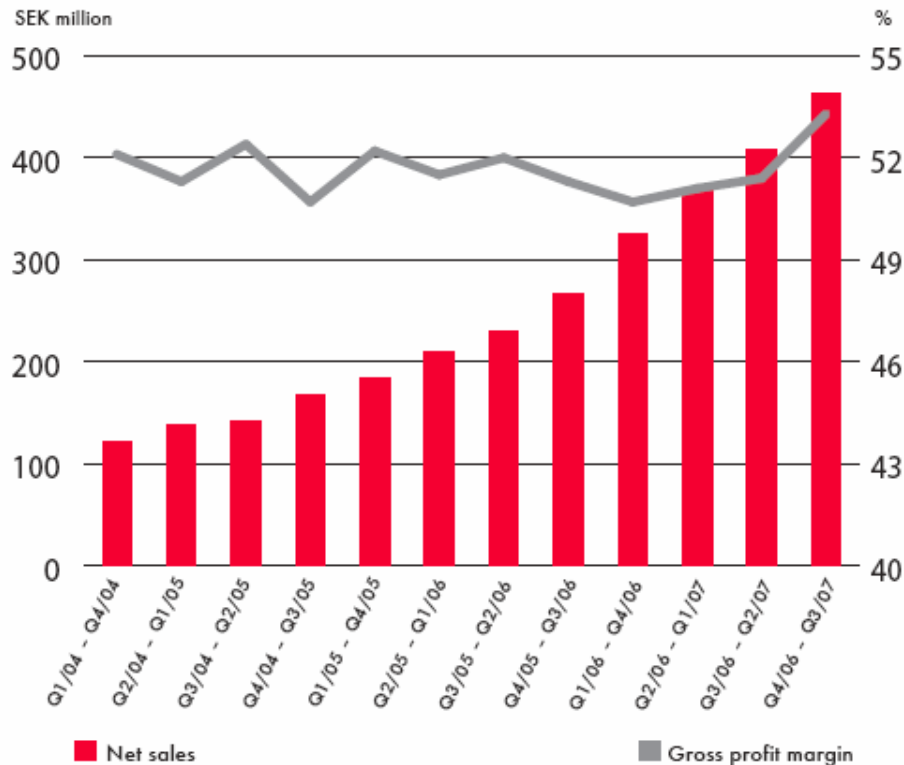
Continued growth

Quarterly net sales and operating profit



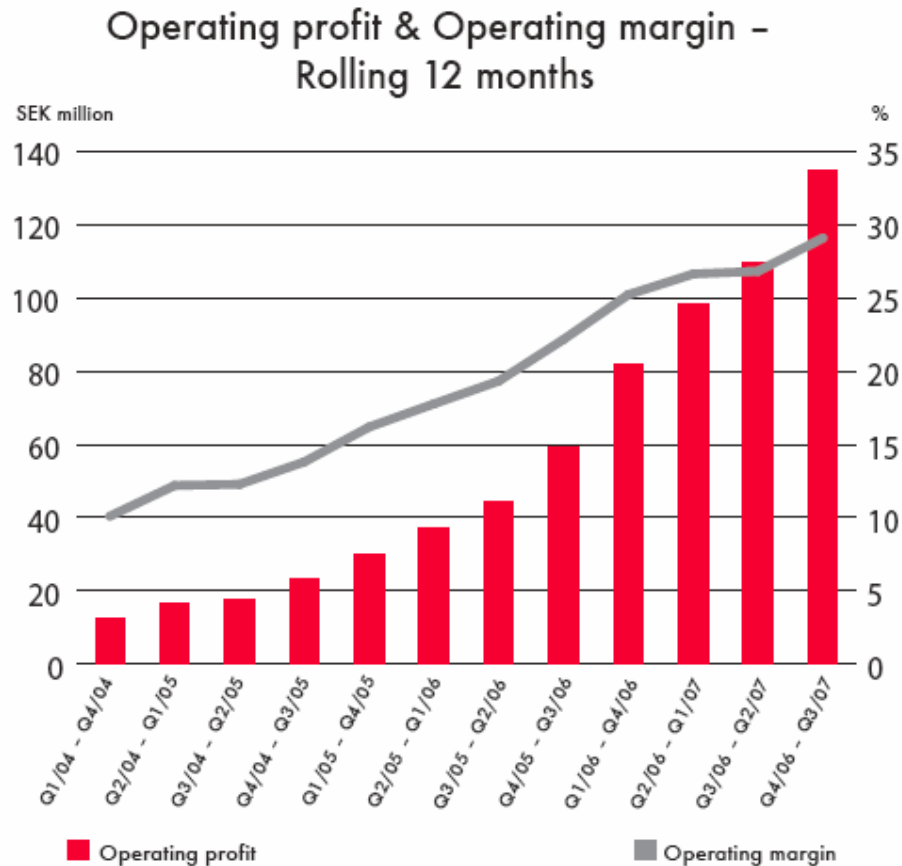
Strong net sales growth...

