

Continued sales and profit growth in a weak market



Third quarter, July 1 – September 30, 2008

- Brand sales* increased by 7 percent to SEK 704 million (657).
- The Group's net sales rose by 8 percent to SEK 160.8 million (148.6).
- The gross profit margin was 54.1 percent (54.6).
- Operating profit increased by 1 percent to SEK 49.7 million (49.2).
- Profit after tax increased by 7 percent to SEK 37.6 million (35.2).
- Earnings per share increased by 6 percent to SEK 1.50 (1.42). Fully diluted earnings per share amounted to SEK 1.50 (1.41).

Nine-month period January 1 – September 30, 2008

- Brand sales* increased by 18 percent to SEK 1,869 million (1,584).
- The Group's net sales rose by 11 percent to SEK 395.3 million (355.1).
- The gross profit margin was 53.7 percent (53.4).
- Operating profit rose by 3 percent to SEK 102.7 million (99.8).
- Profit after tax increased by 6 percent to SEK 76.4 million (71.8).
- Earnings per share increased by 3 percent to SEK 3.05 (2.96). Fully diluted earnings per share amounted to SEK 3.04 (2.92).

Comment from the President

"Björn Borg continued to develop positively during the quarter. We look to the future with cautious optimism while monitoring factors in the marketplace that might affect consumers. At the same time, we are concentrating on the long-term development and further expansion of the Björn Borg brand and the company," says the new president, Arthur Engel.

MSEK	July–Sept 2008	July–Sept 2007	Jan–Sept 2008	Jan–Sept 2007	Oct 2007– Sept 2008	Full-year 2007
Brand sales*	704	657	1,869	1,584	2,523	2,237
Net sales	160.8	148.6	395.3	355.1	535.1	494.9
Gross profit margin, %	54.1	54.6	53.7	53.4	53.8	53.6
Operating profit	49.7	49.2	102.7	99.8	145.0	142.1
Operating margin, %	30.9	33.1	26.0	28.1	27.1	28.7
Profit after tax	37.6	35.2	76.4	71.8	106.7	102.1
Earnings per share, SEK**	1.50	1.42	3.05	2.96	4.27	4.18
Earnings per share after dilution, SEK***	1.50	1.41	3.04	2.92	4.27	4.17

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

** Earnings per share in relation to the weighted average number of shares during the period restated after the split on April 27, 2007.

*** Earnings per share adjusted for any dilution effect after the split on April 27, 2007.

President's comment

Several of Björn Borg's markets continued to report good growth during the quarter, and the Group increased both its sales and earnings. At the same time weaker consumer spending affected Björn Borg's development in Sweden as well as several of our 15 other markets.

Among new markets, Spain and England stood out with strong sales trends during the quarter – through higher average orders and the addition of new retailers. Several of our established markets also noted fine sales figures. Finland and Belgium grew by nearly 40 percent, though from low levels, and our largest market, the Netherlands, saw a sales increase of 12 percent.

We have left a good platform that my successor as President, Arthur Engel, and our new Sales Director and Vice President, Henrik Fischer, will now take responsibility to manage and develop. They both have the competence and experience to run an international business and expand a strong brand.

*Nils Vinberg,
Vice Chairman and former President*

It is fantastically exciting – and an honor – to have the opportunity to work with one of Sweden's strongest brands. I hope and believe that we – together with Björn Borg's employees and network – will contribute to the further development of the brand and the company. With a very strong position in underwear, long-term owners, a competent organization and ownership of the brand in our own hands, we are in the right position to strengthen Björn Borg's position internationally.

