



BJÖRN BORG

BJÖRN BORG AB INTERIM REPORT JANUARY – MARCH 2015

JANUARY 1 – MARCH 31, 2015

- The Group's net sales decreased by 8 percent to SEK 131.1 million (142.8). Excluding currency effects, sales were down 16 percent.
- The gross profit margin was 53.6 percent (52.8).
- Operating profit amounted to SEK 12.8 million (19.0).
- Profit after tax amounted to SEK 14.9 million (15.6).
- Earnings per share before and after dilution amounted to SEK 0.61 (0.62).
- The comparable period in 2014 includes delayed shipments, which increased quarterly revenue by about SEK 25 million and operating profit by about SEK 12 million.
- Brand sales* (excluding VAT) increased by 3 percent to SEK 394 million (382). Excluding currency effects, the decrease was 1 percent.

QUOTE FROM THE CEO

"During the quarter we began our shift to sports fashion, and I am especially pleased with our successful branding activity in Q1, 'First person lover.' We decided to present our collection with a computer game, where choosing various products from our collection gave the character different superpowers to use to battle evil forces in the world. The campaign delivered on all of our key indicators, the highlight of which is that we have now generated over 18 million views of the game," said Henrik Bunge, CEO.

| SEK thousands | January- March 2015 | January- March 2014 | April 2014- March 2015 | Full-year 2014 |
|-------------------------|------------------------|------------------------|---------------------------|-------------------|
| Net sales | 131,1 | 142,8 | 527,1 | 538,8 |
| Gross profit margin, % | 53,6 | 52,8 | 53,2 | 52,9 |
| Operating profit | 12,8 | 19,0 | 49,7 | 56,0 |
| Operating margin, % | 9,8 | 13,3 | 9,4 | 10,4 |
| Profit after tax | 14,9 | 15,6 | 46,8 | 47,6 |
| Earnings per share, SEK | 0,61 | 0,62 | 1,93 | 1,94 |
| Brand sales* | 394 | 382 | 1 444 | 1 431 |

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



CEO'S COMMENT

For the first quarter of 2015 we are reporting decreases in both sales and operating profit. Our sales are down 8% from the same quarter in 2014. The first quarter 2014 however includes about SEK 25 million in delayed shipments from 2013, as previously reported. Excluding those delayed shipments as well as positive currency effects we see a slight increase in sales. Our own operations in England and Finland have not delivered as expected, while our own e-com continues to generate good growth. We put a lot of focus on creating traffic to our webshop as well as increasing conversion (the share of visitors who actually completes a purchase). Our own comparable stores are also producing better than expected growth. In terms of operating profit, we are down SEK 6.2 million and closed Q1 at SEK 12.8 million (19.0). The main reasons were lower revenue compared with Q1 2014 with its extra revenue from delayed shipments, but also higher expenses for a stronger organization.

During the quarter we began our shift to sports fashion, and I am especially pleased with the successful branding activity in Q1, "First person lover." We decided to present our collection with the computer game, where choosing various products from the collection gave the character different superpowers to use to battle evil in the world. The campaign delivered on all of our key indicators, the highlight of which is that we have now generated over 18 million views of the game.

My personal focus during the quarter was on putting the organization in place and strengthening our team by adding expertise in sales, product development, design and retail sales. In addition, we devoted a lot of time to meeting key people from a number of the largest fashion and sporting goods chains in the Nordic region. Ultimately, it is people who make the difference.

Head coach
Henrik Bunge



OPERATIONS

BRAND SALES

Distributors and licensees saw slightly improved sales in the first quarter 2015, mainly in bags and footwear. As a result, brand sales (excluding VAT) rose by 3 percent to SEK 394million (382). Adjusted for currency effects, brand sales were down 1 percent for the quarter.

PRODUCT AREAS FIRST QUARTER 2015

Brand sales in the underwear product area improved by 1 percent in the first quarter. Underwear accounted for 52 percent (53) of brand sales.

Brand sales of sports apparel were unchanged. In the product areas for footwear and bags, sales increased, while sales of eyewear and fragrances declined. In total, sales of licensed products increased by 6 percent during the first quarter.

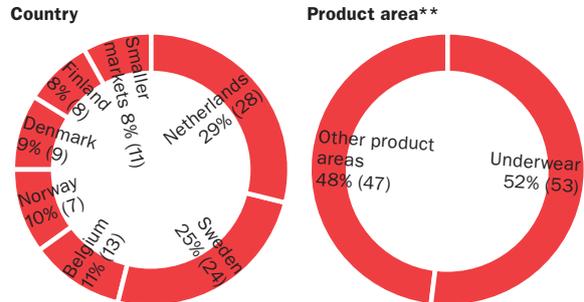
MARKETS FIRST QUARTER 2015

Among large markets, every country except Belgium saw growth. Norway reported the highest growth during the quarter. It was a tough quarter for Björn Borg's smaller markets, where even England lost ground compared with the previous year.

