



BJÖRN BORG AB YEAR-END REPORT JANUARY – DECEMBER 2010

STRONG FOURTH QUARTER

OCTOBER 31 – DECEMBER 31, 2010

- The Group's net sales increased by 13 percent to SEK 115.9 million (102.2). Excluding currency effects, sales rose by 15 percent.
- The gross profit margin increased to 56.3 percent (55.7).
- Operating profit amounted to SEK 24.5 million (19.4), an increase of 26 percent.
- Profit after tax amounted to SEK 17.6 million (13.5), an increase of 29 percent.
- Earnings per share increased to SEK 0.70 (0.54). Fully diluted earnings per share amounted to SEK 0.70 (0.53).
- Brand sales (excluding VAT) increased by 4 percent to SEK 428 million (410). Excluding currency effects, sales increased by 12 percent.

JANUARY 1 – DECEMBER 31, 2010

- The Group's net sales increased by 3 percent to SEK 536.0 million (519.9). Excluding currency effects, sales rose by 7 percent.
- The gross profit margin increased to 53.6 percent (51.3).
- Operating profit amounted to SEK 126.0 million (112.6), an increase of 12 percent.
- Profit after tax amounted to SEK 90.8 million (80.9), an increase of 12 percent.
- Earnings per share increased to SEK 3.61 (3.22). Fully diluted earnings per share amounted to SEK 3.57 (3.21).
- Brand sales (excluding VAT) decreased by 7 percent to SEK 1,733 million (1,872). Excluding currency effects, sales decreased by 1 percent.
- The Board of Directors has decided to recommend that the Annual General Meeting approve a distribution of SEK 5.20 per share. For 2009, a dividend of SEK 5.00 per share was paid.

QUOTE FROM THE PRESIDENT

"In 2010 we implemented several important changes to focus on underwear and ensure our continued profitable growth. We have adapted the organization, accelerated the pace of product development and modified our cooperations with distributors. We have also licensed out the product areas to improve their prospects. For the Group, the last quarter of the year generated positive sales and earnings trends. On the other hand, we saw several markets in Southern Europe have a tough time financially, and it will take time to raise volumes in the newly established markets," says Arthur Engel, President.

SEK million	Oct-Dec 2010	Oct-Dec 2009	Full-year 2010	Full-year 2009
Net sales	115.9	102.2	536.0	519.9
Gross profit margin, %	56.3	55.7	53.6	51.3
Operating profit	24.5	19.4	126.0	112.6
Operating margin, %	21.2	19.0	23.5	21.7
Profit after tax	17.6	13.5	90.8	80.9
Earnings per share, SEK	0.70	0.54	3.61	3.22
Earnings per share after dilution, SEK	0.70	0.53	3.57	3.21
Brand sales*	428	410	1,733	1,872

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



PRESIDENT'S COMMENT

For Björn Borg, 2010 was dominated by the work we did to adapt our focus to underwear and further expansion. This meant a year of changes and new investments. We have bolstered the organization with added competence and accelerated our product development. The footwear product area has been licensed out, as was clothing recently to a new partly owned company. We have also devoted more attention to e-commerce. All this is important in order to create a stable platform for the continued development of the Group and the brand.

Increased flow of new products

The development of our biggest area, underwear, was one of our most important jobs during the year. And we succeeded. We have broadened the product assortment for both women and men and delivered exciting new products. It is a matter of testing to find out what is right in each area and focusing on products that gain traction in our markets. We have expanded our offering in new segments by adding a range of bras, a kids collection (launched in spring 2010) and the sportswear collection.

New clothing venture

Now that we are fully concentrating on underwear at Björn Borg in Stockholm, we have decided to license out other product groups to external specialists. We feel certain that this will create the best opportunities for underwear and other products.

After the conclusion of the year, in January, we announced a new sportswear venture based in the Netherlands, Björn Borg Sport. By consolidating the competence and experience in the Dutch apparel operations with us here at Björn Borg, we hope to create the best prospects for growth and expand our clothing to more markets. The clothing collections will focus on fashionable, functional sportswear, a product category where we see good opportunities to grow.

