



INVESTMENTS REDUCE PROFIT

FIRST QUARTER JANUARY 1 – MARCH 31, 2012

- The Group's net sales decreased by 7 percent to SEK 140.5 million (151.3). Excluding currency effects, sales were down 8 percent.
- The gross profit margin was 48.0 percent (50.4).
- Operating profit amounted to SEK 14.6 million (28.4).
- Profit after tax amounted to SEK 9.3 million (20.7).
- Earnings per share amounted to SEK 0.44 (0.89). Fully diluted earnings per share amounted to SEK 0.44 (0.88).
- Brand sales* (excluding VAT) increased by 4 percent to SEK 448 million (431). The increase was the same excluding currency effects.
- Issuance of a five-year, SEK 200 million bond loan.

QUOTE FROM THE CEO

"We leave behind a weak quarter. Sales were adversely affected by cautious purchasing during the fall and profit was weighed down by higher scheduled expenses, not least from our investments in new markets and a highly publicized branding event in London. We have also seen growing brand sales with an increase for smaller markets, as well as continued strength in e-commerce. We estimate that the inventory levels at our partners have decreased since the beginning of the year, and we confidently look forward to the rest of 2012" said CEO Arthur Engel.

MSEK	January– March 2012	January– March 2011	April 2011– March 2012	Full-year 2011
Net sales	140.5	151.3	525.7	536.5
Gross profit margin, %	48.0	50.4	50.9	51.5
Operating profit	14.6	28.4	69.9	83.7
Operating margin, %	10.4	18.8	13.3	15.6
Profit after tax	9.3	20.7	88.8	100.2
Earnings per share, SEK	0.44	0.89	3.75	4.19
Earnings per share after dilution, SEK	0.44	0.88	3.75	4.19
Pro forma earnings per share excluding deferred tax assets, SEK	–	–	2.22	2.66
Brand sales*	448	431	1,698	1,681

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



CEO'S COMMENT

Weak first quarter

We present a weak first quarter of 2012, with both sales and profit pointing downward. The sales decrease is largely a residual effect of distributors' lower orders for the summer collection of underwear during fall 2011. This is an effect from corrections of inventory levels at our partners, caused by lower sales volumes than expected in 2011, as have been commented on in previous interim reports. In the Swedish wholesale operations, we were affected by a weak retail sector and saw a decline in sales during the quarter. Support for stores including non-recurring items in the form of discounts and campaigns temporarily increased at our re-sellers, which had a negative effect on the gross profit margin.

Planned costs for forward-looking investments

Profitability is also burdened by scheduled increases in expenditures for the major future investments that we initiated in 2011. This is mostly related to the sportswear business in Björn Borg Sport and our own operations in the UK and our e-commerce, but also related to the fact that all expenses surrounding a major marketing event in London in February were taken to cost in the first quarter.

This year we are focusing on developing these projects and getting them to contribute more to the Group's growth and profitability. During the quarter Björn Borg Sport shipped its first collection to stores in seven markets in Europe. The operations, based in the Netherlands, continue, and we look forward to the continued development of the collections and more collaborations. At the same time we know that it takes time to establish a new product segment, and we are taking a long-term approach to gradually gain ground with our sportswear.

Preparations for establishing operations in China this fall, which we decided on in late 2011, are progressing according to plan. We expect to open a couple of shop-in-shops and Björn Borg stores this fall before gradually opening additional stores and establishing more collaborations in the years to come.

New markets gain ground

The fact that brand sales rose somewhat and that our smaller markets' share thereby grew are good signs. This is where we will generate the biggest growth over time. Several of these newer markets developed strongly, including the UK operations, which we manage ourselves, as well as Germany and Austria. Among our more established markets, development diverges slightly, with increases in Norway, Finland and Belgium, while Sweden, Denmark and the Netherlands saw declines. As we have seen in recent quarters, development in some of these markets has fluctuated up and down, which reflects the uncertainty in the market-place and that they can vary on a quarterly basis due to activities, etc. In e-commerce, we are seeing steadily rising sales, and the channel is growing in importance for us.

International branding

Creative activities to build the brand internationally have to go hand in hand with our expansion to more markets. In February we conducted the year's largest marketing activity, a spectacular event in London at the landmark Battersea Power Station in connection with London Fashion Week. Many guests from the fashion world and media in Europe, Asia and the US were entertained by Robyn and saw a film projected onto a huge wall of water over the Thames. The event was followed up in social media and other channels and achieved a broad-based impact.

