

CONTINUED GROWTH AND VERY GOOD PROFITABILITY



January 1 – March 31, 2008

- Brand sales* increased by 34 percent to SEK 689 million (513).
- The Group's net sales rose by 17 percent to SEK 138.7 million (118.7).
- The gross profit margin was 51.9 percent (50.4).
- Operating profit rose by 16 percent to SEK 36.5 million (31.4).
- Profit after tax increased by 19 percent to SEK 26.8 million (22.6).
- Earnings per share increased by 12 percent to SEK 1.07 (0.96). Fully diluted earnings per share amounted to SEK 1.07 (0.94).

Comment from the President

"Like many others in the industry, we experienced generally tougher market conditions during the first quarter. That is why we are especially pleased to report double-digit growth, although lower than before, and continued high profitability. We see this as proof that we are doing the right things – by building the brand and developing the business," says President Nils Vinberg.

SEK million	January-March 2008	January-March 2007	April 2007-March 2008	Full-year 2007
Brand sales*	689	513	2,416	2,237
Net sales	138.7	118.7	515.0	494.9
Gross profit margin, %	51.9	50.4	53.8	53.6
Operating profit	36.5	31.4	147.2	142.1
Operating margin, %	26.3	26.5	28.6	28.7
Profit after tax	26.8	22.6	106.2	102.1
Earnings per share, SEK**	1.07	0.96	4.29	4.18
Earnings per share after dilution, SEK***	1.07	0.94	4.29	4.17

*Estimated total sales of Björn Borg products at the consumer level, including VAT, based on reported wholesale sales.

** Earnings per share in relation to the weighted average number of shares during the period restated after the split on April 27, 2007.

*** Earnings per share adjusted for any dilution effect after the split on April 27, 2007.

President's comment

Our performance during the first quarter of the year largely confirms what I stressed in the year-end report: that our growth in mature markets will slow slightly. This is natural given our high penetration in these countries. In light of this, I am very pleased that we can report continued strong growth of 34 percent for the brand and 17 percent for the Group with profitability remaining very good.

Despite the slightly lower growth rate in our established markets, we see that the brand still has a very strong position. Our marketing efforts are important to this, not least our web campaigns, which have clearly had an impact with our target audiences and in the industry. Among mature markets, the Netherlands and Finland posted the strongest development during the quarter, with growth of around 50 percent. In Sweden, brand sales increased by a solid 20 percent.

In new markets, we continue to work with our distributors to accelerate growth. This has necessitated investments by the Group in the form of service and support to establish these operations as well as in initial marketing – investments we consider vital to create the best opportunities for Björn Borg to grow in these markets. Building new operations takes time, as it always does to bring a brand to a totally new market. But we are taking positive steps and believe strongly in Björn Borg's prospects. We see clear proof of this, including in England, where sales began to speed up in 2007 and have continued strongly this year. We are now working determinedly to achieve similar volumes in other new markets. In the U.S., preparations are progressing at a rapid pace: distribution has been arranged, sales staff has been recruited, a trade show in Las Vegas is planned in August and a showroom is being prepared to open in New York in the near future.

Recently we announced that we have recruited Martin Sjöström, previously president of Whyred, as Business Area Manager for our largest product area, clothing. Martin has an extensive background from senior positions at exciting fashion companies and will play an important role in our continued expansion internationally. I am very pleased to have him on-board.