The expansion of the apparel operations will mean higher costs in 2011 for the Group, which owns 51 percent of the company, but we see good financial potential going forward.

Footwear operations were taken over in early 2010 by an international company, Trend Design Group. Since then we have seen the product area grow and develop.

Another important step during the year was Björn Borg's takeover of the operations in England from the previous distributor. The organization is in place and the fall collections are being shown with the support of a new showroom at Piccadilly in London. In the U.S., we are mainly focused on expanding our e-commerce presence.

Test phase for new markets

In recent years we have taken important steps in our expansion in cooperation with external distributors. It has become increasingly clear that you need patience and considerable resources to establish a long-term presence in a new market, especially in a tough economic climate. Because of this, we are introducing a two-year test period on cooperations with new distributors in order to evaluate market conditions and the distributor's opportunity and ability to cultivate the market. During this introductory stage, we will assess the market's future development potential.

A good year

From several perspectives, 2010 was a good year for Björn Borg, with sales, earnings and margins all rising. We saw the important Swedish market develop positively and greater stability in several markets that had had a tough period. We have begun 2011 with a stable platform in place from which we will continue to invest in future growth. The challenges we face include the cost increases we are seeing in raw materials, production and shipping, as well as the uncertainty that still exists in several of our European markets.

Arthur Engel, President



OPERATIONS

Brand sales

Brand sales (excluding VAT) for the fourth quarter of 2010 increased by 4 percent to SEK 428 million (410). For the full-year 2010 brand sales decreased by 7 percent to SEK 1,733 million (1,872). Adjusted for currency effects (stronger SEK), sales increased by 12 percent for the quarter and decreased by 1 percent for the full-year 2010. The important Swedish market reported continued growth during the fourth quarter.

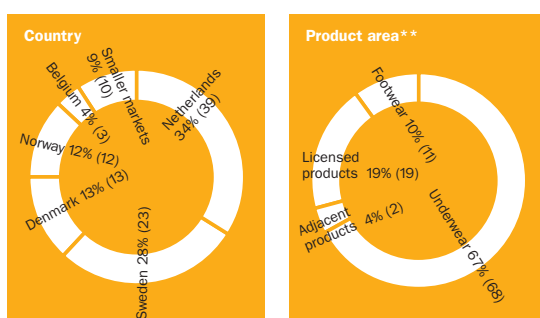
Product areas full-year 2010

Brand sales in the underwear product area fell by 8 percent for the full-year 2010 compared with 2009. Underwear accounted for 67 percent (68) of brand sales during the period.

Sales in the licensed footwear product area decreased by 13 percent for the year as a whole, but rose substantially during the fourth quarter.

In other licensed products, sales decreased for women's clothing in the Netherlands and for bags, while eyewear and fragrances reported growth during the year. As a whole, licensed product sales fell by 9 percent in 2010, mainly due to the decline in women's clothing in the Netherlands.

Brand sales* of Björn Borg products Jan–Dec 2010. Total SEK 1,733 million (1,872)



* 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. **Licensed products:** Bags, fragrances, eyewear and women's clothing in the Netherlands.

Markets full-year 2010

Smaller markets accounted for 9 percent (10) of total brand sales during the year. Among larger markets, Sweden and Belgium reported growth in 2010, while Norway, Denmark and the Netherlands saw sales decline slightly compared with the previous year. During the fourth quarter sales in the Netherlands were nearly unchanged. Among smaller markets, Finland and Germany posted strong sales trends during the year.

The takeover of the English operations from the previous distributor continued during the fourth quarter.

The Spanish distributor filed for bankruptcy at the end of 2010. Because of the business model Björn Borg uses with its distributors, the bankruptcy has not caused any significant costs for the Group. There is a strong interest in the brand in the country, and negotiations are currently being held with potential partners in the Spanish market.

The previously announced letter of intent on distribution in Poland has been canceled.