*Arthur Engel
President*

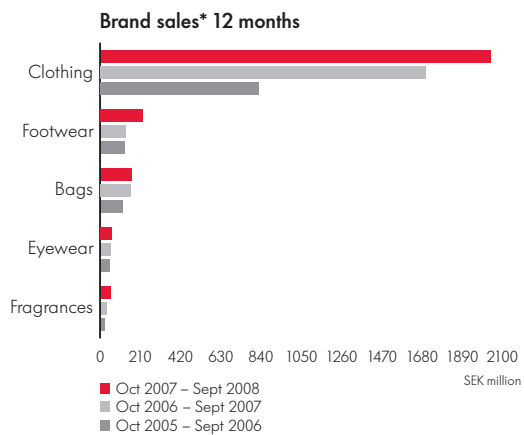
Operations

Brand sales

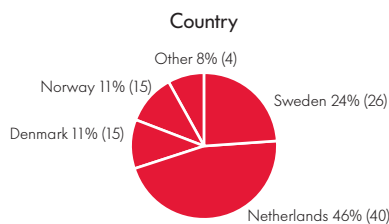
Estimated brand sales, i.e., sales of Björn Borg products at the consumer level, including VAT, based on reported wholesale sales, amounted to SEK 704 million (657) during the third quarter, an increase of 7 percent year-to-year. During the nine-month period brand sales amounted to SEK 1,869 million (1,584). On a rolling 12-month basis, brand sales amounted to SEK 2,523 million.

In the clothing product area, brand sales decreased by 2 percent during the third quarter compared with the same quarter last year, mainly due to lower sales in Denmark, the Netherlands and Norway in the women's underwear segment. Sales in the footwear product area nearly doubled as a result of substantially higher exports primarily to the Netherlands and Denmark. The external product area fragrances also noted strong growth during the quarter, with sales nearly doubling. The product area bags increased by approximately 12 percent, while eyewear decreased by approximately 2 percent during the quarter.

Among established markets, the Netherlands, Belgium and Finland generated the highest growth during the third quarter. The other Nordic markets posted weaker results. Of the new markets, Spain reported the strongest growth during the quarter, with sales increasing several times over and more retailers added. Operations in Germany and France have not developed according to expectations, and an analysis will be made to determine how the brand can be established more quickly in these markets.



**Brand sales* of Björn Borg products January-September 2008.
Total SEK 1,869 million (1,584)**

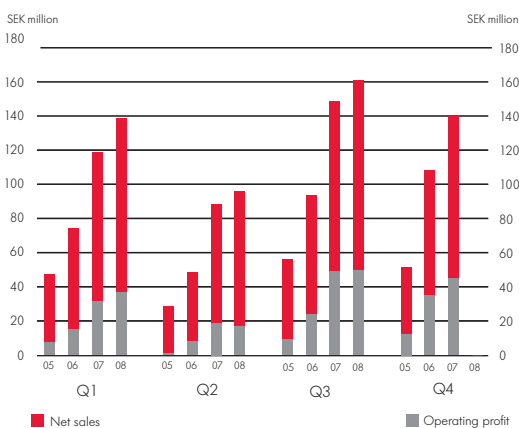


* Estimated total sales of Björn Borg products at the consumer level, including VAT, based on reported wholesale sales.

Björn Borg stores

During the third quarter Björn Borg opened a new store in Stockholm specializing in men's clothing. The Dutch franchisee also opened a new store during the quarter. As a result, there were 41 (33) stores at the end of the period, of which 11 (10) are Group-owned. The Dutch franchisee plans to open three new stores during the fourth quarter 2008.

Quarterly net sales and operating profit



The Group's development

Sales continued to grow during the third quarter with slightly higher operating profit.

Net sales

Third quarter, July–September 2008

Group sales during the third quarter amounted to SEK 160.8 million (148.6), an increase of 8 percent due to continued positive sales trends mainly for the footwear and clothing business segments.

Nine-month period, January–September 2008

Group sales during the nine-month period amounted to SEK 395.3 million (355.1), an increase of 11 percent.

Profit

Third quarter, July–September 2008

The gross profit margin decreased to 54.1 percent (54.6) during the third quarter. A weaker U.S. dollar positively affected the gross margin, at the same time that higher export sales in the footwear product area negatively affected the margin.

