

Aggressive investment in product development and exports



July 1 – September 30, 2009

- Brand sales (excluding VAT) increased by 1 percent to SEK 566 million (563).
- The Group's net sales decreased by 3 percent to SEK 155.2 million (160.8).
- The gross profit margin decreased to 50.8 percent (54.1).
- Operating profit decreased to SEK 43.5 million (49.7).
- Profit after tax decreased to SEK 30.1 million (37.6).
- Earnings per share decreased to SEK 1.20 (1.50). Fully diluted earnings per share amounted to SEK 1.19 (1.50).
- Distribution agreements in Portugal and Chile.
- The Board of Directors of Björn Borg has established new financial objectives for operations, which will apply during the period 2010–2014.

January 1 – September 30, 2009

- Brand sales (excluding VAT) increased by 4 percent to SEK 1,554 million (1,495).
- The Group's net sales increased by 6 percent to SEK 417.7 million (395.3).
- The gross profit margin decreased to 50.2 percent (53.7).
- Operating profit decreased to SEK 93.2 million (102.7).
- Profit after tax decreased to SEK 67.4 million (76.4).
- Earnings per share decreased to SEK 2.68 (3.05). Fully diluted earnings per share amounted to SEK 2.68 (3.04).

Comment from the President

"Sales during the third quarter reflect the continued tough market climate, but our profit shows that we have good control over costs. Within the company we are working intensely to further improve and strengthen Björn Borg's product development and distribution," says Arthur Engel.

SEK million	July–Sept 2009	July–Sept 2008	Jan–Sept 2009	Jan–Sept 2008	Oct 2008– Sept 2009	Full-year 2008
Brand sales*	566	563	1,554	1,495	2,030	1,971
Net sales	155.2	160.8	417.7	395.3	548.9	526.6
Gross profit margin, %	50.8	54.1	50.2	53.7	51.1	53.8
Operating profit	43.5	49.7	93.2	102.7	119.2	128.8
Operating margin, %	28.0	30.9	22.3	26.0	21.7	24.5
Profit after tax	30.1	37.6	67.4	76.4	90.2	99.2
Earnings per share, SEK	1.20	1.50	2.68	3.05	3.60	3.96
Earnings per share after dilution, SEK	1.19	1.50	2.68	3.04	3.60	3.96

* Reported as of Q1 2009 as estimated total sales of Björn Borg products at the consumer level, excluding VAT, based on reported wholesale sales.

President's comment

After a year as president of Björn Borg, I feel that our operations are transparent and that the organization which will develop the brand and operations is largely in place. At the same time we have evaluated all our distributors and partners to create the right conditions for a strong, long-term growth. As a result, several new distribution agreements have been signed at the same time that several others have been terminated.

Third-quarter results remained stable, partially helped by currency changes. We have good control over costs, despite the aggressive investments we are making.

Distribution

During the year Björn Borg signed new distribution agreements in Greece, Italy, Germany and, during the third quarter, Portugal and Chile. I would again stress that it takes time to reach a significant volume in new markets, but we are very pleased with the cooperations we have now established.

Björn Borg wants to develop in the US, but we won't do it on our own. We are therefore reducing our operations in the US, but will continue to supply the key customers we already have as well as sell through our web shop. We are now holding discussions with various American parties to see if we can find a long-term solution. We believe that Björn Borg, with an established external partner, has greater prospects of sustainable growth and profitability in the US market, with limited risk.

Product development

Although we expect the market climate to remain challenging, the product launches we are preparing for next year have received a positive response from Björn Borg's partners. It is still too early, however, to draw any conclusions what it could mean in terms of sales. Underwear for kids is a new product group Björn Borg will be adding going forward. Pre-orders are being taken right now for the market launch in the second quarter of 2010, with a sneak preview planned just before the Christmas holiday this year.

In summary, I would say that sales to date reflect the market climate. Nevertheless, we are pleased with the third quarter's results, not least the initiatives that are under way to create a Björn Borg that is the "champion in fashion underwear."

