



Good brand sales during the quarter

JULY 1 – SEPTEMBER 30, 2011

- The Group's net sales decreased by 6 percent to SEK 160.2 million (171.0). Excluding currency effects, sales were unchanged.
- The gross profit margin was 50.6 percent (52.6). The change is attributable to the operations of Björn Borg Sport.
- Operating profit amounted to SEK 33.0 million (51.5). Investments in Björn Borg Sport and the British operations have reduced operating profit according to plan by SEK 5.1 million.
- Profit after tax amounted to SEK 24.1 million (36.7).
- Earnings per share amounted to SEK 1.05 (1.46). Fully diluted earnings per share amounted to SEK 1.05 (1.44).
- Brand sales* (excluding VAT) increased by 9 percent to SEK 551 million (507). Excluding currency effects, sales increased by 11 percent.

JANUARY 1 – SEPTEMBER 30, 2011

- The Group's net sales decreased by 2 percent to SEK 413.4 million (420.1). Excluding currency effects, sales rose by 5 percent.
- The gross profit margin was 51.2 percent (52.8). The change is attributable to the operations of Björn Borg Sport.
- Operating profit amounted to SEK 69.6 million (101.5). Investments in Björn Borg Sport and the British operations have reduced operating profit according to plan by SEK 13.6 million.
- Profit after tax amounted to SEK 51.2 million (73.2).
- Earnings per share amounted to SEK 2.27 (2.91). Fully diluted earnings per share amounted to SEK 2.26 (2.87).
- Brand sales* (excluding VAT) decreased by 1 percent to SEK 1,297 million (1,305). Excluding currency effects, sales increased by 4 percent.

QUOTE FROM THE CEO

"Our brand sales increased by 9 percent during the quarter, and the share generated by smaller markets is growing, in line with our strategy. It is a positive thing that the brand is holding its own in today's tough market climate. Sales and profit were affected by our forward-looking investments as well as by inventory corrections by our partners after generally weaker-than-expected sales in 2011," said CEO Arthur Engel.

SEK thousands	July–Sept 2011	July–Sept 2010	Jan–Sept 2011	Jan–Sept 2010	Oct 2010– Sept 2011	Full-year 2010
Net sales	160.2	171.0	413.4	420.1	529.3	536.0
Gross profit margin, %	50.6	52.6	51.2	52.8	52.3	53.6
Operating profit	33.0	51.5	69.6	101.5	94.1	126.0
Operating margin, %	20.6	30.1	16.8	24.2	17.8	23.5
Profit after tax	24.1	36.7	51.2	73.2	68.8	90.8
Earnings per share, SEK	1.05	1.46	2.27	2.91	2.98	3.61
Earnings per share after dilution, SEK	1.05	1.44	2.26	2.87	2.96	3.57
Brand sales*	551	507	1,297	1,305	1,725	1,733

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



CEO'S COMMENT

Good brand sales during the quarter

During the third quarter total sales of Björn Borg products increased by 9 percent and adjusted for currency effects by 11 percent. It is a positive thing that the brand is holding its own in today's tough market climate. The fact that our smaller markets continue to raise their share of brand sales is also important to us. This is where our future growth will primarily come from.

At the same time the Group is feeling the effects of lower sales by distributors and retailers earlier in 2011, which fell below expectations. As we previously reported, this has led to an inventory buildup that our partners are working to eliminate. Because our products are fairly independent of seasons and fashion trends, we and our customers are able to adjust inventories without discounting prices, but for Björn Borg it has meant fewer orders for merchandise than we anticipated.

Against the backdrop of the weak retail market in Europe, we consider unchanged Group sales excluding currency effects to be acceptable. Profit is being affected by lower sales and scheduled costs for the future investments we announced earlier. This is especially true of the Björn Borg Sport collection and the Group's operations in England, both of which are developing according to plan.

Continued progress for footwear

Our footwear operations have developed strongly during the year and during the third quarter continued to report fine growth numbers. The licensee has succeeded in raising sales in core markets as well as a growing number of new countries.

During the quarter we opened our own store in the Gallerian mall in Stockholm. This store has a new shop & go-like format that we consider an attractive complement to traditional stores in certain retail environments. Björn Borg stores are important to brand presentation and sales, and we are working continuously to evaluate attractive locations for new stores in Sweden and other markets.