Operating profit amounted to SEK 49.7 million (49.2) during the quarter, with an operating margin of 30.9 percent (33.1). Profit before tax improved during the period to SEK 52.3 million (48.9).

The lower operating margin is due to cost increases to strengthen the organization and pave the way for further growth, mainly in the Group's newer markets and in product development. This has entailed several new hires in the last year, in addition to startup costs in the U.S. and marketing efforts in other new markets.

Nine-month period, January–September 2008

The gross profit margin during the nine-month period increased to 53.7 percent (53.4). Operating profit amounted to SEK 102.7 million (99.8) and the operating margin was 26.0 percent (28.1). Profit before tax improved during the period to SEK 106.1 million (99.5).

Operating expenses increased as a share of net sales to 27.8 percent, against 25.3 percent in the same period of 2007. The reasons for the change in the gross profit margin and lower operating margin are the same as described for the third quarter.

The number of shares outstanding at the end of the period was 25,041,584. Earnings per share amounted to SEK 3.05 (2.96) for the period January–September 2008. On a fully diluted basis, earnings per share amounted to SEK 3.04 (2.92).

Development by business segment

The Group comprises a number of companies that operate under the Björn Borg brand on every level, from product development to distribution and consumer sales in its own concept stores.

Brand and other

Sales in the Brand and other segment primarily consist of royalty revenue, sales of services within the Björn Borg network and intra-Group services.

Net sales for the nine-month period reached SEK 92.3 million (82.0), an increase of 19 percent.

Operating profit amounted to SEK 31.3 million (31.9) for the period. The profit was affected positively by higher sales in the network, but negatively by increased expenses to strengthen the organization.

Product development

The Group has global responsibility for development, design and production of clothing and footwear. A licensee for clothing operates in the Benelux market.

The segment's net sales amounted to SEK 248.8 million (214.2) during the nine-month period, an increase of 16 percent. The increase is due to substantially higher footwear exports mainly to the Netherlands and Denmark in the footwear segment and to some extent to clothing.

Operating profit increased to SEK 38.8 million (29.0), as a result of the increased export.

Distribution

The Björn Borg Group is the exclusive distributor in the clothing and footwear product areas in the Swedish market.

Net sales in the Distribution segment rose to SEK 149.1 million (133.2) during the nine-month period, or by 12 percent. Growth is mainly due to higher clothing sales, but is also a result of the acquisition of Anteros Lagerhantering AB.

Operating profit rose to SEK 29.5 million (29.0), mainly due to higher sales, though also to the lower U.S. dollar.

Retail

The Björn Borg Group owns and operates nine stores in the Swedish market that sell clothing, shoes, bags and fragrances. Moreover, Björn Borg operates two factory outlets.

Net sales in the Retail segment amounted to SEK 37.7 million (41.2) during the nine-month period, a decrease of 8 percent. For comparable stores, sales decreased by 16 percent for the nine-month period and 21 percent for the quarter. Operating profit amounted to SEK 3.2 million (9.9). Measures have been taken to improve sales and earnings in Retail, including the appointment of a new management.

Intra-Group sales

Intra-Group sales amounted to SEK 137.6 million (115.6) during the year.

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 3.

Investments and cash flow

Cash flow from operating activities in the Group amounted to SEK 32.8 million (46.2) for the period January–September 2008. The changes in working capital are mainly due to increases in accounts receivable and inventories.

Total investments in tangible and intangible non-current assets amounted to SEK 4.9 million (13.8) for the nine-month period, the large part of which is attributable to the reconstruction of concept stores and leasing agreements.

Changes in financing activities are largely due to the dividend. For the period January–September 2008 cash & cash equivalents decreased by SEK 8.3 million, against a year-earlier increase of SEK 75.4 million.