When looking forward we still see uncertainty in the market, but in general we estimate that the inventory levels at our partners have decreased since the beginning of 2012. This provides better conditions for our collections, going forward. We are now continuing to work actively in all our growth areas, long-term and stubbornly, to reach where we want to go. The key is to attract current and new customers every day by delivering on our brand promise, regardless of the market's development. After a weak first quarter, we confidently look forward to the rest of 2012.

Arthur Engel, Chief Executive Officer



OPERATIONS

Brand sales

Brand sales (excluding VAT) increased by 4 percent to SEK 448 million (431) in the first quarter. Adjusted for currency effects, the increase was 4 percent.

Product areas in the first quarter 2012

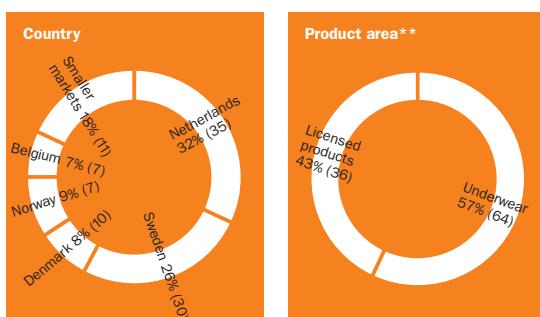
Brand sales in the underwear product area decreased by 8 percent in the first quarter, which is in line with orders received for our spring/summer collection last fall. Underwear accounted for 57 percent (64) of brand sales during the period.

Sales in the footwear and sportswear product areas reported good increases during the quarter. Sales of licensed bags, eyewear and fragrances fell by between 15 and 20 percent. In total, sales increased for licensed products by 25 percent during the quarter.

Markets in the first quarter 2012

Brand sales in smaller markets increased during the quarter to 18 percent (11) of total brand sales. Among larger markets, Norway and Belgium reported strong growth, while Sweden and Denmark declined. The Netherlands noted a slight decrease. Among smaller markets, Finland, Germany and Austria continued to post strong growth figures. The Group-owned operations in England saw strong growth.

Brand sales* of Björn Borg products January–March 2012. Total SEK 448 million (431)



* 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.

Licensed products: Footwear, bags, fragrances, eyewear and sportswear.

Björn Borg stores

During the quarter a new store was opened in Amsterdam. The Group-owned store in Skärholmen, in Stockholm, was closed. As of March 31, 2012 there were a total of 56 (50) Björn Borg stores, of which 14 (10) are Group-owned.

Björn Borg Sport

Since January 2011 Björn Borg has a subsidiary (51% ownership), Björn Borg Sport, for production of functional sportswear together with the minority owner, the Dutch distributor. The creation of a separate, Netherlands-based clothing business is another element in the strategy to focus on the core business – underwear – based in Stockholm. While functional, the collections are also distinctly fashionable.

Björn Borg in China

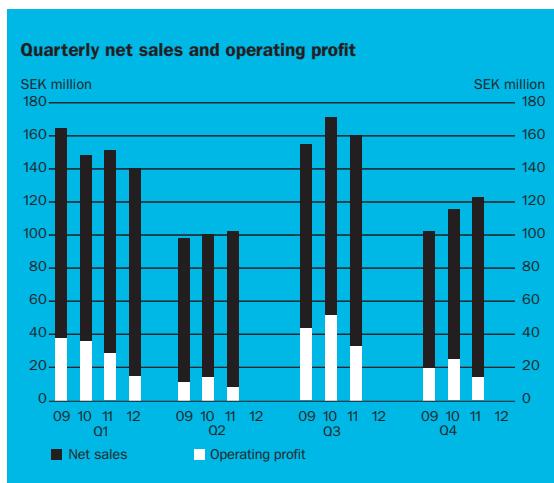
As announced in December 2011, Björn Borg has decided to launch the brand in China. The new business is being established together with an experienced local partner through a new company with Björn Borg as principal owner (75% ownership). The plan is to start sales in Shanghai during the second half of 2012, primarily through Björn Borg stores and shop-in-shops in large department stores offering underwear, sportswear, footwear and bags. The plan also includes e-commerce. The venture is expected to result in a charge against the Group's operating profit in 2012 of not more than SEK 10 million with a marginal effect on sales.

