



BJÖRN BORG

BJÖRN BORG AB INTERIM REPORT JANUARY – SEPTEMBER 2010

INCREASED SALES AND STRONG MARGINS

JULY 1 – SEPTEMBER 30, 2010

- The Group's net sales increased by 10 percent to SEK 171.0 million (155.2). Excluding currency effects, sales rose by 11 percent to SEK 171.6 million (155.2).
- The gross profit margin increased to 52.6 percent (50.8).
- Operating profit amounted to SEK 51.5 million (43.5), an increase of 19 percent.
- Profit after tax amounted to SEK 36.7 million (30.1), an increase of 22 percent.
- Earnings per share increased to SEK 1.46 (1.20). Fully diluted earnings per share amounted to SEK 1.44 (1.19).
- Brand sales (excluding VAT) increased by 1 percent to SEK 507 million (502).
- A letter of intent has been signed on distribution in Switzerland.

JANUARY 1 – SEPTEMBER 30, 2010

- The Group's net sales increased by 1 percent to SEK 420.1 million (417.7). Excluding currency effects, sales rose by 5 percent to SEK 437.3 million (417.7).
- The gross profit margin increased to 52.8 percent (50.2).
- Operating profit amounted to SEK 101.5 million (93.2), an increase of 9 percent.
- Profit after tax amounted to SEK 73.2 million (67.4), an increase of 9 percent.
- Earnings per share increased to SEK 2.91 (2.68). Fully diluted earnings per share amounted to SEK 2.87 (2.68).
- Brand sales (excluding VAT) decreased by 11 percent to SEK 1,305 million (1,462).

QUOTE FROM THE PRESIDENT

"During the third quarter a number of new products reached stores, including constructed bras and boxer shorts, and the pace of product development remained high. The footwear operations licensed out at the beginning of the year are developing positively, and we feel that focusing the Group's resources on our main area, underwear, is producing results. As a whole, the third quarter showed that the positive trend earlier in the year is continuing. We were able to report higher sales as well as improved income and favorable margins", says Arthur Engel.

SEK million	July–Sept 2010	July–Sept 2009	Jan–Sept 2010	Jan–Sept 2009	Oct 2009– Sept 2010	Full-year 2009
Net sales	171.0	155.2	420.1	417.7	522.4	519.9
Gross profit margin, %	52.6	50.8	52.8	50.2	53.4	51.3
Operating profit	51.5	43.5	101.5	93.2	120.9	112.6
Operating margin, %	30.1	28.0	24.2	22.3	23.1	21.7
Profit after tax	36.7	30.1	73.2	67.4	86.7	80.9
Earnings per share, SEK	1.46	1.20	2.91	2.68	3.45	3.22
Earnings per share after dilution, SEK	1.44	1.19	2.87	2.68	3.45	3.21
Brand sales*	507	502	1,305	1,462	1,715	1,872

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



PRESIDENT'S COMMENT

Creating opportunities to focus fully on our core business – underwear – is a key element in our strategy and something we are constantly working on. Earlier in the year we licensed out the footwear product area to an established international player to create a better chance of developing and expanding these operations and at the same time to concentrate Björn Borg's resources on underwear, which is what we are best at. We are pleased therefore to state that the footwear product area is growing and developing positively in its new form.

New products in stores

As we earlier reported, intensified product development in underwear has led to an increased number of new products reaching stores. During the fall, for example, a new product group, constructed bras, was launched and received a positive response. We feel that this colorful collection fills a void in the market. Our classic boxer shorts have been re-launched and become a new men's underwear line. We are also introducing socks in eye-catching colors. The range of sporty underwear that hit the market this spring has been expanded, and we are seeing great interest in this category. The Love All women's underwear line has sold well and will be expanded with additional models. The Kids collections have established a foothold with many retailers, with growing demand. Creativity and the ability to continuously improve our products will remain among our most important success factors.

Development during the quarter

The third quarter confirmed that the positive trend we had seen earlier in the year is continuing. We were able to increase sales and at the same time strengthen profit and margins. Several markets are now growing after a previous decline, including Norway, which had strong brand sales during the quarter. Belgium and Finland continued to report fine growth numbers, while Southern European markets posted weaker development under tough market conditions. In Italy, we are planning to terminate the agreement with our distributor, which has been unable to make the necessary investment. We intend to remain in the country, and strong interest has been expressed by several Italian distributors that would like to build on the work that has already been done. In Switzerland, our German distributor will take over distribution beginning in 2011.