Financial position and liquidity

The Björn Borg Group's cash & cash equivalents (net cash balance) amounted to SEK 179.1 million (135.0) at the end of the period. In addition, the Group has unutilized bank overdraft facilities of SEK 122.5 million. The equity/assets ratio was 69.0 percent (65.0).

Commitments and contingent liabilities

No changes were made with regard to pledged assets and contingent liabilities compared with December 31, 2007. For further information, see note 24 on page 48 of the annual report 2007.

Personnel

The average number of employees in the Group for the period was 86 (72), of whom 58 are women. Of the total number of employees, twelve are a result of the acquisition of Anteros Lagerhantering AB on June 30, 2007.

Events after the balance sheet date

On November 3 Arthur Engel took over as President of Björn Borg and Henrik Fischer as International Sales Director and Vice President. At the same time Nils Vinberg stepped down as President after almost ten years in the Björn Borg management and became Vice Chairman of the company. Arthur Engel and Henrik Fischer both have a broad base of competence and experience in brand development from the international apparel market, including from management positions at Gant.

Nils Vinberg will continue to be available for and support the company's new management. The company will therefore pay a monthly compensation during 12 months, in accordance with Nils Vinberg's previous CEO agreement. This will in its entirety be carried as an expense during the fourth quarter 2008, and amounts to approximately 3 MSEK, including social costs and pension provisions.

Extraordinary General Meeting

An Extraordinary General Meeting will be held on November 13, 2008 at 4:00 pm (CET) at the company's office at Götögatan 78 in Stockholm. The meeting is being called, as previously announced, to approve an incentive program for Björn Borg AB's new President, Arthur Engel, and Vice President and International Sales Director Henrik Fischer. For more information see www.bjornborg.com.

Nomination Committee

In accordance with the resolution of the Annual General Meeting, Björn Borg's Nomination Committee will be composed of the Chairman of Board and one representative from each of the company's largest shareholders, by votes, as of August 31, 2008. Swedbank Robur funds, one of the three largest shareholders in Björn Borg, has offered its place on the Nomination Committee to the fourth largest shareholder, the Fourth Swedish National Pension Fund. The shareholders have now named their representatives to the Nomination Committee.

In advance of the Annual General Meeting in 2009 Björn Borg's Nomination Committee is composed of the following members: Fredrik Löfstedt, Chairman of Board; Carl Rosvall, representing Martin Bjäringer (through Dirbal B.V.); Stefan Roos, representing SEB Investment Management; and Arne Löw, representing the Fourth Swedish National Pension Fund.

Parent Company

Björn Borg AB (publ) is primarily engaged in intra-Group activities. In addition, the Company owns 100 percent of the shares in Björn Borg Brands AB and Björn Borg Footwear Holding AB.

The Parent Company's net sales for the third quarter amounted to SEK 14.3 million (10.2). During the nine-month period the Parent Company's net sales amounted to SEK 28.0 million (22.1). The loss before tax amounted to SEK –1.3 million (–3.7) for the third quarter and SEK –15.9 million (–16.2) for the nine-month period. Cash & cash equivalents amounted to SEK 112.3 million (12.1). For the nine-month period investments in tangible and intangible non-current assets amounted to SEK 0.2 million (6.1).

Significant risks and uncertainties

In its operations, the Björn Borg Group is exposed to risks and uncertainties, which are described in the annual report 2007. For further information, refer to pages 33–34 in the annual report. No additional risk factors have been identified other than those described there.

Transactions with related parties

During the period transactions were executed on market terms with Klockaren Fastighetsförvaltning i Varberg AB. For more detailed information, see note 11 on page 45 of the annual report 2007.

Accounting principles

This interim report has been prepared in accordance with the Annual Accounts Act and IAS 34. The accounting principles applied during the period are the same as in 2007, as described on pages 40–42 of the annual report 2007. The interim report is abbreviated and does not contain all the information and disclosures in the annual report 2007. The interim report should therefore be read together with the annual report 2007.