Net sales & Gross profit margin - Rolling 12 months



- Increased gross profit margin due to
 - Acquisition of the Björn Borg trademark
 - Weak US dollar

...and profit growth

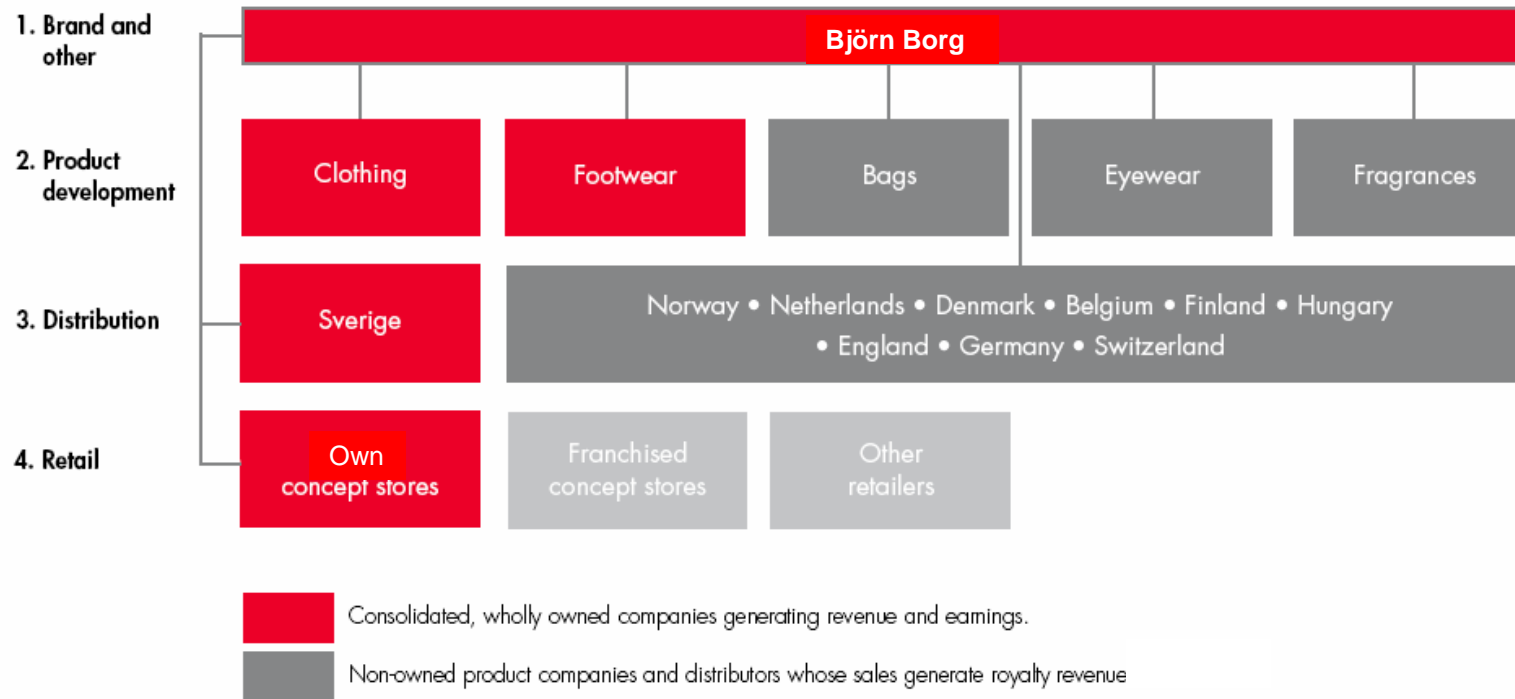


Significant events

- Decision on introduction of the brand in the US
- Agreement with a distributor to launch in Spain
- 4 new concept stores
- New website with webshop



Business segments



Brand and other

Primarily royalty revenue, sales of services within the Björn Borg network and intra-group services

9 months

Net sales SEK 82 M (54)

Operating profit SEK 27 M (12)

- Growth from strong sales trend in the network
- Profit improved also as a result of the acquisition of the Björn Borg trademark
- Currency: Invoicing in SEK, euro, NOK, DKR etc, costs of goods sold in the same currency

Product development

Development, design and production for the clothing and footwear product areas

9 months

Net sales SEK 214 M (131)

Operating profit SEK 34 M (15)

- Volume growth with major rise in export in the clothing product area
- Currency: Invoicing in USD/HKD/euro, costs of goods sold in USD/HKD/euro

Distribution

Exclusive distributor in the clothing and footwear product areas in Sweden

9 months