Arthur Engel
President

Operations

Brand sales

Brand sales (excluding VAT) amounted to SEK 566 million (563) during the third quarter, an increase of 1 percent compared with the same quarter of 2008. During the first nine months of the year brand sales amounted to SEK 1,544 million (1,493), an increase of 4 percent.

Product areas during the first nine months

Brand sales in the underwear product area rose by 2 percent during the first nine months compared with the same period in 2008. The same increase was reported for adjacent products. Sales in the footwear product area increased as a whole by 26 percent during the period following a major gain during the first quarter and slightly weaker second and third quarters. Sales of licensed bags and fragrances were largely unchanged, while licensed eyewear sales decreased. Underwear accounted for 59 percent of brand sales during the first nine months of the year.

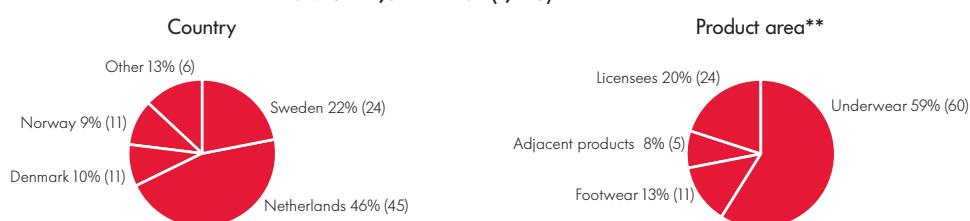
Markets during the first nine months

Brand sales in new markets continued to rise during the first nine months of the year, though from low levels. Established markets underperformed. The Netherlands noted a slight sales increase during the first nine months, mainly in the underwear product area. The Nordic markets as a whole posted a negative sales trend for the period, with a recovery in Sweden and Denmark during the third quarter.

Björn Borg stores

Two new Björn Borg stores were opened in Belgium. At the end of the period there were 45 (41) Björn Borg stores, of which 10 (11) are Group-owned. During the fourth quarter a franchise store will be opening in Helsingborg, Sweden.

Brand sales* of Björn Borg products January–September 2009.
Total SEK 1,544 million (1,493)

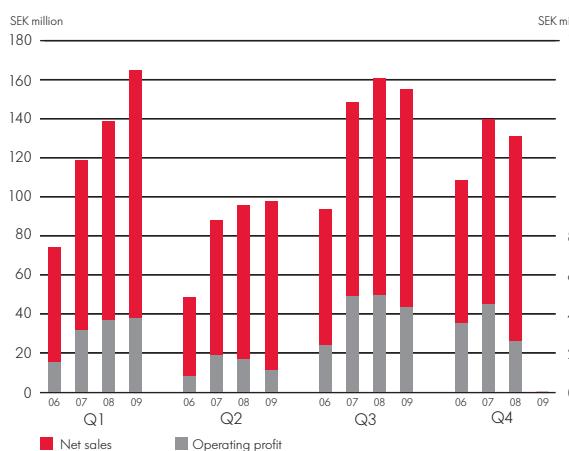


* Estimated total sales of Björn Borg products at the consumer level, excluding VAT, based on reported wholesale sales.
** Underwear: Men's and women's underwear, swimwear and socks. Adjacent products: Men's clothing. Licensees: Bags, fragrances, eyewear and women's clothing in the Netherlands.

The Group's development

Sales and operating profit decreased somewhat during the third quarter.

Quarterly net sales and operating profit



Net sales

Third quarter, July-September 2009

Group sales during the third quarter amounted to SEK 155,2 million (160,8), a decrease of 3 percent. The volume decreased during the quarter, which was compensated by a higher U.S. dollar rate.

The nine-month period January-September 2009

Group sales during the nine-month period amounted to SEK 417.7 million (395.3), an increase of 6 percent mainly due to the positive effect of the higher dollar exchange rate and higher footwear exports.

