



NOVEMBER 2007  
"JUMPING LIKE THERE'S NO TOMORROW"  
CAMILLA, DENMARK



2007  
"K) RULES"  
AUSTRALIA



AUGUST  
"A TRULY CL  
ANDREW, U



JUNE 2009  
"THE LOVE OF MY LIFE"  
PHOTO BY JOYCE, NETHERLANDS

## BJÖRN BORG AB

Q4 2009

Arthur Engel CEO

Johan Mark, CFO

BJÖRN BORG

2009

New strategy:

To become  
the champion of  
fashion  
underwear



APRIL 2009  
"FROM PARIS WITH LOVE"  
GIJIS & EVA, HOLLAND

BJORN BORG

# Quartely summary

- Still challenging market
- Delay defect in distribution
- Less currency effects
- Lower costs
- Sneak preview of Kids launch

## After quarter

- Signed a letter of intent to license footwear



*JUNE 2009*

*"UNDERWEAREVOLUTION"*

*FLORIAN, FRANCE*

**BJÖRN BORG**

# 2009 summary

- Tough market
- Positive currency effects and lower costs
- New financial targets
- Four new markets
- Next step in US

## New strategy

- Focus on underwear
- Strengthened organization
- High pace in product development



*JUNE 2009  
"UNDERWEAREVOLUTION"  
FLORIAN, FRANCE*

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# Financials 2009

*JUNE 2009  
"THE LOVE OF MY LIFE"  
PHOTO BY JOYCE, NETHERLANDS*

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# Financials in brief – Q4

- **Still challenging market and delay effects**
  - Net sales decreased 22% to 102,2 MSEK (131,2)
  - Less currency effects than earlier quarters 2009
  - Lower costs
  - Operating profit decreased from 26,0 MSEK to 19,4 MSEK, mainly due to less sales
- **Lower Brand sales**
  - Brand sales down 11% to 422 (476)
  - Low growth in Sweden, weaker development on the other established countries
  - Continued growth on the smaller markets

# Financials in brief – 2009

- **Stable development in a turbulent market**
  - Net sales decreased 1% to 520 MSEK (527)
  - Positive currency effects compensated lower sales
- **Investments and currency affected operating profit**
  - Operating profit 112,6 MSEK (128,8)
- **Unchanged Brand sales**
  - 1 976 MSEK (1 971)
  - Highest growth on smaller markets
  - Holland still the biggest contributor
- **New financial targets**

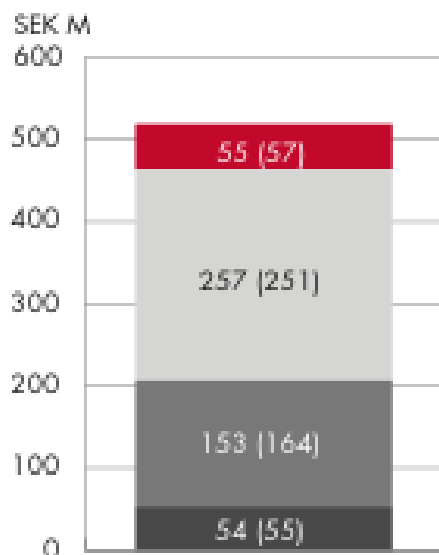
# Development 2009

	Q4 09	Q4 08	+/-	2009	2008	+/-
<b>Brand sales</b> MSEK	422	476	-11%	1,976	1,971	0%
<b>Net sales</b> MSEK	<b>102</b>	131	-11%	<b>520</b>	<b>527</b>	-1%
<b>Gross margin</b> %	<b>55.7</b>	54.1		<b>51.3</b>	53.8	
<b>Operating costs</b> MSEK	<b>37.5</b>	45.0	-17%	<b>154.1</b>	154.8	0%
<b>Operating profit</b> MSEK	<b>19.4</b>	26.0	-25%	<b>112.6</b>	128.8	-13%
<b>Operating margin</b> %	<b>19.0</b>	19.8		<b>21.7</b>	24.5	
<b>Earnings per share</b> SEK	<b>0.54</b>	0.91	-42%	<b>3.22</b>	3.96	-19%
<b>Dividend per share</b> SEK				<b>5.00</b>	1.50	