PR campaign with global coverage

Our major PR campaign with John McEnroe and Björn Borg, launched in July during the Wimbledon tournament, has received greater media coverage than we ever could have hoped for. We have received media clippings from around the world that describe the fantastic tennis careers of the two former rivals and their new match to sell the most underwear with their signature on them. This has been great for us and of course is positive for the Björn Borg brand.

Looking ahead, we, like everyone else, are finding it hard to predict what will happen in the retail market. The most important thing for us by far is to stay focused on the long term and act wisely, regardless of current market conditions. And to take advantage of the opportunities we have for continued growth and profitability.

Arthur Engel, Chief Executive Officer



Our new shop & go store in the Gallerian mall in Stockholm.

OPERATIONS

Brand sales

Brand sales (excluding VAT) increased by 9 percent to SEK 551 million (507) in the third quarter and decreased by just under 1 percent to SEK 1,297 million (1,305) in the first nine months of the year. Adjusted for currency effects in the form of a stronger SEK, brand sales rose by 11 percent in the third quarter and by 4 percent in the first nine months.

Product areas during the first nine months of 2011

The underwear product area had a good third quarter, with brand sales rising by 5 percent. For the first nine months, however, cumulative brand sales decreased by 6 percent compared with the same period in 2010. Underwear accounted for 64 percent (68) of brand sales during the period.

Sales in the licensed footwear product area rose by 60 percent for the first nine months as a whole.

Other licensed products reported mixed results, with sportswear and eyewear reporting decreases, while bags and fragrances were nearly unchanged. In total, licensed product sales rose by 11 percent during the first nine months of the year, mainly due to the increase in the footwear product area.

Markets during the first nine months of 2011

Brand sales in smaller markets increased during the first nine months of the year to 14 percent (10) of total brand sales. Among larger markets, Belgium reported strong growth and Sweden noted an increase during the period. Declines were posted in Norway, Denmark and the Netherlands. The Netherlands saw a recovery during the third quarter, however, after a weaker first half-year. Among smaller markets, Finland, Germany and Austria continued to post strong sales trends.

Reporting of brand sales by the new distributors in Italy and France began during the third quarter, although they are starting their sales from a low level.

During the period the Group expanded its own footwear distribution to include the Baltic countries.

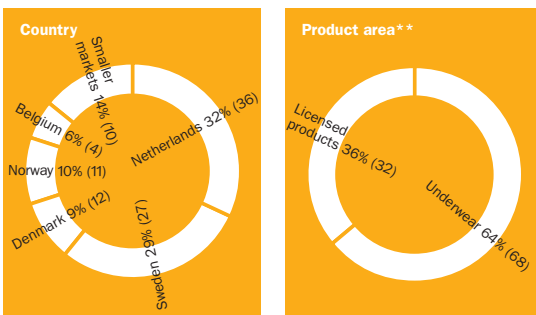
Björn Borg stores

A new store was opened in Oostende, Belgium, during the quarter. A Group-owned store was opened in the Gallerian mall in Stockholm, while two Dutch stores were closed during the quarter. As of September 30 the total number of Björn Borg stores was 54 (46), of which 13 (10) are Group-owned.

Björn Borg Sport

Since January 2011 Björn Borg has a subsidiary, Björn Borg Sport, for production of fashionable and functional sportswear together with 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 – in Stockholm. The new company builds on the Dutch clothing concept within Björn Borg, where an established business with broad-based experience has successfully managed the women's clothing company on a licensed basis. The clothing collections, both women's and men's, mainly focus on functional yet distinctly fashionable sportswear. The products are sold to distributors in Björn Borg's existing markets, with an initial emphasis on larger markets.

