

BJÖRN BORG



**BJÖRN BORG AB YEAR-END REPORT
JANUARY – DECEMBER 2011**

A year of investing for growth

OCTOBER 1 – DECEMBER 31, 2011

- The Group's net sales increased by 6 percent to SEK 123.1 million (115.9). Excluding currency effects, sales increased by 7 percent.
- The gross profit margin was 52.4 percent (56.3). The change is attributable to the operations of Björn Borg Sport.
- Operating profit amounted to SEK 14.1 million (24.5) and was affected by approximately SEK 3.5 million from investments in Björn Borg Sport and England as well as one-off expenses in connection with the move to a new office in Stockholm.
- Profit after tax amounted to SEK 49.0 million (17.6). This includes the recognition of deferred tax revenue of SEK 38.4 million.
- Earnings per share amounted to SEK 1.92 (0.70), excluding deferred tax revenue earnings per share amounted to SEK 0.40. Fully diluted earnings per share amounted to SEK 1.92 (0.70).
- Brand sales* (excluding VAT) decreased by 10 percent to SEK 384 million (428). The decrease excluding currency effects was 10 percent.

JANUARY 1 – DECEMBER 31, 2011

- The Group's net sales were largely unchanged at SEK 536.5 million (536.0). Excluding currency effects, sales rose by 5 percent.
- The gross profit margin was 51.5 percent (53.6). The change is attributable to the operations of Björn Borg Sport.
- Operating profit amounted to SEK 83.7 million (126.0). The investments in Björn Borg Sport and operations in England, together with move-related expenses, affected profit by approximately SEK 17.2 million.
- Profit after tax amounted to SEK 100.2 million (90.8). This includes the recognition of deferred tax assets of SEK 38.4 million.
- Earnings per share amounted to SEK 4.19 (3.61), excluding deferred tax revenue earnings per share amounted to SEK 2.66. Fully diluted earnings per share amounted to SEK 4.19 (3.57).
- Brand sales* (excluding VAT) decreased by 3 percent to SEK 1,681 million (1,733). Excluding currency effects, sales increased by 1 percent.
- The Board of Directors has recommended that the Annual General Meeting approve a distribution of SEK 4.00 (5.20) per share, totaling SEK 100.6 million (130.8).

QUOTE FROM THE CEO

"Despite the weak retail market conditions Björn Borg reached unchanged net sales because of the larger investments for the future initiated in 2011. These investments affected our result negatively, but paves the way for future profitable growth. In 2012 we are taking another important step in our continued expansion by establishing Björn Borg in China," said CEO Arthur Engel.

SEK million	Oct – Dec 2011	Oct – Dec 2010	Full-year 2011	Full-year 2010
Net sales	123.1	115.9	536.5	536.0
Gross profit margin, %	52.4	56.3	51.5	53.6
Operating profit	14.1	24.5	83.7	126.0
Operating margin, %	11.5	21.2	15.6	23.5
Profit after tax	49.0	17.6	100.2	90.8
Earnings per share, SEK	1.92	0.70	4.19	3.61
Earnings per share after dilution, SEK	1.92	0.70	4.19	3.57
Pro forma earnings per share excluding deferred tax revenue, SEK	0.40	0.70	2.66	3.61
Brand sales*	384	428	1,681	1,733

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



CEO'S COMMENT

Important investments for future growth

In 2011 we made several important investments for future growth. We expanded the product offering with sportswear, invested in our operations in the key British market, increased our international e-commerce marketing and opened several new stores. We have also strengthened Björn Borg's organization to handle a further expansion and higher level of brand building activity in both new and established markets. With a stable financial position, we can fund these investments which we view as central to the future development of the brand and the Group.

Lower inventory levels by partners

The past year was also distinguished by continued weak retail sales in Europe. For some of our distributors and retailers, lower than expected sales led to higher inventories and fewer purchases. We are confident that our partners have worked to correct this and that inventories now are generally lower.