The industry faces uncertainty going forward with regard to cotton prices and production capacity in Asia, which can be partly offset by a favorable dollar exchange rate in purchasing. We are carefully following the market and focusing on what we can influence as well as what we consider decisive to strong long-term growth and profitability: creative branding, innovative product development and efficient distribution.

Arthur Engel, President



OPERATIONS

Brand sales

Brand sales (excluding VAT) for the third quarter of 2010 increased by 1 percent to SEK 507 million (502). For the first nine months of 2010 brand sales decreased by 11 percent to SEK 1,305 million (1,462). The positive trend from the previous quarter continued during the third quarter, with sales stabilizing in large markets and continued gains in most smaller markets.

Product areas in the first nine months of 2010

Brand sales in the underwear product area fell by 9 percent during the first nine months, compared with the previous year, after recovering during the last two quarters compared with the first. Underwear accounted for 64 percent (62) of brand sales during the period.

In the smaller product area, adjacent products – menswear – brand sales rose substantially during the first three quarters compared with the same period of 2009, but from a low level.

Sales in the footwear product area increased during the third quarter, but fell by 18 percent during the nine-month period.

In other licensed products, sales decreased in bags and women's wear, while eyewear and fragrances reported growth during the first nine months. As a whole, licensed product sales fell by 15 percent, mainly due to the decline in women's clothing in the Netherlands.

Markets in the first nine months of 2010

Smaller markets accounted for 10 percent (10) of total brand sales during the first nine months of the year. Among larger markets, Norway reported a strong increase during the quarter, while the Netherlands together posted a negative sales trend for the first nine months. Among smaller markets, Belgium and Finland continued to report strong sales, and Germany has gotten off to a good start to its operations, which were launched during the first quarter of the year.

During the quarter Björn Borg began its previously announced takeover of the British operations from the former distributor, which will be completed during the second quarter of 2011.

The agreement with the distributor for the Italian market is expected to be terminated during the fourth quarter of 2010. Operations in Italy, which were launched in fall 2009, have not developed as planned, and the company feels that the current distributor is unable to make the necessary investment to establish the brand in the country. Björn Borg's intent is to remain in operation in Italy. Discussions are currently being held with several possible partners that are interested in building on what has already been created.

New markets

A letter of intent was signed with our German distributor to handle distribution in Switzerland as well. Sales to retailers are expected to begin during the second quarter of 2011.

Björn Borg stores

No new Björn Borg stores were opened during the period January to September 2010. At the end of the period there were 46 (45) Björn Borg stores, of which 10 (10) are Group-owned.

Brand sales* of Björn Borg products January–September 2010. Total SEK 1,305 million (1,462)

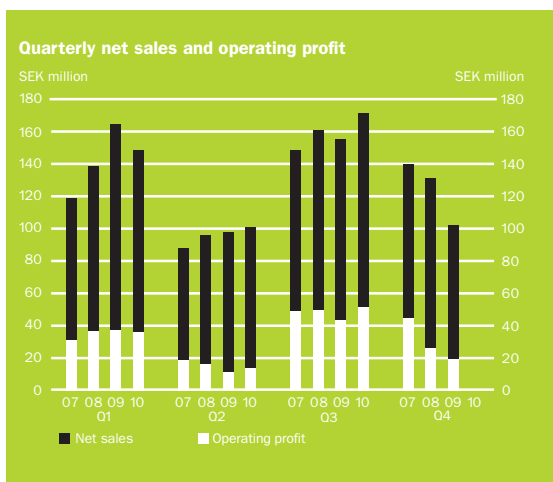


* Estimated total sales of Björn Borg products at the consumer level, excluding VAT, based on reported wholesale sales.

** **Underwear:** Men's and women's underwear, swimwear and socks. **Adjacent products:** Men's clothing. **Licensees:** Bags, fragrances, eyewear and women's clothing in the Netherlands.

THE GROUP'S DEVELOPMENT

Sales and operating profit increased during the third quarter.