Brand sales* of Björn Borg products Jan-Sept 2011. Total SEK 1,297 million (1,305)

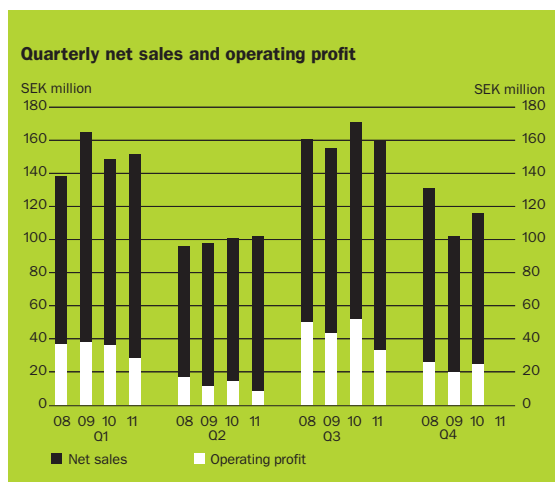


* Estimated total sales of Björn Borg products at the consumer level, excluding VAT, based on reported wholesale sales.

** **Underwear:** Men's and women's underwear, swimwear, socks and adjacent products.
Licensed products: Footwear, bags, fragrances, eyewear and sportswear.

THE GROUP'S DEVELOPMENT

Sales and operating profit decreased during the third quarter.



Sales

Third quarter, July–September 2011

Group sales during the third quarter amounted to SEK 160.2 million (171.0), a decrease of 6 percent. Excluding currency effects, net sales were unchanged. The product company's lower order volumes for the Christmas collection, which were recognized as revenue during the third quarter, were due to inventory corrections by distributors and retailers and were the single biggest reason for the decline. The establishment of Björn Borg Sport has contributed positively to sales compared with the previous year. Wholesale and retail sales both rose. On the brand side, external revenues were slightly higher as a result of higher brand sales during the quarter.

Nine-month period, January–September 2011

Group sales during the first nine months of the year amounted to SEK 413.4 million (420.1), a decrease of 2 percent. Excluding currency effects, net sales increased by 5 percent. Lower sales volumes for the Christmas collection from the product company during the third quarter, related to inventory corrections by distributors and retailers, were the biggest reason for the decline. The establishment of Björn Borg Sport contributed positively to the increase, while the Group's footwear sales decreased. Wholesale operations and the Group's retail sales both rose, while the brand side posted slightly lower external revenues, in line with slightly lower brand sales during the period.

Profit

Third quarter, July–September 2011

The gross profit margin for the third quarter decreased to 50.6 percent (52.6). The margin within Björn Borg Sport is lower than in other operations, which contributed negatively to the Group's total margin. Excluding Björn Borg Sport, the margin instead would have risen slightly compared with the same period last year.

Operating profit decreased during the quarter by 36 percent to SEK 33.0 million (51.5) with an operating margin of 20.6 percent (30.1). The investments in Björn Borg Sport and the British operations reduced operating profit according to plan by SEK 3.9 million and SEK 1.2 million, respectively. Hence, operating profit net of these investments was SEK 38.1 million. Profit before tax decreased to SEK 32.7 million (49.8).

The new company Björn Borg Sport raised operating expenses by SEK 7.0 million (minority share SEK 3.4 million), of which SEK 3.1 million are one-off expenses in 2011. Excluding Björn Borg Sport and England, the Group's operating expenses were unchanged compared with the same period in 2010.

Nine-month period, January–September 2011

The gross profit margin decreased during the first nine months of the year to 51.2 percent (52.8). As mentioned above, Björn Borg Sport contributed negatively to the Group's total margin. Excluding Björn Borg Sport, the margin instead would have risen slightly compared with the same period last year.

Operating profit decreased during the period by 31 percent to SEK 69.6 million (101.5) with an operating margin of 16.8 percent (24.2). The investments in Björn Borg Sport and the British operations reduced operating profit according to plan by SEK 10.1 million and SEK 3.5 million, respectively. Hence, operating profit net of these investments was SEK 83.2 million. Profit before tax decreased to SEK 69.6 million (99.9).

The new company Björn Borg Sport raised operating expenses by SEK 19.5 million (minority share SEK 9.5 million), of which SEK 9.3 million are one-off expenses limited to 2011. Further investments in personnel and the operations in the British market have led to higher operating expenses. Excluding Björn Borg Sport and England, the Group's operating expenses decreased slightly compared with the same period in 2010.