Summing up to the year, we saw an increase in brand sales, excluding currency effects, of 1 percent compared with the previous year. We are pleased that several of our smaller markets grew strongly and raised their share of brand sales from 9 percent to 13 percent. At the same time the Group's consolidated sales grew by 5 percent excluding currency effects, which we see as an acceptable outcome given current market conditions. In terms of earnings, the Group was affected according to plan by higher expenses for the forward-looking investments in Björn Borg Sport and our operations in England. Adjusted for these areas, operating expenses were unchanged.

First Björn Borg Sport collection in stores

One of our biggest investments in 2011 was the creation of Björn Borg Sport sportswear, where fashion and function are fused with the brand's characteristic colors and patterns. An organization is in place and the first collection has just arrived in stores in seven European markets. The aim is to grow with current partners as well as to additional markets, and we are continuously analyzing potential distributors, primarily in Europe.

Launch in China in 2012

An important step in the brand's expansion was the decision in December to establish in China. The fall 2012 launch will begin in Shanghai through Björn Borg's own stores and in major department stores in partnership with a local agent with broad experience in both distribution and retail. We feel that Björn Borg will attract the growing group of fashion-conscious young Chinese and see great potential to build strong sales in one of the world's most important consumer markets. This long-term investment is another important step for Björn Borg's future growth.

Creative branding

We will also continue with creative brand building activities that stand out. An important example is the fashion show we are arranging in London in a few weeks, where international artists are taking part in a major outdoor exhibit in connection with London Fashion Week, which we will follow up in social media and other channels. After our head office was moved to new space in Stockholm during the fourth quarter, we can now show the collections and brand in a more appropriate environment.

In 2012 we are concentrating much of our work on the investments we made last year and on getting them to contribute more to the Group's growth and profitability regardless of the market's development. As a whole, I am confident that Björn Borg has now built a strong platform for further expansion.

Arthur Engel, Chief Executive Officer



OPERATIONS

Brand sales

Brand sales (excluding VAT) decreased by 10 percent to SEK 384 million (428) in the fourth quarter and by 3 percent to SEK 1,681 million (1,733) for the full-year. Adjusted for currency effects in the form of a stronger SEK, brand sales decreased by 10 percent in the fourth quarter but increased by 1 percent for the full-year.

Product areas during the full-year 2011

Brand sales in the underwear product area decreased by 6 percent both in the fourth quarter and for the full-year. Underwear accounted for 68 percent (71) of brand sales during the period.

Sales in the licensed footwear product area rose by 58 percent for the year.

Other than bags, where brand sales were largely unchanged compared with 2010, other licensed products saw a decline. In total, licensed product sales rose by 5 percent during the year, mainly due to the increase in footwear sales.

Markets during the full-year 2011

Brand sales in smaller markets increased during the year to 13 percent (9) of total brand sales. Among larger markets, Belgium reported strong growth, while brand sales in

Sweden were unchanged. Declines were noted in Norway, Denmark and the Netherlands. The Netherlands saw a slight recovery during the second half-year, however, after a weaker first half. Among smaller markets, Finland, Germany, Austria and the Baltic countries continued to post strong sales trends.

Sales began in Italy and France during the year through new distributors, though starting from a low level.

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

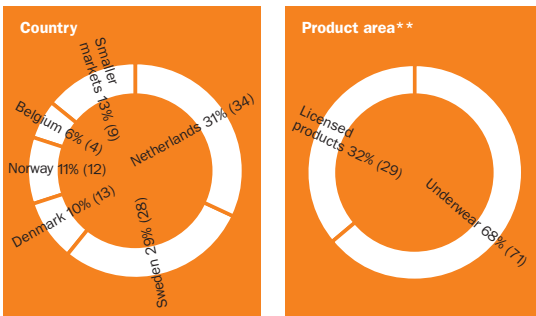
Björn Borg stores

During the quarter new stores opened in Bruges, Belgium and in the Våla mall near Helsingborg, Sweden. A previous franchise in Helsingborg was taken over by Björn Borg. As of December 31 2011 there were a total of 56 (47) Björn Borg stores, of which 15 (10) are Group-owned.

Björn Borg Sport

Since January 2011 Björn Borg has a subsidiary owned to 51 %, Björn Borg Sport, for production of fashionable and 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. 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. The first collection was delivered to retailers at the end of 2011.