BJÖRN BORG STORES

No new Björn Borg stores were opened during the first quarter. The former German distributor closed its outlet in early 2015. As of March 31, 2015 there were a total of 40 (38) Björn Borg stores, of which 18 (17) are Group-owned.

BRAND SALES* OF BJÖRN BORG PRODUCTS JANUARY-MARCH 2015. TOTAL SEK 394 MILLION (382)



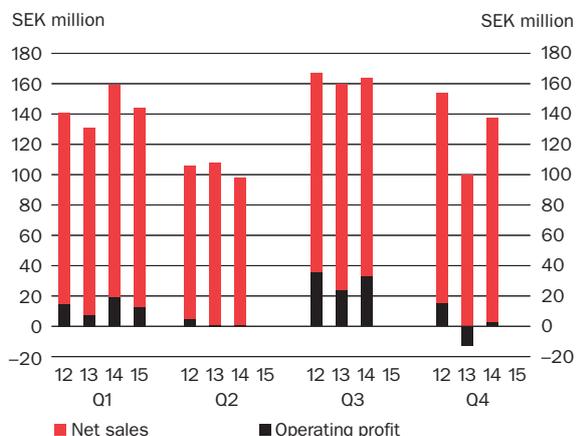
* Estimated total sales of Björn Borg products at the consumer level, excluding VAT, based on reported sales at the wholesale level.

** **Underwear:** Men's and women's underwear, swimwear, socks and adjacent products. **Other product areas:** Sports apparel, fragrances, footwear, bags and eyewear.

THE GROUP'S DEVELOPMENT

Sales were down during the first quarter with lower operating profit compared with the same period in 2014.

QUARTERLY NET SALES AND OPERATING PROFIT, 2012-2015



SALES

First quarter, January-March 2015

The Group's net sales amounted to SEK 131.1 million (142.8) during the first quarter, a decrease of 8 percent. The decrease excluding currency effects was 16 percent.

As previously announced, about SEK 25 million in shipments from both product companies was delayed at the end of 2013 until the first quarter 2014. As a result, the first quarter 2014 is not completely comparable with the first quarter 2015 in terms of either sales or operating profit. Adjusted for currency effects, quarterly net sales would have been about SEK 121 million, compared with about SEK 118 million for the first quarter 2014 excluding the delayed shipments. In other words, total sales grew by about 2-3 percent. The underlying spring/summer collections in the product companies for underwear and sports apparel generated higher revenue, but with a significant currency component. The British and Finnish wholesaling operations declined slightly during the quarter, as did the Swedish wholesale company for footwear. The Swedish wholesaling operations for underwear posted a decrease that was

overwhelmingly due to customer shipments planned in March but delivered during the second quarter. Group-owned retail operations had a very positive quarter and e-commerce reported continued growth. Royalties increased as a result of higher brand sales during the quarter.

PROFIT

First quarter, January-March 2015

The gross profit margin for the first quarter increased to 53.6 percent (52.8). The wholesale operations were adversely impacted by stronger foreign currencies. Excluding currency effects, the gross profit margin would have been 54.2 percent.

Lower revenue mainly in the underwear and sports apparel product companies, combined with higher operating expenses, contributed to a decrease in operating profit to SEK 12.8 million (19.0) during the quarter, despite an improved gross profit margin. The operating margin was 9.8 percent (13.3). Operating expenses excluding goods for resale were SEK 3.9 million higher year-on-year. A significant share of the increase is due to hirings by the Parent Company in design and production.

Net financial items amounted to SEK 5.0 million (0.9). The realized and unrealized return on investments, less interest on the bond loan, positively affected the Group's financial net by SEK 1.1 million (1.4). The remaining year-on-year increase is mainly due to the revaluation of financial assets and liabilities in foreign currency. Profit before tax decreased to SEK 17.8 million (20.0).

Development by business segment

The Group consists of a total of 13 companies, nine of which operate under the Björn Borg brand on every level from product development to wholesaling and consumer sales in its own Björn Borg stores.

Brand

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

The business segment's operating revenue amounted to SEK 22.3 million (21.8) during the first quarter 2015. External operating revenue increased to SEK 11.5 million (9.7), in line with higher brand sales. It should be noted that the royalties Björn Borg Sport receives from its customers are also reported in the Brand segment.