Business segment	Revenue source	Sales, SEK thousands		Operating profit, SEK thousands		Operating margin	
		January–September 2011	2010	January–September 2011	2010	January–September 2011	2010
Brand	Royalties	63,839	70,489	16,971	19,632	27%	28%
Product development	Products	296,494	320,732	29,413	56,402	10%	18%
Wholesale operations	Wholesale revenues	175,116	155,568	29,709	30,221	17%	19%
Retail	Retailers	40,776	37,564	-6,530	-4,763	-16%	-13%
Less internal sales		-162,816	-164,206	-	-	-	-
Total		413,408	420,147	69,563	101,492	17%	24%

Development by business segment

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

As of January 1, 2011 the company has streamlined the segment previously called "Brand and other," which also included the Parent Company's sales and expenses. The segment is now called "Brand" and comprises only brand-related operations, which the company believes provides a clearer description of this segment and is in line with the Group's internal reporting. The Parent Company's income statement has been divided by segment based on various distribution keys; 2010 figures have been restated in accordance with this new basis of distribution. Moreover, the U.S. operations, which today are limited to e-commerce, have been shifted from Wholesale to Retail, similar to the international e-commerce operations that are already part of the Retail segment.

Brand

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

Net sales during the period January–September reached SEK 63.8 million (70.5), a decrease of 9 percent. External sales amounted to SEK 37.9 million (39.2). The decrease was due to, among other things, lower brand sales during the period.

Operating profit amounted to SEK 17.0 million (19.6), a decrease of 13 percent for the period. The operating profit was a consequence of the lower net sales in the segment. Operating expenses are in line with the same period in 2010.

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 296.5 million (320.7) during the period January–September, a decrease of 8 percent. External sales amounted to SEK 200.5 million (225.2), a decrease of 11 percent compared with the same period in 2010. Weak sales of the Christmas collection, due to inventory corrections by distributors and retailers, reduced sales for the period, while Björn Borg Sport contributed positively. A weaker U.S. dollar has significantly affected sales in a negative direction.

Operating profit decreased to SEK 29.4 million (56.4) as a result of lower sales primarily during the third quarter as well as increased expenses for Björn Borg Sport. A weaker U.S. dollar has also adversely affected operating profit.

Wholesale operations

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 wholesale operations increased by 13 percent during the period January–September to SEK 175.1 million (155.6). External sales amounted to SEK 136.2 million (120.6).

Operating profit amounted to SEK 29.7 million (30.2). A weaker USD has affected gross profit and operating profit positively, while the investment in the British operations has raised operating expenses.

Retail

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

Net sales in Retail amounted to SEK 40.8 million (37.6) during the period January–September, an increase of 9 percent. External sales increased by 11 percent to SEK 38.8 million (35.1). Björn Borg stores reported a positive sales trend, while the outlets declined slightly. For comparable Björn Borg stores, sales fell by 3 percent. E-commerce noted continued sales growth, but from a low level.

The operating loss for the half-year amounted to SEK 6.5 million, against a year-earlier loss of SEK 4.8 million, partly due to increased operating expenses from the web venture and the opening of three new Group-owned stores during the nine-month period.

Intra-Group sales

Intra-Group sales amounted to SEK 162.8 million (164.2) 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 5.2 million (13.1) for the first nine months of the year. Large shipments from factories at the end of the period led to an increase in working capital tied up in inventory and accounts receivable as well as a decrease in tied-up capital through increased accounts payable compared with December 31, 2010. The company does not believe that credit risk has risen as a result of the increased accounts receivable as of the closing date. Net tied-up working capital has increased by SEK 53.3 million in 2011, compared with an increase of SEK 58.7 million in the same period in 2010. Although inventories grew slightly due to the stock in new stores opened during the year as well as the recently launched British operations, they remain nearly unchanged compared with the same date in 2010. The company is working actively to balance inventories and reduce tied-up capital. Accounts receivable have increased by SEK 1.0 million since September 30, 2010.

Total investments in tangible and intangible non-current assets amounted to SEK 18.1 million (6.8) for the period, the large part of which relates to the establishment of Björn Borg Sport in the Netherlands and store renovations.

FINANCIAL POSITION AND LIQUIDITY

The Björn Borg Group's cash & cash equivalents and short-term investments amounted to SEK 86.8 million (168.2) at the end of the period. During the first nine months cash & cash equivalents decreased by SEK 123.8 million, compared with a year-earlier decrease of SEK 143.3 million. This is mainly due to the distribution to shareholders of SEK 130.8 million (125.7) during the period. The equity/assets ratio was 70.2 percent (73.1).