Brand sales* of Björn Borg products Jan – Dec 2011. Total SEK 1,681 million (1,733)



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

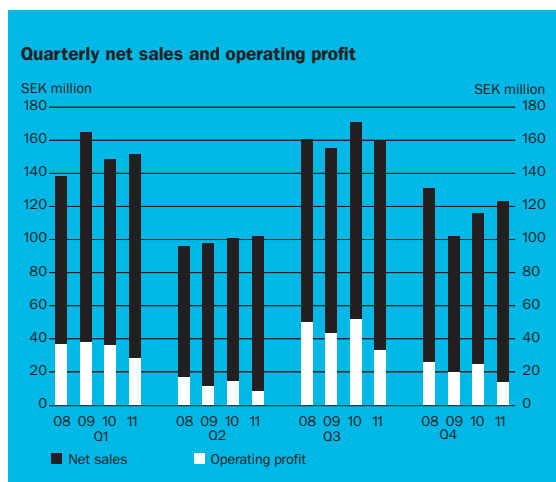
** **Underwear:** Men's and women's underwear, swimwear, socks and adjacent products.
Licensed products: Footwear, bags, fragrances, eyewear and sportswear.

Björn Borg 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. The plan is to start sales in Shanghai during the second half-year 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 revenue.

THE GROUP'S DEVELOPMENT

Sales increased but operating profit fell during the last quarter of the year.



Sales

Fourth quarter, October – December 2011

Group sales during the fourth quarter amounted to SEK 123.1 million (115.9), an increase of 6 percent. Excluding currency effects, net sales increased by 7 percent. The establishment of Björn Borg Sport and the English operations made a positive contribution to group sales. The Swedish product company's underwear orders for the spring/summer collection, which were partly recognized in fourth quarter revenue, were slightly lower than the previous year and some scheduled deliveries were delayed until the first quarter of 2012. Retail sales rose, while sales at the wholesale level fell slightly. External brand revenue also fell as a result of lower brand sales during the quarter.

Full-year 2011

Group sales for the full-year amounted to SEK 536.5 million (536.0), largely unchanged from the previous year. Excluding currency effects, net sales increased by 5 percent. Lower sales volumes for the Christmas collection from the product company during the third quarter, which were related to inventory corrections by distributors and retailers, contributed negatively to sales for the year. The establishment of Björn Borg Sport and the British operations made a positive contribution to group sales, while the Group's footwear sales decreased after the footwear operations were licensed out in 2010. The Group's retail sales rose, while wholesale operations fell slightly. External brand revenue fell slightly, in line with the lower brand sales during the year.

Profit

Fourth quarter, October – December 2011

The gross profit margin for the fourth quarter decreased to 52.4 percent (56.3). 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 would have been largely unchanged compared with the full-year 2010.

Operating profit decreased during the quarter by 42 percent to SEK 14.1 million (24.5) with an operating margin of 11.5 percent (21.2). The investments in Björn Borg Sport and the British operations reduced operating profit according to plan by SEK 0.7 million and SEK 0.8 million, respectively. The product company's underwear operations have been negatively affected by current market conditions and contributed less to the Group's operating profit than in 2010.

Operating profit has been charged with one-off expenses related to the move to the new head office during the quarter, including impairments related to the previous office. The new company Björn Borg Sport raised operating expenses by SEK 5.7 million, of which SEK 0.4 million are one-off expenses limited to 2011. Excluding Björn Borg Sport, the Group's operations in England and one-off move-related expenses, the Group's operating expenses were largely unchanged compared with the same quarter in 2010. Profit before tax decreased to SEK 15.0 million (24.2).

Uncertainty about whether the Group could fully utilize the entire tax loss carryforwards in the dormant company Björn Borg Services has now been assuaged, thanks to which deferred tax assets of approximately SEK 38 million have been recognized with a corresponding effect on profit.

Full-year 2011

The gross profit margin for the full-year 2011 decreased to 51.5 percent (53.6). 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 2010.

Operating profit decreased during the year by 34 percent to SEK 83.7 million (126.0) with an operating margin of 15.6 percent (23.5). The investments in Björn Borg Sport and the British operations reduced operating profit according to plan by SEK 10.8 million and SEK 4.3 million, respectively. Hence, operating profit net of these investments was SEK 98.6 million. Further, the product company's underwear operations showed a significant decrease in operating profit compared with 2010. However the major part of this decrease is related to currency effects from a strengthened SEK. Profit before tax decreased to SEK 84.6 million (124.0).