Nils Vinberg
Verkställande direktör

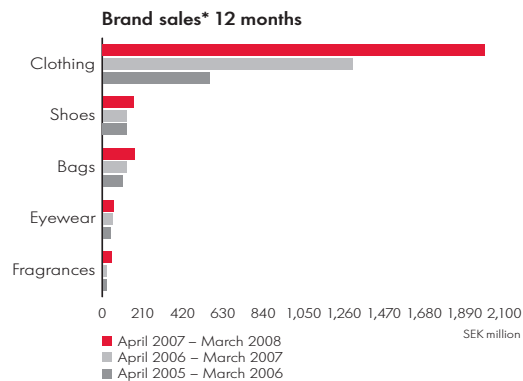
Operations

Brand sales

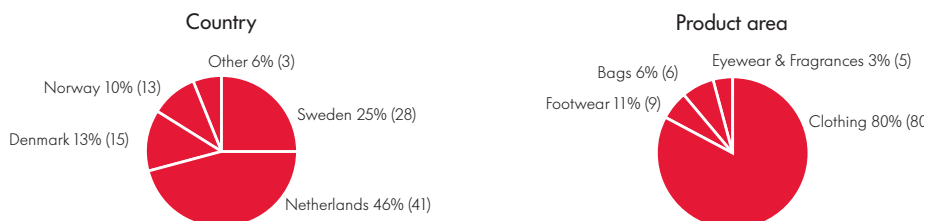
Estimated brand sales, i.e., sales of Björn Borg products at the consumer level, including VAT, based on reported wholesale sales, amounted to SEK 689 million (513) during the first quarter, an increase of 34 percent year-to-year.

Growth for the clothing product area was 33 percent during the quarter compared with the same period of the previous year. Sales in the footwear product area rose by 57 percent during the quarter as a result of substantial growth in export markets. The external product areas for bags, eyewear and fragrances noted strong growth during the first quarter, with a sales increase of approximately 25 percent.

Growth will still be generated almost entirely in established markets, at the same time that new markets are contributing a higher share of total brand sales. Among them, operations in England were especially strong during the quarter, with exponential sales growth in the last quarter. During the quarter Germany posted relatively weak development, while other new markets noted good growth.



Brand sales* of Björn Borg products January–March 2008
Total SEK 689 million (513)



*Estimated total sales of Björn Borg products at the consumer level, including VAT, based on reported wholesale sales.

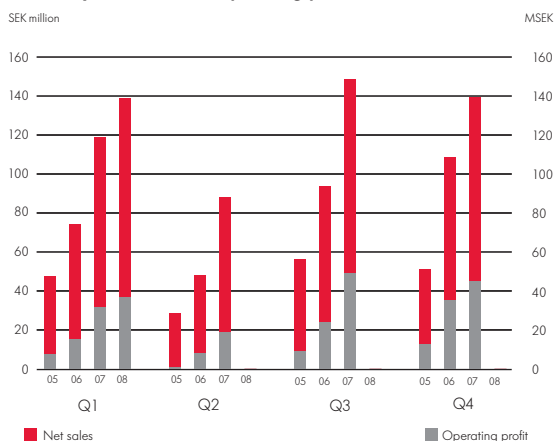
Concept stores

No new concept stores were opened during the first quarter. At the end of the period there were 36 (26) concept stores, of which 10 (9) are Group-owned. The Dutch franchisee plans to open five new stores during the second quarter 2008.

The Group's development

The Group developed positively during the first quarter, with continued strong sales and profit growth.

Quarterly net sales and operating profit



Net sales

First quarter, January-March 2008

Group sales during the first quarter amounted to SEK 138.7 million (118.7), an increase of 17 percent due to continued strong sales in all business segments. The difference between the Group's growth and brand sales growth is due to exchange rate effects. A large share of consolidated sales is invoiced in U.S. dollar, while brand sales are invoiced in each distributor's domestic currency, i.e., euro, NOK, SEK and DKK.

Profit

First quarter, January-March 2008

The gross profit margin during the period increased to 51.9 percent (50.4), largely due to a weaker dollar, which affected the margin positively.

Operating profit amounted to SEK 36.5 million (31.4), with an operating margin of 26.3 percent (26.5). Profit before tax improved to SEK 37.3 million (31.4) during the period.

Operating expenses as a share of net sales increased to 25.5 percent, against 24.0 percent in the same period of 2007. The increase is largely due to measures that have been taken to strengthen the organization for further growth, mainly in the Group's newer markets, as well as in product development for clothing. This has entailed several new hires in the last year, in addition to startup costs in the U.S. and marketing efforts in other new markets.

The number of shares outstanding at the end of the period was 25,036,984. Earnings per share amounted to SEK 1.07 (0.96) for the period January-March. Earnings per share calculated after the exercise of outstanding warrants amounted to SEK 1.07 (0.94).

Development by business segment

The Group comprises a number of companies that operate under the Björn Borg brand on every level, from product development to distribution and consumer sales in its own concept stores.

Brand and other

Sales in the Brand and other segment primarily consist of royalty revenue, sales of services within the Björn Borg network and intra-Group services.

Net sales for the period reached SEK 31.0 million (26.3), an increase of 18 percent.