Profit

Third quarter, July-September 2009

The gross profit margin decreased during the third quarter to 50.8 percent (54.1) due to the higher dollar exchange rate and a slight decrease in Swedish distribution.

Operating profit amounted to SEK 43.5 million (49.7) during the quarter with an operating margin of 28.0 percent (30.9). Profit before tax decreased during the period to SEK 40.8 million (52.3).

Operating profit was adversely affected by both lower sales and a lower gross profit in distribution operations. The higher dollar exchange rate as a whole had a slightly positive effect on operating profit. Investments in the US market were in line

with the same quarter of 2008. Due to a cost efficient marketing and selling approach, operating expenses were lower than the same quarter a year earlier.

The nine-month period January-September 2009

The gross profit margin decreased during the nine-month period to 50.2 percent (53.7). Operating profit amounted to SEK 93.2 million (102.7) with an operating margin of 22.3 percent (26.0). Profit before tax declined during the period to SEK 91.9 million (106.1). Operating expenses as a share of net sales remained fairly constant at 27.9 percent (27.8). The main reason for the lower gross profit margin was the stronger dollar and its impact on the Distribution segment in particular. Compared with the same period of 2008, operating profit was negatively affected by additional expenses for marketing investments in the US.

As of September 30, 2009 the company had 25,148,384 shares outstanding. Earnings per share before and after dilution amounted to SEK 2.68 (3.05) and SEK 2.68 (3.04), respectively.

Development by business segment

The Group comprises of eight companies that operate under the Björn Borg brand on every level, from product development to distribution and consumer sales in its own Björn Borg stores.

Brand and other

Sales in the Brand and other segment primarily consist of royalty revenue, sales of services within the Björn Borg network and intra-Group services.

Net sales during the nine-month period reached SEK 104.8 million (97.3), an increase of 8 percent, which was mainly due to higher internal sales, though also to a lesser degree to increased brand sales.

Operating profit amounted to SEK 35.3 million (31.3) for the period, an increase by 13 percent. Profit was affected positively by higher sales in the network.

Product development

The Group has global responsibility for development, design and production of underwear, adjacent products and footwear.

The segment's net sales amounted to SEK 277.4 million (248.8) during the nine-month period, an increase of 12 percent. The increase was primarily due to substantially higher footwear exports, mainly to the Netherlands, during the first quarter, but also the stronger dollar during the entire period January-September 2009.

Operating profit increased to SEK 48.0 million (38.8) as a result of the increased exports and stronger dollar.

SEK thousands Operating area	Revenue source	Jan-Sept 2009		Jan-Sept 2008		Jan-Sept 2009		Jan-Sept 2008	
		Sales	Operating profit	Sales	Operating profit	Operating profit	Operating margin	Operating profit	Operating margin
Brand and other	Royalties and services	104,776	31,255	97,300	35,304	31,255	34%	49.7	32%
Product development	Products	277,434	47,959	248,784	47,959	38,763	17%	31.3	16%
Distribution	Wholesale sales	147,880	6,636	149,084	6,636	29,489	4%	29.4	20%
Retail	Retailers	38,756	3,267	37,716	3,267	3,196	8%	8.3	8%
Less internal sales		-151,178	-	-137,561	-	-	-	-	-
Total		417,668	93,166	395,323	102,702	102,702	22%	26.0	22%

Distribution

The Björn Borg Group is the exclusive distributor of underwear, adjacent products and footwear in Sweden and the U.S.

Net sales in the Distribution segment decreased by 1 percent during the period to SEK 147.9 million (149.1). This was mainly due to a decline in Swedish underwear distribution.

Operating profit amounted to SEK 6.6 million (29.5). The decrease was mainly due to marketing investments in the US, lower sales in Swedish underwear distribution and the stronger dollar, which affected gross profit negatively.