Markets Q1 2010

During the first quarter of 2011 Björn Borg signed the letters of intent with new distributors in Italy and France. In the company's estimation, the new distributors have the capacity for the necessary investments to establish the brand in these markets

Test phase for new markets

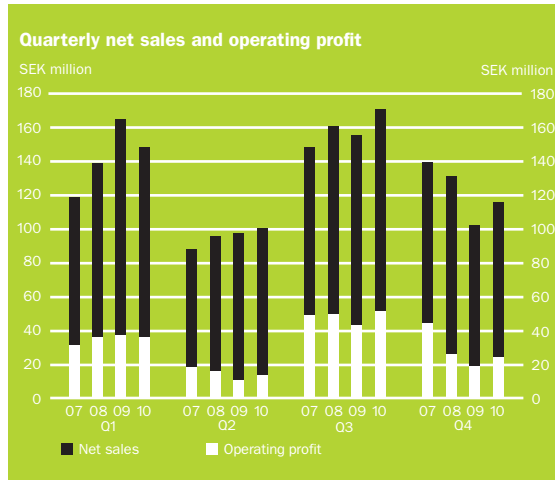
In recent years Björn Borg has expanded to a number of new markets in cooperation with external distributors. The Group has tightened its criteria for new distributors in terms of resources, contact networks and experience. In 2011 Björn Borg will introduce a two-year test period on cooperations with new distributors in order to evaluate market conditions and the distributor's opportunity and ability to cultivate the market. During this introductory stage, we will assess the market's future development potential.

Björn Borg stores

An outlet in Germany was opened by the German distributor during the fourth quarter of 2010. No other changes were made during the year. At year-end there were 47 (46) Björn Borg stores, of which 10 (10) are Group-owned.

THE GROUP'S DEVELOPMENT

Sales and operating profit increased during the fourth quarter.



Sales

Fourth quarter, October–December 2010

Group sales during the fourth quarter amounted to SEK 115.9 million (102.2), an increase of 13 percent. Sales were positively affected by higher sales at the wholesale level. The increase was partly due to delayed shipments from the third quarter. Sales within product development trended slightly higher, while retail sales decreased slightly. Excluding nonrecurring revenue in 2009, retail sales showed a slight increase. Excluding currency effects, net sales rose by 15 percent.

January–December 2010

Group sales during the year amounted to SEK 536.0 million (519.9), an increase of 3 percent. The increase came from product development (export sales to distributors) and wholesale operations, while lower footwear exports to the Netherlands negatively affected sales in the first quarter of 2010. Sales for Group-owned retail operations decreased. Excluding currency effects, net sales increased by 7 percent.

Profit

Fourth quarter, October–December 2010

The gross profit margin rose during the fourth quarter to 56.3 percent (55.7), which was the result of an increased focus on pricing.

Operating profit increased by 26 percent to SEK 24.5 million (19.4) during the quarter with an operating margin of 21.2 percent (19.0). Profit before tax increased to SEK 24.2 million (19.7).

Operating profit was positively affected by increased sales and the improved gross margin. Continued investments in marketing/sales activities and human resources, as well as certain investments in the British market, raised operating expenses.

January–December 2010

The gross profit margin increased during the year to 53.6 percent (51.3). Operating profit rose by 12 percent to SEK 126.0 million (112.6) with an operating margin of 23.5 percent (21.7). Profit before tax increased to SEK 124.0 million (111.7). Operating expenses as a share of net sales amounted to 30.1 percent (29.6).

The higher gross margin was partly due to a larger share of higher-margin sales within product development, and to some extent to a weaker USD compared with 2009, which has had a positive effect on the wholesale operations.

Increased operating expenses were mainly due to an agreement with the former British distributor during the second quarter, but also to a staffing increase in e-commerce and administration as well as higher marketing expenses. Further cost efficiencies, together with lower investments in the U.S., have compensated positively.

As of December 31, 2010 the company had 25,148,384 shares outstanding. Earnings per share before and after dilution amounted to SEK 3.61 (3.22) and SEK 3.57 (3.21), respectively.

Development by business segment

The Group consists as of December 31, 2010 of nine 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 for the full-year reached SEK 135.5 million (138.3), a decrease of 2 percent. External sales amounted to SEK 51.1 million (54.9). The decrease was mainly due to lower brand sales for the underwear product area, licensed footwear and women's clothing in the Netherlands.