Operating profit amounted to SEK 13.1 million (10.8) for the period. Profit improved mainly as a result of the strong sales trend in the network.

Product development

The Group has global responsibility for development, design and production of clothing and shoes. A licensee for clothing operates in the Benelux market.

The segment's net sales amounted to SEK 75.9 million (80.6) during the period, a decrease of 6 percent.

The sales decrease is mainly due to a weaker dollar, as well as a slight decrease in inventories in the Swedish distribution operations.

Operating profit decreased to SEK 8.9 million (9.7) owing to lower sales volume.

Distribution

The Björn Borg Group is the exclusive distributor in the clothing product area as well as the shoe product area in the Swedish market.

Net sales in the Distribution segment rose to SEK 58.7 million (49.4) for the period, or by 19 percent. Growth is mainly due to higher clothing sales, but is also a result of the acquisition of Anteros Lagerhantering AB.

Operating profit rose to SEK 14.8 million (10.6), mainly due to higher sales, though also to the lower U.S. dollar.

Retail

The Björn Borg Group owns and operates eight concept stores in the Swedish market that sell clothing, shoes, bags and fragrances. Moreover, Björn Borg operates two factory outlets.

Net sales in the Retail segment amounted to SEK 11.1 million (10.2) during the period, an increase of 9 percent. For comparable stores, sales decreased by 7 percent for the period. The operating loss amounted to SEK -0.3 million (0.4).

Intra-Group sales

Intra-Group sales amounted to SEK 38.0 million (47.8) during the year.

Seasonal variations

The Björn Borg Group is active in an industry with seasonal variations. Sales and earnings vary by quarter. With the current product mix, the second quarter is generally the weakest in terms of profit. See the figure on quarterly net sales and operating profit on page 3.

Investments and cash flow

Cash flow from operating activities in the Group amounted to SEK 19.4 million (10.4) for the period. The changes in working capital are mainly due to an increase in accounts receivable.

Total investments in tangible and intangible non-current assets amounted to SEK 0.4 million (4.6) for the period, the large part of which is attributable to the reconstruction of concept stores.

The increase in cash & cash equivalents amounted to SEK 18.9 million (54.4) for the full year.

Financial position and liquidity

The Björn Borg Group's cash & cash equivalents (net cash balance) amounted to SEK 206.3 million (113.9) at the end of the period. In addition, the Group has unutilized bank overdraft facilities of SEK 127.5 million. The equity/assets ratio was 69.0 percent (61.1).

Commitments and contingent liabilities

No changes were made with regard to pledged assets and contingent liabilities compared with December 31, 2007. For further information, see note 24 on page 48 of the annual report 2007.

Personnel

The average number of employees in the Group for the period was 86 (55), of whom 58 are women. Of total number of employees twelve persons are a result of the acquisition of Anteros Lagerhantering AB.

Events after the balance sheet date

There are no significant events to report following the balance sheet date.

Annual General Meeting

The Annual General Meeting of Björn Borg on April 10, 2008 resolved to pay a dividend of SEK 37,555,476 or SEK 1.50 per share. The meeting also resolved to reelect Directors Fredrik Löfstedt, Vilhelm Schottenius, Mats H Nilsson, Håkan Roos, Michael Storåkers, Lottie Svedenstedt and Nils Vinberg, with Fredrik Löfstedt as Chairman of the Board.

Issue of warrants for incentive program

To create a new incentive program mainly for persons employed by the Björn Borg Group who have not had the opportunity to participate in previous incentive programs, the Meeting resolved in accordance with the Board's proposal to issue 500,000 warrants, each entitling the holder to subscribe for one (1) new share in Björn Borg.

Authorization for new issues of shares, warrants and/or convertibles

In accordance to the Board's proposal, the Annual General Meeting authorized the Board, on one or more occasions until the next Annual General Meeting, with or without deviating from the shareholders' preferential rights, to decide on new issues of shares, warrants or convertibles. Total amount of shares will at the most increase by 1,250,000 shares.

Authorization for the acquisition and transfer of the company's own shares

The Annual General Meeting authorized the Board, on one or more occasions until the next Annual General Meeting, to resolve to acquire the company's own shares to the extent that its shareholding after such acquisitions does not exceed ten percent of the total number of shares in the company. Further, the Meeting authorized the Board, on one or more occasions until the next Annual General Meeting, to resolve to transfer shares in the company to third parties. Transfers are limited to the maximum of shares held by the company at any given time.