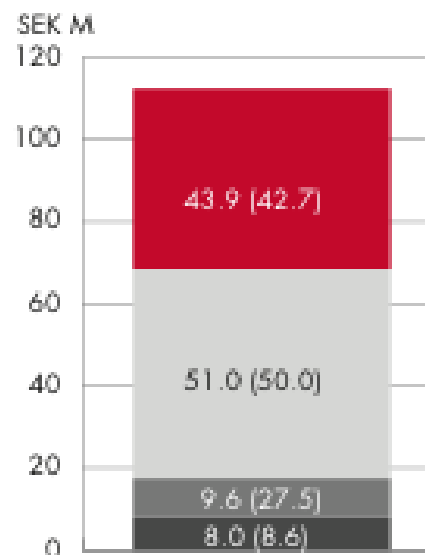


# Segments 2009

Net sales by segment  
after eliminations regarding internal sales



Profit by segment



# Segment Brand and other

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

MSEK	Q4 09	Q4 08		2009	2008
<b>Net sales</b>	33.5	45.0	-26%	138.3	142.3
	-3%				
<b>Operating profit</b>	8.6	11.4	-25%	43.9	42.7
	+3%				

## 12 months

- Decreased net sales due to lower brand sales for the licensed product areas eyewear, perfume and women's wear
- Profit was positively affected from lower sales- and marketing costs
- Currency: Costs of goods sold in SEK, Euro, NOK, DKK etc, invoicing in same currencies

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# Segment Product development

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

<b>MSEK</b>	<b>Q4 09</b>	<b>Q4 08</b>		<b>2009</b>	<b>2008</b>
<b>Net sales</b>	61.7	88.4	-30%	339.2	337.2
	+1%				
<b>Operating profit</b>	3.0	11.3	-71%	51.0	50.0
	+2%				

## 12 months

- Increased sales and improved result mainly due to currency effects and export growth in footwear during first quarter
- Currency: Costs of goods sold in USD/HKD/Euro, invoicing in USD/HKD/Euro

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# Segment Distribution

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

MSEK	Q4 09	Q4 08		2009	2008
<b>Net sales</b>	46.5	47.9	-3%	194.8	197.0
	-1%				
<b>Operating profit</b>	3.0	-2.0	N/A	9.6	27.5
	-65%				

## 12 months

- Decreased sales and result due lower sales in Swedish distribution, market investments in the US and higher USD rate
- Currency: Costs of goods sold in USD/HKD/Euro, invoicing in SEK

# Segment Retail

Björn Borg owns and operates 8 Björn Borg stores and 2 outlet stores in Sweden, selling underwear, adjacent products, footwear and licensed products

<b>MSEK</b>	<b>Q4 09</b>	<b>Q4 08</b>		<b>2009</b>	<b>2008</b>
<b>Net sales</b>	15.8	17.3	−9%	54.5	55.0
	−1%				
<b>Operating profit</b>	4.8	5.4	−11%	8.0	8.6
	−7%				