Business segment	Revenue source	Sales, SEK thousands		Operating profit, SEK thousands		Operating margin	
		2010	2009	2010	2009	2010	2009
Brand and other	Royalties and services	135,474	138,277	40,778	43,942	30%	32%
Product development	Products	360,633	339,179	64,371	50,984	18%	15%
Wholesale operations	Wholesale sales	208,237	193,815	21,342	9,635	10%	5%
Retail	Retailers	49,097	54,491	–486	8,032	–1%	15%
Less internal sales		–217,401	–205,847	–	–	–	–
Total		536,040	519,915	126,005	112,594	24%	22%

Operating profit amounted to SEK 40.8 million (43.9), a decrease of 7 percent for the full-year. Profit was affected by the lower sales, but also by the takeover of the British operations during second quarter as well as higher marketing and HR expenses.

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 360.6 million (339.2) during the full-year, an increase of 6 percent. External sales amounted to SEK 270.0 million (257.4). Sales for 2010 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 64.4 million (51.0) 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, the U.S. and England as well as for footwear in Sweden and Finland.

Net sales in wholesale operations increased by 7 percent during the full-year to SEK 208.2 million (193.8). External sales amounted to SEK 165.9 million (153.1).

Operating profit amounted to SEK 21.3 million (9.6). The increase was due to higher sales, a weaker 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 49.1 million (54.5) during the full-year, a decrease of 10 percent. The outlets affected sales negatively, while the stores, with a couple of exceptions, developed positively. E-commerce reported sales growth, but from a low level.

The operating loss for the full-year was SEK -0.5 million, against a year-earlier profit of SEK 8.0 million, which was due to the lower sales, increased operating expenses, including for the web venture, and the renovation of a Stockholm store.

Intra-Group sales

Intra-Group sales amounted to SEK 217.4 million (205.8) for the full-year 2010.

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 72.8 million (94.1) for the full-year 2010. The decline was mainly due to increased tied-up working capital com-

pared with December 31, 2009, partly caused by larger deliveries to wholesale customers at the end of the year, which increased accounts receivable. Together with other current receivables, they were SEK 19.6 million higher than on December 31, 2009. At the same accounts payable were SEK 5.5 million lower than a year earlier.

Total investments in tangible and intangible non-current assets amounted to SEK 7.4 million (4.5) for the full-year, 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 9.1 million, excluding Björn Borg Services' cash and transaction expenses.

For the full-year 2010 cash & cash equivalents decreased by SEK 66.6 million, compared with an increase of SEK 55.0 million in the previous year, mainly due to an increased dividend to shareholders and the temporary increase in tied-up working capital. 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 229.8 million (296.5) at the end of the period. The equity/assets ratio was 75.8 percent (76.2). 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 second quarter of 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-December was 100 (92), of whom 63 (60) 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

As previously announced, Björn Borg established a new subsidiary in January 2011 to produce fashionable athletic and functional wear together with the Dutch distributor. The creation of a separate clothing operation based in the Netherlands is another element in the strategy to focus on Björn Borg's core business, underwear, based in Stockholm. The new company, Björn Borg Sport, builds on the clothing concept in the Netherlands, where Björn Borg has established operations and extensive experience from successfully managing the licensed womenswear company for about ten years. The collections, both women's and men's, will primarily include sports fashion and functional sportswear. The

products will be sold to distributors in Björn Borg's current markets, with an initial focus on larger markets. In 2011 Björn Borg Sport will handle some billing for shipments from the former Dutch apparel operations. This is expected to raise the Group's operating expenses by about SEK 10 million in 2011. The new clothing operation is considered to have good financial potential.

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, Björn Borg Footwear AB, Björn Borg Inc. and Björn Borg Services AB (dormant). In addition, the company owns 80 percent of the shares in Björn Borg UK.

The Parent Company's net sales for the fourth quarter amounted to SEK 16.1 million (16.1). For the full-year 2010 net sales amounted to SEK 45.8 million (47.6). Profit before tax amounted to SEK 97.6 million (96.9) for the fourth quarter and SEK 68.8 million (84.4) for the full-year. In 2010 a dividend of SEK 100.0 million (100.0) was received from subsidiaries. Cash & cash equivalents and short-term investments amounted to SEK 217.3 million (287.7) on December 31, 2010. For the full-year investments in tangible and intangible non-current assets amounted to SEK 0.8 million (2.3).

