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Press release

RECONSTRUCTION OF RETAIL OPERATIONS OF BJÖRN BORG'S DUTCH DISTRIBUTOR

Björn Borg's distributor in the Netherlands has applied for a corporate reconstruction of its retail operations in the country. The plan is to implement a substantial reduction of the retail network, currently comprising 24 Björn Borg stores, against the backdrop of long-term weakness in the Dutch market, because of which several stores have underperformed expectations. The distributor's wholesale operations, which generate the large part of brand sales in the country, are managed by a separate company that is not included in the reconstruction.

"We can see that this is a result of a tough macroeconomic situation in the Netherlands, where the performance of retail possessed one of the lows among EU countries in early 2013, according to Statistics Netherlands. This has strongly affected local demand and hurt opportunities for our distributor's retail operations. The wholesale operations are profitable, however, and the brand maintains a strong position in the country, even if the Dutch economy is struggling with major problems," says Arthur Engel, CEO of Björn Borg.

Björn Borg estimates that a reconstruction of the retail network in the Netherlands, according to the current plan, will reduce annual consolidated sales by approximately 3-4 percent based on 2012 sales. Lower purchases from the Dutch distributor for its retail network affected Björn Borg's sales as early as the second quarter of 2013. A portion of sales from closed stores could eventually be shifted to other channels, including e-commerce.

The reconstruction is expected to be completed by December 31, 2013.

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Björn Borg is required to make this information public in accordance with the Financial Instruments Trading Act or the Securities Market Act. The information was released for publication on September 26, 2013 at 8:30 am (CET).

About Björn Borg

The Group owns the Björn Borg trademark and its core business is underwear. It also offers sportswear and fragrances as well as footwear, luggage & bags and eyewear through licensees. Björn Borg products are sold in around thirty 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. In total, there are 57 Björn Borg stores, of which 17 are operated in the Group. Total sales of Björn Borg products in 2012 amounted to around SEK 1.6 billion at the consumer level. Group net sales amounted to SEK 551 million in 2012, with 139 employees. The Björn Borg share has been listed on NASDAQ OMX Nordic in Stockholm since 2007.