Bond loan of SEK 200 million

At the end of the quarter Björn Borg issued a five-year senior unsecured bond loan of SEK 200 million. The offering was fully subscribed after broad interest from individual investors as well as institutions. The proceeds were received in April. The purpose of the issue is to increase financial flexibility and preparedness for Björn Borg's future development and growth ambitions with both current and future projects. At the same time the proceeds better enable the company to maintain a high, stable dividend level until the annual contingent consideration for the acquisition of the trademark terminates in 2016. The bond loan has an annual coupon rate corresponding to the three-month STIBOR plus 3.25% and matures in April 2017. Björn Borg will apply to list the bonds on NASDAQ OMX Stockholm.

THE GROUP'S DEVELOPMENT

Sales and operating profit decreased during the first quarter of the year.



Sales

First quarter, January–March 2012

Group sales during the first quarter amounted to SEK 140.5 million (151.3), down 7 percent. Excluding currency effects, sales decreased by 8 percent. The main reason for the lower sales was a year-on-year decrease in the product company's underwear orders for the summer 2012 collection, which were received in fall 2011. This was a result of inventory adjustments by our distributors and retailers after declining sales in 2011, as mentioned in previous interim reports. The Swedish wholesale operations also declined slightly due to a weak Swedish retail market, while the British operations developed positively. Björn Borg Sport posted sales in line with the first quarter 2011. Retail reported sales increases, mainly as a result of continued strong growth in e-commerce as well as a number of newly opened stores. External brand revenues were relatively unchanged, with a slight increase in overall brand sales during the quarter.

Profit

First quarter, January–March 2012

The gross profit margin for the first quarter decreased to 48.0 percent (50.4). The decrease was largely due to one-off effects in the form of temporary higher discounts, inventory write-offs and refunds to customers with increased discounted sales at the wholesale level. Björn Borg Sport's margin is lower than the other operations, which contributed negatively to the Group's total margin for this quarter and the first quarter of 2011.

Operating profit decreased during the quarter by 48 percent to SEK 14.6 million (28.4) with an operating margin of 10.4 percent (18.8). The investments in Björn Borg Sport and the British operations reduced operating profit by SEK 2.7 million (3.0) and SEK 2.2 million (0.9), respectively. Lower sales in the Group-owned product company as well as lower sales and a decreased gross profit margin in the Swedish wholesale company contributed to the Group's lower operating profit.

The big event in London in February in connection with London Fashion Week raised marketing costs during the quarter according to plan, at the same time that several newly opened Group-owned stores have resulted in higher expenses for personnel and premises. Björn Borg Sport now has a larger organization in place, which increased personnel, marketing and product development expenses compared with the same quarter in 2011. Profit before tax decreased to SEK 12.7 million (28.0).

Development by business segment

The Group consists of ten companies that operate under the Björn Borg brand on every level from product development to wholesale operations and consumer sales in its own Björn Borg stores.

Brand

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

Net sales in the first quarter 2012 reached SEK 23.4 million (21.7), an increase of 8 percent. External sales amounted to SEK 12.6 million (12.8) and are reasonable given the slight increase in brand sales during the quarter. It should be noted that the royalties Björn Borg Sport receive from its customers are also reported in the Brand segment.

Operating profit amounted to SEK 5.8 million (4.4), an increase of 30 percent for the period. The improved operating result is a consequence of lower expenses for brand-related activities during the quarter.

Product development

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

The business segment's net sales amounted to SEK 89.9 million (106.6) during the first quarter 2012, a decrease of 16 percent. External sales amounted to SEK 65.3 million (75.7), a decrease of 14 percent compared with the same period in 2011. Weak sales of the summer collection through the Group's product company were the biggest reason for the lower sales. Sales in Björn Borg Sport were essentially unchanged year-on-year.

Operating profit decreased to SEK 8.7 million (13.6) due to lower sales, while operating expenses instead were lower than the same period in 2011.

Business segment	Revenue source	Sales, SEK thousands		Operating profit, SEK thousands		Operating margin	
		January–March 2012	2011	January–March 2012	2011	January–March 2012	2011
Brand	Royalties	23,437	21,699	5,789	4,448	25%	20%
Product development	Products	89,949	106,563	8,713	13,583	10%	13%
Wholesale	Wholesale revenues	63,537	64,434	3,353	13,314	5%	21%
Retail	Retailers	15,210	11,898	-3,224	-2,947	-21%	-25%
Less internal sales		-51,595	-53,273	-	-	-	-
Total		140,538	151,321	14,631	28,398	10%	19%

Wholesale

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

Net sales in the wholesale operations decreased by 1 percent in the first quarter 2012 to SEK 63.5 million (64.4). External sales amounted to SEK 49.8 million (51.8). The British operations reported good growth, while the Swedish wholesale operations had a weak quarter.