Remuneration guidelines for senior executives

The Meeting adopted the Board's proposed guidelines for remuneration to senior executives, comprising the President and the seven other members of Senior Management.

Parent Company

Björn Borg AB (publ) is primarily engaged in intra-Group activities. In addition, the Company owns 100 percent of the shares in Björn Borg Brands AB and Björn Borg Footwear Holding AB.

The Parent Company's net sales for the first quarter 2008 amounted to SEK 7.6 million (6.3) and largely related to intra-Group activities. The loss before tax amounted to SEK -5.1 million (-4.8) for the first quarter.

Cash & cash equivalents amounted to SEK 11.1 million (43.3). For the full year investments in tangible and intangible non-current assets amounted to SEK 0.2 million (0.3).

Significant risks and uncertainties

In its operations, the Björn Borg Group is exposed to risks and uncertainties, which are described in the annual report for 2007. For further information, refer to pages 33-34 in the annual report. No additional risk factors have been identified other than those described there.

Transactions with related parties

During the period transactions were executed on market terms with Klockaren Fastighetsförvaltning i Varberg AB. For more detailed information, see note 11 on page 45 of the annual report 2007.

Accounting principles

This interim report has been prepared in accordance with the Annual Accounts Act and IAS 34. The accounting principles applied during the period are the same as in 2007, as described on pages 40-42 of the annual report 2007. The interim report is abbreviated and does not contain all the information and disclosures in the annual report 2007. The interim report should therefore be read together with the annual report 2007.

Outlook 2008

It is not the Company's policy to issue earnings forecasts.

Audit report

This interim report has not been reviewed by the Company's auditors.

Income statement

The Group in summary

SEK thousands	January-March 2008	January-March 2007	April 2007- March 2008	Full-year 2007
Net sales	138,748	118,650	514,984	494,886
Cost of goods sold	-66,803	-58,791	-237,853	-229,841
Gross profit	71,946	59,859	277,132	265,045
Distribution expenses	-23,460	-18,042	-86,912	-81,493
Administrative expenses	-8,993	-7,632	-31,979	-30,619
Development expenses	-2,972	-2,794	-11,035	-10,858
Operating profit	36,521	31,390	147,205	142,075
Net financial items	737	58	831	152
Profit before tax	37,258	31,448	148,037	142,227
Tax	-10,432	-8,806	-41,763	-40,136
Profit for the period	26,826	22,643	106,274	102,091
Profit attributable to minority interests	-6	0	-35	-29
Profit attributable to Parent Company's shareholders	26,820	22,643	106,238	102,062
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Earnings per share, SEK	1.07	0.96	4.29	4.18
Earnings per share after dilution, SEK	1.07	0.94	4.29	4.17
Number of shares	25,036,984	24,321,584	25,036,984	25,036,984
Weighted average number of shares	25,036,984	23,578,780	24,771,251	24,406,699
Effect of dilution*	69,355	145,457	7,359	83,461
Weighted average number of shares after full dilution	25,106,339	23,724,237	24,778,609	24,490,160

* Björn Borg has three outstanding incentive programs based on warrants in Björn Borg AB: option schemes 2005, 2006:1 and 2006:2. For more detailed information, see page 45 of the annual report 2007.

Balance sheet

The Group in summary

SEK thousands	March 31 2008	March 31 2007	December 31 2007
Non-current assets			
Goodwill	13,944	13,944	13,944
Trademarks	187,532	187,532	187,532
Other intangible assets	880	900	941
Tangible non-current assets	17,170	10,391	17,817
Financial non-current assets	-	45	-
Total non-current assets	219,526	212,812	220,234
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Current assets			
Inventories	23,398	29,690	24,640
Current receivables	87,007	67,771	77,093
Cash & cash equivalents	206,348	113,920	187,423
Total current assets	316,753	211,381	289,156
Total assets	536,279	424,193	509,390
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Equity and liabilities			
Equity	369,769	259,198	342,943
Non-current liabilities	82,864	73,048	81,123
Accounts payable	26,559	23,157	23,140
Other current liabilities	57,087	68,789	62,184
Total equity and liabilities	536,279	424,193	509,390