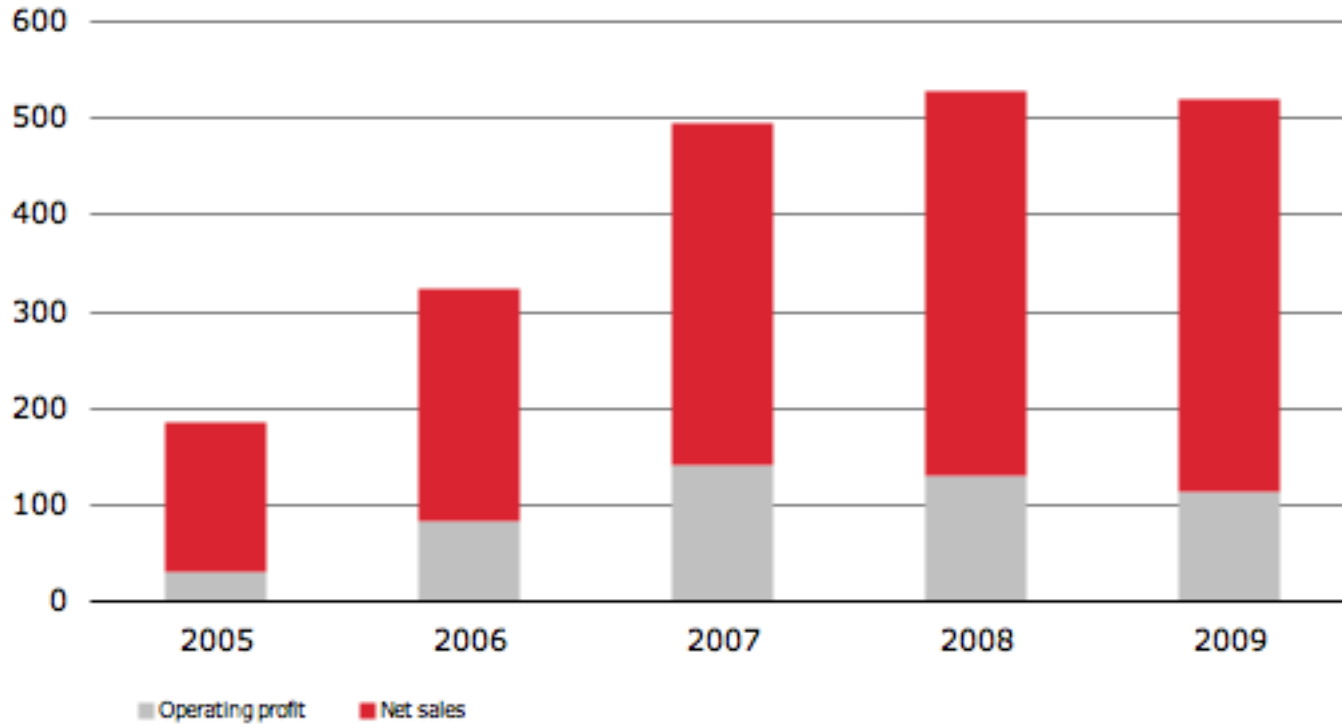
## 12 months

- Sales and result decreased due to lower sales in women's underwear and lower gross margin
- Q4: Comparable stores net sales −9%
- Currency: Costs of goods sold in SEK, invoicing in SEK