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.

DIVIDEND

The Board of Directors has decided to recommend to the Annual General Meeting 2011 a distribution of SEK 5.20 per share for the financial year 2010, corresponding to 144 percent of net income; see above regarding financial objectives and dividend. As proposed, the distribution would be paid through an automatic redemption, whereby every share is divided into a common share and a redemption share. The redemption share will then automatically be redeemed for SEK 5.20 per share. Payment for the redemption share, contingent on the approval of the AGM, is expected to be made around May 25, 2011.

The Board of Directors' proposal corresponds to a transfer to shareholders of SEK 130.8 million (125.7). For 2009 a distribution of SEK 5.00 was paid per share, corresponding to 155 percent of net income.

ANNUAL REPORT

The annual report for 2010 will be available on the company's website during the week of March 14, 2011.

ANNUAL GENERAL MEETING

The Annual General Meeting for the financial year 2010 will be held in Stockholm at 5:00 pm on April 14, 2011.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with the Annual Accounts Act, RFR 1 Additional Accounting Regulations for Consolidated Groups (December 2010) and IAS 34 Interim Financial Reporting, and for the Parent Company in accordance with the Annual Accounts Act and RFR 2 Accounting in Legal Entities (December 2010).

The same accounting and valuation principles were applied during the year 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, 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 year-end report.

AUDIT REPORT

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

OUTLOOK 2011

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

CONSOLIDATED INCOME AND TOTAL COMPREHENSIVE INCOME

Condensed

SEK thousands	Oct-Dec 2010	Oct-Dec 2009	Full-year 2010	Full-year 2009
Net sales	115,893	102,247	536,040	519,915
Cost of goods sold	-50,677	-45,333	-248,844	-253,271
Gross profit	65,216	56,914	287,196	266,644
Distribution expenses	-27,621	-24,897	-106,643	-102,390
Administrative expenses	-10,104	-9,210	-41,037	-38,463
Development expenses	-2,978	-3,380	-13,511	-13,197
Operating profit	24,513	19,427	126,005	112,594
Net financial items	-363	285	-2,010	-936
Profit before tax	24,150	19,712	123,995	111,658
Tax	-6,581	-6,219	-33,232	-30,756
Profit for the period	17,569	13,493	90,763	80,902
Profit attributable to:				
Parent Company's shareholders	17,723	13,487	90,897	80,867
Minority interests	-154	5	-134	35
Other comprehensive income				
Translation adjustments for foreign operations	32	-99	253	844
Total comprehensive income for the period	17,601	13,394	91,017	81,746
Total comprehensive income for the period attributable to				
Parent Company's shareholders	17,755	13,389	91,150	81,711
Minority interests	-154	5	-134	35
Earnings per share, SEK	0.70	0.54	3.61	3.22
Earnings per share after dilution, SEK	0.70	0.53	3.57	3.21
Number of shares	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	25,111,217
Effect of dilution*	267,798	257,957	321,818	118,910
Weighted average number of shares after full dilution	25,416,182	25,406,341	25,470,202	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	December 31 2010	December 31 2009
Non-current assets		
Goodwill	13,944	13,944
Trademarks	187,532	187,532
Other intangible assets	6,858	3,437
Tangible non-current assets	7,808	11,150
Deferred tax assets	6,438	-
Total non-current assets	222,580	216,063
Current assets		
Inventories, etc.	26,239	26,455
Current receivables	85,344	65,719
Short-term investments	35,567	-
Cash & cash equivalents	194,275	296,484
Total current assets	341,425	388,657
Total assets	564,005	604,720
Equity and liabilities		
Equity	427,276	460,956
Deferred tax liabilities	48,189	40,011
Other non-current liabilities	34,724	40,889
Accounts payable	9,987	15,480
Other current liabilities	43,829	47,385
Total equity and liabilities	564,005	604,720