Retail

The Björn Borg Group owns and operates eight stores in the Swedish market that sell underwear, adjacent products, footwear and licensed products. Additionally, Björn Borg operates two factory outlets.

Net sales in the Retail segment amounted to SEK 38.8 million (37.7) during the nine-month period, an increase of 3 percent. Sales also rose by 3 percent for the quarter for comparable stores. Operating profit increased to SEK 3.3 million (3.2) due to the higher sales, but with a slightly lower gross profit margin.

Intra-Group sales

Intra-Group sales amounted to SEK 151.2 million (137.6) during the period.

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 3.

Investments and cash flow

Cash flow from operating activities in the Group amounted to SEK 57.7 million (32.8) for the period January–September 2009. The positive effect on working capital was offset, however, by reduced accounts payable owing to earlier shipments to a distributor.

Total investments in tangible and intangible non-current assets amounted to SEK 2.5 million (4.9) for the period January–September 2009, the large part of which was attributable to a new enterprise system.

For the period January–September 2009, cash & cash equivalents increased by SEK 20.6 million (–8.3).

Financial position and liquidity

The Björn Borg Group's cash & cash equivalents (net cash position) amounted to SEK 262.1 million (179.1) at the end of the period. The equity/assets ratio was 75.7 percent (68.5). The company has no interest-bearing liabilities.

During the period January–September 2009 net financial items were affected negatively by translation differences for operations in the U.S. and lower interest rates on savings balances compared with the same period last year.

Financial objectives

The Board of Directors of Björn Borg has established new financial objectives for operations, which will apply during the period 2010–2014. Björn Borg will generate:

- Average annual organic growth of at least 10 percent
- An average annual operating margin of at least 20 percent
- An annual dividend of at least 50 percent of net profit
- Long-term cash reserves equivalent to 10–20 percent of annual sales.

Comments to the financial objectives:

The long-term objective will be achieved if established markets grow slightly below the average growth target and new markets provide stronger growth. During the beginning of the period, sales growth could fall below the target, since several new markets are being added.

The surplus liquidity generated by meeting the new financial objectives will be distributed gradually during the forecast period, starting in 2010.

Operating investments are annually expected to fall in the range of 2–5 percent of net sales depending on the addition of any new concept stores.

Commitments and contingent liabilities

No changes were made with regard to pledged assets and contingent liabilities compared with December 31, 2008. For further information, see note 22 on page 44 of the annual report 2008.

Personnel

The average number of employees in the Group for the period January–September was 93 (86), of whom 58 were women.

Events after the balance sheet date

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

Number of shares

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

Nomination Committee

In accordance with the resolution of the Annual General Meeting, Björn Borg's Nomination Committee shall consist of the Chairman of the Board and one representative from each of the company's three largest shareholders measured in terms of voting rights as of August 31, 2009. Björn Borg's Nomination Committee for the Annual General Meeting 2010 is as follows:
Fredrik Lövstedt, Chairman of the Board
Martin Bjäringer, who represents himself as a shareholder
Åsa Nisell, who represents the Swedbank Robur funds
Stefan Roos, who represents the SEB funds
Martin Bjäringer has been appointed the Chairman of the Nomination Committee.

Annual General Meeting

The Annual General Meeting for the financial year 2009 will be held in Stockholm on April 15, 2010.

Parent Company

Björn Borg AB (publ) is primarily engaged in intra-Group activities. In addition, the Parent Company owns 100 percent of the shares in Björn Borg Brands AB and Björn Borg Footwear Holding AB.

The Parent Company's net sales for the third quarter amounted to SEK 11.1 million (14.3). During the period January–September the Parent Company's net sales amounted to SEK 31.5 million (28.0). The loss before tax amounted to SEK 0.9 million for the third quarter, against a year-earlier loss of SEK 1.3 million. For the period January–September the Parent Company reported a loss before tax of SEK 12.5 million, compared with a year-earlier loss of SEK 15.9 million. Cash & cash equivalents amounted to SEK 174.8 million (112.3) on September 30. For the period January–September investments in tangible and intangible non-current assets amounted to SEK 1.5 million (0.6).