Net sales	SEK 133 M (90)
Operating profit	SEK 29 M (12)

- Substantially increased sales in the clothing product area
- Unchanged sales within footwear, but improved margins
- Currency: Invoicing in SEK, costs of goods sold in USD/HKD/euro

Retail

Björn Borg owns and operates 10 concept stores in the Sweden, that sell clothing, footwear, bags and fragrances.

9 months

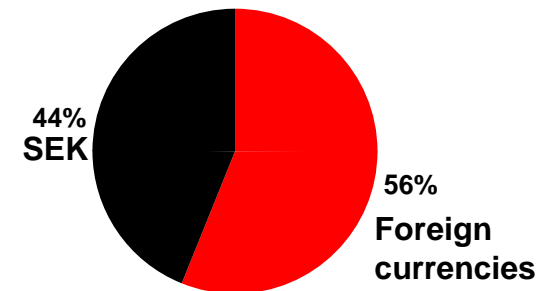
Net sales	SEK 41 M (27)
Operating profit	SEK 10 M (8)

- Increase for comparable stores, +17%
- One new concept store in Stockholm
- Currency: Invoicing in SEK, costs of goods sold in SEK

Currency effects

- Björn Borg AB trades in several currencies, such as US dollar, Hongkong dollar, euro, SEK, NOK and DKR
- When USD/HKD get cheaper
 - net sales and contribution margin will decrease with an unchanged gross profit margin in percent in the **product development** segment
 - contribution margin and gross profit margin will increase in the **distribution** segment
- When USD/HKD get more expensive
 - net sales and contribution margin will increase with an unchanged gross profit margin in percent in the **product development** segment.
 - contribution margin and gross profit margin will decrease in the **distribution** segment