Outlook 2008

It is not the Company's policy to issue earnings forecasts.

Audit report

This interim report has been reviewed by the company's auditors. Their review report can be found on page 9.

Income statement

The Group in summary

SEK thousands	July–Sept 2008	July–Sept 2007	Jan–Sept 2008	Jan–Sept 2007	Oct 2007– Sept 2008	Full-year 2007
Net sales	160,762	148,597	395,323	355,091	535,119	494,886
Cost of goods sold	-73,793	-67,522	182,856	-165,314	-247,383	-229,841
Gross profit	86,969	81,075	212,467	189,777	287,736	265,045
Distribution expenses	-25,881	-21,311	-74,135	-58,484	-97,144	-81,493
Administrative expenses	-8,501	-7,813	-26,819	-23,329	-34,109	-30,619
Development expenses	-2,899	-2,714	-8,811	-8,147	-11,522	-10,858
Operating profit	49,688	49,238	102,702	99,817	144,960	142,075
Net financial items	2,589	-318	3,427	-309	3,888	152
Profit before tax	52,277	48,920	106,129	99,508	148,848	142,227
Tax	-14,638	-13,698	-29,716	-27,750	-42,103	-40,136
Profit for the period	37,639	35,223	76,413	71,758	106,746	102,091
Profit attributable to minority interests	-21	-	-13	-	-42	-29
Profit attributable to Parent Company's shareholders	37,618	35,223	76,400	71,758	106,704	102,062
Earnings per share, SEK	1.50	1.42	3.05	2.96	4.27	4.18
Earnings per share after dilution, SEK	1.50	1.41	3.04	2.92	4.27	4.17
Number of shares	25,041,584	24,743,984	25,041,584	24,743,984	25,041,584	25,036,984
Weighted average number of shares	25,041,584	24,743,984	25,039,028	24,261,716	24,989,684	24,406,699
Effect of dilution*	25,808	309,114	52,554	300,526	0s	83,461
Weighted average number of shares after full dilution	25,067,392	25,053,098	25,091,582	24,562,242	24,490,160	24,490,160

* Björn Borg has three outstanding incentive programs based on warrants in Björn Borg AB: option schemes 2006:1, 2006:2 and 2008. For more detailed information, see page 45 of the annual report 2007 and the interim report for the first quarter of 2008.

Balance sheet

The Group in summary

SEK thousands	30 Sept 2008	30 Sept 2007	31 Dec 2007
Non-current assets			
Goodwill	13,944	13,944	13,944
Trademarks	187,532	187,532	187,532
Other intangible assets	2,850	1,004	941
Tangible non-current assets	17,181	17,169	17,817
Total non-current assets	221,507	219,649	220,234
Current assets			
Inventories	34,147	24,492	24,640
Current receivables	124,923	86,843	77,093
Cash & cash equivalents	179,109	134,974	187,423
Total current assets	338,178	246,309	289,156
Total assets	559,685	465,958	509,390
Equity and liabilities			
Equity	383,110	302,903	342,943
Deferred tax liabilities	31,667	21,049	28,607
Other non-current liabilities	48,240	47,224	52,515
Accounts payable	45,941	27,516	23,140
Other current liabilities	50,727	67,265	62,184
Total equity and liabilities	559,685	465,958	509,390

Change in equity

The Group in summary

SEK thousands	Jan–Sept 2008	Jan–Sept 2007	Full-year 2007
Opening balance	342,943	138,054	138,054
Incentive programs	1,242	12,737	22,480
New share issue	110	98,500	98,500
Dividend	-37,555	-18,241	-18,241
Minority interest in equity	13	95	88
Translation difference	-43	0	0
Profit for the period	76,400	71,758	102,062
Closing balance	383,110	302,903	342,943