Sales

Third quarter, July–September 2010

Group sales during the third quarter amounted to SEK 171.0 million (155.2), an increase of 10 percent. Sales were positively affected mainly by higher underwear sales to distributors. Sales in the Swedish wholesale operations decreased slightly, mainly due to postponed deliveries. Sales for Group-owned retail operations decreased as well. Excluding currency effects, net sales rose by 11 percent from SEK 155.2 million to SEK 171.6 million. The negative exchange rate effect amounted to SEK 0.6 million.

The nine-month period, January–September 2010

Group sales during the first nine months of the year amounted to SEK 420.1 million (417.7), an increase of 1 percent. Sales were negatively affected by lower export sales to the Netherlands in the footwear product area during the first quarter, although this was offset by higher export and wholesale sales in the underwear product area. Sales for Group-owned retail operations decreased. Excluding currency effects, net sales increased by 5 percent from SEK 417.7 million to SEK 437.3 million. The negative exchange rate effect amounted to SEK 17.2 million.

Profit

Third quarter, July–September 2010

The gross profit margin increased during the third quarter to 52.6 percent (50.8), which was largely due to a weaker

USD, but also to some extent to increased sales of high-margin products.

Operating profit increased by 19 percent to SEK 51.5 million (43.5) during the quarter with an operating margin of 30.1 percent (28.0). Profit before tax increased to SEK 49.8 million (40.8).

Operating profit was positively affected by increased sales and higher gross profit. Due to continued investments in marketing and human resources, as well as certain investments in the British market, operating expenses increased.

The nine-month period, January–September 2010

The gross profit margin increased during the first nine months of the year to 52.8 percent (50.2). Operating profit increased by 9 percent to SEK 101.5 million (93.2) with an operating margin of 24.2 percent (22.3). Profit before tax increased to SEK 99.9 million (91.9). Operating expenses as a share of net sales amounted to 28.7 percent (27.9).

The main reason for the higher gross profit margin was the weaker USD compared with the same period of 2009. Increased operating expenses are mainly due to an agreement with the British distributor during the second quarter. Further cost efficiencies, together with lower investments in the U.S., have compensated positively.

As of September 30, 2010 the company had 25,148,384 shares outstanding. Earnings per share before and after dilution amounted to SEK 2.91 (2.68) and SEK 2.87 (2.68), respectively.

Development by business segment

The Group consists of eight companies that operate under the Björn Borg brand on every level from product development to wholesaling and consumer sales in its own Björn Borg 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 during the period January–September reached SEK 100.2 million (104.8), a decrease of 4 percent. External sales amounted to SEK 40.6 million (44.2). The decrease was mainly due to lower brand sales in the underwear product area as well as the licensed product areas for bags and women's clothing.

Operating profit amounted to SEK 23.9 million (35.3), a decrease of 32 percent for the period. Profit was affected by the lower sales, but also by expenses attributable to the takeover of the British operations during second quarter as well as higher marketing expenses.

Business segment	Revenue source	Sales, SEK thousands		Operating profit, SEK thousands		Operating margin	
		Jan–Sept 2010	Jan–Sept 2009	Jan–Sept 2010	Jan–Sept 2009	Jan–Sept 2010	Jan–Sept 2009
Brand and other	Royalties and services	100,196	104,776	23,945	35,304	24%	34%
Product development	Products	298,452	277,434	60,832	47,959	20%	17%
Wholesale operations	Wholesale sales	151,144	147,880	19,478	6,636	13%	4%
Retail	Retailers	34,561	38,756	–2,763	3,267	–8%	8%
Less internal sales		–164,206	–151,178	–	–	–	–
Total		420,147	417,668	101,492	93,166	24%	22%

Product development

The Group has global responsibility for development, design and production of underwear and adjacent products.

The business segment's net sales amounted to SEK 298.5 million (277.4) during the period January–September, an increase of 8 percent. External sales amounted to SEK 224.1 million (211.3). Sales were positively affected by an underlying volume increase in the underwear product area at the same time that lower footwear exports to the Netherlands and a lower USD had a negative effect.

Operating profit increased to SEK 60.8 million (48.0) as a result of the improved gross profit margin and increased sales.

Wholesale operations

The Björn Borg Group is the exclusive wholesaler for the underwear and adjacent products in Sweden and the U.S. as well as for footwear in Sweden and Finland.

