

Ready for long-term growth



Fourth quarter, October 1 – December 31, 2009

- Brand sales (excluding VAT) decreased by 11 percent to SEK 422 million (476).
- The Group's net sales decreased by 22 percent to SEK 102.2 million (131.2).
- The gross profit margin increased to 55.7 percent (54.1).
- Operating profit decreased to SEK 19.4 million (26.0).
- Profit after tax decreased to SEK 13.5 million (22.8).
- Earnings per share decreased to SEK 0.54 (0.91). Fully diluted earnings per share amounted to SEK 0.53 (0.91).
- A letter of intent has been signed to license out the footwear product area.

The period January 1 – December 30, 2009

- Brand sales (excluding VAT) increased slightly to SEK 1,976 million (1,971).
- The Group's net sales decreased by 1 percent to SEK 519.9 million (526.6).
- The gross profit margin decreased to 51.3 percent (53.8).
- Operating profit decreased to SEK 112.6 million (128.8).
- Profit after tax decreased to SEK 80.9 million (99.2).
- Earnings per share decreased to SEK 3.22 (3.96). Fully diluted earnings per share amounted to SEK 3.21 (3.96).
- The Board of Directors has decided to recommend that the Annual General Meeting approve a dividend of SEK 5.00 (1.50) per share.

Comment from the President

"In the fourth quarter we saw the same cautiousness in the market that we had earlier in the year, at the same time that exchange rate effects are no longer compensating for weaker sales. For 2009 as a whole, we can nevertheless say that the Björn Borg brand stood firm and that the Group is well-prepared for further expansion. The year was distinguished by intense efforts to adapt the entire business to our new vision to be the best in fashion underwear. In 2010 we will see the effects of the measures we have now taken, including in the form of a wider assortment and several new products," said Arthur Engel.

SEK million	Oct-Dec 2009	Oct-Dec 2008	Full-year 2009	Full-year 2008
Brand sales*	422	476	1,976	1,971
Net sales	102.2	131.2	519.9	526.6
Gross profit margin, %	55.7	54.1	51.3	53.8
Operating profit	19.4	26.0	112.6	128.8
Operating margin, %	19.0	19.8	21.7	24.5
Profit after tax	13.5	22.8	80.9	99.2
Earnings per share, SEK	0.54	0.91	3.22	3.96
Earnings per share after dilution, SEK	0.53	0.91	3.21	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

Björn Borg has obviously been affected by the turbulence that hit the market with full force during the year, creating uncertainty on the part of both distributors and consumers. But we feel that 2009 was still a good year. Total brand sales of Björn Borg products and the Group's revenues remained at the same levels as previous year, which we feel is totally acceptable.

We were affected in the fourth quarter by the fact that our distributors had ordered holiday merchandise before the summer, when I expect most of them were more cautious in their market assessment than they are today. At the same time we no longer have exchange rate effects to compensate for weaker sales.

In terms of earnings, we lost ground during the year, mainly due to a lower gross margin from a stronger dollar, but also because of higher costs for our efforts in the U.S. Our cost level was lowered during the second half of the year, and with the phase-out of our own operations in the U.S. and good cost controls we look forward to a stable cost level.

Changes based on the new strategy

In 2009 we conducted a thorough analysis of the Group's operations and the brand's potential, which led to a new strategy. We now have a clear direction for our efforts going forward. The goal is to be the best at fashion underwear, our core business.

To get there we have identified three success factors: innovative and faster product development, creative marketing communications and efficient international distribution. To strengthen these functions, we worked intensely during the year to adapt our routines, competencies and organization.

All distributors and product companies have been reviewed to ensure that we have the right representation for a further expansion with our new focus on underwear. As a result, we have terminated our agreements in France and England, begun cooperating with a strong new distributor in Germany and established new, more uniform distribution agreements. In the U.S. we have decided not to further pursue operations on our own. During the year we also signed agreements in several new, exciting markets where consumer sales have recently been launched: Italy, Greece, Portugal and Chile. E-commerce developed well during the year and we see good opportunities to grow with a new, improved platform that will be launched this spring.

Licensing of footwear

One consequence of our focus on underwear is that we now have decided to license the footwear product area to an international shoe company. With a strong partner with well-established product development and distribution internationally, we believe Björn Borg footwear will have the opportunity to develop better than it would within the Group, where we have other priorities. We truly believe that there is good potential for our footwear that we want to capitalize on in the best way possible. The Group's existing sales organization will continue to handle distribution in Sweden and Finland, which account for nearly half of our footwear sales, and the Group will continue to receive royalties on other sales.