Operating profit increased to SEK 6.4 million (4.9) for the quarter. The improved operating result is due to higher revenue. Operating expenses were in line with the previous year.

| Business segment | Revenue source | Operating revenue, SEK thousands | | Operating profit, SEK thousands | | Operating margin, % | |
|---------------------|-------------------|----------------------------------|----------------|---------------------------------|---------------|---------------------|-----------|
| | | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| Brand | Royalties | 22,283 | 21,820 | 6,432 | 4,939 | 29 | 23 |
| Product development | Products | 96,808 | 98,052 | 9,283 | 15,509 | 10 | 16 |
| Wholesale | Wholesale revenue | 58,542 | 62,319 | 1,685 | 4,394 | 3 | 7 |
| Retail | Retailers | 20,542 | 17,050 | -4,572 | -5,794 | -22 | -34 |
| Less internal sales | | -64,116 | -56,232 | - | - | - | - |
| Total | | 134,059 | 143,009 | 12,828 | 19,048 | 10 | 13 |

Product development

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

The business segment's operating revenue amounted to SEK 96.8 million (98.1) during the first quarter 2015, a decrease of 1 percent. External operating revenue amounted to SEK 52.9 million (63.2). This decrease of 16 percent compared with the first quarter 2014 is mainly due to the previously announced shipment delays in both product companies in the comparable quarter in 2014. One of the reasons why the year-on-year decrease wasn't bigger was a significant currency effect, with a stronger USD positively affecting sales in this segment by over SEK 8 million.

Operating profit decreased to SEK 9.3 million (15.5) due to the lower sales and slightly higher operating expenses.

Wholesale

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

The business segment's operating revenue decreased by 6 percent to SEK 58.5 million (62.3) during the first quarter 2015. External operating revenue amounted to SEK 51.7 million (55.8). The British and Finnish operations and the Group's footwear wholesaling all reported slightly lower sales year-on-year. Swedish underwear wholesaling noted a bigger sales decline, but it was largely because some shipments of the spring/summer 2015 collections did not reach customers until the subsequent quarter.

Operating profit amounted to SEK 1.7 million (4.4) due to the lower sales, but also increased purchasing costs in a more expensive USD.

Retail

The Björn Borg Group owns and operates a total of 18 stores and factory outlets in Sweden, Finland and England that sell underwear, adjacent products, sports apparel and other licensed products. Björn Borg also sells online through www.bjornborg.com.

Operating revenue in the Retail segment increased by 20 percent during the first quarter to SEK 20.5 million (17.1). External net sales rose by 25 percent during the first quarter to SEK 18.0 million (14.4). The increase is mainly due to e-commerce, which continued to grow during the first quarter, although the Group-owned Swedish stores also developed positively during the period. Sales for outlets and comparable Björn Borg stores in Sweden increased by 12 percent year-on-year.

The operating loss for the first quarter 2015 was SEK 4.6 million, against a year-earlier loss of SEK 5.8 million. The improved result is due to higher revenue during the quarter, although operating expenses also increased slightly.

Intra-Group sales

Intra-Group sales for the first quarter 2015 amounted to SEK 64.1 million (56.2).

SEASONAL VARIATIONS

The Björn Borg Group is active in an industry with seasonal variations. Sales and earnings vary by quarter. See the figure on quarterly net sales and operating profit on page 4.

INVESTMENTS AND CASH FLOW

The Group's cash flow from operating activities amounted to SEK -0.5 million (-8.9) in the first quarter 2015. A lower operating result year-on-year was accompanied by a smaller increase in tied-up working capital. The main reason for the change in tied-up working capital is that accounts receivable increased during the first quarter 2014 due to the previously announced shipment delays at the end of 2013, while they instead decreased as planned in the first quarter 2015.

Total investments in tangible and intangible non-current assets amounted to SEK 0.3 million (0.6) for the period.

FINANCIAL POSITION AND LIQUIDITY

The Björn Borg Group's cash & cash equivalents and investments amounted to SEK 214.2 million (208.0) at the end of the period, with interest-bearing liabilities (bond loan) of SEK 185.0 million (193.1).

In April 2012 the company issued a bond loan on Nasdaq Stockholm that carries an annual coupon rate corresponding to the 3-month STIBOR rate +3.25 percentage points, maturing in April 2017. After transaction expenses of about SEK 1.0 million for the bond loan and corporate bond repurchases with a nominal value of SEK 14 million, the carrying amount of the bond loan was SEK 185.0 million as of March 31, 2015.

The surplus liquidity from the issuance of the bond loan is placed in interest-bearing financial instruments, highly liquid corporate bonds, within the framework of the financial policy laid down by the Board of Directors. As of March 31 investments had been made in bonds with a book value of SEK 132.6 million, which represents the fair value on the same date, compared with SEK 133.1 million on December 31, 2014. 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 ensure that the ratio between the Group's net debt and operating profit before depreciation and amortization does not exceed 3.00 on the last day of each quarter and that the Group maintains an equity/assets ratio of at least 30 percent at any given time. As of March 31, 2015 the ratio was -0.50 (-0.39), i.e., a positive net cash balance, and the equity/assets ratio was 49.7 percent (48.4). 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, 2014.