COMMITMENTS AND CONTINGENT LIABILITIES

No changes were made with regard to pledged assets and contingent liabilities compared with December 31, 2010.

PERSONNEL

The average number of employees in the Group during the period January–September 2011 was 119 (99), of whom 72 (63) were women.

TRANSACTIONS WITH RELATED PARTIES

Board member Fabian Månsson has acquired 4 percent of the shares in the subsidiary Björn Borg Sport during the first nine months of the year. No transactions have otherwise been executed with related parties.

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 the new subsidiary in the Netherlands, information on the Group's risks and uncertainties can be found on pages 37–38 and in note 3 in the annual report 2010.

EVENTS AFTER THE BALANCE SHEET DATE

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

NOMINATION COMMITTEE

In accordance with the resolution of the Annual General Meeting, Björn Borg's Nomination Committee for the 2012 AGM will be appointed by having the Chairman of the Board contact each of the company's four largest shareholders based on voting rights as of August 31, 2011. Björn Borg's Nomination Committee for the 2012 AGM is as follows:

- Fredrik Lövested, Chairman of the Board;
- Mats Nilsson, representing himself as a shareholder;
- Kerstin Stenberg, representing the Swedbank Robur funds;
- Per Trygg, representing the SEB funds.

ANNUAL GENERAL MEETING

The Annual General Meeting for the financial year 2011 will be held in Stockholm on May 3, 2012.

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 third quarter amounted to SEK 12.1 million (11.4). During the first nine months of the year the Parent Company's net sales amounted to SEK 30.3 million (29.7).

The loss before tax amounted to SEK 8.6 million for the third quarter (against a year-earlier loss of SEK 7.9 million) and SEK 28.6 million for the first nine months (against a year-earlier loss of SEK 28.8 million). Cash & cash equivalents and short-term investments amounted to SEK 41.6 million (141.7) on September 30, 2011. Investments in tangible and intangible non-current assets for the period amounted to SEK 1.8 million (0.7).

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:

- 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. 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.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with the Annual Accounts Act, RFR 1 Additional Accounting Regulations for Consolidated Groups (December 2010) and IAS 34 Interim Financial Reporting, and for the Parent Company in accordance with the Annual Accounts Act and RFR 2 Accounting in Legal Entities (December 2010).

The same accounting and valuation principles have been applied during the year as in 2010, as described on page 47 of the annual report 2010, with the exceptions indicated below.

The new and revised IFRS and the interpretations from IFRIC applied by the Group 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 been reviewed by the company's auditors. Their review report can be found on page 12.

OUTLOOK 2011

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

CONSOLIDATED INCOME AND TOTAL COMPREHENSIVE INCOME

Condensed

SEK thousands	July–Sept 2011	July–Sept 2010	Jan–Sept 2011	Jan–Sept 2010	Oct 2010– Sept 2011	Full-year 2010
Net sales	160,150	170,998	413,408	420,147	529,301	536,040
Cost of goods sold	-79,149	-81,135	-201,732	-198,167	-252,409	-248,844
Gross profit	81,001	89,863	211,676	221,979	276,892	287,196
Distribution expenses	-31,338	-25,571	-93,225	-79,022	-120,845	-106,643
Administrative expenses	-13,285	-9,461	-39,037	-30,932	-49,142	-41,037
Development expenses	-3,402	-3,315	-9,851	-10,533	-12,829	-13,511
Operating profit	32,976	51,516	69,563	101,492	94,076	126,005
Net financial items	-312	-1,744	36	-1,647	-327	-2,010
Profit before tax	32,664	49,772	69,599	99,845	93,749	123,995
Tax	-8,592	-13,110	-18,410	-26,651	-24,991	-33,232
Profit for the period	24,072	36,662	51,189	73,194	68,758	90,763
Profit attributable to:						
Parent Company's shareholders	26,320	36,642	57,098	73,174	74,821	90,897
Minority interests	-2,248	21	-5,909	20	-6,063	-134
Other comprehensive income						
Translation adjustments for foreign operations	-370	417	-430	221	-398	253
Total comprehensive income for the period	23,702	37,080	50,759	73,416	68,360	91,017
Total comprehensive income for the period attributable to						
Parent Company's shareholders	25,950	37,059	56,668	73,396	74,423	91,151
Minority interests	-2,248	21	-5,909	20	-6,063	-134
Earnings per share, SEK	1.05	1.46	2.27	2.91	2.98	3.61
Earnings per share after dilution, SEK	1.05	1.44	2.26	2.87	2.96	3.57
Number of shares	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384
Weighted average number of shares	24,148,384	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384
Effect of dilution*	0	319,875	138,222	340,753	119,287	321,818
Weighted average number of shares after full dilution	25,148,384	25,468,259	25,286,606	25,489,137	25,267,671	25,470,202