The new company Björn Borg Sport raised operating expenses by SEK 25.2 million, of which SEK 9.8 million are one-off expenses limited to 2011. Further investments in personnel and the operations in the British market have led

Business segment	Revenue source	Sales, SEK thousands		Operating profit, SEK thousands		Operating margin	
		2011	2010	2011	2010	2011	2010
Brand	Royalties	80,317	89,655	16,613	23,057	21%	26%
Product development	Products	377,448	394,997	35,915	67,249	10%	17%
Wholesale operations	Wholesale revenues	230,778	214,950	37,010	37,356	16%	17%
Retail	Retailers	62,191	53,839	-5,832	-1,657	-9%	-3%
Less internal sales		-214,225	-217,401	-	-	-	-
Total		536,509	536,040	83,706	126,005	16%	24%

to higher operating expenses. Excluding Björn Borg Sport and England, the Group's operating expenses were unchanged compared with 2010.

Deferred tax assets of approximately SEK 38 million related to the dormant company Björn Borg Services were recognized during the year and had a corresponding effect on profit.

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. Moreover, U.S. operations, which today are limited to e-commerce, have been moved from Wholesale to Retail, similar to the international e-commerce operations that are already part of the Retail segment. Figures for 2010 have been restated due to these adjustments and the new basis of distribution.

Brand

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

Net sales in 2011 reached SEK 80.3 million (89.7), a decrease of 10 percent. External sales amounted to SEK 47.4 million (49.6). The decrease was largely due to slightly lower brand sales during the year.

Operating profit amounted to SEK 16.6 million (23.1), a decrease of 28 percent for the period. The operating profit was due to lower net sales in the segment and higher expenses for brand protection, among other things.

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 377.4 million (395.0) in 2011, a decrease of 4 percent. External sales amounted to SEK 251.3 million (271.1), a decrease of 7 percent compared with the same period in 2010. Weak sales of the Christmas collection through the Group's product company during the third quarter was the single biggest reason for the decline during the year, while Björn Borg Sport contributed positively. A weaker U.S. dollar has significantly affected sales in a negative direction.

Operating profit decreased to SEK 35.9 million (67.2) 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

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 7 percent in 2011 to SEK 230.8 million (215.0). External sales amounted to SEK 179.3 million (165.5).

Operating profit amounted to SEK 37.0 million (37.4). A

weaker USD has affected gross profit and operating profit positively, while the investment in the British operations has meant higher operating expenses.

Retail

The Björn Borg Group owns and operates thirteen 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 62.2 million (53.8) in 2011, an increase of 16 percent. External sales increased by 17 percent to SEK 58.5 million (49.9). Björn Borg stores posted a positive sales trend, while outlet sales were unchanged. For comparable Björn Borg stores, sales fell by 5 percent. E-commerce noted continued sales growth, but from a low level.

The operating loss for the half-year amounted to SEK 5.8 million, against a year-earlier loss of SEK 1.7 million, partly due to increased operating expenses from the web venture and the opening of new Group-owned stores during the year.

Intra-Group sales

Intra-Group sales amounted to SEK 214.2 million (217.4) 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 91.2 million (81.1) for the full-year 2011. A lower operating profit was offset by a slightly less tied-up working capital compared with 2010. For example, the net of accounts receivable less accounts payable improved by SEK 8.9 million. Accounts receivable rose by SEK 6.9 million compared with 31 December 2010, which is reasonable considering the corresponding increase in sales in the fourth quarter. The company does not anticipate an increased credit risk due to the higher accounts receivable as of the closing date. Inventories have increased by SEK 8.3 million due to stock in new stores as well as the recently launched British operations. 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 25.4 million (7.4) for the year, 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 158.0 million (229.8) at year-end. During the year cash & cash equivalents decreased by SEK 71.8 million, compared with a year-earlier decrease of SEK 66.7 million. This was mainly due to the distribution to shareholders of SEK 130.8 million (125.7) during the period. The equity/assets ratio was 72.1 percent (75.8).