PERSONNEL

The average number of employees in the Group was 130 (152) for the 12-month period ended March 31, 2015, of whom 67 percent (64) are women. The decrease is due to the discontinued operations in China and the divestment of the inventory management company Anteros.

RELATED PARTY TRANSACTIONS

There were no transactions with related parties during the period.

SIGNIFICANT RISKS AND UNCERTAINTIES

In its operations the Björn Borg Group is exposed to risks and uncertainties. Information on the Group's risks and uncertainties can be found on pages 74-75 and in note 3 in the annual report 2014.

EVENTS AFTER THE BALANCE SHEET DATE

There are no significant events to report following the conclusion of the reporting 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 Sport BV, Björn Borg Inc. and Björn Borg Services AB. In addition, the company owns 80 percent of the shares in Björn Borg UK, 75 percent of the shares in Björn Borg (China) Ltd and 75 percent of the shares in Björn Borg Finland Oy.

The Parent Company's net sales for the first quarter amounted to SEK 13.2 million (13.3).

The loss before tax amounted to SEK 10.7 million for the first quarter, against a year-earlier loss of SEK 9.1 million. Cash & cash equivalents and investments amounted to SEK 143.2 million (174.1) as of March 31, 2015. For the period, investments in tangible and intangible non-current assets amounted to SEK 0.1 million (0.1).

NUMBER OF SHARES

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

FINANCIAL OBJECTIVES

The Board of Directors of Björn Borg has established a business plan for the period 2015-2019 with the following long-term financial objectives for operations:

- By the financial year 2019 the Group will reach sales of SEK 1 billion with an operating margin of 15 percent
- An annual dividend of at least 50 percent of net profit
- The equity/assets ratio should not fall below 35 percent.

Comments to the financial objectives:

The sales objective for 2019 corresponds to average annual organic growth of 13 percent. The sales increase is expected to come from new product groups in sports fashion as well as expanded geographical distribution within all the product groups.

ANNUAL GENERAL MEETING

The Annual General Meeting for the financial year 2014 will be held at 6:00 pm (CET) on May 11, 2015 in Stockholm. The Board of Directors has decided to recommend to the AGM a distribution of SEK 1.50 per share for the financial year 2014, corresponding to 77 percent of net profit. As proposed, the distribution would be paid through an automatic redemption, where every share is divided into one common share and one redemption share. The redemption shares will then automatically be redeemed for SEK 1.50 per share. Payment for the redemption shares, contingent on the approval of the AGM, is expected to be made around June 12, 2015.

The Board of Directors' proposal corresponds to a transfer to shareholders of SEK 37.7 million (37.7). A distribution of SEK 1.50 per share was paid for 2013, corresponding to 175 percent of net profit.

ACCOUNTING PRINCIPLES

This condensed interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with chapter 9 of the Annual Accounts Act on interim reporting and RFR 2 Accounting in Legal Entities. The accounting principles applied in the interim report conform to the accounting principles applied in the preparation of the consolidated accounts and annual report for 2014, as described on page 91 in the annual report 2014.

New and amended accounting principles

New or amended IFRS and IFRIC interpretations effective as of January 1, 2015 have not had a material effect or impact on the interim report or consolidated financial statements.

AUDIT REPORT

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

OUTLOOK 2015

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

CONSOLIDATED INCOME STATEMENT CONDENSED

| SEK thousands | Note | January- March 2015 | January- March 2014 | April 2014- March 2015 | Full-year 2014 |
|---|------|------------------------|------------------------|---------------------------|-------------------|
| Net sales | | 131,081 | 142,783 | 527,051 | 538,753 |
| Other operating revenue | | 2,978 | 226 | 8,496 | 5,744 |
| Operating revenue | | 134,059 | 143,009 | 535,547 | 544,497 |
| Goods for resale | | -60,769 | -67,440 | -246,889 | -253,560 |
| Other external expenses | 1 | -31,441 | -30,444 | -123,729 | -122,732 |
| Staff costs | | -26,147 | -23,609 | -105,155 | -102,617 |
| Depreciation/amortization of tangible/intangible non-current assets | | -1,861 | -1,927 | -8,811 | -8,877 |
| Other operating expenses | | -1,014 | -541 | -1,233 | -761 |
| Operating profit | | 12,828 | 19,048 | 49,730 | 55,950 |
| Net financial items | | 4,954 | 939 | 11,212 | 7,198 |
| Profit before tax | | 17,781 | 19,987 | 60,942 | 63,148 |
| Tax | | -2,916 | -4,356 | -14,137 | -15,577 |
| Profit for the period | | 14,865 | 15,631 | 46,805 | 47,572 |
| Profit for the period attributable to: | | | | | |
| Parent Company's shareholders | | 15,452 | 15,643 | 48,643 | 48,835 |
| Non-controlling interests | | -587 | -12 | -1,838 | -1,263 |
| Earnings per share before and after dilution, SEK | | 0.61 | 0.62 | 1.93 | 1.94 |
| Number of shares | | 25,148,384 | 25,148,384 | 25,148,384 | 25,148,384 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME CONDENSED