Net sales in wholesale operations increased by 2 percent during the period January–September to SEK 151.1 million (147.9). External sales amounted to SEK 120.8 million (123.3).

Operating profit amounted to SEK 19.5 million (6.6). The increase was due to increased sales, a lower USD, which affected gross profit positively, and lower investments in the U.S.

Retail

The Björn Borg Group owns and operates eight stores in the Swedish market that sell underwear, adjacent products, footwear and licensed products. Additionally, Björn Borg operates two factory outlets and a web shop.

Comparable net sales in the Retail business segment amounted to SEK 34.6 million (38.8) during the period January–September, a decrease of 11 percent. Continued weakness in several large stores and the outlets affected sales negatively.

The operating loss for the period January–September was SEK 2.8 million, against a year-earlier profit of SEK 3.3 million, due to the lower sales and to operating expenses resulting from the renovation of a Stockholm store.

Intra-Group sales

Intra-Group sales amounted to SEK 164.2 million (151.2) during the period January–September.

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 third quarter is generally the weakest in terms of profit. See the figure on quarterly net sales and operating profit on page 4.

INVESTMENTS AND CASH FLOW

Cash flow from operating activities in the Group amounted to SEK 13.3 million (57.7) for the period January–September 2010. The decrease was mainly due to higher working capital caused by later deliveries to customers compared with previous periods, because of which related accounts receivable were paid after the conclusion of the period.

Total investments in tangible and intangible non-current assets amounted to SEK 6.8 million (2.5) during the first nine months, the large part of which was attributable to a new web platform, but also a store renovation and a new

enterprise system. During the first quarter Björn Borg Services AB was acquired for SEK 9.0 million, excluding Björn Borg Services' cash and transaction expenses.

For the first nine months of 2010 cash & cash equivalents decreased by SEK 143.3 million (20.6), which was mainly due to an increased dividend to the shareholders, the investment of a portion of surplus liquidity in funds and delivery delays. In 2010, SEK 125.7 million was distributed to shareholders, compared with SEK 37.6 million in 2009.

FINANCIAL POSITION AND LIQUIDITY

The Björn Borg Group's cash & cash equivalents and short-term investments amounted to SEK 168.2 million (262.1) at the end of the period. During the third quarter SEK 15 million in surplus liquidity was placed in a low-risk fund. The equity/assets ratio was 73.1 percent (75.7). The company has no interest-bearing liabilities.

COMMITMENTS AND CONTINGENT LIABILITIES

No changes were made with regard to pledged assets and contingent liabilities compared with December 31, 2009. An agreement has been reached on the previously reported dispute with the English distributor regarding undelivered shipments, which affected profit for the period April–June 2010. For further information, see note 22 on page 56 of the annual report 2009.

PERSONNEL

The average number of employees in the Group for the period January–September was 99 (93), of whom 63 (58) were women.

TRANSACTIONS WITH RELATED PARTIES

No transactions were executed with related parties.

SIGNIFICANT RISKS AND UNCERTAINTIES

In its operations, the Björn Borg Group is exposed to risks and uncertainties. For further information, refer to pages 37–38 in the annual report 2009.

EVENTS AFTER THE BALANCE SHEET DATE

A letter of intent was signed with our German distributor to handle distribution in Switzerland as well. Sales to retailers are expected to begin during the second quarter of 2011.

NOMINATION COMMITTEE

In accordance with the resolution of the Annual General Meeting, Björn Borg's Nomination Committee for the 2011 AGM will be appointed by having the Chairman of the Board contact each of the company's four largest shareholders based on voting rights as of August 31, 2010. Björn Borg's Nomination Committee for the 2011 AGM is as follows: Fredrik Lövestedt, Chairman of the Board; Mats Nilsson, representing himself as a shareholder; Carina Tovi, representing the Swedbank Robur funds; Stefan Roos, representing the SEB funds. Mats Nilsson has been appointed the Chairman of the Nomination Committee.

ANNUAL GENERAL MEETING

The Annual General Meeting for the financial year 2010 will be held in Stockholm on April 14, 2011.

