



Björn Borg

Q1 2009



Q1 in brief

- **Continued weak market**
 - **Net sales** up 19% to 165 MSEK due to strong currency effects and rise in export of footwear
 - **Operating profit** slightly improved to 38 MSEK thanks to net sales increase and currency effects – negatively effected by costs related to expansion
- **Brand sales** increased
 - Up 9% to 602 MSEK – mainly in recently established markets



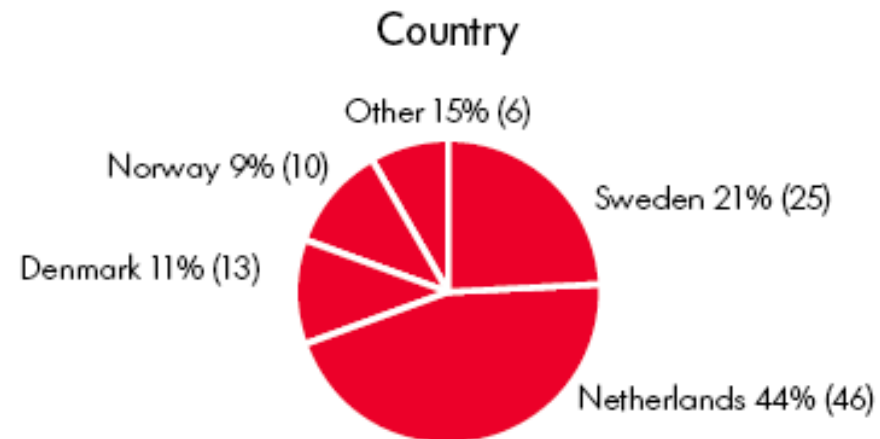
Established markets

- Tough market conditions
- Slower, but continued growth in our largest market Holland, up 5% due to footwear only
- Weaker development in the Nordic countries, slightly negative in Sweden and Denmark
- Strong growth in Belgium



New markets

- New markets stand for a growing part of brand sales
- Positive development in England
- Italy and Greece – sales start planned H2 2009
- Evaluation of all markets and partners, incl the US, during 2009



Financials



Development Q1

	Q1 09	Q1 08	+/-	2008
• Brand sales SEK M	602	551	+9%	1,971
• Net sales SEK M	164.7	138.7	+19%	526.6
• Gross profit margin %	49.3	51.9		53.8
• Operating expenses SEK M	43.6	35.4	+23%	154.7
• Operating profit SEK M	37.6	36.5	+3%	128.8
• Operating margin %	22.8	26.3		24.5
• Earnings per share SEK	1.15	1.07	+7%	3.96

Brand and other

Primarily royalty revenues, sales of services within the Björn Borg network and intra-group services

Q1 2009

Net sales	SEK 43.8 M (31.0)	+41%
Operating profit	SEK 17.3 M (13.1)	+32%

- Net sales growth driven by increased brand sales in the network and internal sales
- Higher costs for market investments according to plan
- Currency: Invoicing in SEK, Euro, NOK, DKK etc, costs of goods sold in the same currency

Product development

Development, design and production for the underwear, adjacent products and footwear product areas

Q1 2009

Net sales	SEK 109.9 M (75.9)	+45%
Operating profit	SEK 18.7 M (8.9)	+110%

- Rise in sales and profit from strong currency effects and export growth
- Footwear product area increased over 80%
- Currency: Invoicing in USD/HKD/Euro, costs of goods sold in USD/HKD/Euro

Distribution

Exclusive distributor in the underwear, adjacent products and footwear product areas in Sweden and the US

Q1 2009

Net sales	SEK 59.4 M (58.7)	+1%
Operating profit	SEK 2.5 M (14.8)	

- Profit decrease primarily due to higher USD rate and market investments in the US
- Currency: Invoicing in SEK, costs of goods sold in USD/HKD/Euro

Retail

Björn Borg owns and operates 11 Björn Borg stores in Sweden, selling underwear, adjacent products, footwear, bags and fragrances.

Q1 2009

Net sales	SEK 11.9 M (11.1)	+7%
Operating profit	SEK -0,9 M (-0.3)	

- Net sales like for like +5%
- Decrease in gross margin from higher share of discount sales
- Currency: Invoicing in SEK, costs of goods sold in SEK

A new strategic intent



Three key questions

- What can Björn Borg be the best in the world at?
- What are we deeply passionate about?
- What drives our economic engine?



Overall conclusions

- Growth drivers
 - Innovative underwear product development
 - Business model
 - Marketing
- Key priority
 - Get back on track in innovation and product innovation in underwear and establish new growth markets...



...and to build on our passion to challenge the conventions of the underwear market

Clear focus on underwear

- 55% of brand sales
- Strong position in established markets
- Fast moving products – attractive for retailers
- Unique competence within Björn Borg



Strategic steps

- Strategically align organization and mindsets
- Systematize innovation and product development
- Define selection criteria and clearer demands on distributors
- Establish strategy aligned brand positioning combined with deep consumer insights
- Develop retail model and concept



Organization in line with strategy

Underwear

- Forms our largest business unit

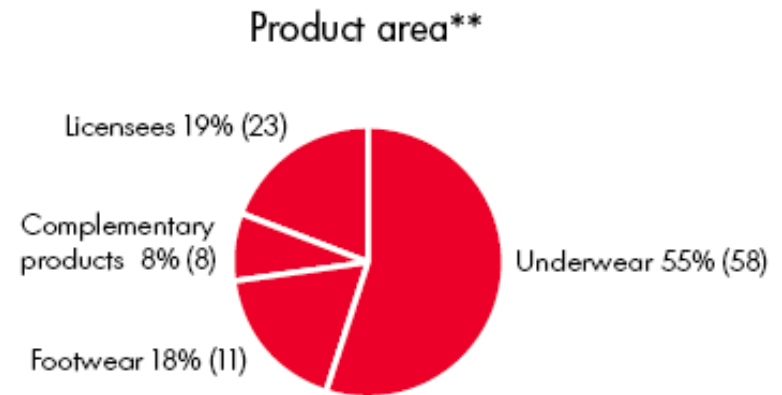
Adjacent products

- Clothes related to underwear such as swimwear, socks and a smaller men's collection

Footwear

Licensed products

- Bags, eyewear, fragrances and women's collection in Holland



Competence in line with strategy

- Inhouse
 - Malin Wåhlstedt, head of Underwear business unit
 - Long experience from underwear at H&M
 - Fredrik Thorsson, store concept manager
 - Corresponding positions at Gant and other retail companies
- Continuously strengthen our competence

More actions in line with strategy

- Focus on international distribution
 - Evaluation of distributors and product companies 2009
- Measures taken to improve retail development
 - New store and shop-in-shop environment in progress
 - E-commerce increasingly important sales channel

Going from good to great

- Implementation of revised strategy starts in Q2 2009

Becoming the...



...the champion in the world of
fashion underwear



Thank you!