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Condensed

SEK thousands	Equity attributable to Parent Company's shareholders	Holdings without control	Total equity
Opening balance, January 1, 2009	413,724	79	413,803
Total comprehensive income for the year	81,711	35	81,746
New share issues	2,996		2,996
Dividend for 2008	-37,589		-37,589
Closing balance, December 31, 2009	460,842	114	460,956
Opening balance, January 1, 2010	460,842	114	460,956
Total comprehensive income for the year	91,150	-134	91,017
New share issues	-		-
Dividend for 2009	-125,742		-125,742
Holdings without control that arose through acquisitions	-	1,046	1,046
Closing balance, December 31, 2010	426,250	1,026	427,276

CONSOLIDATED STATEMENT OF CASH FLOWS

Condensed

SEK thousands	Oct-Dec 2010	Oct-Dec 2009	Full-year 2010	Full-year 2009
Cash flow from operating activities				
Before change in working capital	27,490	-3,846	99,486	69,246
Change in working capital	32,005	40,260	-26,733	24,873
Cash flow from operating activities	59,495	36,414	72,753	94,119
Investments in intangible non-current assets	-44	-1,741	-4,878	-3,160
Investments in tangible non-current assets	-552	-317	-2,498	-1,380
Investments in financial non-current assets	-	-	-9,046	-
Sale of tangible non-current assets	161	-	161	-
Short-term placement	-20,567	-	-35,567	-
Reversal of deferred tax assets	2,608	-	2,608	-
Cash flow from investing activities	-18,394	-2,058	-49,220	-4,540
Dividend	-	-	-125,742	-37,589
Incentive programs/new share issues	-	28	-	2,996
Cash flow from financing activities	-	28	-125,742	-34,593
Cash flow for the period	41,101	34,384	-102,209	54,986
Cash & cash equivalents at beginning of period	153,174	262,100	296,484	241,498
Cash & cash equivalents at end of period	194,275	296,484	194,275	296,484

KEY FIGURES

Group

SEK thousands	Oct-Dec 2010	Oct-Dec 2009	Full-year 2010	Full-year 2009
Gross profit margin, %	56.3	55.7	53.6	51.3
Operating margin, %	21.2	19.0	23.5	21.7
Profit margin, %	20.8	19.3	23.1	21.5
Return on capital employed, %	25.7	20.9	25.7	20.9
Return on average equity, %	20.5	18.5	20.5	18.5
Profit attributable to Parent Company's shareholders	17,723	13,487	90,897	80,867
Equity/assets ratio, %	75.8	76.2	75.8	76.2
Equity per share, SEK	16.99	18.33	16.99	18.33
Investments in intangible non-current assets	44	1,741	4,878	3,160
Investments in tangible non-current assets	552	317	2,498	1,380
Investments in financial non-current assets	-	-	9,046	-
Depreciation and impairment losses for the period	-1,755	-1,362	-7,136	-7,024
Average number of employees	100	92	101	92

SUMMARY BY SEGMENT

Group

SEK thousands	Oct-Dec 2010	Oct-Dec 2009	Full-year 2010	Full-year 2009
Operating revenue				
Brand and other				
External revenue	10,412	10,710	51,057	54,936
Internal revenue	24,866	22,791	84,417	83,341
	35,278	33,501	135,474	138,277
Product development				
External revenue	45,897	46,048	270,029	257,391
Internal revenue	16,284	15,697	90,604	81,788
	62,181	61,745	360,633	339,179
Wholesale				
External revenue	45,051	29,759	165,859	153,102
Internal revenue	12,042	16,177	42,378	40,713
	57,093	45,935	208,237	193,815
Retail				
External revenue	14,534	15,730	49,095	54,485
Internal revenue	2	6	2	6
	14,536	15,736	49,097	54,491
Less internal sales	-53,195	-54,670	-217,401	-205,847
Operating revenue	115,893	102,247	536,040	519,915
Operating profit				
Brand and other	16,832	8,638	40,778	43,943
Product development	3,540	3,026	64,371	50,984
Wholesale	1,864	2,999	21,342	9,635
Retail	2,277	4,765	-486	8,032
Operating profit	24,513	19,427	126,005	112,594