| SEK thousands | Note | January- March 2015 | January- March 2014 | April 2014- March 2015 | Full-year 2014 |
|---|------|------------------------|------------------------|---------------------------|-------------------|
| Net profit for the period | | 14,865 | 15,631 | 46,805 | 47,572 |
| OTHER COMPREHENSIVE INCOME | | | | | |
| Components that may be reclassified to profit or loss | | | | | |
| Translation difference for the period | | -3,977 | -212 | -10,817 | -7,052 |
| Accumulated translation difference reclassified to profit or loss for discontinued operations | | - | - | - | - |
| Total other comprehensive income for the period | | -3,977 | -212 | -10,817 | -7,052 |
| Total comprehensive income for the period | | 10,888 | 15,419 | 35,988 | 40,520 |
| Total comprehensive income for the period attributable to | | | | | |
| Parent Company's shareholders | | 12,210 | 15,431 | 40,495 | 43,717 |
| Non-controlling interests | | -1,322 | -12 | -4,507 | -3,197 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONDENSED

| SEK thousands | Note | March 31 2015 | March 31 2014 | Dec 31 2014 |
|-------------------------------------|------|------------------|------------------|----------------|
| Non-current assets | | | | |
| <i>Intangible assets</i> | | | | |
| Goodwill | | 19,144 | 18,966 | 19,265 |
| Trademarks | | 187,532 | 187,532 | 187,532 |
| Other intangible assets | | 3,889 | 4,375 | 4,390 |
| Tangible non-current assets | | 11,144 | 15,593 | 12,334 |
| Long-term receivable | 2 | 8,900 | 12,500 | 9,800 |
| Deferred tax assets | | 31,471 | 31,131 | 31,713 |
| Total non-current assets | | 262,080 | 270,097 | 265,034 |
| Current assets | | | | |
| <i>Inventory</i> | | | | |
| Accounts receivable | | 46,794 | 41,193 | 40,381 |
| Other current receivables | | 54,413 | 62,812 | 68,232 |
| Investments | 2 | 19,659 | 30,064 | 19,573 |
| Cash & cash equivalents | | 132,596 | 180,175 | 133,147 |
| | | 81,615 | 27,836 | 85,080 |
| Total current assets | | 335,078 | 342,080 | 346,414 |
| Total assets | | 597,158 | 612,177 | 611,447 |
| Equity and liabilities | | | | |
| Equity | | 296,596 | 296,069 | 285,708 |
| Deferred tax liabilities | | 38,012 | 39,970 | 38,350 |
| Other non-current liabilities | | 11,417 | 22,162 | 13,292 |
| Bond loan | 2 | 184,995 | 193,086 | 187,738 |
| Accounts payable | | 13,528 | 13,489 | 25,064 |
| Other current liabilities | | 52,610 | 47,401 | 61,295 |
| Total equity and liabilities | | 597,158 | 612,177 | 611,447 |

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, 2014 | 294,180 | -13,533 | 280,650 |
| Total comprehensive income for the period | 15,431 | -12 | 15,419 |
| Closing balance, March 31, 2014 | 309,611 | -13,545 | 296,069 |
| Opening balance, January 1, 2014 | 294,180 | -13,533 | 280,650 |
| Total comprehensive income for the year | 43,717 | -3,197 | 40,520 |
| Distribution for 2013 | -37,723 | - | -37,723 |
| Offset issue in subsidiary | - | 9,466 | 9,466 |
| Acquisition of minority shares | -9,822 | 2,619 | -7,203 |
| Closing balance, December 31, 2014 | 290,353 | -4,645 | 285,708 |
| Opening balance, January 1, 2015 | 290,353 | -4,645 | 285,708 |
| Total comprehensive income for the period | 12,210 | -1,322 | 10,888 |
| Closing balance, March 31, 2015 | 302,563 | -5,967 | 296,596 |

