

Björn Borg at Harrods

Positive development in a continued weak market

APRIL 1 – JUNE 30, 2012

- The Group's net sales increased by 3 percent to SEK 105.5 million (101.9). Excluding currency effects, sales were unchanged.
- Deferred deliveries from suppliers of about SEK 13 million compared with the same period in 2011 were recognized as revenue during the third quarter, impacting profit by about SEK 6 million.
- The gross profit margin was 52.1 percent (53.3).
- Operating profit amounted to SEK 4.8 million (8.2).
- Profit after tax amounted to SEK 1.0 million (6.5).
- Earnings per share amounted to SEK 0.10 (0.33). Fully diluted earnings per share amounted to SEK 0.10 (0.33).
- Brand sales* (excluding VAT) decreased by 8 percent to SEK 288 million (315). The decrease was the same excluding currency effects.

JANUARY 1 – JUNE 30, 2012

- The Group's net sales decreased by 3 percent to SEK 246.0 million (253.3). Excluding currency effects, sales were down 5 percent.
- The gross profit margin was 49.8 percent (51.6).
- Operating profit amounted to SEK 19.5 million (36.6).
- Profit after tax amounted to SEK 10.3 million (27.1).
- Earnings per share amounted to SEK 0.55 (1.22). Fully diluted earnings per share amounted to SEK 0.55 (1.21).
- Brand sales* (excluding VAT) decreased by 1 percent to SEK 736 million (746). The decrease was the same excluding currency effects.
- A bond loan with a nominal value of SEK 200 million was issued in March. Proceeds of about SEK 197 million after transaction expenses were received in April.

QUOTE FROM THE CEO

"We are pleased to report stable sales in a continued weak market during the second quarter. The investments we have made in our future growth in recent years are beginning to contribute more to revenues, although earnings are still being adversely affected by the costs. In late August we are opening our first sales location in China and our operations in England are developing well. We remain confident about our development during the rest of the year," said CEO Arthur Engel.

SEK million	April-June 2012	April-June 2011	Jan-June 2012	Jan-June 2011	July 2011– June 2012	Full-year 2011
Net sales	105.5	101.9	246.0	253.3	529.3	536.5
Gross profit margin, %	52.1	53.3	49.8	51.6	50.6	51.5
Operating profit	4.8	8.2	19.5	36.6	66.6	83.7
Operating margin, %	4.6	8.0	7.9	14.4	12.6	15.6
Profit after tax	1.0	6.5	10.3	27.1	83.3	100.2
Earnings per share, SEK	0.10	0.33	0.55	1.22	3.52	4.19
Earnings per share after dilution, SEK	0.10	0.33	0.55	1.21	3.52	4.19
Pro forma earnings per share excluding deferred tax assets, SEK	–	–	–	–	1.99	2.66
Brand sales*	288	315	736	746	1,671	1,681

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



CEO'S COMMENT

A stable quarter

We are pleased to report a stable second quarter given the weak market conditions. Björn Borg's total brand sales turned lower during the quarter, but for the first half-year are in line with 2011. The share of brand sales from smaller and newer markets continued to grow, with sales in these countries rising by 25 percent during the quarter, while the larger markets had a tougher time and saw sales decline.

Deferred shipments affect sales

Reported sales increased during the quarter. We had expected a higher sales figure, but some deliveries of the fall collection scheduled for June were delayed from the supplier and will be reported in the third quarter. Efforts to reduce inventory levels have resulted in significantly lower inventories year-on-year.

Because of the deferred deliveries, we saw a decline in earnings compared with 2011. Quarterly earnings were again affected by planned investments in future growth, primarily the new ventures in China and England, the sportswear operations and e-commerce, at the same time that these operations are increasingly contributing to the Group's sales.

Sales launch in Shanghai in August

We are launching sales in China at the end of August, when we open our own retail space in the Sogo department store in Shanghai with a wide range of underwear, sportswear, bags and footwear. How many more sales locations will be added depends largely on the retail space we can find, which is an important success factor here as well. While we hope and are confident in a positive start for the brand in this important and expansive market, this is a long-term investment and it will take time before we fully see the results.

Our operations in England are developing positively with strong sales by major customers and a growing number of merchants. Among other things, we opened a shop-in-shop in Harrods department store in London during the quarter.

During the quarter Björn Borg took over responsibility for the fragrance product area from the previous licensee and will continue to work directly with an established player in fragrances, giving us better control over this small but important product category. A new launch is planned in the fourth quarter of 2012.