COMMITMENTS AND CONTINGENT LIABILITIES

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

PERSONNEL

The average number of employees in the Group in 2011 was 131 (100), of whom 79 (63) were women.

TRANSACTIONS WITH RELATED PARTIES

Board member Fabian Månsson acquired 4 percent of the shares in the subsidiary Björn Borg Sport in 2011. 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.

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 fourth quarter amounted to SEK 15.9 million (16.1). For the full-year 2011 the Parent Company's net sales amounted to SEK 46.2 million (45.8).

Profit before tax amounted to SEK 130.5 million (128.2) for the fourth quarter and SEK 101.9 million (99.4) for the full-year 2011. Cash & cash equivalents and short-term investments amounted to SEK 122.3 million (217.3) on December 31, 2011. Investments in tangible and intangible non-current assets for the period amounted to SEK 6.1 million (0.8).

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 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.

DIVIDEND

The Board of Directors has decided to recommend to the Annual General Meeting 2012 that a distribution of SEK 4.00 (5.20) per share be paid for the financial year 2011, corresponding to 95 percent of net income; see above regarding financial objectives and dividend. As proposed, the distribution would be paid through an automatic redemption, whereby every share is divided into a common share and a redemption share. The redemption share will then automatically be redeemed for SEK 4.00 per share. Payment for the redemption share, contingent on the approval of the AGM, is expected to be made around June 8, 2012.

The Board of Directors' proposal corresponds to a transfer to shareholders of SEK 100.6 million (130.8). For 2010 a distribution of SEK 5.20 was paid per share, corresponding to 144 percent of net income.

ANNUAL REPORT

The annual report for 2011 will be available on the company's website in mid-March 2012.

ANNUAL GENERAL MEETING

The Annual General Meeting for the financial year 2011 will be held in Stockholm at 6 p.m. (CET) on May 3, 2012.

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).

Due to the amendments to RFR 2 Accounting in Legal Entities which entered into force and apply for the financial year 2011, Group contributions are no longer recognized in equity. A Group contribution that the Parent Company receives from a subsidiary is recognized according to the same principles as ordinary dividends from subsidiaries as financial income. The Parent Company received Group contributions only in 2011 and 2010. Comparative figures have been restated in accordance with the above-mentioned principle.

Other than what is mentioned above, the same accounting and valuation principles were 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 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	Oct – Dec 2011	Oct – Dec 2010	Full-year 2011	Full-year 2010
Net sales	123,100	115,893	536,509	536,040
Cost of goods sold	-58,562	-50,677	-260,295	-248,844
Gross profit	64,538	65,216	276,214	287,196
Distribution expenses	-31,548	-27,621	-124,773	-106,643
Administrative expenses	-15,487	-10,104	-54,524	-41,037
Development expenses	-3,360	-2,978	-13,211	-13,511
Operating profit	14,143	24,513	83,706	126,005
Net financial items	883	-363	920	-2,010
Profit before tax	15,026	24,150	84,626	123,995
Tax	33,934	-6,581	15,524	-33,232
Profit for the period	48,960	17,569	100,150	90,763
Profit attributable to:				
Parent Company's shareholders	48,371	17,723	105,468	90,897
Minority interests	589	-154	-5,318	-134
Other comprehensive income				
Translation adjustments for foreign operations	298	32	-131	253
Total comprehensive income for the period	49,258	17,601	100,019	91,017
Total comprehensive income for the period attributable to:				
Parent Company's shareholders	48,669	17,755	105,337	91,150
Minority interests	589	-154	-5,318	-134
Earnings per share, SEK	1.92	0.70	4.19	3.61
Earnings per share after dilution, SEK	1.92	0.70	4.19	3.57
Pro forma earnings per share excluding deferred tax revenue posted Dec. 31, 2011, SEK	0.40	0.70	2.66	3.61
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*	-	267,798	32,190	321,818
Weighted average number of shares after full dilution	25,148,384	25,416,182	25,180,574	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	Dec 31 2011	Dec 31 2010
Non-current assets		
Goodwill	13,944	13,944
Trademarks	187,532	187,532
Other intangible assets	6,311	6,858
Tangible non-current assets	14,741	7,808
Deferred tax assets	43,194	6,438
Total non-current assets	265,722	222,580
Current assets		
Inventories, etc.	34,559	26,239
Accounts receivable	57,843	50,993
Other current receivables	34,134	34,351
Short-term investments	-	35,567
Cash & cash equivalents	158,042	194,275
Total current assets	284,578	341,425
Total assets	550,300	564,005
Equity and liabilities		
Equity	396,962	427,276
Deferred tax liabilities	47,539	48,189
Other non-current liabilities	28,754	34,724
Accounts payable	25,703	9,987
Other current liabilities	51,342	43,829
Total equity and liabilities	550,300	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 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	105,337	-5,318	100,019
Distribution 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