* Björn Borg has an incentive program, 2008:2, based on warrants in Björn Borg. For more detailed information, see page 53 of the annual report 2010.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Condensed

SEK thousands	Sept 30 2011	Sept 30 2010	Dec 31 2010
Non-current assets			
Goodwill	13,944	13,944	13,944
Trademarks	187,532	187,532	187,532
Other intangible assets	5,815	7,371	6,858
Tangible non-current assets	11,473	8,588	7,808
Deferred tax assets	6,438	9,046	6,438
Total non-current assets	225,202	226,481	222,580
Current assets			
Inventories, etc.	38,570	37,330	26,239
Accounts receivable	96,133	95,087	50,993
Other current receivables	48,592	31,553	34,351
Short-term investments	16,291	15,000	35,567
Cash & cash equivalents	70,467	153,174	194,275
Total current assets	270,053	332,143	341,425
Total assets	495,255	558,624	564,005
Equity and liabilities			
Equity	347,704	408,629	427,276
Deferred tax liabilities	50,898	42,546	48,189
Other non-current liabilities	30,357	36,265	34,724
Accounts payable	20,790	28,904	9,987
Other current liabilities	45,506	42,280	43,829
Total equity and liabilities	495,255	558,624	564,005

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, 2010	460,842	114	460,956
Total comprehensive income for the period	73,396	20	73,416
Dividend for 2009	-125,742	-	-125,742
Closing balance, September 30, 2010	408,496	134	408,629
Opening balance, January 1, 2010	460,842	114	460,956
Total comprehensive income for the year	91,150	-134	91,017
Dividend for 2009	-125,742	-	-125,742
Non-controlling interests that arose through formation of subsidiaries	-	1,046	1,046
Closing balance, December 31, 2010	426,250	1,026	427,276
Opening balance, January 1, 2011	426,250	1,026	427,276
Total comprehensive income for the year	56,668	-5,909	50,759
Distribution 2010	-130,772	-	-130,772
Non-controlling interests that arose through formation of subsidiaries	-	438	438
Closing balance, September 30, 2011	352,147	-4,444	347,704

CONSOLIDATED STATEMENT OF CASH FLOWS

Condensed

SEK thousands	July–Sept 2011	July–Sept 2010	Jan–Sept 2011	Jan–Sept 2010	Full-year 2010
Cash flow from operating activities					
Before change in working capital	28,525	41,772	58,495	71,868	99,092
Change in working capital	-25,222	-42,756	-53,318	-58,739	-26,733
Cash flow from operating activities	3,303	-984	5,177	13,129	72,359
Investments in intangible non-current assets	-3,378	-973	-10,103	-4,834	-4,878
Investments in tangible non-current assets	-2,288	-31	-7,975	-1,946	-2,498
Investments in financial non-current assets	-	-	-	-9,046	-9,046
Sale of tangible non-current assets	-	-	436	-	161
Investments in short-term investments	-	-15,000	-1,701	-15,000	-35,567
Sale of short-term investments	20,977	-	20,977	-	-
Reversal of deferred tax assets	-	-	-	-	2,608
Cash flow from investing activities	15,311	-16,004	1,634	-30,826	-49,220
Dividend/distribution	-	-	-130,772	-125,742	-125,742
Amortization of loans	441	-	441	-	-
Cash flow from financing activities	441	-	-130,331	-125,742	-125,742
Cash flow for the period	19,055	-16,988	-123,520	-143,439	-102,603
Cash & cash equivalents at beginning of period	52,259	169,986	194,275	296,484	296,484
Exchange rate difference in cash & cash equivalents	-847	176	-288	129	394
Cash & cash equivalents at end of period	70,467	153,174	70,467	153,174	194,275