Operating profit amounted to SEK 3.4 million (13.3). The decrease is attributable to lower sales and a decreased gross profit margin mainly in the Swedish wholesale operations, as well as higher expenses as a result of investments in the Group's British operations. A weaker USD has affected gross profit, and hence operating profit, positively to a limited extent.

Retail

The Björn Borg Group owns and operates twelve stores in the Swedish market that sell underwear, adjacent products and licensed products. Additionally, Björn Borg operates two factory outlets as well as a web shop in the U.S. and one for international e-commerce.

Net external sales in Retail rose by 16 percent to SEK 12.9 million (11.1) in the first quarter 2012. The increase is a result of four newly opened stores and one franchised store taken over after the first quarter of last year, as well as the continued strong performance of the e-commerce operations. For the outlets and comparable Björn Borg stores, sales were however down by 18 percent. This was partly due to a shorter scheduled sales period at the beginning of the year, which had a positive effect on gross profit margins.

The operating loss for the quarter amounted to SEK 3.2 million, against a year-earlier loss of SEK 2.9 million, partly due to increased operating expenses from more new stores, as well as further investments in the web shop.

Intra-Group sales

Intra-Group sales amounted to SEK 51.6 million (53.3) for 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 4.

INVESTMENTS AND CASH FLOW

Cash flow from operating activities in the Group amounted to SEK -2.2 million (23.4) during the first quarter 2012. The lower cash flow is a combination of a lower operating profit and temporarily higher tied-up working capital on the closing date in the form of higher accounts receivable compared with the start of the year. Accounts receivable are lower than the same period in 2011, however, in line with lower consolidated sales. The company does not anticipate an increased credit risk due to the higher accounts receivable as of the closing date. Inventories are practically unchanged compared with the same date in 2011 despite the newly started operations in Björn Borg Sport and England as well as the opening of several new Group-owned stores. The company's activities to reduce tied-up capital have resulted in lower inventory volumes for comparable operations.

Total investments in tangible and intangible non-current assets amounted to SEK 1.0 million (7.1) for the period, where the higher investments in 2011 are largely attributable to the establishment of Björn Borg Sport in the Netherlands as well as store renovations.

FINANCIAL POSITION AND LIQUIDITY

The Björn Borg Group's cash & cash equivalents and short-term investments amounted to SEK 154.0 million (246.1) at the end of the period. During the quarter cash & cash equivalents decreased by SEK 4.8 million, compared with a year-earlier increase of SEK 14.1 million. The decrease in cash & cash equivalents compared with March 31, 2011 was mainly due to the distribution to shareholders of SEK 130.8 million (125.7) in 2011. The equity/assets ratio was 72.8 percent (72.0).

COMMITMENTS AND CONTINGENT LIABILITIES

No changes have occurred with regard to pledged assets and contingent liabilities compared with December 31, 2011.

PERSONNEL

The average number of employees in the Group in the first quarter 2012 was 124 (100), of whom 73 (63) were women.

TRANSACTIONS WITH RELATED PARTIES

No transactions with related parties have been executed during the year.

SIGNIFICANT RISKS AND UNCERTAINTIES

In its operations, the Björn Borg Group is exposed to risks and uncertainties. Other than an increased currency exposure resulting from the establishment of a new subsidiary in the Netherlands in 2011, information on the Group's risks and uncertainties can be found on pages 41-42 and in note 3 in the annual report 2011.

EVENTS AFTER THE BALANCE SHEET DATE

The issue proceeds of SEK 200 million from the five-year bond loan were received in April. There were otherwise no significant events to report following the conclusion of the report 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 Inc. and Björn Borg Services AB (dormant). In addition, the company owns 80 percent of the shares in Björn Borg UK and 51 percent of the shares in Björn Borg Sport BV.

The Parent Company's net sales for the first quarter amounted to SEK 12.1 million (11.5).

The loss before tax amounted to SEK 12.7 million for the first quarter, compared with a year-earlier loss of SEK 7.9 million. Cash & cash equivalents and short-term investments amounted to SEK 102.1 million (203.5) on March 31, 2012. Investments in tangible and intangible non-current assets for the period amounted to SEK 0.5 million (0.1).