New products on the way

We feel that accelerating the pace of product development and offering a broader, innovative product range is the key to our continued growth in both new and mature markets. Last fall we devoted a great deal of energy to paving the way for this. We will now see the results through a broader range of underwear. Just recently we launched a new spring basics collection of women's underwear in a variety of colors called Love All. Several underwear launches for both men and women will follow, and during the second quarter we are planning a major launch of our new category, Kids.

At the same time we are improving our marketing communications with a new branding platform and increased support for our network. Our more ambitious aims in product development and marketing communications have been positively received by distributors and retailers, which is an important sign that we are focusing on the right areas.

A new year

Uncertainty where our market is headed still lingers, and we are carefully following developments. Our feeling is that there is nevertheless cautious optimism looking ahead to 2010 both in our network and the market as a whole.

Regardless of short-term fluctuations, we have our sights set on our long-term goals and expansion plans for the brand. We will continue to work aggressively to grow in both new and established markets. We want to reach even more markets with committed, skilled partners when we see the right opportunities.

Arthur Engel
President

Operations

Brand sales

Brand sales (excluding VAT) were largely unchanged for the full-year 2009 at SEK 1,967 million (1,971). During the fourth quarter brand sales amounted to SEK 422 million (476), a decrease of 11 percent compared with the same quarter of 2008.

Product areas for the full-year 2009

Brand sales in the underwear product area rose by 2 percent in 2009 compared with the same period in 2008. The same increase was reported for adjacent products – menswear. Overall sales in the footwear product area rose by 2 percent during the period following a major gain during the first quarter and slightly weaker quarters over the remainder of the year. Sales of licensed bags and fragrances were largely unchanged, while fragrance and eyewear sales decreased. Underwear accounted for 63 percent of brand sales during the year.

Markets for the full-year 2009

Brand sales in the smaller markets continued to rise in 2009, though from low levels, and accounted for 13 percent of total brand of sales during the year. Established markets underperformed. The Netherlands noted a slight sales decrease for the year as a whole, mainly in the licensed area of women's underwear. Sweden, Denmark and Norway posted a negative sales trend.

Björn Borg stores

A new franchise store opened in Helsingborg, Sweden, in the fourth quarter of 2009. For the full-year a total of three new stores were opened and one was closed. At the end of the period there were 46 (44) Björn Borg stores, of which 10 (11) are Group-owned.

Licensing of the footwear product area

In February 2010 Björn Borg signed a letter of intent to license out the product development and a portion of sales in the footwear area to Trend Design Group, a well-established production and wholesale company for men's and women's footwear with distribution in large parts of Europe as well as North America and Australia. Distribution of Björn Borg shoes in Sweden and Finland, corresponding to 42 percent of sales in the footwear product area in 2009, remain within the Group and will be managed by the current sales organization, while Trend Design Group will be responsible for sales in other markets.

Licensing of the footwear product area is a consequence of the Group's focus on underwear and adjacent products. At the same time Björn Borg feels that its footwear operations will

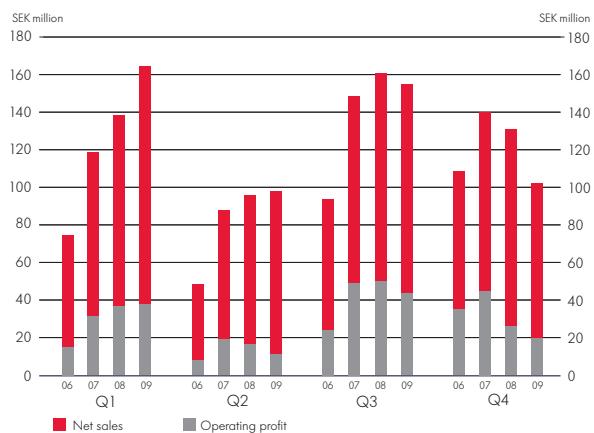
have a better chance of a broader international expansion by licensing to a partner with experience and an extensive network of contacts in the footwear market.

Licensing is not expected to affect sales in 2010, because of the long lead times, which means it will take time before the change has an impact. In terms of profit, it is expected to have a marginally positive effect in 2010 owing to lower costs for product development and personnel. A slight decrease in revenue is expected in the product development segment as of 2011, at the same time that licensed sales will generate higher royalties for the Group.