CONSOLIDATED STATEMENT OF CASH FLOWS CONDENSED

| SEK thousands | January- March 2015 | January- March 2014 | Full-year 2014 |
|---|------------------------|------------------------|-------------------|
| Cash flow from operating activities | | | |
| Before changes in working capital | 15,840 | 30,629 | 63,363 |
| Changes in working capital | -16,330 | -39,501 | -8,629 |
| Cash flow from operating activities | -490 | -8,872 | 54,734 |
| Investments in intangible non-current assets | -136 | -106 | -1,428 |
| Investments in tangible non-current assets | -192 | -474 | -1,353 |
| Divestments of non-current assets | 74 | - | - |
| Investments/divestments | -85 | -43,043 | -106 |
| Cash flow from investing activities | -339 | -43,623 | -2,887 |
| Distribution | - | - | -37,723 |
| Acquisition of minority shares | - | - | -1,410 |
| Amortization of loans | -1,875 | -1,961 | -7,434 |
| Repurchase of bond loan | -2,902 | - | -5,833 |
| Cash flow from financing activities | -4,777 | -1,961 | -52,400 |
| Cash flow for the period | -5,606 | -54,456 | -553 |
| Cash & cash equivalents at beginning of year | 85,080 | 82,304 | 82,304 |
| Translation difference in cash & cash equivalents | 2,141 | -12 | 3,329 |
| Cash & cash equivalents at end of period | 81,615 | 27,836 | 85,080 |

NYCKELTAL GROUP

| SEK thousands | January- March 2015 | January- March 2014 | April 2014- March 2015 | Full-year 2014 |
|---|------------------------|------------------------|---------------------------|-------------------|
| Gross profit margin, % | 53.6 | 52.8 | 53.2 | 52.9 |
| Operating margin, % | 9.8 | 13.3 | 9.4 | 10.4 |
| Profit margin, % | 13.6 | 14.0 | 11.6 | 11.7 |
| Return on capital employed, % | 13.5 | 8.1 | 13.5 | 14.8 |
| Return on average equity, % | 16.4 | 4.0 | 16.4 | 17.2 |
| Profit attributable to Parent Company's shareholders | 15,452 | 15,643 | 48,643 | 48,835 |
| Equity/assets ratio, % | 49.7 | 48.4 | 49.7 | 46.7 |
| Equity per share, SEK | 11.79 | 11.77 | 11.79 | 11.36 |
| Investments in intangible non-current assets | 136 | 106 | 1,458 | 1,428 |
| Investments in tangible non-current assets | 192 | 474 | 1,071 | 1,353 |
| Business combinations | - | - | 1,410 | 1,410 |
| Depreciation, amortization and impairment losses for the period | -1,861 | -1,927 | -8,811 | -8,877 |
| Average number of employees | - | - | 130 | 129 |

SUMMARY BY SEGMENT GROUP

| SEK thousands | January- March 2015 | January- March 2014 | April 2014- March 2015 | Full-year 2014 |
|----------------------------|------------------------|------------------------|---------------------------|-------------------|
| Operating revenue | | | | |
| Brand | | | | |
| External revenue | 11,495 | 9,650 | 39,329 | 37,484 |
| Internal revenue | 10,788 | 12,170 | 39,615 | 40,997 |
| | 22,283 | 21,820 | 78,944 | 78,481 |
| Product development | | | | |
| External revenue | 52,859 | 63,150 | 223,462 | 233,755 |
| Internal revenue | 43,949 | 34,902 | 132,111 | 123,063 |
| | 96,808 | 98,052 | 355,573 | 356,818 |
| Wholesale | | | | |
| External revenue | 51,694 | 55,847 | 188,496 | 192,649 |
| Internal revenue | 6,848 | 6,472 | 27,746 | 27,369 |
| | 58,542 | 62,319 | 216,242 | 220,018 |
| Retail | | | | |
| External revenue | 18,013 | 14,362 | 84,259 | 80,609 |
| Internal revenue | 2,529 | 2,688 | 11,427 | 11,586 |
| | 20,542 | 17,050 | 95,686 | 92,195 |
| Less internal sales | -64,116 | -56,232 | -210,899 | -203,015 |
| Operating revenue | 134,059 | 143,009 | 535,546 | 544,497 |
| Operating profit | | | | |
| Brand | 6,432 | 4,939 | 21,062 | 19,569 |
| Product development | 9,283 | 15,509 | 28,599 | 34,825 |
| Wholesale | 1,685 | 4,394 | 3,572 | 6,282 |
| Retail | -4,572 | -5,794 | -3,503 | -4,726 |
| Operating profit | 12,828 | 19,048 | 49,730 | 55,950 |

Reconciliation between operating profit and profit before tax

The difference between operating profit for segments for which information must be disclosed, SEK 12,828 thousand (19,048), and profit before tax, SEK 17,781 thousand (19,987), is net financial items, SEK 4,954 thousand (939).