NUMBER OF SHARES

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

FINANCIAL OBJECTIVES

The financial objectives of Björn Borg's operations for the period 2010–2014 are as follows:

- An 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 contribute stronger growth. At the start of the period sales growth could fall below the target, since several new markets are being added.

Surplus liquidity generated by meeting the new financial objectives will be distributed gradually over the forecast period, starting in 2010.

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

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) for the financial year 2011 will be held in Stockholm on May 3, 2012 at 18.00 CET. The Board of Directors has resolved to propose to the 2012 AGM a distribution of SEK 4.00 (5.20) per share for the financial year 2011, corresponding to 95 percent of profit after tax: see above regarding the financial objectives and dividend. As proposed, the distribution will be paid through an automatic redemption, where every share is divided into one common share and one redemption share. The redemption share will then automatically be redeemed for SEK 4.00 per share. Pending approval by the AGM, payment for the redemption shares is expected to be made around June 11, 2012.

The Board of Directors' proposal corresponds to a transfer to the shareholders of SEK 100.6 million (130.8). A distribution of SEK 5.20 per share was paid for 2010, corresponding to 144 percent of profit after tax.

ACCOUNTING PRINCIPLES

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with the Annual Accounts Act and RFR 2 Accounting in Legal Entities. The same accounting principles and calculation methods have been applied as in 2011, which are described on page 51 in the 2011 annual report. The new and revised IFRS and the interpretations from IFRS IC applied as of January 1, 2011 have not had a significant impact on the Group's results or financial position.

AUDIT REPORT

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

OUTLOOK 2012

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

CONSOLIDATED INCOME AND TOTAL COMPREHENSIVE INCOME

Condensed

SEK thousands	January– March 2012	January– March 2011	April 2011– March 2012	Full-year 2011
Net sales	140,538	151,321	525,725	536,509
Cost of goods sold	–73,034	–75,026	–258,303	–260,295
Gross profit	67,504	76,295	267,422	276,214
Distribution expenses	–36,637	–31,260	–130,151	–124,773
Administrative expenses	–13,256	–12,894	–54,886	–54,524
Development expenses	–2,980	–3,743	–12,446	–13,211
Operating profit	14,631	28,398	69,939	83,706
Net financial items	–1,901	–365	–616	920
Profit before tax	12,730	28,033	69,323	84,626
Tax	–3,409	–7,373	19,488	15,524
Profit for the period	9,321	20,660	88,811	100,150
Profit for the period attributable to:				
Parent Company's shareholders	11,136	22,365	94,239	105,468
Non-controlling interests	–1,815	–1,705	–5,428	–5,318
Other comprehensive income				
Currency effect on translation of foreign operations	294	–19	182	–131
Total comprehensive income for the period	9,615	20,641	88,993	100,019
Total comprehensive income for the period attributable to				
Parent Company's shareholders	11,430	22,346	94,421	105,337
Non-controlling interests	–1,815	–1,705	–5,428	–5,318
Earnings per share, SEK	0.44	0.89	3.75	4.19
Earnings per share after dilution, SEK	0.44	0.88	3.75	4.19
Pro forma earnings per share excluding deferred tax assets posted Dec. 31, 2011, SEK	–	–	2.22	2.66
Number of shares	25,148,384	25,148,384	25,148,384	25,148,384
Weighted average number of shares	25,148,384	25,148,384	25,148,384	25,148,384
Effect of dilution*	–	330,473	–	32,190
Weighted average number of shares after full dilution	25,148,384	25,478,857	25,148,384	25,180,574

* Björn Borg has an incentive program, 2008:2, based on warrants in Björn Borg. For more detailed information, see page 57 of the annual report 2011.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Condensed

SEK thousands	March 31 2012	March 31 2011	Dec 31 2011
Non-current assets			
Goodwill	13,944	13,944	13,944
Trademarks	187,532	187,532	187,532
Other intangible assets	5,919	6,614	6,311
Tangible non-current assets	14,277	9,425	14,741
Deferred tax assets	43,167	6,438	43,194
Total non-current assets	264,839	223,953	265,722
Current assets			
Inventories, etc.	31,552	31,131	34,559
Accounts receivable	79,962	82,611	57,843
Other current receivables	28,198	38,653	34,134
Short-term investments	–	37,096	–
Cash & cash equivalents	154,031	208,964	158,042
Total current assets	293,743	398,455	284,578
Total assets	558,582	622,408	550,300
Equity and liabilities			
Equity	406,577	448,356	396,962
Deferred tax liabilities	49,035	49,304	47,539
Other non-current liabilities	27,088	33,563	28,754
Accounts payable	19,946	31,997	25,703
Other current liabilities	55,936	59,188	51,342
Total equity and liabilities	558,582	622,408	550,300