KEY FIGURES

Group

SEK thousands	July–Sept 2011	July–Sept 2010	Jan–Sept 2011	Jan–Sept 2010	Oct 2010– Sept 2011	Full-year 2010
Gross profit margin, %	50.6	52.6	51.2	52.8	52.3	53.6
Operating margin, %	20.6	30.1	16.8	24.2	17.8	23.5
Profit margin, %	20.4	29.1	16.8	23.8	17.7	23.1
Return on capital employed, %	23.3	25.0	23.3	25.0	23.3	25.7
Return on average equity, %	19.8	20.2	19.8	20.2	19.8	20.5
Profit attributable to Parent Company's shareholders	26,320	36,642	57,098	73,174	74,821	90,897
Equity/assets ratio, %	70.2	73.1	70.2	73.1	70.2	75.8
Equity per share, SEK	13.83	16.25	13.83	16.25	13.83	16.99
Investments in intangible non-current assets	3,378	973	10,103	4,834	10,147	4,878
Investments in tangible non-current assets	2,288	31	7,975	1,946	8,527	2,498
Investments in financial non-current assets	-	-	-	9,046	-	9,046
Depreciation and impairment losses for the period	-4,938	-1,665	-14,741	-5,377	-16,500	-7,136
Average number of employees	119	99	119	99	120	100

SUMMARY BY SEGMENT

Group

SEK thousands	July–Sept 2011	July–Sept 2010	Jan–Sept 2011	Jan–Sept 2010	Oct 2010– Sept 2011	Full-year 2010
Operating revenue						
Brand						
External revenue	17,040	16,846	37,925	39,236	48,270	49,582
Internal revenue	9,531	12,566	25,914	31,253	34,735	40,074
	26,571	29,412	63,839	70,489	83,005	89,655
Product development						
External revenue	73,454	92,477	200,459	225,189	246,406	271,135
Internal revenue	36,537	45,038	96,035	95,543	124,353	123,861
	109,991	137,516	296,494	320,732	370,759	394,997
Wholesale						
External revenue	52,573	46,981	136,202	120,648	181,001	165,447
Internal revenue	14,578	13,459	38,914	34,921	53,497	49,503
	67,151	60,440	175,116	155,568	234,498	214,950
Retail						
External revenue	17,083	14,694	38,823	35,074	53,624	49,876
Internal revenue	578	560	1,953	2,489	3,426	3,963
	17,661	15,255	40,776	37,564	57,050	53,839
Less internal sales	-61,224	-71,624	-162,816	-164,206	-216,011	-217,401
Operating revenue	160,150	170,998	413,408	420,147	529,301	536,040
Operating profit						
Brand	10,351	10,817	16,971	19,632	20,395	23,057
Product development	11,181	27,600	29,413	56,402	40,259	67,249
Wholesale	11,882	13,197	29,709	30,221	36,845	37,356
Retail	-438	-98	-6,530	-4,763	-3,423	-1,657
Operating profit	32,976	51,516	69,563	101,492	94,076	126,005

QUARTERLY DATA

Group

SEK thousands	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Q4 2009
Net sales	160,150	101,937	151,321	115,893	170,998	100,770	148,379	102,247
Gross profit margin, %	50.6	53.3	50.4	56.3	52.6	55.1	51.6	55.7
Operating profit	32,976	8,190	28,398	24,513	51,516	13,939	36,037	19,427
Operating margin, %	20.6	8.0	18.8	21.2	30.1	13.8	24.3	19.0
Profit after financial items	32,664	8,903	28,033	24,150	49,772	14,644	35,429	19,712
Profit margin, %	20.4	8.7	18.5	20.8	29.1	14.5	23.9	19.3
Earnings per share, SEK	1.05	0.33	0.89	0.70	1.46	0.43	1.03	0.54
Earnings per share after dilution, SEK	1.05	0.33	0.88	0.70	1.44	0.42	1.01	0.53
Number of Björn Borg stores at end of period	54	54	50	47	46	46	46	46
of which Björn Borg-owned stores	13	12	10	10	10	10	10	10
Brand sales	551,267	314,967	431,029	428,234	506,572	338,253	460,156	410,053 *