Significant risks and uncertainties

In its operations, the Björn Borg Group is exposed to risks and uncertainties. For further information, refer to pages 29–30 in the annual report 2008.

Transactions with related parties

During the period transactions were executed on market terms with Klockaren Fastighetsförvaltning i Varberg AB. For more detailed information, see note 11 on page 42 of the annual report 2008.

Accounting principles

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting principles were applied during the period as in 2008, as described on pages 36–38 of the latest annual report, with the exceptions indicated below.

IAS 1 (Revised) Presentation of Financial Statements is effective January 1, 2009. The revised standard has affected the recognition of translation adjustments for foreign operations retroactively to December 31, 2008. These revenues and expenses were previously recognized directly in equity, but are now reported in a separate statement directly after the income statement. Another revision is the new terminology used in the financial reports. As of January 1, 2009 a new standard, IFRS 8 Operating Segments, takes effect. IFRS 8 is a disclosure standard and does not impact the Group's statement of comprehensive income, financial position, cash flow and changes in equity. The operating segments are unchanged compared with the latest annual report. None of the other new or amended standards and interpretations from IFRIC has had a significant impact on the financial position or results of the Group or the Parent Company.

Outlook 2009

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

Audit report

This interim report has been reviewed by the company's auditors. Their review report can be found on page 10.

Consolidated statement of comprehensive income

Condensed

SEK thousands	July–Sept 2009	July–Sept 2008	Jan–Sept 2009	Jan–Sept 2008	Oct 2008–Sept 2009	Full-year 2008
Net sales	155,162	160,762	417,668	395,323	548,901	526,556
Cost of goods sold	–76,403	–73,793	–207,937	–182,856	–268,139	–243,058
Gross profit	78,759	86,969	209,730	212,467	280,761	283,498
Distribution expenses	–23,243	–25,881	–77,634	–74,135	–109,001	–105,380
Administrative expenses	–8,752	–8,501	–29,052	–26,819	–39,167	–37,133
Development expenses	–3,311	–2,899	–9,877	–8,811	–13,377	–12,234
Operating profits	43,454	49,688	93,166	102,702	119,215	128,751
Net financial items	–2,624	2,589	–1,220	3,427	1,424	6,071
Profit before tax	40,830	52,277	91,946	106,129	120,639	134,822
Tax	–10,747	–14,638	–24,538	–29,716	–30,442	–35,620
Profit for the period	30,083	37,639	67,408	76,413	90,197	99,202
Profit/loss attributable to						
Parent Company's shareholders	30,078	37,618	67,380	76,400	90,190	99,210
Minority interests	5	21	28	13	7	–8
Other comprehensive income						
Translation adjustments for foreign operations	467	–	943	–43	–	–536
Total comprehensive income for the period	30,550	37,639	68,351	76,370	90,197	98,666
Total comprehensive income for the period attributable to						
Parent Company's shareholders	30,545	37,618	68,323	76,357	90,190	98,674
Minority interests	5	21	28	13	7	–8
Earnings per share, SEK	1.20	1.50	2.68	3.05	3.60	3.96
Earnings per share after dilution, SEK	1.19	1.50	2.68	3.04	3.60	3.96
Number of shares	25,148,384	25,041,584	25,148,384	25,041,584	25,148,384	25,059,184
Weighted average number of shares	25,148,384	25,041,584	25,098,828	25,039,028	25,059,284	25,041,134
Effect of dilution*	192,163	25,808	63,166	52,554	–	34,366
Weighted average number of shares after full dilution	25,340,547	25,067,392	25,161,994	25,091,582	25,059,284	25,075,500

* Björn Borg has two outstanding incentive programs based on warrants in Björn Borg AB: option schemes 2008:1 and 2008:2. For more detailed information, see page 41 of the annual report 2008.