Change in equity

The Group in summary

SEK thousands	January-March 2008	January-March 2007	Full-year 2007
Opening balance	342,943	138,054	138,054
Incentive programs	-	-	22,480
New share issue	-	98,500	98,500
Dividend	-	-	-18,241
Minority interest in equity	6	-	88
Profit for the period	26,820	22,643	102,062
Closing balance	369,769	259,198	342,943

Cash flow statement

The Group in summary

SEK thousands	January-March 2008	January-March 2007	Full-year 2007
Cash flow from operating activities			
Before change in working capital	23,331	22,862	130,311
Change in working capital	-3,956	-12,425	-22,610
Cash flow from operating activities	19,374	10,437	107,701
Cash flow from investing activities	-449	-4,561	-15,560
Dividend	-	-	-18,241
Incentive programs/new share issues	-	98,500	120,980
Change in loans	-	-50,000	-67,001
Cash flow from financing activities	-	48,500	35,738
Cash flow for the period	18,925	54,376	127,879
Cash & cash equivalents at beginning of period	187,423	59,544	59,544
Cash & cash equivalents at end of period	206,348	113,920	187,423

Key figures

Group

SEK thousands	January-March 2008	January-March 2007	April 2007- March 2008	Full-year 2007
Gross profit margin, %	51.9	50.4	53.8	53.6
Operating margin, %	26.3	26.5	28.6	28.7
Profit margin, %	26.9	26.5	28.7	28.7
Return on capital employed, %	8.7	10.4	36.1	40.0
Return on average equity, %	7.5	11.4	33.8	42.4
Net profit for the period	26,820	22,643	106,238	102,062
Earnings per share, SEK*	1.07	0.96	4.29	4.18
Earnings per share after dilution, SEK**	1.07	0.94	4.29	4.17
Number of shares	25,036,984	24,321,584	25,036,984	25,036,984
Weighted average number of shares**	25,036,984	23,578,780	24,771,251	24,406,699
Effect of dilution	69,355	145,457	7,359	83,461
Weighted average number of shares after dilution	25,106,339	23,724,237	24,778,609	24,490,160
Equity/assets ratio, %	69.0	61.1	69.0	67.3
Equity per share, SEK	14.77	10.66	14.77	13.70
Investments in intangible assets	-	-	225	225
Investments in tangible assets	449	4,560	11,178	15,290
Depreciation for the period	-1,158	-550	-2,413	-4,121
Average number of employees	86	55	71	76

* Earnings per share in relation to the weighted average number of shares during the period restated after the split on April 27, 2007.

** Earnings per share adjusted for any dilution effect after the split on April 27, 2007.



Summary by segment

Group

SEK thousands	January-March 2008	January-March 2007	April 2007- March 2008	Full-year 2007
Operating revenue				
Brand and other				
External sales	15,029	11,664	54,894	51,529
Internal sales	16,005	14,608	76,510	75,113
	31,034	26,272	131,404	126,642
Product development				
External sales	60,279	52,904	232,745	225,371
Internal sales	15,612	27,672	63,232	75,291
	75,891	80,576	295,977	300,662
Distribution				
External sales	52,301	43,842	166,233	157,774
Internal sales	6,410	5,532	27,755	26,877
	58,701	49,374	193,988	184,651
Retail				
External sales	11,140	10,239	61,113	60,212
Internal sales	-	-	111	111
	11,140	10,239	61,223	60,323
Eliminations	-38,027	-47,812	-167,608	-177,392
Operating revenue	138,748	118,650	514,984	494,886
Operating profit				
Brand and other	13,115	10,779	48,481	46,145
Product development	8,876	9,672	37,575	38,371
Distribution	14,816	10,574	43,867	39,626
Retail	-286	364	17,282	17,933
Operating profit	36,521	31,390	147,205	142,075