Coordinated approach to retail operations

Comparable sales in our own stores declined, but overall revenues rose by 12 percent. We saw a positive performance by the newly opened stores and in e-commerce, which continued to report good growth during the quarter. To strengthen our retail sales, we have hired a new retail manager, who will be taking a more coordinated approach to the development of our own stores, franchised stores and e-commerce.

It is hard to predict what the fall will look like. We think it could take a while before the European retail market stabilizes. Björn Borg is affected by the weak market, but we feel strongly that the brand will remain competitive. We have a good mix of established and growing new markets and see opportunities to strengthen the brand in the future. We remain confident looking forward to the rest of the year.

Arthur Engel, Chief Executive Officer

BJÖRN BORG SAYS JA! TO LOOKING LIKE A CHAMPION



OPERATIONS

Brand sales

Brand sales (excluding VAT) decreased by 8 percent to SEK 288 million (315) in the second quarter and by 1 percent to SEK 736 million in the first half-year. Adjusted for currency effects, the decreases were the same.

Product areas in the first half-year 2012

Brand sales in the underwear product area decreased by 10 percent in the first half-year, in line with orders previously received for our spring and summer collections. Underwear accounted for 62 percent (68) of brand sales during the period.

In our licensed product areas, sportswear reported a good increase during the first half-year and footwear also continued to develop positively. Sales of bags and eyewear were nearly unchanged, while the fragrance product area saw a larger decline. In total, sales of licensed products rose by 16 percent during the first half-year, mainly due to the increase in sportswear.

During the second quarter Björn Borg took over responsibility for the fragrance product area from the previous licensee.

Markets in the first half-year 2012

Brand sales in smaller markets increased during the first half-year to 17 percent (11) of total brand sales. Among

larger markets, Norway and Belgium reported slight increases, while Sweden and Denmark declined. The Netherlands saw a slight decrease. Among smaller markets, Finland, Germany and Austria continued to post positive growth figures. The Group-owned operations in England are performing well.

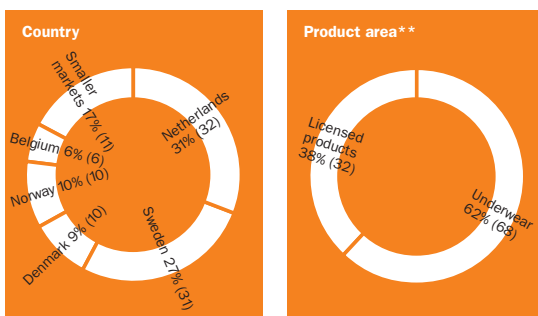
Björn Borg stores

During the quarter two new German stores were opened in Dortmund and Essen. The Group-owned store in the Arkaden shopping mall in Gothenburg, Sweden was closed. As of June 30, 2012 there were a total of 57 (54) Björn Borg stores, of which 13 (12) are Group-owned.

Björn Borg in China

As announced in December 2011, Björn Borg has decided to launch the brand in China. The business is being established together with an experienced local partner through a new company with Björn Borg as principal owner (75%). The plan is to establish Björn Borg stores and shop-in-shops in large department stores as well as e-commerce, offering underwear, sportswear, footwear and bags. The first retail space, in a Shanghai department store, opens at the end of August. The venture is expected to result in a charge against the Group's operating profit in 2012 of not more than SEK 10 million with a marginal impact on sales.

Brand sales* of Björn Borg products January–June 2012. Total SEK 736 million (746)

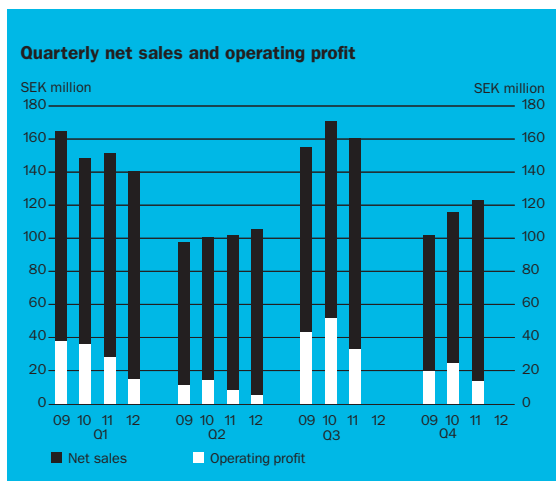


* Estimated total sales of Björn Borg products at the consumer level, excluding VAT, based on reported sales at the wholesale level.