Revenues, Q1-Q3 2007



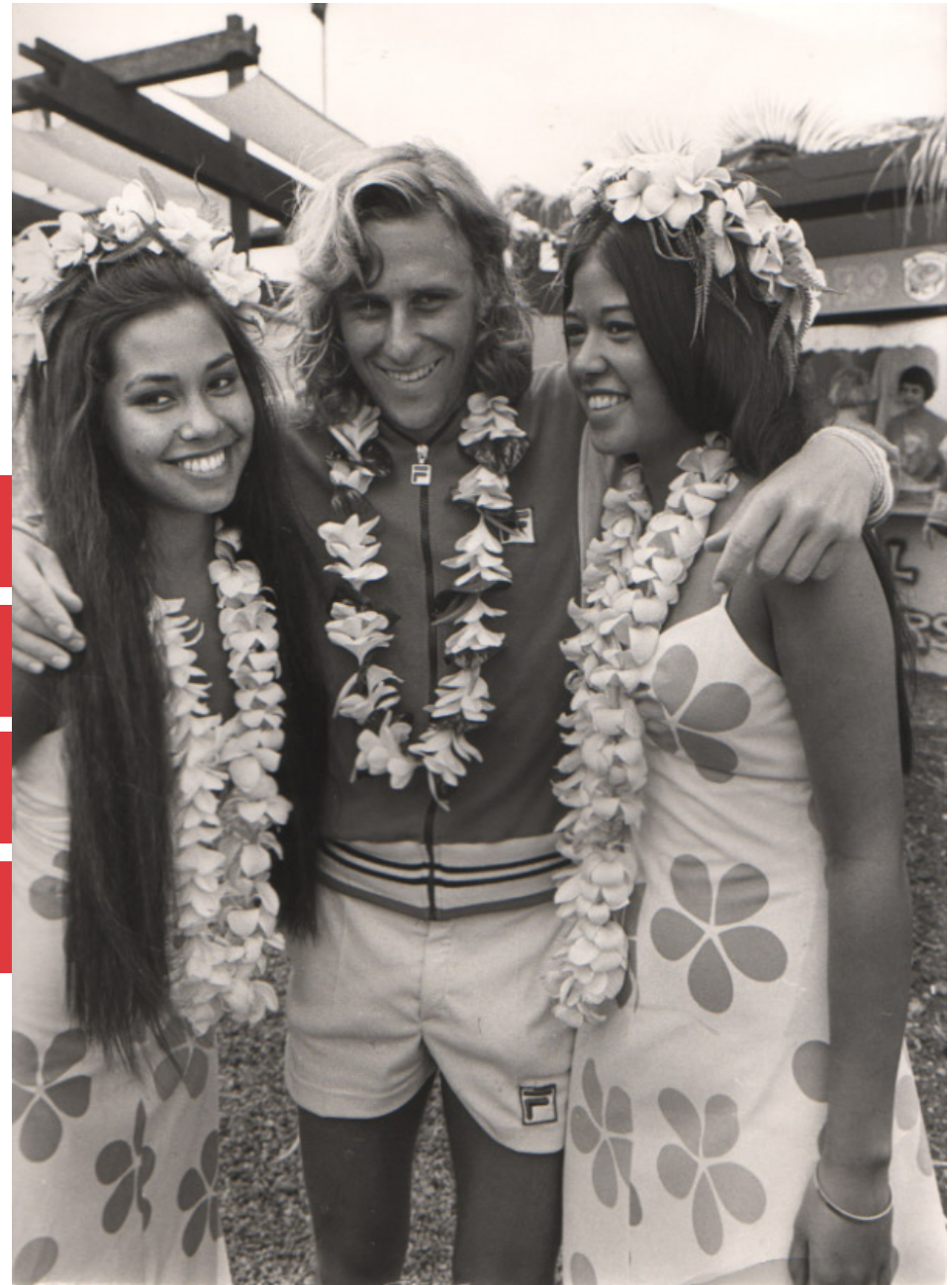
The heritage

Sporty

Stylish

Sexy

Comfortable



- Film

The brand



 Bjorn Borg
SWEDISH SPORT


BJORNBORG.COM

One brand – five product areas

**Brand sales 9 months
SEK 1.6 billion (0.9)**



Clothes 81% (73)

Footwear 7% (12)

Bags 8% (10)

Eyewear & perfume 4% (5)