QUARTERLY DATA GROUP

| SEK thousands | Q1 2015 | Q4 2014 | Q3 2014 | Q2 2014 | Q1 2014 | Q4 2013 | Q3 2013 | Q2 2013 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
| Net sales | 131,081 | 135,278 | 163,723 | 96,969 | 142,783 | 100,269 | 159,791 | 107,771 |
| Gross profit margin, % | 53.6 | 54.1 | 52.4 | 52.5 | 52.8 | 52.5 | 51.7 | 50.1 |
| Operating profit/loss | 12,828 | 3,559 | 32,821 | 522 | 19,048 | -12,534 | 23,610 | 860 |
| Operating margin, % | 9.8 | 2.6 | 20.0 | 0.5 | 13.3 | neg | 14.8 | 0.8 |
| Profit/loss after financial items | 17,781 | 5,612 | 33,834 | 3,939 | 19,987 | -9,399 | 22,695 | 4,467 |
| Profit margin, % | 13.6 | 4.1 | 20.7 | 4.1 | 14.0 | neg | 14.2 | 4.1 |
| Earnings per share before/after dilution, SEK | 0.61 | 0.18 | 1.00 | 0.15 | 0.62 | -0.40 | 0.74 | 0.23 |
| Number of Björn Borg stores at end of period | 40 | 41 | 38 | 38 | 38 | 38 | 54 | 57 |
| of which Group-owned Björn Borg stores | 18 | 18 | 17 | 17 | 17 | 17 | 16 | 17 |
| Brand sales | 394,206 | 342,904 | 452,422 | 253,976 | 382,081 | 331,665 | 482,268 | 275,379 |

PARENT COMPANY INCOME STATEMENT CONDENSED

| SEK thousands | Note | January- March 2015 | January- March 2014 | April 2014- March 2015 | Full-year 2014 |
|---|------|------------------------|------------------------|---------------------------|-------------------|
| Net sales | | 13,173 | 13,293 | 59,557 | 59,677 |
| Other operating revenue | | 121 | 40 | 720 | 639 |
| Operating revenue | | 13,294 | 13,333 | 60,277 | 60,316 |
| Goods for resale | | – | –29 | –2,118 | –2,147 |
| Other external expenses | 1 | –10,575 | –12,802 | –45,460 | –47,687 |
| Staff costs | | –10,753 | –7,481 | –34,955 | –31,683 |
| Depreciation/amortization of tangible/intangible non-current assets | | –473 | –564 | –2,034 | –2,125 |
| Other operating expenses | | –69 | –41 | –847 | –819 |
| Operating loss | | –8,576 | –7,584 | –25,137 | –24,145 |
| Result from shares in subsidiaries | | – | – | 67,395 | 67,395 |
| Net financial items | | –2,110 | –1,509 | –12,267 | –11,666 |
| Profit/loss after financial items | | –10,686 | –9,093 | 29,991 | 31,584 |
| Group contributions received | | – | – | 30,246 | 30,246 |
| Appropriations | | – | – | 874 | 874 |
| Profit/loss before tax | | –10,686 | –9,093 | 61,111 | 62,704 |
| Tax | | – | – | 1,275 | 1,275 |
| Profit/loss for the period | | –10,686 | –9,093 | 62,386 | 63,979 |
| Other comprehensive income | | – | – | – | – |
| Total comprehensive income for the period | | –10,686 | –9,093 | 62,386 | 63,979 |

PARENT COMPANY BALANCE SHEET CONDENSED

| SEK thousands | Note | March 31 2015 | March 31 2014 | Dec 31 2014 |
|-------------------------------------|------|------------------|------------------|----------------|
| Non-current assets | | | | |
| Intangible non-current assets | | 354 | 584 | 393 |
| Tangible non-current assets | | 2,488 | 4,179 | 2,849 |
| Long-term receivable | 2 | 8,900 | 12,500 | 9,800 |
| Deferred tax | | 961 | – | 961 |
| Shares in Group companies | | 335,331 | 321,243 | 335,331 |
| Total non-current assets | | 348,034 | 338,506 | 349,334 |
| Current assets | | | | |
| Receivables from Group companies | | 400,671 | 182,321 | 392,513 |
| Current receivables | | 13,811 | 10,594 | 14,143 |
| Investments | 2 | 132,596 | 180,175 | 133,147 |
| Cash & cash equivalents | | 10,624 | – | 48,081 |
| Total current assets | | 557,702 | 373,090 | 587,884 |
| Total assets | | 905,736 | 711,596 | 937,218 |
| Equity and liabilities | | | | |
| Equity | | 133,457 | 108,794 | 144,143 |
| Untaxed reserves | | 1,014 | 1,888 | 1,014 |
| Deferred tax | | – | 314 | – |
| Bond loan | 2 | 184,995 | 193,086 | 187,738 |
| Other non-current liabilities | 2 | 5,792 | – | 5,792 |
| Due to Group companies | | 554,603 | 378,761 | 573,668 |
| Accounts payable | | 4,520 | 4,401 | 4,725 |
| Bank overdraft facilities | | – | 6,065 | – |
| Other current liabilities | | 21,355 | 18,287 | 20,138 |
| Total equity and liabilities | | 905,736 | 711,596 | 937,218 |