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, 2011	426,250	1,026	427,276
Total comprehensive income for the year	22,346	-1,705	20,641
Non-controlling interests that arose through formation of subsidiaries	-	438	438
Closing balance, March 31, 2011	448,596	-241	448,356
Opening balance, January 1, 2011	426,250	1,026	427,276
Total comprehensive income for the year	105,337	-5,318	100,019
Distribution for 2010	-130,772	-	-130,772
Non-controlling interests that arose through formation of subsidiaries	-	438	438
Closing balance, December 31, 2011	400,815	-3,854	396,962
Opening balance, January 1, 2012	400,815	-3,854	396,962
Total comprehensive income for the period	11,430	-1,815	9,615
Closing balance, March 31, 2012	412,245	-5,669	406,577

CONSOLIDATED STATEMENT OF CASH FLOWS

Condensed

SEK thousands	January–March 2012	January–March 2011	Full year 2011
Cash flow from operating activities			
Before changes in working capital	15,262	25,133	85,705
Changes in working capital	-17,449	-1,716	5,517
Cash flow from operating activities	-2,187	23,416	91,223
Investments in intangible non-current assets	-89	-3,793	-12,110
Investments in tangible non-current assets	-892	-3,257	-13,325
Sale of tangible non-current assets	-	436	-
Short-term investments	-	-1,529	-
Sale of short-term investments	-	-	35,567
Reversal of deferred tax assets	26	-	-
Cash flow from investing activities	-955	-8,143	10,132
Dividend/distribution	-	-	-130,772
Amortization of loans	-1,667	-1,162	-6,411
Change in long-term liabilities	-	-	441
Cash flow from financing activities	-1,667	-1,162	-136,742
Cash flow for the period	-4,809	14,111	-35,387
Cash & cash equivalents at beginning of period	158,042	194,275	194,275
Translation difference in cash & cash equivalents	798	578	-846
Cash & cash equivalents at end of period	154,031	208,964	158,042

KEY FIGURES

Group

SEK thousands	January–March 2012	January–March 2011	April 2011–March 2012	Full-year 2011
Gross profit margin, %	48.0	50.4	50.9	51.5
Operating margin, %	10.4	18.8	13.3	15.6
Profit margin, %	9.1	18.5	13.2	15.8
Return on capital employed, %	15.6	21.0	15.6	19.5
Return on average equity, %	22.0	18.2	22.0	25.6
Profit attributable to Parent Company's shareholders	11,136	22,365	94,239	105,468
Equity/assets ratio, %	72.8	72.0	72.8	72.1
Equity per share, SEK	16.17	17.83	16.17	15.78
Investments in intangible non-current assets	89	3,793	8,406	12,110
Investments in tangible non-current assets	892	3,257	10,960	13,325
Depreciation and impairment losses for the period	-1,776	-5,232	-13,709	-17,165
Average number of employees	124	100	120	131

SUMMARY BY SEGMENT

Group

SEK thousands	January– March 2012	January– March 2011	April 2011– March 2012	Full-year 2011
Operating revenue				
Brand				
External revenue	12,581	12,770	47,242	47,435
Internal revenue	10,856	8,928	34,811	32,882
	23,437	21,699	82,053	80,317
Product development				
External revenue	65,318	75,712	240,883	251,277
Internal revenue	24,631	30,851	119,952	126,171
	89,949	106,563	360,835	377,448
Wholesale				
External revenue	49,755	51,769	177,329	179,341
Internal revenue	13,782	12,665	52,553	51,437
	63,537	64,434	229,882	230,778
Retail				
External revenue	12,884	11,070	60,270	58,456
Internal revenue	2,326	828	5,232	3,735
	15,210	11,898	65,502	62,191
Less internal sales	–51,595	–53,273	–212,547	–214,225
Operating revenue	140,538	151,321	525,725	536,509
Operating profit				
Brand	5,789	4,448	17,954	16,613
Product development	8,713	13,583	31,046	35,915
Wholesale	3,353	13,314	27,048	37,010
Retail	–3,224	–2,947	–6,109	–5,832
Operating profit	14,631	28,398	69,939	83,706