Björn Borg AB

Independent companies in the network

Strong growth in brand sales

Q3

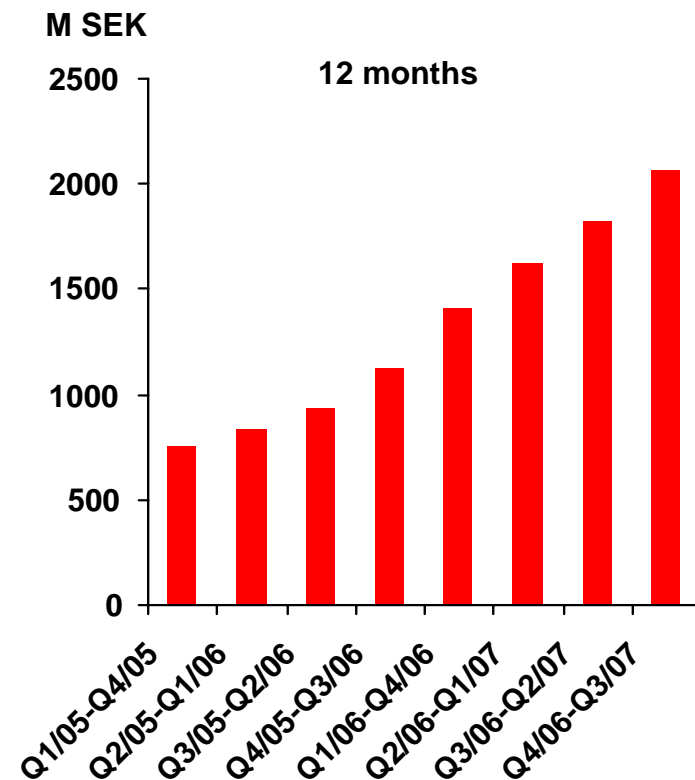
- Brand sales SEK 657 M, +60%
 - Clothing SEK 525 M, +69%
 - Bags SEK 56 M, +81%