# Development 2005–2009

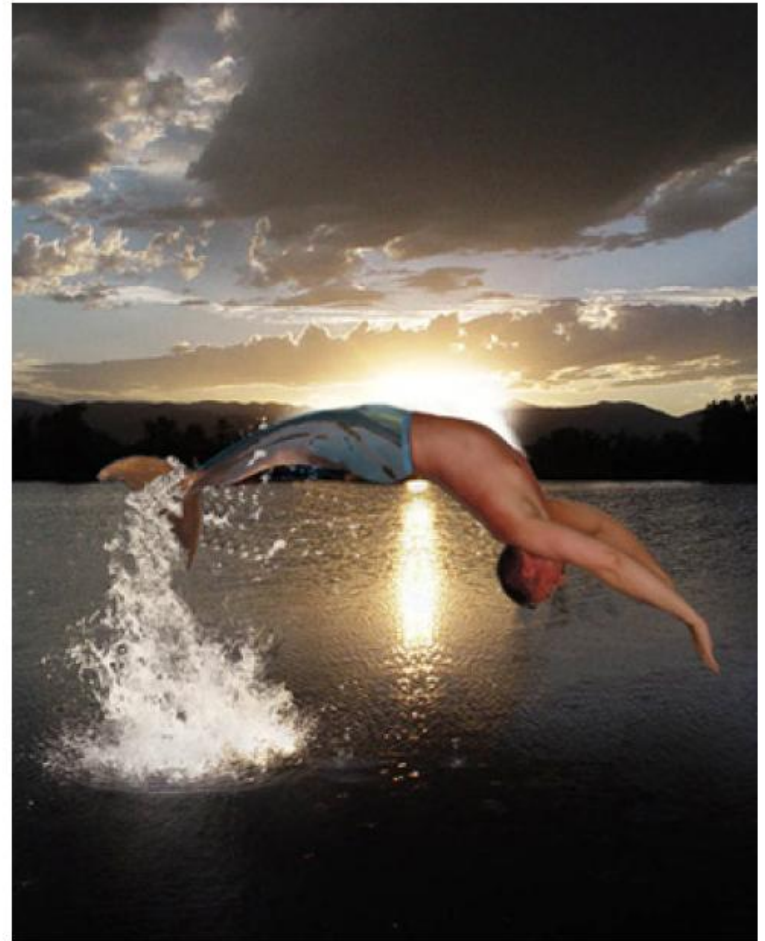
## Net sales and operating profit

SEK million



# Strong platform

- The brand
- Business model
- Organization
- Financial strength



OCTOBER 2007

"WHEN BJÖRN AND I TOUCH WATER"

RICHARD, HOLLAND

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# Three key components

- Product development
- Marketing
- Distribution



DECEMBER 2008

"CRAZY ABOUT BJÖRN BORG UNDERWEAR"

JOLIEN & CELIEN, BELGIUM

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# Innovation

## a fundamental driver

- New and communicative products
- Continuously reinvent ourselves and the underwear category to differentiate us from our competitors
- Innovative and systematic product development – our young costumers demand it!



32 NATIONS. 1 TEAM. 1 GOAL.  
**SPORT THE SHORT**  
TO RULE THEM ALL!

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# High Activity

- Improved focus on women's underwear
- Positive response on new product launches
  - Love All
  - Sport
- Kids – launch Q2 2010
- New products to be launched over the next seasons



*NOVEMBER 2007  
"JUMPING LIKE THERE'S NO TOMORROW"  
CAMILLA, DENMARK*

# Three key components

- Product development
- **Marketing**
- Distribution



DECEMBER 2008

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# Strategy

- Create a long-term platform
- Digital and social media important channels – to build loyalty
- Consistent brand building
- Packaging and exposure – key success factors



*MARCH 2009*

*"I HAVE 25 DIFFERENT BOXERS"*

*KRISTOFFER, NORWAY*

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# Our brand equity

## SWEDISH UNDERWEAR

THIS IS US

- A playful belonging
- Sexy
- Liberated

## COLORFUL UNDERWEAR

THIS IS OUR BRAND &  
PRODUCT PERSONALITY

- Vibrancy
- Colors & Patterns
- Quality & Variation

## PASSION FOR UNDERWEAR

THIS IS HOW WE ACT

- We dare to challenge
- With full dedication
- As experts in underwear

# Our mission

SWEDISH UNDERWEAR  
LIBERATION



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# Three key components

- Product development
- Marketing
- **Distribution**



DECEMBER 2008

"CRAZY ABOUT BJÖRN BORG UNDERWEAR"

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# Björn Borg – a service organization