CONSOLIDATED STATEMENT OF CASH FLOWS

Condensed

SEK thousands	Oct – Dec 2011	Oct – Dec 2010	Full-year 2011	Full-year 2010
Cash flow from operating activities				
Before change in working capital	27,210	29,830	85,705	101,700
Change in working capital	54,027	33,548	5,517	-20,568
Cash flow from operating activities	81,237	63,378	91,223	81,132
Investments in intangible non-current assets	-2,007	-44	-12,110	-4,878
Investments in tangible non-current assets	-5,350	-552	-13,325	-2,498
Investments in financial non-current assets	-	-	-	-9,046
Sale of tangible non-current assets	-436	161	-	161
Investments in short-term investments	-	-20,567	-	-35,567
Sale of short-term investments	16,291	-	35,567	-
Cash flow from investing activities	8,497	-21,001	10,132	-51,828
Dividend/distribution	-	-	-130,772	-125,742
Amortization of loans	-1,602	-1,541	-6,411	-6,164
Change in long-term liabilities	-	-	441	-
Cash flow from financing activities	-1,602	-1,541	-136,742	-131,906
Cash flow for the period	88,133	40,836	-35,387	-102,602
Cash & cash equivalents at beginning of period	70,467	153,174	194,275	296,484
Exchange rate difference in cash & cash equivalents	-558	266	-846	394
Cash & cash equivalents at end of period	158,042	194,275	158,042	194,275

KEY FIGURES

Group

SEK thousands	Oct – Dec 2011	Oct – Dec 2010	Full-year 2011	Full-year 2010
Gross profit margin, %	52.4	56.3	51.5	53.6
Operating margin, %	11.5	21.2	15.6	23.5
Profit margin, %	12.2	20.8	15.8	23.1
Return on capital employed, %	19.5	25.7	19.5	25.7
Return on average equity, %	25.6	20.5	25.6	20.5
Profit attributable to Parent Company's shareholders	48,371	17,723	105,468	90,897
Equity/assets ratio, %	72.1	75.8	72.1	75.8
Equity per share, SEK	15.78	16.99	15.78	16.99
Investments in intangible non-current assets	2,007	44	12,110	4,878
Investments in tangible non-current assets	5,350	552	13,325	2,498
Investments in financial non-current assets	-	-	-	9,046
Depreciation and impairment losses for the period	-2,424	-1,755	-17,165	-7,136
Average number of employees	131	100	131	100

SUMMARY BY SEGMENT

Group

SEK thousands	Oct – Dec 2011	Oct – Dec 2010	Full-year 2011	Full-year 2010
Operating revenue				
Brand				
External revenue	9,510	10,346	47,435	49,582
Internal revenue	6,968	8,821	32,882	40,074
	16,478	19,167	80,317	89,655
Product development				
External revenue	50,818	45,947	251,277	271,135
Internal revenue	30,136	28,318	126,171	123,861
	80,954	74,264	377,448	394,997
Wholesale				
External revenue	43,139	44,800	179,341	165,447
Internal revenue	12,523	14,582	51,437	49,503
	55,662	59,382	230,778	214,950
Retail				
External revenue	19,633	14,801	58,456	49,876
Internal revenue	1,782	1,474	3,735	3,963
	21,415	16,275	62,191	53,839
Less internal sales	-51,409	-53,195	-214,225	-217,401
Operating revenue	123,100	115,893	536,509	536,040
Operating profit				
Brand	-359	3,425	16,613	23,057
Product development	6,503	10,847	35,915	67,249
Wholesale	7,300	7,135	37,010	37,356
Retail	699	3,106	-5,832	-1,657
Operating profit	14,143	24,513	83,706	126,005