QUARTERLY DATA

Group

SEK thousands	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Net sales	115,893	170,998	100,770	148,379	102,247	155,162	97,832	164,674
Gross profit margin, %	56.3	52.6	55.1	51.6	55.7	50.8	50.9	49.3
Operating profit	24,513	51,516	13,939	36,037	19,427	43,454	12,131	37,582
Operating margin, %	21.2	30.1	13.8	24.3	19.0	28.0	12.4	22.8
Profit after financial items	24,150	49,772	14,644	35,429	19,712	40,830	11,871	39,245
Profit margin, %	20.8	29.1	14.5	23.9	19.3	26.3	12.1	23.8
Earnings per share, SEK	0.70	1.46	0.43	1.03	0.54	1.20	0.34	1.15
Earnings per share after dilution, SEK	0.70	1.44	0.42	1.01	0.53	1.19	0.33	1.15
Number of Björn Borg stores	47	46	46	46	46	45	43	44
of which Björn Borg-owned stores	10	10	10	10	10	10	10	11
Brand sales	428,234	506,572	338,253	460,156	410,053*	501,629*	358,037*	602,183

* 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	Oct-Dec 2010	Oct-Dec 2009	Full-year 2010	Full-year 2009
Net sales	16,111	16,076	45,818	47,608
Cost of goods sold	-140	5	-368	-2,407
Gross profit	15,971	16,081	45,450	45,201
Distribution expenses	-10,100	-12,814	-44,742	-40,826
Administrative expenses	-3,885	-4,928	-17,208	-15,702
Development expenses	-1,554	-1,971	-6,883	-6,281
Operating profit/loss	432	-3,633	-23,383	-17,608
Dividend from subsidiary	100,000	100,000	100,000	100,000
Net financial items	-2,882	522	-7,829	1,975
Profit before tax	97,550	96,889	68,788	84,367
Appropriations	818	-	818	-
Tax	488	723	8 011	4 017
Profit for the period	98,856	97,612	77,617	88,383
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	98,856	97,612	77,617	88,383

PARENT COMPANY BALANCE SHEET

Condensed

SEK thousands	December 31 2010	December 31 2009
Non-current assets		
Intangible non-current assets	1,686	1,694
Tangible non-current assets	2,830	4,238
Shares in Group companies	320,771	54,497
Total non-current assets	325,287	60,428
Current assets		
Receivables from Group companies	47,801	88,903
Current receivables	4,597	5,703
Short-term investments	35,567	-
Cash & cash equivalents	181,742	287,657
Total current assets	269,707	382,263
Total assets	594,994	442,691
Equity and liabilities		
Equity	189,174	214,738
Untaxed reserves	6,540	7,359
Due to Group companies	383,256	207,835
Accounts payable	2,913	1,840
Other current liabilities	13,111	10,919
Total equity and liabilities	594,994	442,691

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Condensed

SEK thousands	Full-year 2010	Full-year 2009
Opening balance	214,738	149,782
New share issues	-	2,966
Dividend	-125,742	-37,589
Group contributions	30,611	15,191
Tax effect of Group contributions	-8,050	-3,995
Total comprehensive income for the period	77,617	88,383
Closing balance	189,174	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 year-end 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, February 24, 2011

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 2010 are estimated SEK 1.7 billion at the consumer level, excluding VAT. Group net sales amounted to SEK 536 million in 2010, with 100 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 year-end report for Björn Borg AB (publ) for the period January 1 to December 31, 2010. The Board of Directors and the President are responsible for the preparation and presentation of this year-end 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 year-end 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, February 24, 2011
Deloitte AB

Håkan Pettersson
Authorized Public Accountant

Tommy Mårtensson
Authorized Public Accountant



Upcoming information dates

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 4, 2011.

The interim report January–June 2011 will be released on August 23, 2011.

The interim report January–September 2011 will be released on November 10, 2011.

For further information, please contact:
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 Magnus Teeling, CFO, telephone +46 8 506 33 700

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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 February 24, 2011 at 7:30 am (CET).