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY CONDENSED

| SEK thousands | January- March 2015 | January- March 2014 | Full-year 2014 |
|---|------------------------|------------------------|-------------------|
| Opening balance | 144,143 | 117,887 | 117,887 |
| Distribution | – | – | –37,723 |
| Total comprehensive income for the period | –10,686 | –9,093 | 63,979 |
| Closing balance | 133,457 | 108,794 | 144,143 |

SUPPLEMENTARY DISCLOSURES

NOTE 1 OTHER EXTERNAL EXPENSES

| SEK thousands | Group | | Parent Company | |
|-------------------------|-----------------|-----------------|-----------------|-----------------|
| | Jan-Mar 2015 | Jan-Mar 2014 | Jan-Mar 2015 | Jan-Mar 2014 |
| Cost of premises | 6,873 | 6,891 | 2,703 | 2,220 |
| Selling expenses | 8,460 | 6,265 | 438 | 490 |
| Marketing expenses | 8,831 | 9,168 | 4,349 | 5,662 |
| Administrative expenses | 6,140 | 7,229 | 2,319 | 3,897 |
| Other | 1,137 | 891 | 766 | 533 |
| Total | 31,441 | 30,444 | 10,575 | 12,802 |

NOTE 2 FINANCIAL ASSETS AND LIABILITIES

- Level 1 fair value is determined using observable (unadjusted) quoted prices on an active market for identical assets and liabilities.
- Level 2 fair value is determined using valuation models based on other observable inputs for the asset or liability other than quoted prices included in level 1.
- Level 3 fair value is determined using valuation models where significant inputs are based on non-observable data.

Securities held for trading relate to investments in corporate bonds quoted on Nasdaq Stockholm and have been measured at their quoted prices. Forward exchange contracts are measured according to level 2 based on observable information as of the closing date with respect to exchange rates and market interest rates for the remaining maturities.

Net investments in the company's portfolio of corporate bonds amounted to SEK 924 thousand during the quarter.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| SEK thousands | Level 1 | Level 2 | Level 3 |
|--------------------------------------|----------------|-----------|---------------|
| Securities held for trading | 132,585 | | |
| Derivatives held for trading | | 11 | |
| Contingent consideration (liability) | | | –5,792 |
| Net | 132,585 | 11 | –5,792 |

Björn Borg has recognized a liability for the contingent consideration to the sellers of the minority interest in Björn Borg Sport BV at fair value. The amount as of March 31, 2015 was SEK 5,792 thousand (0) and is included in level 3. The carrying amount of financial instruments recognized at amortized cost corresponds to the fair value as of March 31, 2015, with the exception of the bond loan, the fair value of which amounted to SEK 179,955 thousand, compared with a carrying amount of SEK 184,995 thousand.

In 2013 the company granted the Dutch distributor an interest-bearing loan of SEK 17 million maturing on March 31, 2017 with quarterly amortizations of SEK 900,000 beginning on December 31, 2013.

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, May 11, 2015

Fredrik Lövestedt
Chairman

Martin Bjäringer
Board member

Isabelle Ducellier
Board member

Kerstin Hessius
Board member

Mats H Nilsson
Board member

Nathalie Schuterman
Board member

Anders Slettengren
Board member

Henrik Bunge
CEO

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

RETURN ON EQUITY

Net profit (per 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.

2015 CALENDAR

Interim report, January-June 2015 August 12, 2015
Interim report, January-September 2015 November 6, 2015
Year-end report for 2015 February 19, 2016

FINANCIAL REPORTS

Financial reports can be downloaded from the company's website, www.bjornborg.com or ordered by telephone +46 8 506 33 700 or by e-mail info@bjornborg.com.

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ABOUT THE BJÖRN BORG GROUP

The Group owns the Björn Borg trademark and its core business is underwear and sportswear. It also offers footwear, luggage & bags and eyewear through licensees. Björn Borg products are sold in around thirty 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 2014 amounted to about SEK 1.4 billion, excluding VAT, at the consumer level. Group net sales amounted to SEK 539 million in 2014, with an average of 129 employees. The Björn Borg share has been listed on Nasdaq Stockholm since 2007.

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Björn Borg is required to make public the information in this year-end report in accordance with the Securities Market Act. The information was released for publication on May 11, 2015 at 6:00 pm (CET).