The Group's development

Sales and operating profit decreased during the fourth quarter.

Quarterly net sales and operating profit



Net sales

Fourth quarter, October–December 2009

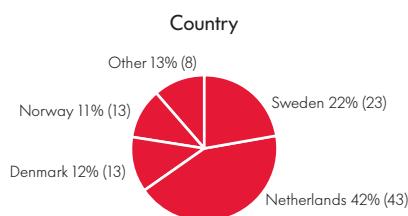
Group sales during the third quarter amounted to SEK 102.2 million (131.2), a decrease of 22 percent. Sales were negatively affected by lower export sales in the product development segment. Swedish underwear distribution and Group-owned retail operations also posted lower sales.

January–December 2009

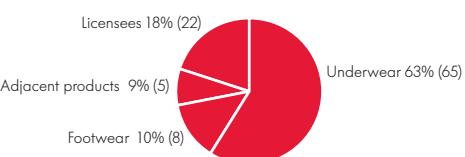
Group sales during the year amounted to SEK 519.9 million (526.6), a decrease of 1 percent. Sales were negatively affected during the year by lower volume, at the same time that they were positively affected by the higher dollar exchange rate and higher footwear exports early in the year.

Brand sales* of Björn Borg products January–December 2009.

Total SEK 1,976 million (1,971)



Product area**



* 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.

Profit

Fourth quarter, October-December 2009

The gross profit margin increased during the fourth quarter to 55.7 percent (54.1), mainly because the distribution and retail segments accounted for a larger share of sales compared with the same period last year. A weaker dollar also had a positive effect.

Operating profit amounted to SEK 19.4 million (26.0) during the quarter with an operating margin of 19.0 percent (19.8). Profit before tax decreased during the period to SEK 19.7 million (28.7).

Operating profit was adversely affected by lower sales, but positively by lower operating costs. Operating costs decreased compared with the fourth quarter of 2008, when SEK 5 million in non-recurring expenses were recognized. Further cost efficiencies in marketing and sales reduced operating expenses compared with the same quarter a year earlier.

January-December 2009

The gross profit margin decreased during the year to 51.3 percent (53.8). Operating profit amounted to SEK 112.6 million (128.8) with an operating margin of 21.7 percent (24.5). Profit before tax declined during the period to SEK 111.7 million (134.8). Operating expenses as a share of net sales remained fairly constant at 29.6 percent (29.4). The main reason for the lower gross profit margin was the stronger dollar during much of the year 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 U.S.

As of December 31, 2009 the company had 25,148,384 shares outstanding. Earnings per share before and after dilution amounted to SEK 3.22 (3.96) and SEK 3.21 (3.96), respectively.

Development by business segment

The Group comprises 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 for the full-year reached SEK 138.3 million (142.3), a decrease of 3 percent, which was mainly due to lower brand sales for the licensed product areas eyewear, fragrances, bags and women's wear.

Operating profit for the full-year amounted to SEK 43.9 million (42.7), an increase of 3 percent. Profit was affected positively by lower selling and marketing expenses.

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 339.2 million (337.2).

for the full-year, an increase of 1 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 first three quarters.

Operating profit increased to SEK 51.0 million (50.0) as a result of the higher exports and stronger dollar.

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 2 percent for the full-year to SEK 193.8 million (197.0). This was mainly due to a decline in Swedish underwear distribution.

Operating profit amounted to SEK 9.6 million (27.5). The decrease was mainly due to marketing investments in the U.S., 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 54.5 million (55.0) during the twelve-month period, a decrease of 1 percent. Same-store sales decreased by 9 percent in the fourth quarter. Sales fluctuated during the quarter but finished weakly. The decline was mainly in women's underwear and was partly due to insufficient of correct merchandise in stores. Operating profit for the full-year decreased to SEK 8.0 million (8.6) due to the lower sales, but also because of a slightly lower gross profit margin.

Intra-Group sales

Intra-Group sales amounted to SEK 205.8 million (204.9) for the 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 3.

Investments and cash flow

Cash flow from operating activities in the Group amounted to SEK 94.1 million (87.0) for the full-year 2009. The improvement was mainly due to a reduction in working capital resulting from a lower accounts receivable. The positive effect on working capital was offset, however, by lower accounts payable owing to earlier shipments to a distributor as well as the payment of a tax liability for 2008.