Consolidated statement of financial position

Condensed

SEK thousands	Sept 30 2009	Sept 30 2008	Dec 31 2008
Non-current assets			
Goodwill	13,944	13,944	13,944
Trademarks	187,532	187,532	187,532
Other intangible assets	1,843	2,850	1,696
Tangible non-current assets	12,061	17,181	15,366
Total non-current assets	215,379	221,507	218,538
Current assets			
Inventories, etc.	31,654	34,147	33,752
Current receivables	81,704	124,923	106,197
Cash & cash equivalents	262,100	179,109	241,498
Total current assets	375,458	338,178	381,447
Total assets	590,837	559,685	599,985
Equity and liabilities			
Equity	447,533	383,110	413,803
Deferred tax liabilities	36,720	31,667	32,884
Other non-current liabilities	42,371	48,240	46,816
Accounts payable	9,116	45,941	45,489
Other current liabilities	55,097	50,727	60,993
Total equity and liabilities	590,837	559,685	599,985

Consolidated statement of changes in equity

Condensed

SEK thousands	Jan–Sept 2009	Jan–Sept 2008	Full-year 2008
Opening balance	413,803	342,943	342,943
Incentive programs	–	1,242	9,055
New share issues	2,968	110	694
Dividend	–37,589	–37,555	–37,555
Total comprehensive income for the period	68,351	76,370	98,666
Closing balance	447,533	383,110	413,803

Consolidated statement of cash flows

Condensed

SEK thousands	July–Sept 2009	July–Sept 2008	Jan–Sept 2009	Jan–Sept 2008	Full-year 2008
Cash flow from operating activities					
Before change in working capital	34,090	36,197	73,093	74,603	123,214
Change in working capital	–11,711	–29,646	–15,387	–41,814	–36,260
Cash flow from operating activities	22,379	6,551	57,706	32,789	86,954
Cash flow from investing activities					
Dividend	–	–	–37,589	–37,555	–37,555
Incentive programs/new share issues	–	1,242	2,968	1,352	9,749
Cash flow from financing activities	–	1,242	–34,621	–36,203	–27,806
Cash flow for the period	22,143	4,060	20,602	–8,314	54,075
Cash & cash equivalents at beginning of period	239,957	175,049	241,498	187,423	187,423
Cash & cash equivalents at end of period	262,100	179,109	262,100	179,109	241,498

Key figures

Group

SEK thousands	July–Sept 2009	July–Sept 2008	Jan–Sept 2009	Jan–Sept 2008	Oct 2008– Sept 2009	Full-year 2008
Gross profit margin, %	50.8	54.1	50.2	53.7	51.1	53.8
Operating margin, %	28.0	30.9	22.3	26.0	21.7	24.5
Profit margin, %	26.3	32.5	22.0	26.8	22.0	25.6
Return on capital employed, %	8.4	11.5	17.9	24.5	26.0	28.8
Return on average equity, %	7.6	10.4	17.0	21.0	21.7	26.2
Profit attributable to Parent Company's shareholders	30,078	37,619	67,380	76,400	90,190	99,210
Earnings per share, SEK*	1.20	1.50	2.68	3.05	3.60	3.96
Earnings per share after dilution, SEK	1.19	1.50	2.68	3.04	3.60	3.96
Number of shares	25,148,384	25,041,584	25,148,384	25,041,584	25,148,384	25,059,184
Weighted average number of shares	25,148,384	25,041,584	25,098,828	25,039,028	25,059,284	25,041,134
Effect of dilution	192,163	25,808	63,166	52,554	–	34,366
Weighted average number of shares after dilution	25,340,547	25,067,392	25,161,994	25,091,582	25,059,284	25,075,500
Equity/assets ratio, %	75.7	68.5	75.7	68.5	75.7	69.0
Equity per share, SEK	17.80	15.30	17.80	15.30	17.80	16.51
Investments in intangible assets	158	2,200	1,419	2,200	1,419	2,200
Investments in tangible assets	78	1,533	1,063	2,700	1,236	2,873
Depreciation and impairment losses for the period	–1,703	–1,389	–5,662	–3,741	–8,897	–6,976
Average number of employees	93	86	93	86	95	88