QUARTERLY DATA

Group

SEK thousands	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010	Q1 2010
Net sales	123,100	160,150	101,937	151,321	115,893	170,998	100,770	148,379
Gross profit margin, %	52.4	50.6	53.3	50.4	56.3	52.6	55.1	51.6
Operating profit	14,143	32,976	8,190	28,398	24,513	51,516	13,939	36,037
Operating margin, %	11.5	20.6	8.0	18.8	21.2	30.1	13.8	24.3
Profit after financial items	15,026	32,664	8,903	28,033	24,150	49,772	14,644	35,429
Profit margin, %	12.2	20.4	8.7	18.5	20.8	29.1	14.5	23.9
Earnings per share, SEK	1.92	1.05	0.33	0.89	0.70	1.46	0.43	1.03
Earnings per share after dilution, SEK	1.92	1.05	0.33	0.88	0.70	1.44	0.42	1.01
Number of Björn Borg stores at end of period	56	54	54	50	47	46	46	46
of which Björn Borg-owned stores	15	13	12	10	10	10	10	10
Brand sales	384,133	551,267	314,967	431,029	428,234	506,572	338,253	460,156

PARENT COMPANY INCOME STATEMENT**Condensed**

SEK thousands	Oct – Dec 2011	Oct – Dec 2010	Full-year 2011	Full-year 2010
Net sales	15,919	16,111	46,208	45,818
Cost of goods sold	–151	–140	–550	–368
Gross profit	15,768	15,971	45,658	45,450
Distribution expenses	–11,639	–10,100	–43,076	–44,742
Administrative expenses	–4,477	–3,885	–16,568	–17,208
Development expenses	–1,790	–1,554	–6,627	–6,883
Operating profit/loss	–2,138	432	–20,613	–23,383
Dividend from subsidiary	100,000	100,000	100,000	100,000
Group contributions received	35,235	30,611	35,235	30,611
Net financial items	–2,636	–2,882	–12,724	–7,829
Profit before tax	130,461	128,161	101,898	99,399
Appropriations	4,002	818	4,002	818
Tax	–	–39	–	–39
Profit for the period	134,463	128,940	105,900	100,178
Other comprehensive income	–	–	–	–
Total comprehensive income for the period	134,463	128,940	105,900	100,178

PARENT COMPANY BALANCE SHEET**Condensed**

SEK thousands	Dec 31 2011	Dec 31 2010
Non-current assets		
Intangible non-current assets	1,220	1,686
Tangible non-current assets	6,617	2,830
Shares in Group companies	321,227	320,771
Total non-current assets	329,064	325,287
Current assets		
Receivables from Group companies	201,914	47,801
Current receivables	6,737	4,597
Short-term investments	–	35,567
Cash & cash equivalents	122,271	181,742
Total current assets	330,922	269,707
Total assets	659,986	594,994
Equity and liabilities		
Equity	164,302	189,174
Untaxed reserves	2,538	6,540
Amounts owed to Group companies	476,120	383,256
Accounts payable	7,200	2,913
Other current liabilities	9,826	13,111
Total equity and liabilities	659,986	594,994

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

SEK thousands	Full-year 2011	Full-year 2010
Opening balance	189,174	214,738
Dividend/distribution	–130,772	–125,742
Total comprehensive income for the period	105,900	100,178
Closing balance	164,302	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 sales at the wholesale level.

The Board of Directors and the CEO 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 material risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, February 9, 2012

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 2011 amounted to about SEK 1.7 billion at the consumer level, excluding VAT. Group net sales amounted to SEK 537 million in 2011, with 131 employees. The Björn Borg share is listed on Nasdaq OMX Nordic in Stockholm since 2007.



Upcoming information dates

The annual report in March 2012.

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

The interim report January – March 2012 will be released at 6 p.m. (CET) on May 3, 2012.

The interim report January – June 2012 will be released on August 22, 2012.

The interim report 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 February 9, 2012 at 7:30 am (CET).