QUARTERLY DATA

Group

SEK thousands	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010
Net sales	140,538	123,100	160,150	101,937	151,321	115,893	170,998	100,770
Gross profit margin, %	48.0	52.4	50.6	53.3	50.4	56.3	52.6	55.1
Operating profit	14,631	14,143	32,976	8,190	28,398	24,513	51,516	13,939
Operating margin, %	10.4	11.5	20.6	8.0	18.8	21.2	30.1	13.8
Profit after financial items	12,730	15,026	32,664	8,903	28,033	24,150	49,772	14,644
Profit margin, %	9.1	12.2	20.4	8.7	18.5	20.8	29.1	14.5
Earnings per share, SEK	0.44	1.92	1.05	0.33	0.89	0.70	1.46	0.43
Earnings per share after dilution, SEK	0.44	1.92	1.05	0.33	0.88	0.70	1.44	0.42
Number of Björn Borg stores at end of period	56	56	54	54	50	47	46	46
of which Björn Borg-owned stores	14	15	13	12	10	10	10	10
Brand sales	447,640	384,133	551,267	314,967	431,029	428,234	506,572	338,253

PARENT COMPANY INCOME STATEMENT

Condensed

SEK thousands	January– March 2012	January– March 2011	April 2011– March 2012	Full-year 2011
Net sales	12,063	11,466	46,806	46,208
Cost of goods sold	–433	–49	–935	–550
Gross profit	11,630	11,417	45,872	45,658
Distribution expenses	–13,423	–10,771	–45,727	–43,076
Administrative expenses	–5,163	–4,143	–17,588	–16,568
Development expenses	–2,065	–1,658	–7,035	–6,627
Operating profit/loss	–9,021	–5,155	–24,479	–20,613
Dividend from subsidiary	–	–	–	100,000
Group contributions received	–	–	135,235	35,235
Net financial items	–3,708	–2,761	–13,671	–12,724
Profit before tax	–12,729	–7,916	97,086	101,898
Appropriations	–	–	4,002	4,002
Tax	–	–	–	–
Profit for the period	–12,729	–7,916	101,088	105,900
Other comprehensive income	–	–	–	–
Total comprehensive income for the period	–12,729	–7,916	101,088	105,900

PARENT COMPANY BALANCE SHEET

Condensed

SEK thousands	March 31 2012	March 31 2011	Dec 31 2011
Non-current assets			
Intangible non-current assets	1,103	1,570	1,220
Tangible non-current assets	6,619	2,498	6,617
Shares in Group companies	321,227	321,227	321,227
Total non-current assets	328,949	325,295	329,064
Current assets			
Receivables from Group companies	207,762	53,908	201,914
Current receivables	6,674	5,717	6,737
Short-term investments	–	37,096	–
Cash & cash equivalents	102,114	166,421	122,271
Total current assets	316,550	263,142	330,922
Total assets	645,499	588,437	659,986
Equity and liabilities			
Equity	151,573	181,258	164,302
Untaxed reserves	2,538	6,540	2,538
Due to Group companies	479,740	385,785	476,120
Accounts payable	2,724	2,067	7,200
Other current liabilities	8,924	12,787	9,826
Total equity and liabilities	645,499	588,437	659,986

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Condensed

SEK thousands	January– March 2012	January– March 2011	Full year 2011
Opening balance	164,302	189,174	189,174
Dividend/distribution	–	–	–130,772
Total comprehensive income for the period	–12,729	–7,916	105,900
Closing balance	151,573	181,258	164,302

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

Return on equity

Net profit (over a 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 sales at the wholesale level.