** **Underwear:** Men's and women's underwear, swimwear, socks and adjacent products.
Licensed products: Footwear, bags, fragrances, eyewear and sportswear.

THE GROUP'S DEVELOPMENT

Sales increased during the second quarter, but operating profit decreased year-on-year.



Sales

Second quarter, April–June 2012

Group sales during the second quarter amounted to SEK 105.5 million (101.9), an increase of 3 percent. Excluding currency effects, sales were unchanged. Due to deferred deliveries from suppliers, revenues of about SEK 13 million were recognized during the third quarter. Both product companies (the Swedish product company for underwear and Björn Borg Sport) contributed to the sales increase, while the Swedish wholesale operations declined in a continued weak Swedish retail market. The British wholesale operations developed positively, however. The retail operations reported sales increases in line with the previous quarter, mainly as a result of continued strong growth in e-commerce as well as a couple of newly opened stores compared with 2011. Brand revenues declined slightly in line with lower brand sales during the quarter.

First half-year, January–June 2012

Group sales during the first half-year amounted to SEK 246.0 million (253.3), a decrease of 3 percent. Due to deferred deliveries from suppliers, as mentioned above, revenues of about SEK 13 million were recognized after June 30. Björn Borg Sport and the Group's own retail operations, including e-commerce, contributed to the increase, while sales for the underwear product company fell mainly as a result of lower orders for the summer 2012 collection, as mentioned in the previous interim report. The Swedish wholesale operations also saw a sales decline, in line with the weak Swedish retail market. The Group's British whole-

sale operations developed positively during the period. External brand revenues declined as a result of slightly lower brand sales during the first half-year. Excluding currency effects, net sales decreased by 5 percent.

Profit

Second quarter, April–June 2012

The gross profit margin for the second quarter decreased to 52.1 percent (53.3). Excluding currency effects (mainly more expensive product costs in USD for the Swedish wholesaler), the margin was 53.1 percent.

Operating profit decreased during the quarter by 41 percent to SEK 4.8 million (8.2) with an operating margin of 4.6 percent (8.0). Absent the above-mentioned deferred deliveries, operating profit would have been about SEK 6 million higher, corresponding to a quarterly increase of 32 percent. Quarterly gross profit in SEK million was higher year-on-year. The decrease in operating profit is the result of higher scheduled expenses for, among other things, marketing as well as increased expenses for retail personnel and premises due to the additional stores. The investments in Björn Borg Sport, China and the British operations reduced operating profit by SEK 5.7 million (4.7). Profit after tax decreased to SEK 3.8 million (8.9).

First half-year, January–June 2012

The gross profit margin for the first half-year decreased to 49.8 percent (51.6). Besides a slightly negative currency effect of 0.5 percent, the decrease is largely due to one-time effects mainly during the first quarter in the form of temporarily higher discounts, inventory write-offs and discounted sales to customers by the Swedish wholesale company.

Operating profit decreased by 47 percent to SEK 19.5 million (36.6) during the first half-year with an operating margin of 7.9 percent (14.4). Absent the above-mentioned deferred deliveries, the decrease in profit would have been 30 percent. Lower first-quarter sales by the Group's product company as well as lower sales and gross profit margin in the Swedish wholesale company during the first half-year contributed to the Group's lower operating profit. In addition, higher scheduled expenses for marketing, personnel and premises for the new operations of Björn Borg Sport, the British wholesale operations and the Group's stores in Sweden also contributed to higher operating expenses during the first half-year. The investments in Björn Borg Sport, China and the British operations reduced operating profit by SEK 10.7 million (8.5). Profit after tax decreased to SEK 16.6 million (36.9).

Business segment	Revenue source	Sales, SEK thousands		Operating profit, SEK thousands		Operating margin	
		2012	2011	2012	2011	2012	2011
Brand	Royalties	39,451	37,267	10,127	6,621	26%	18%
Product development	Products	171,389	186,503	17,689	18,231	10%	10%
Wholesale	Wholesale revenues	100,558	107,965	-1,140	17,828	-1%	17%
Retail	Retailers	30,163	23,115	-7,197	-6,092	-24%	-26%
Less internal sales		-95,545	-101,592	-	-	-	-
Total		246,016	253,258	19,479	36,588	8%	14%

Development by business segment

The Group consists of ten companies that operate under the Björn Borg brand on every level from product development to wholesale operations and consumer sales in its own Björn Borg stores.

Brand

The Brand segment primarily consists of royalty revenue and expenses associated with the brand.