* Because brand sales for the full-year 2009 have been changed to correct the previously reported figure, quarterly brand sales for 2009 have been updated.
Previously reported figure: Q4 2009 = SEK 422,121,000

PARENT COMPANY INCOME STATEMENT**Condensed**

SEK thousands	July–Sept 2011	July–Sept 2010	Jan–Sept 2011	Jan–Sept 2010	Oct 2010– Sept 2011	Full-year 2010
Net sales	12,123	11,414	30,290	29,707	46,401	45,818
Cost of goods sold	-31	-102	-400	-228	-540	-368
Gross profit	12,092	11,312	29,890	29,478	45,861	45,450
Distribution expenses	-10,407	-10,275	-31,437	-34,642	-41,538	-44,742
Administrative expenses	-4,003	-3,952	-12,091	-13,324	-15,976	-17,208
Development expenses	-1,601	-1,581	-4,837	-5,329	-6,390	-6,883
Operating profit/loss	-3,919	-4,496	-18,475	-23,816	-18,043	-23,383
Dividend from subsidiary	-	-	-	-	100,000	100,000
Net financial items	-4,700	-3,439	-10,089	-4,947	-12,970	-7,829
Profit before tax	-8,619	-7,935	-28,564	-28,763	68,987	68,788
Appropriations	-	-	-	-	818	818
Tax	2,267	2,087	7,512	7,525	7,999	8,011
Profit for the period	-6,352	-5,848	-21,052	-21,238	77,804	77,617
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-6,352	-5,848	-21,052	-21,238	77,804	77,617

PARENT COMPANY BALANCE SHEET**Condensed**

SEK thousands	Sept 30 2011	Sept 30 2010	Dec 31 2010
Non-current assets			
Intangible non-current assets	1,336	1,803	1,686
Tangible non-current assets	3,367	3,171	2,830
Shares in Group companies	321,227	316,585	320,771
Total non-current assets	325,930	321,559	325,287
Current assets			
Receivables from Group companies	95,736	87,542	47,801
Current receivables	13,762	12,790	4,597
Short-term investments	16,291	15,000	35,567
Cash & cash equivalents	25,262	126,701	181,742
Total current assets	151,051	242,033	269,707
Total assets	476,981	563,593	594,994
Equity and liabilities			
Equity	37,351	67,758	189,174
Untaxed reserves	6,540	7,359	6,540
Amounts owed to Group companies	424,064	476,243	383,256
Accounts payable	1,637	1,853	2,913
Other current liabilities	7,389	10,380	13,111
Total equity and liabilities	476,981	563,593	594,994

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY**Condensed**

SEK thousands	Jan–Sept 2011	Jan–Sept 2010	Full-year 2010
Opening balance	189,174	214,738	214,738
Dividend/distribution	-130,772	-125,742	-125,742
Group contributions	-	-	30,611
Tax effect of Group contributions	-	-	-8,050
Total comprehensive income for the period	-21,052	-21,238	77,617
Closing balance	37,351	67,758	189,174

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 wholesale sales.

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, November 10, 2011

Fredrik Lövestedt
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, which owns the Björn Borg trademark, is focused on underwear. Through licensees it also offers clothing, footwear, bags, eyewear and fragrances. 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 through its own Björn Borg stores. Total sales of Björn Borg products in 2010 amounted to about SEK 1.7 billion at the consumer level, excluding VAT. Group net sales amounted to SEK 536 million in 2010, with 100 employees. The Björn Borg share is listed on NASDAQ OMX Nordic in Stockholm since 2007.

REVIEW REPORT

Introduction

We have reviewed the interim report for Björn Borg AB (publ) for the period January 1 to September 30, 2011. 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.

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 the International Standards of Auditing (ISA) 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 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 10, 2011
Deloitte AB

Fredrik Walméus
Authorized Public Accountant



BJÖRN BORG
SAYS JA! TO NO
UNDERWEAR

Upcoming information dates

The year-end report for 2011 will be released on February 9, 2012.

The annual report will be published in March 2012.

The interim report January–March 2012 will be released on May 3, 2012.

The Annual General Meeting for 2012 will be held on May 3, 2012.

For further information, please contact:

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Magnus Teeling, CFO, telephone +46 8 506 33 700

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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 November 10, 2011 at 7:30 am (CET).