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 third quarter amounted to SEK 11.4 million (11.1). During the first nine months of the year net sales amounted to SEK 29.7 million (31.5). The loss before tax amounted to SEK 7.9 million for the third quarter, against a year-earlier loss of SEK 0.9 million, and SEK 28.8 million for the first nine months, against a year-earlier loss of SEK 12.5 million. Cash & cash equivalents and short-term investments amounted to SEK 141.7 million (174.8) on September 30, 2010. For the period investments in tangible and intangible non-current assets amounted to SEK 0.7 million (1.5).

NUMBER OF SHARES

Björn Borg currently has 25,148,384 shares outstanding.

FINANCIAL OBJECTIVES

The financial objectives of Björn Borg's operations for the period 2010–2014 are as follows:

- Average annual organic growth of at least 10 percent
- An average annual operating margin of at least 20 percent
- An annual dividend of at least 50 percent of net profit
- Long-term cash reserves equivalent to 10–20 percent of annual sales

Comments to the financial objectives:

The long-term objective will be achieved if established markets grow slightly below the average growth target and new markets provide stronger growth. At the start of the period sales growth could fall below the target, since several new markets are being added.

Surplus liquidity generated by meeting the new financial objectives will be distributed gradually over the forecast period, starting in 2010.

Operating investments are expected to fall in the range of 2–5 percent of net sales depending on the addition of any new concept stores.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting, and for the Parent Company in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.3 Accounting in Legal Entities.

The same accounting principles were applied during the period as in 2009, as described on page 47 of the annual report 2009, with the exceptions indicated below.

The new and revised IFRS and the interpretations from IFRIC applied by the Group as of January 1, 2010 have not had a significant impact on the Group's results or financial position, with the exception of IFRS 3 Business Combinations, according to which the transaction expenses in connection with acquisitions are not included in acquisition value and instead are treated as overhead and recognized through profit or loss. According to RFR 2.3, some of the changes which were introduced in IAS 1 2009 and applied in the consolidated financial statements shall also be applied in the Parent Company. Due to these changes, a separate statement of total comprehensive income and a statement of changes in equity are presented for the Parent Company in this interim report.

AUDIT REPORT

This interim report has been reviewed by the company's auditors. Their review report can be found on page 12.

OUTLOOK 2010

As a policy, the company does not issue earnings forecasts.

CONSOLIDATED INCOME AND TOTAL COMPREHENSIVE INCOME

Condensed

SEK thousands	July–Sept 2010	July–Sept 2009	Jan–Sept 2010	Jan–Sept 2009	Oct 2009– Sept 2010	Full-year 2009
Net sales	170,998	155,162	420,147	417,668	522,394	519,915
Cost of goods sold	–81,135	–76,403	–198,167	–207,937	–243,501	–253,271
Gross profit	89,863	78,759	221,979	209,730	278,893	266,644
Distribution expenses	–25,571	–23,243	–79,022	–77,634	–103,777	–102,390
Administrative expenses	–9,461	–8,752	–30,932	–29,052	–40,343	–38,463
Development expenses	–3,315	–3,311	–10,533	–9,877	–13,853	–13,197
Operating profit	51,516	43,454	101,492	93,166	120,920	112,594
Net financial items	–1,744	–2,624	–1,647	–1,220	–1,362	–936
Profit before tax	49,772	40,830	99,845	91,946	119,557	111,658
Tax	–13,110	–10,747	–26,651	–24,538	–32,869	–30,756
Profit for the period	36,662	30,083	73,194	67,408	86,688	80,902
Profit attributable to:						
Parent Company's shareholders	36,642	30,078	73,174	67,380	86,661	80,867
Minority interests	21	5	20	28	27	35
Other comprehensive income						
Translation adjustments for foreign operations	417	467	221	943	122	844
Total comprehensive income for the period	37,080	30,550	73,416	68,351	86,811	81,746
Total comprehensive income for the period attributable to						
Parent Company's shareholders	37,059	30,545	73,396	68,323	86,784	81,711
Minority interests	21	5	20	28	27	35
Earnings per share, SEK	1.46	1.20	2.91	2.68	3.45	3.22
Earnings per share after dilution, SEK	1.44	1.19	2.87	2.68	3.45	3.21
Number of shares	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384
Weighted average number of shares	25,148,384	25,148,384	25,148,384	25,098,828	25,148,384	25,111,217
Effect of dilution*	319,875	192,163	340,753	63,166	–	118,910
Weighted average number of shares after full dilution	25,468,259	25,340,547	25,489,137	25,161,994	25,148,384	25,230,128