Net sales in the first half-year 2012 reached SEK 39.5 million (37.3), an increase of 6 percent. External sales amounted to SEK 20.4 million (20.9), which is reasonable given relatively unchanged brand sales during the first half-year. It should be noted that the royalties Björn Borg Sport receives from its customers are also reported in the Brand segment.

Operating profit amounted to SEK 10.1 million (6.6), an increase of 53 percent for the period. The improvement is due to lower expenses for brand-related activities during the first half-year.

Product development

The Björn Borg Group has global responsibility for development, design and production of underwear and adjacent products, as well as functional sportswear through Björn Borg Sport.

The business segment's net sales amounted to SEK 171.4 million (186.5) during the first half-year 2012, a decrease of 8 percent. External sales amounted to SEK 122.8 million (127.0), a decrease of 3 percent compared with the same period in 2011. Weak sales of the summer collection through the Group's product company during the first quarter was the biggest reason for the lower sales. Sales by Björn Borg Sport were essentially unchanged year-on-year.

Operating profit decreased to SEK 17.7 million (18.2) due to lower sales, at the same time that operating expenses were lower than the same period in 2011.

Wholesale

The Björn Borg Group is the exclusive wholesaler for underwear and adjacent products in Sweden and England as well as for footwear in Sweden, Finland and the Baltic countries.

Net sales in the wholesale operations decreased by 7 percent in the first half-year 2012 to SEK 100.6 million (108.0). External sales amounted to SEK 77.1 million (83.6). The British operations reported good growth, while the Swedish wholesale operations had a weak first half-year in a tough retail climate. The Group's wholesale footwear operations performed in line with 2011.

The operating loss was SEK 1.1 million, against a year-earlier profit of SEK 17.8 million. The loss is due to lower sales and a lower gross profit margin in the Swedish wholesale operations as well as higher expenses stemming from investments in the Group's British operations. A stronger USD reduced gross profit and operating profit by SEK 1.7 million in this segment.

Retail

The Björn Borg Group owns and operates eleven stores in the Swedish market that sell underwear, adjacent products and licensed products. Additionally, Björn Borg operates two factory outlets as well as a web shop in the U.S. and one for international e-commerce.

External net sales in the Retail segment rose by 18 percent during the first half-year to SEK 25.7 million (21.7). The increase is due to the stores opened after June 30, 2011 as well as the continued strong performance of the e-commerce operations. For outlets and comparable Björn Borg stores, sales fell by 13 percent, however. This is partly due

to shorter scheduled discount periods, which had a positive effect on gross profit margins.

The operating loss for the first half-year amounted to SEK 7.2 million, against a year-earlier loss of SEK 6.1 million, partly due to increased operating expenses from the additional stores as well as further investments in the web shop.

Intra-Group sales

Intra-Group sales amounted to SEK 95.5 million (101.6) for the first half-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 4.

INVESTMENTS AND CASH FLOW

Cash flow from operating activities in the Group amounted to SEK 9.8 million (4.6) during the first half-year 2012. The comparative period in 2011 included a higher operating profit, but also significantly higher tied-up working capital than the first half-year 2012. Accounts receivable are slightly lower and accounts payable are higher year-on-year. Inventories are SEK 6.6 million lower than at the same time in 2011, despite the new operations in Björn Borg Sport and England as well as the opening of new Group-owned stores. The measures taken by the company to reduce tied-up capital have resulted in lower inventory volumes for comparable operations.

Total investments in tangible and intangible non-current assets amounted to SEK 2.6 million (12.4) for the period, with the higher investments in 2011 largely due to the establishment of Björn Borg Sport in the Netherlands and store renovations.

FINANCIAL POSITION AND LIQUIDITY

The Björn Borg Group's cash & cash equivalents and investments amounted to SEK 253.3 million (89.5) at the end of the period. During the first half-year cash & cash equivalents increased by SEK 95.3 million, compared with a year-earlier decrease of SEK 142.0 million. The change is mainly due to the annual distribution to shareholders of SEK 100.6 million (130.8) and a bond loan issued with a nominal value of SEK 200 million. The equity/assets ratio was 46.9 percent (68.3).

The bond loan was listed on NASDAQ OMX Stockholm in early May and carries an annual coupon rate corresponding to the 3-month STIBOR rate + 3.25 percentage points, maturing in April 2017. During the quarter the company repurchased corporate bonds with a nominal value of SEK 5 million, due to which the book value of the bond loan after the repurchase and transaction expenses of about SEK 3 million amounts to SEK 192.0 million as of June 30.