Total investments in tangible and intangible non-current as-

SEK thousands	2009	2008	2009	2008	2009	2008
Operating area	Revenue source	Sales	Sales	Operating profit	Operating profit	Operating margin
Brand and other	Royalties and services	138,277	142,292	43,942	42,656	32%
Product development	Products	339,179	337,187	50,984	50,009	15%
Distribution	Wholesale sales	193,815	196,967	9,635	27,475	5%
Retail	Retailers	54,491	55,027	8,032	8,611	15%
Less internal sales		-205,847	-204,916	-	-	-
Total		519,915	526,556	112,594	128,751	22%
						24%



sets amounted to SEK 4.5 million (5.1) during the year, the large part of which was attributable to a new enterprise system, reconstruction of premises and a new web platform.

For the full-year 2009, cash & cash equivalents increased by SEK 55.0 million (54.1).

Financial position and liquidity

The Björn Borg Group's cash & cash equivalents (net cash position) amounted to SEK 296.5 million (241.5) at the end of the period. The equity/assets ratio was 76.2 percent (69.0). The company has no interest-bearing liabilities.

Net financial items were affected negatively during the year by translation differences of assets for operations in the U.S. and lower interest rates on savings balances compared with the same period last year.

Commitments and contingent liabilities

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

Björn Borg AB is engaged in a dispute with its English distributor regarding shipments that were not delivered. Arbitration proceedings have begun and a settlement is expected in 2010. Because the financial impact of the dispute cannot be reliably determined, the company has not allocated any provisions for the dispute in these accounts. The financial effect is not expected to materially impact the Group.

Personnel

The average number of employees in the Group for the period January–December was 92 (88), of whom 60 were women.

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.

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.

Events after the balance sheet date

There are no significant events to report following the conclusion of the report period, except what is mentioned above regarding license of the footwear product area.

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 fourth quarter amounted to SEK 16.1 million (22.6). For the full-year 2009 the Parent Company's net sales amounted to SEK 47.6 million (50.6). The profit before tax amounted to SEK 96.9 million for the fourth quarter, against a year-earlier loss of SEK 0.7 million, while the profit for the full-year was SEK 84.4 million, against a year-earlier loss of SEK 16.5 million. Cash & cash equivalents amounted to SEK 287.7 million (220.3). For the full-year investments in tangible and intangible non-current assets amounted to SEK 2.3 million (0.8).

Number of shares

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

Financial objectives

The financial objectives of the Björn Borg Group operations 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 provide stronger growth. In 2010 sales growth could fall slightly 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 expected to fall in the range of 2–5 percent depending on the addition of any new concept stores.

Dividend

The Board of Directors has decided to recommend a dividend of SEK 5.00 (1.50) per share for the financial year 2009, corresponding to 155 percent (38) of net income. See above regarding financial objectives and dividend.

Annual report

The annual report for 2009 will be available on the company's website in the week of March 15, 2010.

Annual General Meeting

The Annual General Meeting of Björn Borg AB will be held in Stockholm at 5:00 p.m. on April 15, 2010. The location will be announced in the notice of the meeting.

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 total 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 material effect on the financial position or total comprehensive income of the Group or the Parent Company.

Audit report

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

Outlook 2009

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



Consolidated income statement and total comprehensive income

Condensed

SEK thousands	Oct-Dec 2009	Oct-Dec 2008	Full-year 2009	Full-year 2008
Net sales	102,247	131,233	519 915	526,556
Cost of goods sold	-45,333	-60,202	-253 271	-243,058
Gross profit	56,914	71,031	266 644	283,498
Distribution expenses	-24,897	-31,367	-102 390	-105,380
Administrative expenses	-9,210	-10,115	-38 463	-37,133
Development expenses	-3,380	-3,500	-13,197	-12,234
Operating profit	19,427	26,049	112,594	128,751
Net financial items	285	2,644	-936	6,071
Profit before tax	19,712	28,693	111,658	134,822
Tax	-6,219	-5,904	-30,756	-35,620
Profit for the period	13,493	22,789	80,902	99,202
Profit/loss attributable to:				
Parent Company's shareholders	13,487	22,810	80,867	99,210
Minority interests	5	-21	35	-8
Other comprehensive income				
Translation adjustments for foreign operations	-99	-493	844	-536
Total comprehensive income for the period	13,394	22,296	81,746	98,666
Total comprehensive income for the period attributable to				
Parent Company's shareholders	13,389	22,317	81,711	98,674
Minority interests	5	-21	35	-8
Earnings per share, SEK	0.54	0.91	3.22	3.96
Earnings per share after dilution, SEK	0.53	0.91	3.21	3.96
Number of shares	25,148,384	25,059,184	25,148,384	25,059,184
Weighted average number of shares	25,148,384	25,047,451	25,111,217	25,041,134
Effect of dilution*	257,957	7,005	118,910	34,366
Weighted average number of shares after full dilution	25,406,341	25,054,456	25,230,128	25,075,500