* Björn Borg has two outstanding incentive programs based on warrants: 2008:1 and 2008:2. For more detailed information, see page 53 of the annual report 2009.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Condensed

SEK thousands	Sept 30 2010	Sept 30 2009	December 31 2009
Non-current assets			
Goodwill	13,944	13,944	13,944
Trademarks	187,532	187,532	187,532
Other intangible assets	7,371	1,843	3,437
Tangible non-current assets	8,588	12,061	11,150
Deferred tax assets	9,046	–	–
Total non-current assets	226,481	215,379	216,063
Current assets			
Inventories, etc.	37,330	31,654	26,455
Current receivables	126,640	81,704	65,719
Short-term investments	15,000	–	–
Cash & cash equivalents	153,174	262,100	296,484
Total current assets	332,143	375,458	388,657
Total assets	558,624	590,837	604,720
Equity and liabilities			
Equity	408,629	447,533	460,956
Deferred tax liabilities	42,546	36,720	40,011
Other non-current liabilities	36,265	42,371	40,889
Accounts payable	28,904	9,116	15,480
Other current liabilities	42,280	55,097	47,385
Total equity and liabilities	558,624	590,837	604,720

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Condensed

SEK thousands	Jan–Sept 2010	Jan–Sept 2009	Full-year 2009
Opening balance	460,956	413,803	413,803
New share issues	–	2,968	2,996
Dividend	–125,742	–37,589	–37,589
Total comprehensive income for the period	73,416	68,351	81,746
Closing balance	408,629	447,533	460,956

CONSOLIDATED STATEMENT OF CASH FLOWS

Condensed

SEK thousands	July–Sept 2010	July–Sept 2009	Jan–Sept 2010	Jan–Sept 2009	Full-year 2009
Cash flow from operating activities					
Before change in working capital	41,913	34,090	71,962	73,093	69,246
Change in working capital	–42,756	–11,711	–58,739	–15,387	24,873
Cash flow from operating activities	–809	22,379	13,257	57,706	94,119
Investments in intangible non-current assets	–973	–158	–4,834	–1,419	–3,160
Investments in tangible non-current assets	–31	–78	–1,946	–1,063	–1,380
Investments in financial non-current assets	–	–	–9,046	–	–
Short-term placement	–15,000	–	–15,000	–	–
Cash flow from investing activities	–16,004	–236	–30,826	–2,482	–4,540
Dividend	–	–	–125,742	–37,589	–37,589
Incentive programs/new share issues	–	–	–	2,968	2,996
Cash flow from financing activities	–	–	–125,742	–34,621	–34,593
Cash flow for the period	–16,813	22,143	–143,311	20,602	54,986
Cash & cash equivalents at beginning of period	169,986	239,957	296,484	241,498	241,498
Cash & cash equivalents at end of period	153,174	262,100	153,174	262,100	296,484

KEY FIGURES

Group

SEK thousands	July–Sept 2010	July–Sept 2009	Jan–Sept 2010	Jan–Sept 2009	Oct 2009– Sept 2010	Full-year 2009
Gross profit margin, %	52.6	50.8	52.8	50.2	53.4	51.3
Operating margin, %	30.1	28.0	24.2	22.3	23.1	21.7
Profit margin, %	29.1	26.3	23.8	22.0	22.9	21.5
Return on capital employed, %	25.0	26.0	25.0	26.0	25.0	20.9
Return on average equity, %	20.2	21.7	20.2	21.7	20.2	18.5
Profit attributable to Parent Company's shareholders	36,642	30,078	73,174	67,380	86,661	80,867
Earnings per share, SEK	1.46	1.20	2.91	2.68	3.45	3.22
Earnings per share after dilution, SEK	1.44	1.19	2.87	2.68	3.45	3.21
Number of shares	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384
Weighted average number of shares	25,148,384	25,148,384	25,148,384	25,098,828	25,148,384	25,111,217
Effect of dilution	319,875	192,163	340,753	63,166	–	118,910
Weighted average number of shares after dilution	25,468,259	25,340,547	25,489,137	25,161,994	25,148,384	25,230,128
Equity/assets ratio, %	73.1	75.7	73.1	75.7	73.1	76.2
Equity per share, SEK	16.25	17.80	16.25	17.80	16.25	18.33
Investments in intangible non-current assets	973	158	4,834	1,419	6,575	3,160
Investments in tangible non-current assets	31	78	1,946	1,063	2,229	1,380
Investments in financial non-current assets	–	–	9,046	–	9,046	–
Depreciation and impairment losses for the period	–1,665	–1,703	–5,377	–5,662	–6,739	–7,024
Average number of employees	99	93	99	93	98	92

