

# BJÖRN BORG

Stockholm, Sweden, December 21, 2011

## *Press release*

### **Björn Borg is launching in China**

**Björn Borg has decided to launch the brand in China. The new business will be established together with an experienced retail partner in China, through a new company with Björn Borg as the principal owner. The aim is to position the brand among the growing legion of fashion-conscious young people in the country.**

The plan is to establish 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.

*“Our expansion into China is another important step in paving the way for Björn Borg’s future growth. We believe that Björn Borg will attract a growing middle class that wants strong, personal brands. With a knowledgeable and well-connected partner, we expect good opportunities to build sales in one of the world’s most important consumer markets,” says Arthur Engel, CEO of Björn Borg.*

The expansion into China will be with a partner with extensive industry experience in product development as well as production and distribution. One of the owners, Penny York, has previously held senior positions in the Chinese garment manufacturing and brand company, Dragon Crowd, for which she built up the international underwear brand Schiesser in China, with over 500 points of sale.

*“We look forward to establishing Björn Borg in China and believe that the brand fits the Chinese market well, especially considering the colorful and trendy design. With Björn Borg’s unique brand profile and a well-planned and long-term enterprise we see strong potential for the brand in the country,” says Penny York, future CEO of Björn Borg’s Chinese operations.*

The parties are establishing a company for the Chinese operations in which Björn Borg will be the majority owner with 75 percent, while the local partner will own 25 percent. The Chinese venture is expected to have a negative effect on Group operating profit of maximum SEK 10 million and a marginal effect on revenue in 2012. For 2013, the negative effect on operating profit is expected to be lower.

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*The Group owns the Björn Borg trademark and its core business is underwear. It also offers clothes, 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 2010 amounted to almost SEK 1.7 billion, excluding VAT, at the consumer level. Group net sales amounted to SEK 536 million as per December 31, 2010, with 100 employees. The Björn Borg share has been listed on NASDAQ OMX Nordic in Stockholm since 2007.*