The surplus liquidity from the issuance of the bond loan was placed in interest-bearing financial instruments, according to the financial rules laid down by the Board of Directors. As of June 30 investments had been made in bonds with a book value of SEK 139.7 million. As a rule, bonds in foreign currency are hedged.

COMMITMENTS AND CONTINGENT LIABILITIES

As a commitment for the above-mentioned bond loan, the company has pledged to, among other things, ensure that the ratio between the Group's net debt and operating profit before depreciation and amortization on the last date of each quarter does not exceed 3.00 and that the Group at any given time maintains an equity/assets ratio of at least 30 percent. A complete description of commitments and

conditions of the bond loan is provided in the prospectus, which is available on the company's website and from the Swedish Financial Supervisory Authority.

No changes were otherwise made with regard to pledged assets and contingent liabilities compared with December 31, 2011.

PERSONNEL

The average number of employees in the Group in the first half-year 2012 was 131 (105), of whom 78 (65) are women. The increase in the number of employees is mainly due to the new operations in Björn Borg Sport and England

TRANSACTIONS WITH RELATED PARTIES

No transactions with related parties have been executed during the year.

SIGNIFICANT RISKS AND UNCERTAINTIES

In its operations, the Björn Borg Group is exposed to risks and uncertainties. The Group's interest risk has increased since December 31 2011 from the issued bond loan of SEK 200 million, and there is an increased currency exposure resulting from the establishment of a new subsidiary in the Netherlands in 2011. All other information on the Group's risks and uncertainties can be found on pages 41-42 and in note 3 in the annual report 2011.

EVENTS AFTER THE BALANCE SHEET DATE

There are no significant events to report following the conclusion of the report period.

PARENT COMPANY

Björn Borg AB (publ) is primarily engaged in intra-Group activities. The company also 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, 51 percent of the shares in Björn Borg Sport BV and 75 percent of the shares in Björn Borg (China) Ltd.

The Parent Company's net sales for the second quarter amounted to SEK 12.7 million (6.7). During the first half-year the Parent Company's net sales amounted to SEK 24.8 million (18.2).

The loss before tax amounted to SEK 11.0 million (12.0) for the second quarter and SEK 23.7 million (19.9) for the first six months of the year. Cash & cash equivalents and investments amounted to SEK 202.5 million (44.8) on June 30, 2012. Investments in tangible and intangible non-current assets for the first half-year amounted to SEK 0.9 million (1.0).

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 contribute 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 annually fall in the range of 2-5 percent of net sales depending on the addition of any new Björn Borg stores.

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) held on May 3, 2012 resolved to pay shareholders a distribution of SEK 4.00 per share for the financial year 2011. Directors Kerstin Hessius, Fredrik Löfstedt, Fabian Månsson, Mats H Nilsson, Vilhelm Schottenius and Michael Storåkers were re-elected to the Board of Directors, with Fredrik Löfstedt as Chairman of the Board.

ACCOUNTING PRINCIPLES

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act and RFR 2 Accounting in Legal Entities. The same accounting principles and calculation methods have been applied as in 2011, which are described on page 51 in the 2011 annual report. The new and revised IFRS and the interpretations from IFRS IC applied as of January 1, 2012 have not had a significant impact on the Group's results or financial position.