SUMMARY BY SEGMENT

Group

SEK thousands	July–Sept 2010	July–Sept 2009	Jan–Sept 2010	Jan–Sept 2009	Oct 2009– Sept 2010	Full-year 2009
Operating revenue						
Brand and other						
External revenue	17,054	13,857	40,646	44,226	51,357	54,936
Internal revenue	23,772	22,577	59,550	60,550	82,341	83,341
	40,826	36,434	100,196	104,776	133,698	138,277
Product development						
External revenue	92,322	75,334	224,132	211,343	270,180	257,391
Internal revenue	36,634	23,445	74,320	66,091	90,017	81,788
	128,955	98,779	298,452	277,434	360,197	339,179
Wholesale						
External revenue	47,086	49,689	120,808	123,344	150,567	153,102
Internal revenue	11,218	11,449	30,336	24,536	46,512	40,713
	58,304	61,138	151,144	147,880	197,079	193,815
Retail						
External revenue	14,537	16,283	34,561	38,756	50,290	54,485
Internal revenue	–	–	–	–	6	6
	14,537	16,283	34,561	38,756	50,296	54,491
Less internal sales	–71,624	–57,472	–164,206	–151,178	–218,876	–205,847
Operating revenue	170,998	155,162	420,147	417,668	522,394	519,915
Operating profit						
Brand and other	15,830	16,368	23,945	35,304	32,584	43,943
Product development	26,999	15,468	60,832	47,959	63,857	50,984
Wholesale	8,309	8,905	19,478	6,636	22,477	9,635
Retail	379	2,713	–2,763	3,267	2,002	8,032
Operating profit	51,516	43,454	101,492	93,166	120,920	112,594

QUARTERLY DATA

Group

SEK thousands	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008
Net sales	170,998	100,770	148,379	102,247	155,162	97,832	164,674	131,233
Gross profit margin, %	52.6	55.1	51.6	55.7	50.8	50.9	49.3	54.1
Operating profit	51,516	13,939	36,037	19,427	43,454	12,131	37,582	26,049
Operating margin, %	30.1	13.8	24.3	19.0	28.0	12.4	22.8	19.8
Profit after financial items	49,772	14,644	35,429	19,712	40,830	11,871	39,245	28,693
Profit margin, %	29.1	14.5	23.9	19.3	26.3	12.1	23.8	21.9
Earnings per share, SEK	1.46	0.43	1.03	0.54	1.20	0.34	1.15	0.91
Earnings per share after dilution, SEK	1.44	0.42	1.01	0.53	1.19	0.33	1.15	0.91
Number of Björn Borg stores at end of period	46	46	46	46	45	43	44	44
of which Björn Borg-owned stores	10	10	10	10	10	10	11	11
Brand sales	506,572	347,300	460,156	410,053*	501,629*	358,037*	602,183	475,806

* Because brand sales for the full-year 2009 have been changed to correct the previously reported figures, quarterly brand sales for 2009 have been updated. Previously reported figures: Q2 2009 = SEK 385,637,000, Q3 2009 = SEK 566,423,000, Q4 2009 = SEK 422,121,000