Quarterly data

Group

SEK thousands	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Brand sales	688,828	650,862	659,120	414,058	513,345	483,273	409,305	217,998
Net sales	138,748	139,795	148,597	87,844	118,650	108,537	93,442	43,368
Gross profit margin, %	51.9	53.8	54.6	55.6	50.4	52.8	46.9	56.8
Operating profit	36,521	42,258	49,238	19,188	31,390	34,994	23,991	7,874
Operating margin, %	26.3	30.2	33.1	21.8	26.5	32.2	25.7	16.3
Profit after financial items	37,258	42,719	48,920	19,139	31,448	34,147	24,010	8,145
Profit margin, %	26.9	30.6	32.9	21.8	26.5	31.5	25.7	16.8
Earnings per share, SEK	1.07	1.22	1.42	0.57	0.96	1.06	0.75	0.26
Earnings per share after dilution, SEK	1.07	1.22	1.41	0.56	0.94	1.04	0.74	0.26
Number of concept stores at end of period	36	36	33	29	26	24	21	18
of which own concept stores	10	10	10	9	9	8	7	6

Income statement

Parent Company in summary

SEK thousands	January-March 2008	January-March 2007	April 2007- March 2008	Full-year 2007
Net sales	7,645	6,340	45,901	44,595
Cost of goods sold	-376	-1,148	-3,934	-4,707
Gross profit	7,270	5,192	41,967	39,888
Distribution expenses	-8,128	-6,220	-31,471	-29,563
Administrative expenses	-3,126	-2,392	-12,104	-11,370
Development expenses	-1,251	-957	-4,842	-4,548
Operating profit	-5,235	-4,378	-6,450	-5,593
Net financial items	135	-471	618	12
Profit before tax	-5,100	-4,849	-5,832	-5,581
Tax	1,428	1,358	556	486
Profit for the period	-3,672	-3,491	-5,275	-5,095

Balance sheet

Parent Company in summary

SEK thousands	March 31 2008	March 31 2007	December 31 2007
Non-current assets			
Tangible non-current assets	6,224	713	6,460
Shares in Group companies	54,497	54,497	54,497
Total non-current assets	60,721	55,209	60,957
Current assets			
Receivables from Group companies	145,122	119,505	39,913
Current receivables	10,278	4,558	8,766
Cash & cash equivalents	11,076	43,354	180,269
Total current assets	166,475	167,417	228,948
Total assets	227,197	222,626	289,905
Equity and liabilities			
Equity	182,376	178,894	187,477
Untaxed reserves	7,254	5,955	7,254
Due to Group companies	22,999	28,571	81,807
Accounts payable	4,856	4,750	5,694
Other current liabilities	9,711	4,456	7,673
Total equity and liabilities	227,197	222,626	289,905

About the Björn Borg Group

The Group owns the Björn Borg trademark and has operations in five product areas: clothing, shoes, bags, eyewear and fragrances. Björn Borg products are sold in over ten markets, of which Sweden and the Netherlands are the largest. Operations are managed through a network of product and distribution companies that are either part of the Group or are independent companies with licenses for product areas and geographical markets. The Björn Borg Group has operations at every level from branding to consumer sales in its own concept stores. Total sales of Björn Borg products in 2007 amounted to approximately SEK 2.2 billion at the consumer level. Group net sales amounted to SEK 495 million in 2007, with 79 employees. The Björn Borg share is listed on the OMX Nordic Exchange, Mid Cap list since May 7, 2007.

Definitions

Gross profit margin

Net sales less cost of goods sold divided by net sales.

Operating margin

Operating profit as a percentage of net sales.

Profit margin

Profit before tax as a percentage of net sales.

Equity/assets ratio

Equity as a percentage of total assets.

Return on capital employed

Profit after financial items plus financial expenses as a percentage of average capital employed.

Return on equity

Net profit according to the income statement as a percentage of average equity. Average equity is calculated by adding equity at January 1 to equity at December 31 and dividing by two.

Earnings per share

Earnings per share in relation to the weighted average number of shares during the period.

Earnings per share after dilution

Earnings per share adjusted for any dilution effect.

Brand sales

Estimated total sales of Björn Borg products at the consumer level, including VAT, based on reported wholesale sales.

Björn Borg AB (publ)

Stockholm, May 7, 2008

Nils Vinberg
CEO



Upcoming information dates

The interim report January–June 2008 will be released on August 20, 2008.
The interim report January–September 2008 will be released on November 12, 2008.
The year-end report for 2008 will be released on February 18, 2009.



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Björn Borg is required to make public the information in this report in accordance with the Securities Market Act.
The information was released for publication on May 7, 2008 at 7:30 a.m.