Summary by segment

Group

SEK thousands	July–Sept 2009	July–Sept 2008	Jan–Sept 2009	Jan–Sept 2008	Oct 2008– Sept 2009	Full-year 2008
Operating revenue						
Brand and other						
External sales	13,856	19,241	44,226	44,588	56,910	57,272
Internal sales	22,577	24,124	60,550	52,713	92,857	85,020
	36,433	43,365	104,776	97,300	149,767	142,292
Product development						
External sales	75,334	76,289	211,343	184,242	277,708	250,608
Internal sales	23,445	31,705	66,091	64,542	88,128	86,579
	98,779	107,994	277,434	248,784	365,836	337,187
Distribution						
External sales	49,689	49,479	123,344	128,783	158,215	163,655
Internal sales	11,449	9,772	24,536	20,301	37,548	33,312
	61,138	59,251	147,880	149,084	195,763	196,967
Retail						
External sales	16,283	15,753	38,756	37,710	56,067	55,021
Internal sales	–	6	–	6	–	6
	16,283	15,759	38,756	37,716	56,067	55,027
Less internal sales	–57,472	–65,606	–151,178	–137,561	–218,533	–204,916
Operating revenue	155,162	160,762	417,668	395,323	548,900	526,556
Operating profit						
Brand and other	16,367	17,690	35,304	31,255	46,705	42,656
Product development	15,467	17,095	47,959	38,763	59,205	50,009
Distribution	8,905	12,082	6,636	29,489	4,622	27,475
Retail	2,713	2,820	3,267	3,196	8,683	8,611
Operating profit	43,453	49,688	93,166	102,702	119,214	128,751

Quarterly data

Group

SEK thousands	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Brand sales	566,423	385,637	602,183	475,378	562,835	381,246	551,062	520,690
Net sales	155,162	97,832	164,674	131,233	160,762	95,813	138,748	139,795
Gross profit margin, %	50.8	50.9	49.3	54.1	54.1	55.9	51.9	53.8
Operating profit	43,454	12,131	37,582	26,049	49,688	16,493	36,521	42,258
Operating margin, %	28.0	12.4	22.8	19.8	30.9	17.2	26.3	30.2
Profit after financial items	40,830	11,871	39,245	28,693	52,277	16,594	37,258	42,719
Profit margin, %	26.3	12.1	23.8	21.9	32.5	17.3	26.9	30.6
Earnings per share, SEK	1.20	0.34	1.15	0.91	1.50	0.48	1.07	1.22
Earnings per share after dilution, SEK	1.19	0.33	1.15	0.91	1.50	0.48	1.07	1.22
Number of Björn Borg stores at end of period	45	43	44	44	41	39	36	36
of which Björn Borg-owned stores	10	10	11	11	11	10	10	10

Parent Company income statement

Condensed

SEK thousands	July–Sept 2009	July–Sept 2008	Jan–Sept 2009	Jan–Sept 2008	Oct 2008– Sept 2009	Full-year 2008
Net sales	11,093	14,333	31,533	28,032	54,130	50,630
Cost of goods sold	–7	–1,906	–2,413	–3,556	–5,831	–6,975
Gross profit	11,087	12,427	29,120	24,476	48,299	43,655
Distribution expenses	–7,934	–9,052	–28,012	–26,421	–41,826	–40,235
Administrative expenses	–3,052	–3,482	–10,774	–10,162	–16,087	–15,475
Development expenses	–1,221	–1,393	–4,310	–4,065	–6,435	–6,190
Operating profit/loss	–1,120	–1,500	–13,975	–16,171	–16,049	–18,245
Net financial items	202	230	1,452	318	2,850	1,716
Profit/loss before tax	–918	–1,270	–12,522	–15,853	–13,198	–16,529
Appropriations	–	–	–	–	–104	–104
Tax	241	356	3,293	4,439	3,499	4,424
Profit/loss for the period	–676	–915	–9,229	–11,414	–9,804	–12,209