** Björn Borg AB has two outstanding incentive programs based on warrants: 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	December 31 2009	December 31 2008
Non-current assets		
Goodwill	13,944	13,944
Trademarks	187,532	187,532
Other intangible assets	3,437	1,696
Tangible non-current assets	11,150	15,366
Total non-current assets	216,063	218,538
Current assets		
Inventories, etc.	26,455	33,752
Current receivables	65,719	106,197
Cash & cash equivalents	296,484	241,498
Total current assets	388,657	381,447
Total assets	604,720	599,985
Equity and liabilities		
Equity	460,956	413,803
Deferred tax liabilities	40,011	32,884
Other non-current liabilities	40,889	46,816
Accounts payable	15,480	45,489
Other current liabilities	47,385	60,993
Total equity and liabilities	604,720	599,985



Consolidated statement of changes in equity

Condensed

SEK thousands	Full-year 2009	Full-year 2008
Opening balance	413,803	342,943
Incentive programs	–	9,055
New share issues	2,996	694
Dividend	-37,589	-37,555
Total comprehensive income for the period	81,746	98,666
Closing balance	460,956	413,803

Consolidated statement of cash flows

Condensed

SEK thousands	Oct-Dec 2009	Oct-Dec 2008	Full-year 2009	Full-year 2008
Cash flow from operating activities				
Before change in working capital	-3,846	48,611	69,246	123,214
Change in working capital	40,260	5,554	24,873	-36,260
Cash flow from operating activities	36,414	54,165	94,119	86,954
Cash flow from investing activities	-2,058	-173	-4,540	-5,073
Dividend	–	–	-37,589	-37,555
Incentive programs/new share issues	28	8,397	2,996	9,749
Cash flow from financing activities	28	8,397	-34,593	-27,806
Cash flow for the period	34,384	62,389	54,986	54,075
Cash & cash equivalents at beginning of period	262,100	179,109	241,498	187,423
Cash & cash equivalents at end of period	296,484	241,498	296,484	241,498

Key figures

Group

SEK thousands	Oct-Dec 2009	Oct-Dec 2008	Full-year 2009	Full-year 2008
Gross profit margin, %	55.7	54.1	51.3	53.8
Operating margin, %	19.0	19.8	21.7	24.5
Profit margin, %	19.3	21.9	21.5	25.6
Return on capital employed, %	3.9	6.0	20.9	28.8
Return on average equity, %	3.1	6.0	18.5	26.2
Profit attributable to Parent Company's shareholders	13,487	22,810	80,867	99,210
Earnings per share, SEK*	0.54	0.91	3.22	3.96
Earnings per share after dilution, SEK	0.53	0.91	3.21	3.96
Number of shares	25,148,384	25,059,184	25,148,384	25,059,184
Weighted average number of shares	25,148,384	25,047,451	25,111,217	25,041,134
Effect of dilution	257,957	7,005	118,910	34,366
Weighted average number of shares after dilution	25,406,341	25,054,456	25,230,128	25,075,500
Equity/assets ratio, %	76.2	69.0	76.2	69.0
Equity per share, SEK	18.33	16.51	18.33	16.51
Investments in intangible assets	1,741	–	3,160	2,200
Investments in tangible assets	317	173	1,380	2,873
Depreciation and impairment losses for the period	-1,362	-3,235	-7,024	-6,976
Average number of employees	92	88	92	88