AUDIT REPORT

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

OUTLOOK 2012

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

CONSOLIDATED INCOME AND TOTAL COMPREHENSIVE INCOME

Condensed

SEK thousands	April–June 2012	April–June 2011	Jan–June 2012	Jan–June 2011	July 2011– June 2012	Full-year 2011
Net sales	105,478	101,937	246,016	253,258	529,266	536,509
Cost of goods sold	-50,536	-47,556	-123,570	-122,582	-261,282	-260,295
Gross profit	54,942	54,381	122,446	130,676	267,984	276,214
Distribution expenses	-35,297	-30,627	-71,934	-61,887	-134,820	-124,773
Administrative expenses	-12,185	-12,858	-25,442	-25,752	-54,213	-54,524
Development expenses	-2,612	-2,706	-5,591	-6,449	-12,353	-13,211
Operating profit	4,848	8,190	19,479	36,588	66,598	83,706
Net financial items	-1,018	713	-2,919	348	-2,348	920
Profit before tax	3,830	8,903	16,560	36,936	64,250	84,626
Tax	-2,846	-2,445	-6,272	-9,818	19,070	15,524
Profit for the period	984	6,458	10,288	27,118	83,320	100,150
Profit for the period attributable to:						
Parent Company's shareholders	2,629	8,413	13,748	30,779	88,437	105,468
Non-controlling interests	-1,645	-1,956	-3,460	-3,660	-5,117	-5,318
Other comprehensive income						
Currency effect on translation of foreign operations	-159	-42	134	-61	64	-131
Total comprehensive income for the period	825	6,416	10,422	27,058	83,384	100,019
Total comprehensive income for the period attributable to						
Parent Company's shareholders	2,470	8,371	13,882	30,718	88,501	105,337
Non-controlling interests	-1,645	-1,956	-3,460	-3,660	-5,117	-5,318
Earnings per share, SEK	0.10	0.33	0.55	1.22	3.52	4.19
Earnings per share after dilution, SEK	0.10	0.33	0.55	1.21	3.52	4.19
Pro forma earnings per share excl. deferred tax assets posted Dec. 31, 2011, SEK	-	-	-	-	1.99	2.66
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	25,148,384	25,148,384	25,148,384
Effect of dilution*	-	176,751	-	267,609	-	32,190
Weighted average number of shares after full dilution	25,148,384	25,325,135	25,148,384	25,415,993	25,148,384	25,180,574

* Björn Borg has an incentive program, 2008:2, based on warrants in Björn Borg AB. For more detailed information, see page 57 of the annual report 2011.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Condensed

TSEK	June 30 2012	June 30 2011	Dec 31 2011
Non-current assets			
Goodwill	13,944	13,944	13,944
Trademarks	187,532	187,532	187,532
Other intangible assets	5,975	6,291	6,311
Tangible non-current assets	13,791	10,541	14,741
Deferred tax assets	43,147	6,438	43,194
Total non-current assets	264,389	224,746	265,722
Current assets			
Inventories, etc.	29,687	36,308	34,559
Accounts receivable	71,233	73,261	57,843
Other current receivables	34,739	50,271	34,134
Investments	139,693	37,268	-
Cash & cash equivalents	113,619	52,259	158,042
Total current assets	388,971	249,367	284,578
Total assets	653,360	474,113	550,300
Equity and liabilities			
Equity	306,519	324,001	396,962
Deferred tax liabilities	50,267	49,870	47,539
Other non-current liabilities	25,421	31,960	28,754
Bond loan	191,959	-	-
Accounts payable	27,603	20,590	25,703
Other current liabilities	51,591	47,692	51,342
Total equity and liabilities	653,360	474,113	550,300

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Condensed

SEK thousands	Equity attributable to Parent Company's shareholders	Non-controlling interests	Total equity
Opening balance, January 1, 2011	426,250	1,026	427,276
Total comprehensive income for the year	30,718	-3,660	27,058
Distribution for 2010	-130,772	-	-130,772
Non-controlling interests that arose through formation of subsidiaries	-	438	438
Closing balance, June 30, 2011	326,196	-2,196	324,001
Opening balance, January 1, 2011	426,250	1,026	427,276
Total comprehensive income for the year	105,337	-5,318	100,019
Distribution for 2010	-130,772	-	-130,772
Non-controlling interests that arose through formation of subsidiaries	-	438	438
Closing balance, December 31, 2011	400,815	-3,854	396,962
Opening balance, January 1, 2012	400,815	-3,854	396,962
Total comprehensive income for the period	13,882	-3,460	10,422
Distribution for 2011	-100,594	-	-100,594
Acquisition of minority shares	-26	-79	-105
Dividend to non-controlling interests	-	-168	-168
Non-controlling interests that arose through formation of subsidiaries	-	2	2
Closing balance, June 30, 2012	314,077	-7,559	306,519