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 3, 2012

Fredrik Lövstedt
Chairman

Nils Vinberg
Vice Chairman

Monika Elling
Board Member

Kerstin Hessius
Board Member

Fabian Månsson
Board Member

Mats H Nilsson
Board Member

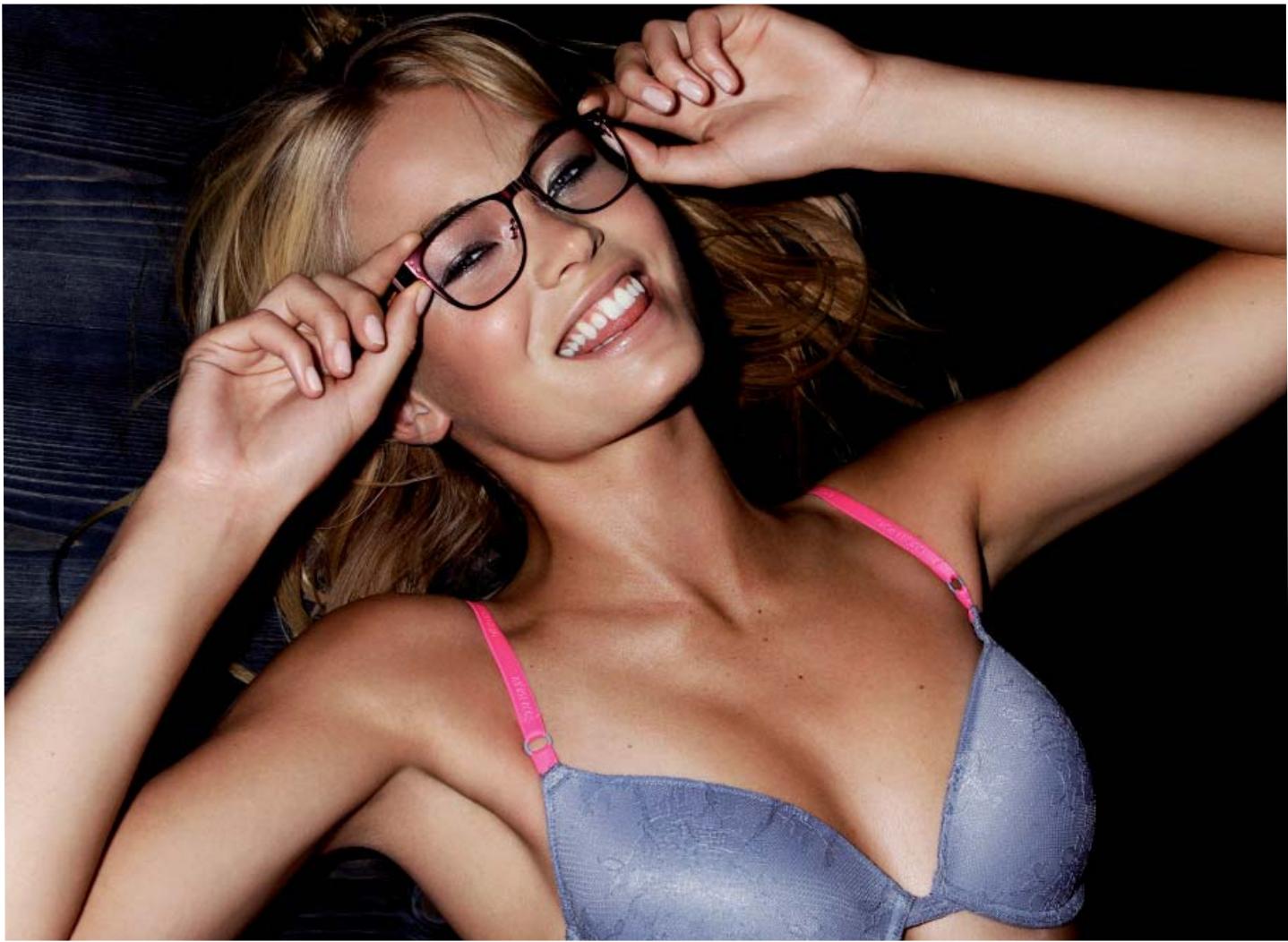
Vilhelm Schottenius
Board Member

Michael Storåkers
Board Member

Arthur Engel
President and CEO

ABOUT THE BJÖRN BORG GROUP

The Group owns the Björn Borg trademark and its core business is underwear. It also offers sportswear, footwear, bags, eyewear and fragrances through licensees. Björn Borg products are sold in around twenty 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 2011 amounted to around SEK 1.7 billion, excluding VAT, at the consumer level. Group net sales amounted to SEK 537 million as per December 31, 2011, with 131 employees. The Björn Borg share has been listed on NASDAQ OMX Nordic in Stockholm since 2007.



Upcoming information dates

The interim report for January–June 2012 will be released on August 22, 2012.
The interim report for January–September 2012 will be released on November 9, 2012.

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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 May 3, 2012 at 6:00 pm (CET).