9 months

- Brand sales SEK 1,584 M, +72%
 - Clothing SEK 1,283 M, +90%

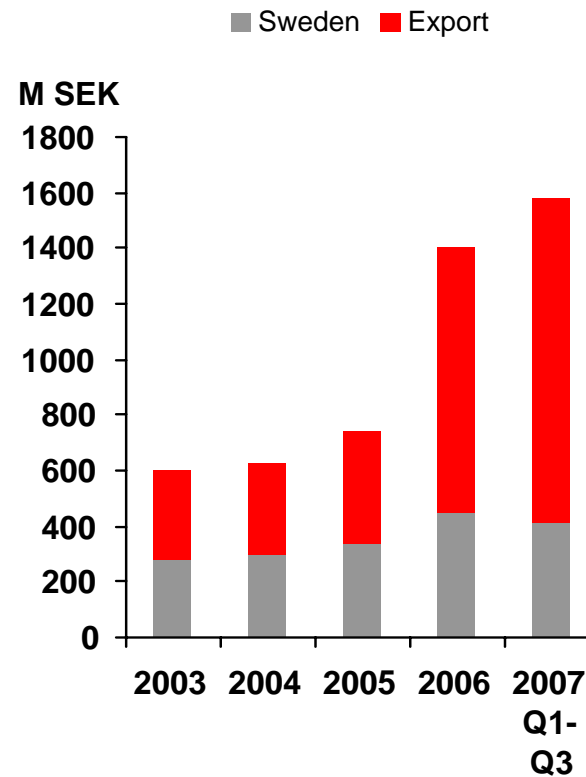
12 months

- Brand sales SEK 2.1 billion



Major rise in exports

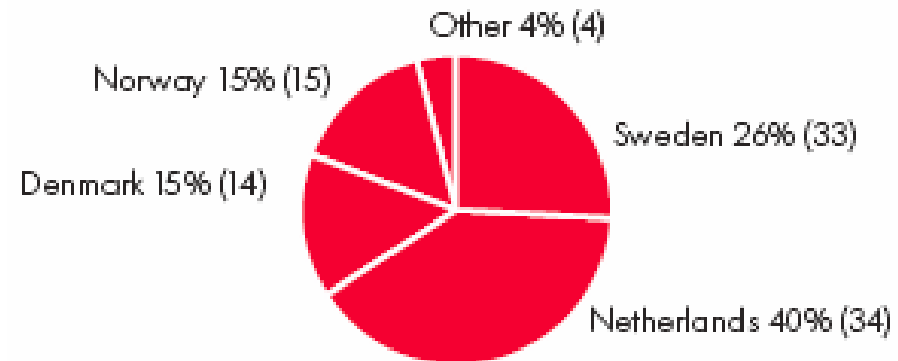
- Export share has increased from appr 50% 2003 to 74% 2007
- 15 markets in total



Established markets

Holland, Sweden, Denmark, Norway, Finland, Belgium, Hungary

- Growth still mainly from established markets
- Largest growth in numbers from Holland, Denmark and Norway
- Belgium largest growth in percent
- Strong sales also in Sweden, +23%



Newly established markets – 2006

England, Germany, Switzerland

- Positive development in England during the quarter
- Several new important retailers, e.g. Harvey Nichols
- Yet no real breakthrough in Germany and Switzerland



New markets 2007

Australia, Austria and France

- Introduction with the underwear product group
- Several selected retailers in France, e.g. Citadium and more during fourth quarter
- Launch in Australia during November at several David Jones department stores
- Launch in Austria at a number of retailers until Christmas



New markets 2007

US

- Decision to start an introduction of the brand in the US
- A subsidiary will be established during fourth quarter
- Further development through subsidiary or external distributor
- A gigantic – but extremely tough market

Spain

- Agreement with a distributor on introduction in Spain
- Planned start of sales during first quarter 2008



Successful sales channels

Björn Borg concept stores

- 33 concept stores in total
 - 10 own and 23 franchise

Selected retailers

- Large and established fashion department stores and chains
- Selfridges, Harvey Nichols, Bijenkorf, NK, David Jones, Citadium...



bjornborg.com

UNDERWEAR SHOP

COLLECTION

HERITAGE

OUR MISSIONS

CONCEPT STORES

YOUR REGION

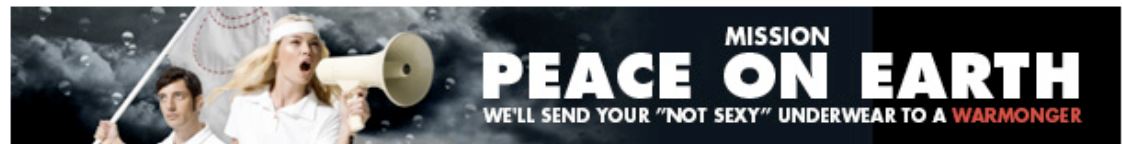
COMPANY



→ 2007-10-24 BJÖRN BORG MAKES PEACE USING DISCARDED UNDERWEAR → 2007-10-18 BJÖRN BORG TAKES INNOVATIVE AND

WIN A COLLECTION

Send us a picture of you being you in a pair of Björn Borg's. Every month, the most original entry is awarded an underwear collection.



...a central communication channel

- Innovative and creative approach – clear connection to the brand's heritage
- Webshop to support existing markets and expand physical distribution in new markets
- Interactive campaigns



Björn Borg – going forward...

- **Goals** – 3-5 new markets 2007-2009, 5 signed
- **Markets** – Develop newly established markets
- **Products** – Product broadening with new categories
- **Concept stores** – Further concept store development
- **Brand** – Strengthened international brand exposure

...and hard work for future wins



Step by step towards our vision

”Our vision is to consolidate the Björn Borg brand as a globally established fashion brand.”





Thank you!