CONSOLIDATED STATEMENT OF CASH FLOWS

Condensed

SEK thousands	April-June 2012	April-June 2011	Jan-June 2012	Jan-June 2011	Full-year 2011
Cash flow from operating activities					
Before changes in working capital	548	4,837	15,836	29,970	85,705
Changes in working capital	11,414	-23,615	-6,035	-25,332	5,517
Cash flow from operating activities	11,992	-18,778	9,801	4,638	91,223
Investments in intangible non-current assets	-965	-2,932	-1,054	-6,725	-12,110
Investments in tangible non-current assets	-647	-2,430	-1,539	-5,687	-13,325
Sale of tangible non-current assets	-	-	-	-	-
Investments	-139,693	-	-139,693	436	-
Sale of investments	-	-172	-	-1,701	35,567
Cash flow from investing activities	-141,305	-5,534	-142,286	-13,677	10,132
Dividend/distribution	-100,594	-130,772	-100,594	-130,772	-130,772
Amortization of loans	-1,667	-1,602	-3,334	-2,764	-6,411
Change in long-term liabilities	-	-	-	-	441
Issuance of bond loan	196,909	-	196,909	-	-
Repurchase of bond loan	-4,950	-	-4,950	-	-
Cash flow from financing activities	89,698	-132,374	88,031	-133,536	-136,742
Cash flow for the period	-39,645	-156,686	-44,454	-142,575	-35,387
Cash & cash equivalents at beginning of period	154,031	208,964	158,042	194,275	194,275
Translation difference in cash & cash equivalents	-767	-19	31	559	-846
Cash & cash equivalents at end of period	113,619	52,259	113,619	52,259	158,042

KEY FIGURES

Group	April-June 2012	April-June 2011	Jan-June 2012	Jan-June 2011	July 2011-June 2012	Full-year 2011
SEK thousands						
Gross profit margin, %	52.1	53.3	49.8	51.6	50.6	51.5
Operating margin, %	4.6	8.0	7.9	14.4	12.6	15.6
Profit margin, %	3.6	8.7	6.7	14.6	12.1	15.8
Return on capital employed, %	15.6	29.5	15.6	29.5	15.6	19.5
Return on average equity, %	28.1	24.5	28.1	24.5	28.1	25.6
Profit attributable to Parent Company's shareholders	2,629	8,413	13,748	30,779	88,436	105,468
Equity/assets ratio, %	46.9	68.3	46.9	68.3	46.9	72.1
Equity per share, SEK	12.19	12.88	12.19	12.88	12.19	15.78
Investments in intangible non-current assets	965	2,932	1,054	6,725	6,439	12,110
Investments in tangible non-current assets	647	2,430	1,539	5,687	9,177	13,325
Depreciation, amortization and impairment losses for the period	-1,583	-4,572	-3,359	-9,803	-10,721	-17,165
Average number of employees	131	105	131	105	126	131

SUMMARY BY SEGMENT

Group

SEK thousands	April–June 2012	April–June 2011	Jan–June 2012	Jan–June 2011	July 2011– June 2012	Full-year 2011
Operating revenue						
Brand						
External revenue	7,846	8,114	20,427	20,885	46,977	47,435
Internal revenue	8,169	7,455	19,024	16,383	35,524	32,882
	16,015	15,569	39,451	37,267	82,501	80,317
Product development						
External revenue	57,445	51,293	122,763	127,005	247,035	251,277
Internal revenue	23,995	28,647	48,626	59,498	115,300	126,171
	81,440	79,940	171,389	186,503	362,335	377,448
Wholesale						
External revenue	27,337	31,860	77,092	83,629	172,803	179,341
Internal revenue	9,684	11,671	23,466	24,336	50,567	51,437
	37,021	43,531	100,558	107,965	223,370	230,778
Retail						
External revenue	12,850	10,669	25,734	21,740	62,451	58,456
Internal revenue	2,103	547	4,429	1,375	6,788	3,735
	14,953	11,216	30,163	23,115	69,239	62,191
Less internal sales	-43,951	-48,319	-95,545	-101,592	-208,179	-214,225
Operating revenue	105,478	101,937	246,016	253,258	529,266	536,509
Operating profit						
Brand	4,338	2,173	10,127	6,621	20,119	16,613
Product development	8,976	4,648	17,689	18,231	35,373	35,915
Wholesale	-4,493	4,514	-1,140	17,828	18,042	37,010
Retail	-3,973	-3,145	-7,197	-6,092	-6,936	-5,832
Operating profit	4,848	8,190	19,479	36,588	66,598	83,706

QUARTERLY DATA

Group

SEK thousands	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010
Net sales	105,478	140,538	123,100	160,150	101,937	151,321	115,893	170,998
Gross profit margin, %	52.1	48.0	52.4	50.6	53.3	50.4	56.3	52.6
Operating profit	4,848	14,631	14,143	32,976	8,190	28,398	24,513	51,516
Operating margin, %	4.6	10.4	11.5	20.6	8.0	18.8	21.2	30.1
Profit after financial items	3,830	12,730	15,026	32,664	8,903	28,033	24,150	49,772
Profit margin, %	3.6	9.1	12.2	20.4	8.7	18.5	20.8	29.1
Earnings per share, SEK	0.10	0.44	1.92	1.05	0.33	0.89	0.70	1.46
Earnings per share after dilution, SEK	0.10	0.44	1.92	1.05	0.33	0.88	0.70	1.44
Number of Björn Borg stores at end of period	57	56	56	54	54	50	47	46
of which Björn Borg-owned stores	13	14	15	13	12	10	10	10
Brand sales	288,360	447,640	384,133	551,267	314,967	431,029	428,234	506,572