Summary by segment

Group

SEK thousands	Oct-Dec 2009	Oct-Dec 2008	Full-year 2009	Full-year 2008
Operating revenue				
Brand and other				
External sales	10,710	12,684	54,936	57,272
Internal sales	22,791	32,307	83,341	85,020
	33,501	44,991	138,277	142,292
Product development				
External sales	46,048	66,366	257,391	250,608
Internal sales	15,697	22,037	81,788	86,579
	61,745	88,403	339,179	337,187
Distribution				
External sales	29,759	34,872	153,102	163,655
Internal sales	16,177	13,012	40,713	33,312
	45,935	47,884	193,815	196,967
Retail				
External sales	15,730	17,311	54,485	55,021
Internal sales	6	–	6	6
	15,736	17,311	54,491	55,027
Less internal sales	–54,670	–67 356	–205,847	–204,916
Operating revenue	102,247	131,233	519,915	526,556
Operating profit				
Brand and other	8,638	11,401	43,942	42,656
Product development	3,026	11,246	50,984	50,009
Distribution	2,999	–2,014	9,635	27,475
Retail	4,765	5,416	8,032	8,611
Operating profit	19,427	26,049	112,594	128,751

Quarterly data

Group

SEK thousands	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Brand sales	422,121	566,423	385,637	602,183	475,806	562,835	381,246	551,062
Net sales	102,247	155,162	97,832	164,674	131,233	160,762	95,813	138,748
Gross profit margin, %	55.7	50.8	50.9	49.3	54.1	54.1	55.9	51.9
Operating profit	19,427	43,454	12,131	37,582	26,049	49,688	16,493	36,521
Operating margin, %	19.0	28.0	12.4	22.8	19.8	30.9	17.2	26.3
Profit after financial items	19,712	40,830	11,871	39,245	28,693	52,277	16,594	37,258
Profit margin, %	19.3	26.3	12.1	23.8	21.9	32.5	17.3	26.9
Earnings per share, SEK	0.54	1.20	0.34	1.15	0.91	1.50	0.48	1.07
Earnings per share after dilution, SEK	0.53	1.19	0.33	1.15	0.91	1.50	0.48	1.07
Number of Björn Borg stores at end of period	46	45	43	44	44	41	39	36
of which Björn Borg-owned stores	10	10	10	11	11	11	10	10

Parent Company income statement

Condensed

SEK million	Oct-Dec 2009	Oct-Dec 2008	Full-year 2009	Full-year 2008
Net sales	16,076	22,598	47,608	50,630
Cost of goods sold	5	-3,418	-2,407	-6,975
Gross profit	16,081	19,180	45,201	43,655
Distribution expenses	-12,814	-13,814	-40,826	-40,235
Administrative expenses	-4,928	-5,313	-15,702	-15,475
Development expenses	-1,971	-2,125	-6,281	-6,190
Operating profit/loss	-3,633	-2,072	-17,608	-18,245
Dividend from subsidiary	100,000	-	100,000	-
Net financial items	522	1,398	1,975	1,716
Profit/loss before tax	96,889	-674	84,367	-16,529
Appropriations	-	-104	-	-104
Tax	723	-15	4,017	4,424
Profit/loss for the period	97,612	-793	88,383	-12,209

Parent Company balance sheet

Condensed

SEK thousands	December 31 2009	December 31 2008
Non-current assets		
Intangible non-current assets	1,694	-
Tangible non-current assets	4,238	5,543
Shares in Group companies	54,497	54,497
Total non-current assets	60,428	60,040
Current assets		
Receivables from Group companies	88,903	59,551
Current receivables	5,703	6,971
Cash & cash equivalents	287,657	220,348
Total current assets	382,263	286,870
Total assets	442,691	346,910
Equity and liabilities		
Equity	214,738	149,782
Untaxed reserves	7,359	7,359
Due to Group companies	207,835	173,048
Accounts payable	1,840	7,713
Other current liabilities	10,919	9,008
Total equity and liabilities	442,691	346,910

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 2009 amounted to approximately SEK 2 billion at the consumer level, excluding VAT. Group net sales amounted to SEK 520 million in 2009, with 92 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 year-end report 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, February 11, 2010

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 year-end report for Björn Borg AB (publ) for the period January 1, 2009 to December 31, 2009. The Board of Directors and the President are responsible for the preparation and presentation of this year-end 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.

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 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the year-end 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, February 11, 2010

Deloitte AB

Håkan Pettersson
Authorized Public Accountant

Tommy Mårtensson
Authorized Public Accountant



Upcoming information dates

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

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

The interim report January–June 2010 will be released on August 19, 2010.

The interim report January–September 2010 will be released on November 11, 2010.



For further information, please contact:

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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 February 11, 2010 at 7:30 a.m. (CET).