PARENT COMPANY INCOME STATEMENT

Condensed

SEK thousands	July–Sept 2010	July–Sept 2009	Jan–Sept 2010	Jan–Sept 2009	Oct 2009– Sept 2010	Full-year 2009
Net sales	11,414	11,093	29,707	31,533	45,782	47,608
Cost of goods sold	-102	-7	-228	-2,413	-223	-2,407
Gross profit	11,312	11,087	29,478	29,120	45,559	45,201
Distribution expenses	-10,275	-7,934	-34,642	-28,012	-47,456	-40,826
Administrative expenses	-3,952	-3,052	-13,324	-10,774	-18,252	-15,702
Development expenses	-1,581	-1,221	-5,329	-4,310	-7,301	-6,281
Operating profit/loss	-4,496	-1,120	-23,816	-13,975	-27,449	-17,608
Dividend from subsidiary	-	-	-	-	100,000	100,000
Net financial items	-3,439	202	-4,947	1,452	-4,425	1,975
Profit/loss before tax	-7,935	-918	-28,763	-12,522	68,126	84,367
Tax	2,087	241	7,525	3,315	8,226	4,017
Profit/loss for the period	-5,848	-676	-21,238	-9,208	76,352	88,383
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-5,848	-676	-21,238	-9,208	76,352	88,383

PARENT COMPANY BALANCE SHEET

Condensed

SEK thousands	Sept 30 2010	Sept 30 2009	Full-year 2009
Non-current assets			
Intangible non-current assets	1,803	1,330	1,694
Tangible non-current assets	3,171	4,390	4,238
Shares in Group companies	316,585	54,497	54,497
Total non-current assets	321,559	60,217	60,428
Current assets			
Receivables from Group companies	87,542	34,027	88,903
Current receivables	12,790	11,070	5,703
Short-term investments	15,000	-	-
Cash & cash equivalents	126,701	174,766	287,657
Total current assets	242,033	219,863	382,263
Total assets	563,593	280,080	442,691
Equity and liabilities			
Equity	67,758	105,952	214,738
Untaxed reserves	7,359	7,359	7,359
Due to Group companies	476,243	156,098	207,835
Accounts payable	1,853	3,458	1,840
Other current liabilities	10,380	7,213	10,919
Total equity and liabilities	563,593	280,080	442,691

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Condensed

SEK thousands	Jan–Sept 2010	Jan–Sept 2009	Full-year 2009
Opening balance	214,738	149,782	149,782
New share issues	-	2,966	2,966
Dividend	-125,742	-37,589	-37,589
Group contributions	-	-	15,191
Tax effect of Group contributions	-	-	-3,995
Total comprehensive income for the period	-21,238	-9,208	88,383
Closing balance	67,758	105,952	214,738

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 (over a rolling 12-month period) plus financial expenses as a percentage of average capital employed.

Return on equity

Net profit (over a rolling 12-month period) 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, excluding VAT, based on reported wholesale sales.

The Board of Directors and the President certify that the interim report provides a true and fair overview of the operations, financial position and results of the Parent Company and the Group and describes the material risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, November 11, 2010

Fredrik Lövestedt
Chairman

Nils Vinberg
Vice Chairman

Monika Elling
Board Member

Kerstin Hessius
Board Member

Fabian Månsson
Board Member

Mats H Nilsson
Board Member

Vilhelm Schottenius
Board Member

Michael Storåkers
Board Member

Arthur Engel
President and CEO

ABOUT THE BJÖRN BORG GROUP

The Group owns the Björn Borg trademark and has operations in five product areas: clothing, footwear, bags, eyewear and fragrances. Björn Borg products are sold in fifteen markets, of which Sweden and the Netherlands are the largest. Operations are managed through a network of product and distribution companies which 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 through its own Björn Borg stores. Total sales of Björn Borg products in 2009 was SEK 1.9 billion at the consumer level, excluding VAT. Group net sales amounted to SEK 520 million in 2009, with 92 employees at year-end. The Björn Borg share is listed on NASDAQ OMX Nordic, Mid Cap list, since May 7, 2007.

REVIEW REPORT

Introduction

We have reviewed the interim report for Björn Borg AB (publ) for the period January 1 to September 30, 2010. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material aspects, prepared in accordance with IAS 34 and the Annual Accounts Act for the Group and in accordance with the Annual Accounts Act for the Parent Company.

Stockholm, November 11, 2010
Deloitte AB

Håkan Pettersson
Authorized Public Accountant

Tommy Mårtensson
Authorized Public Accountant



Upcoming information dates

The year-end report for 2010 will be released on February 24, 2011.
Annual Report March 2011.

The 2011 Annual General Meeting will be held on April 14, 2011.
The interim report January–March 2011 will be released on May 5, 2011.

For further information, please contact:
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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 November 11, 2010 at 7:30 a.m. (CET).