PARENT COMPANY INCOME STATEMENT**Condensed**

SEK thousands	April–June 2012	April–June 2011	Jan–June 2012	Jan–June 2011	July 2011– June 2012	Full-year 2011
Net sales	12,733	6,701	24,797	18,167	52,839	46,208
Cost of goods sold	-105	-320	-538	-369	-720	-550
Gross profit	12,628	6,381	24,259	17,797	52,119	45,658
Distribution expenses	-11,810	-10,258	-25,234	-21,029	-47,280	-43,076
Administrative expenses	-4,543	-3,946	-9,706	-8,089	-18,185	-16,568
Development expenses	-1,817	-1,578	-3,882	-3,235	-7,274	-6,627
Operating profit/loss	-5,542	-9,401	-14,563	-14,556	-20,620	-20,613
Dividend from subsidiary	-	-	-	-	135,235	100,000
Group contributions received	-	-	-	-	-	35,235
Net financial items	-5,439	-2,626	-9,147	-5,388	-16,483	-12,724
Profit before tax	-10,981	-12,027	-23,710	-19,944	98,132	101,898
Appropriations	-	-	-	-	4,002	4,002
Tax	-1,598	5,245	-1,598	5,245	3,647	-
Profit for the period	-12,579	-6,782	-25,308	-14,699	105,781	105,900
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-12,579	-6,782	-25,308	-14,699	105,781	105,900

PARENT COMPANY BALANCE SHEET**Condensed**

SEK thousands	June 30 2012	June 30 2011	Dec 31 2011
Non-current assets			
Intangible non-current assets	986	1,453	1,220
Tangible non-current assets	6,585	2,963	6,617
Shares in Group companies	323,845	321,227	321,227
Total non-current assets	331,416	325,643	329,064
Current assets			
Receivables from Group companies	216,589	78,990	201,914
Current receivables	7,306	8,431	6,737
Investments	144,643	37,268	-
Cash & cash equivalents	57,849	7,568	122,271
Total current assets	426,387	132,256	330,922
Total assets	757,803	457,900	659,986
Equity and liabilities			
Equity	38,400	38,458	164,302
Untaxed reserves	2,538	6,540	2,538
Bond loan	196,909	-	-
Due to Group companies	506,208	399,392	476,120
Accounts payable	4,801	5,395	7,200
Other current liabilities	8,947	8,115	9,826
Total equity and liabilities	757,803	457,900	659,986

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY**Condensed**

TSEK	Jan–June 2012	Jan–June 2011	Full-year 2011
Opening balance	164,302	189,174	189,174
Dividend/distribution	-105,594	-130,772	-130,772
Total comprehensive income for the period	-25,308	-19,944	105,900
Closing balance	38,400	38,458	164,302

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 sales at the wholesale level.

The Board of Directors and the CEO 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, August 22, 2012

Fredrik Lövestedt
Chairman

Kerstin Hessius
Board Member

Vilhelm Schottenius
Board Member

Fabian Månsson
Board Member

Mats H Nilsson
Board Member

Michael Storåkers
Board Member

Arthur Engel
President and CEO

ABOUT THE BJÖRN BORG GROUP

The Group owns the Björn Borg trademark and its core business is underwear. It also offers sportswear, footwear, bags, eyewear and fragrances through licensees. Björn Borg products are sold in around twenty markets, of which Sweden and the Netherlands are the largest. The Björn Borg Group has operations at every level from branding to consumer sales in its own Björn Borg stores. Total sales of Björn Borg products in 2011 amounted to around SEK 1.7 billion, excluding VAT, at the consumer level. Group net sales amounted to SEK 537 million as per December 31, 2011, with 131 employees. The Björn Borg share has been listed on NASDAQ OMX Nordic in Stockholm since 2007.



Upcoming information dates

The interim report for January–September 2012 will be released on November 9, 2012.

The year-end report for 2012 will be released on February 14, 2013.

Annual report in March 2013.

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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 August 22, 2012 at 7:30 am (CET).