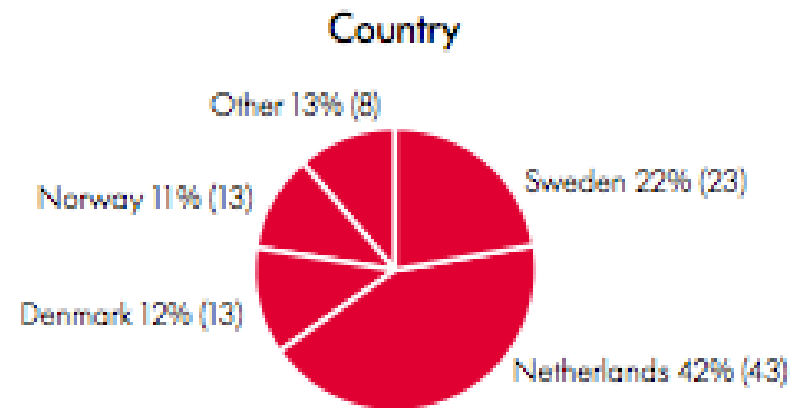
We shall offer our partners – our most important customers:

- A strong collection
- Sourcing
- A strong retail- and store concept
- A strong marketing package



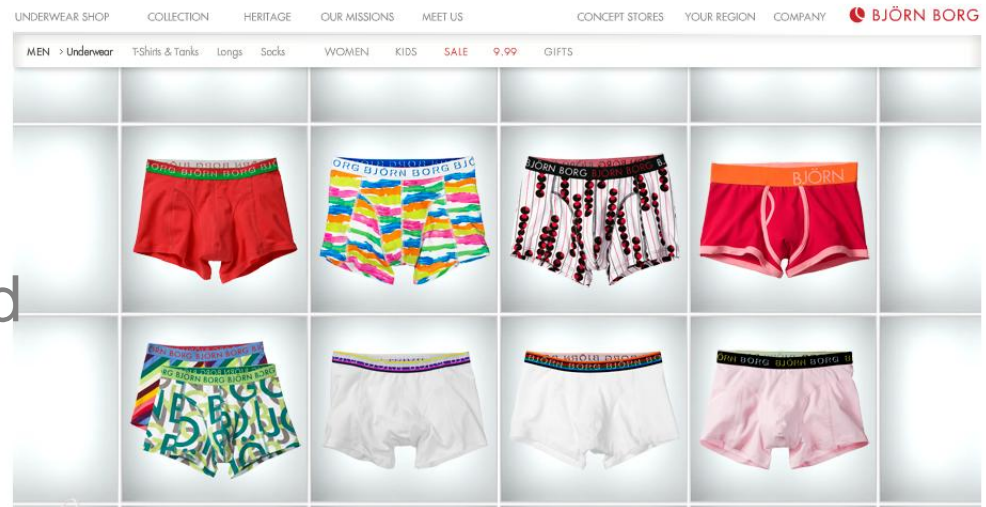
# Increased international presence

- Italy and Greece new markets 2009
- Agreements signed for distribution in Portugal and Chile. Launch during 2010
- New distributor in Germany
- The US business to be developed with a new strategy
- UK distributor given notice
- Today – a total of 17 markets



# Growing e-commerce

- Business potential
- Rise in volumes 2009
- New e-commerce platform to be launched 2010



Underwear – a perfect product for e-commerce

# Optimized retail environment

- Developing a new store concept
- Theme: “Swedish underwear liberation”
- Focus on underwear
- Over time, increase number of Björn Borg stores opened by distributors



# Licensing of the footwear product area

- Signed a letter of intent to license footwear to Trend Design Group
- Well-established production and wholesale company in Europe, North America and Australia
- Björn Borg keeps distribution in Sweden and Finland, appr. 40% of footwear sales
- Marginal profit effect 2010



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# Challenges ahead

- Tough market conditions
- High pace in product development
- It takes time to penetrate new markets



*MAY 2009*

*"SUNRISE AT AYER'S ROCK"*

*ANDERS, DENMARK*

**BJORN BORG**

# To become the champion of fashion underwear



*APRIL 2009  
"FROM PARIS WITH LOVE"  
GIJNS & EVA, HOLLAND*

**BJÖRN BORG**

# Thank you



"JUMPING"



JUNE 2009  
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PHOTO BY JOYCE, NETHERLANDS



AUGUST 2008  
"A TRULY CLASSIC VIEW"  
ANDREW, UNITED STATES

BJÖRN BORG