Parent Company balance sheet

Condensed

SEK thousands	Sept 30 2009	Sept 30 2008	Dec 31 2008
Non-current assets			
Intangible non-current assets	1,330	–	–
Tangible non-current assets	4,390	5,787	5,543
Shares in Group companies	54,497	54,497	54,497
Total non-current assets	60,217	60,284	60,040
Current assets			
Receivables from Group companies	34,027	59,411	59,551
Current receivables	11,070	12,412	11,394
Cash & cash equivalents	174,766	112,278	220,348
Total current assets	219,863	184,101	291,292
Total assets	280,080	244,385	351,333
Equity and liabilities			
Equity	105,952	139,859	154,206
Untaxed reserves	7,359	7,254	7,359
Due to Group companies	156,098	84,197	173,048
Accounts payable	3,458	7,689	7,713
Other current liabilities	7,213	5,386	9,008
Total equity and liabilities	280,080	244,385	351,333

About the Björn Borg Group

The Group owns the Björn Borg trademark and has operations in five product areas: clothing, footwear, bags, eyewear and fragrances. Björn Borg products are sold in fifteen markets, of which Sweden and the Netherlands are the largest. Operations are managed through a network of product and distribution companies which are either part of the Group or are independent companies with licenses for product areas and geographical markets. The Björn Borg Group has operations at every level from branding to consumer sales through its own Björn Borg stores. Total sales of Björn Borg products in 2008 amounted to approximately SEK 2 billion at the consumer level. Group net sales amounted to SEK 527 million in 2008, with 88 employees at year-end. The Björn Borg share is listed on NASDAQ OMX Nordic, Mid Cap list, since May 7, 2007.

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 plus financial expenses as a percentage of average capital employed.

Return on equity

Net profit according to the income statement as a percentage of average equity. Average equity is calculated by adding equity at January 1 to equity at December 31 and dividing by two.

Earnings per share

Earnings per share in relation to the weighted average number of shares during the period.

Earnings per share after dilution

Earnings per share adjusted for any dilution effect.

Brand sales

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

The Board of Directors and the President certify that the interim report for the nine-month period provides a true and fair overview of the operations, financial position and results of the Parent Company and the Group and describes the substantial risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, November 12, 2009

Fredrik Lövstedt
Chairman

Nils Vinberg
Vice Chairman

Monika Elling
Board Member

Fabian Månsson
Board Member

Mats H Nilsson
Board Member

Wilhelm Schottenius
Board Member

Michael Storåkers
Board Member

Arthur Engel
President and CEO

Review report**Introduction**

We have reviewed the interim report for Björn Borg AB (publ) for the period January 1, 2009 to September 30, 2009. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden RS

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material aspects, prepared in accordance with IAS 34 and the Annual Accounts Act for the Group and in accordance with the Annual Accounts Act for the Parent Company.

Stockholm, November 12, 2009

Deloitte AB

Håkan Pettersson
Authorized Public Accountant

Tommy Mårtensson
Authorized Public Accountant



Upcoming information dates:

The year-end report for 2009 will be released on February 11, 2010.

The Annual General Meeting will be held on April 15, 2010.

The interim report January–March 2010 will be released on May 6, 2010.



For further information, please contact:

Arthur Engel, President and CEO, telephone +46 8 506 33 700

Johan Mark, CFO, telephone +46 8 506 33 700

Björn Borg AB
Götgatan 78
SE-118 30 Stockholm, Sweden
www.bjornborg.com

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 November 12, 2009 at 7:30 a.m. (CET).