Cash flow statement

The Group in summary

SEK thousands	July–Sept 2008	July–Sept 2007	Jan–Sept 2008	Jan–Sept 2007	Full-year 2007
Cash flow from operating activities					
Before change in working capital	36,197	52,578	76,602	88,211	130,311
Change in working capital	-29,646	-30,267	-41,813	-41,974	-22,610
Cash flow from operating activities	6,551	22,311	32,789	46,237	107,701
Cash flow from investing activities	-3,733	-6,914	-4,900	-13,804	-15,560
Dividend	-	-	-37,555	-18,241	-18,241
Incentive programs/new share issues	1,242	-	1,352	111,238	120,980
Change in loans	-	-	-	-50,000	-67,001
Cash flow from financing activities	1,242	-	-	42,996	35,738
Cash flow for the period	4,060	15,397	-8,314	75,430	127,879
Cash & cash equivalents at beginning of period	175,049	119,577	187,423	59,544	59,544
Cash & cash equivalents at end of period	179,109	134,974	179,109	134,974	187,423

Key figures

Group

SEK thousands	July–Sept 2008	July–Sept 2007	Jan–Sept 2008	Jan–Sept 2007	Oct 2007– Sept 2008	Full-year 2007
Gross profit margin, %	54.1	54.6	53.7	53.4	53.8	53.6
Operating margin, %	30.9	33.1	26.0	28.1	27.1	28.7
Profit margin, %	32.5	32.9	26.8	28.0	27.8	28.7
Return on capital employed, %	11.5	15.1	24.5	31.1	35.2	40.0
Return on average equity, %	10.4	16.0	21.0	65.0	31.1	42.4
Net profit for the period	37,619	35,223	76,400	71,758	106,704	102,062
Earnings per share, SEK*	1.50	1.42	3.05	2.96	4.27	4.18
Earnings per share after dilution, SEK**	1.50	1.41	3.04	2.92	4.27	4.17
Number of shares	25,041,584	24,743,984	25,041,584	24,743,984	25,041,584	25,036,984
Weighted average number of shares**	25,041,584	24,743,984	25,039,028	24,261,716	24,989,684	24,406,699
Effect of dilution	25,808	309,114	52,554	300,526	0	83,461
Weighted average number of shares after dilution	25,067,392	25,053,098	25,091,582	24,562,242	24,989,684	24,490,160
Equity/assets ratio, %	68.5	65.0	68.5	65.0	68.5	67.3
Equity per share, SEK	15.30	12.24	15.30	12.24	17	13.70
Investments in intangible assets	2,200	-	2,200	225	2,200	225
Investments in tangible assets	1,533	6,914	2,700	13,534	4,456	15,290
Depreciation for the period	-1,389	-1,262	-3,741	-2,790	-5,072	-4,121
Average number of employees	86	72	86	72	86	76

* Earnings per share in relation to the weighted average number of shares during the period restated after the split on April 27, 2007.

** Earnings per share adjusted for any dilution effect after the split on April 27, 2007.



Summary by segment

Group

SEK thousands	July–Sept 2008	July–Sept 2007	Jan–Sept 2008	Jan–Sept 2007	Oct 2007– Sept 2008	Full-year 2007
Operating revenue						
Brand and other						
External sales	19,241	14,604	44,588	37,312	58,804	51,529
Internal sales	24,124	19,671	52,713	44,703	83,123	75,113
	43,365	34,275	97,300	82,015	141,927	126,642
Product development						
External sales	76,289	67,180	184,242	163,074	246,539	225,371
Internal sales	31,705	15,726	64,542	51,125	88,709	75,291
	107,994	82,906	248,784	214,199	335,248	300,662
Distribution						
External sales	49,479	47,974	128,783	113,498	173,059	157,774
Internal sales	9,772	9,866	20,301	19,736	27,441	26,877
	59,251	57,840	149,084	133,234	200,501	184,651
Retail						
External sales	15,753	18,839	37,710	41,206	56,716	60,212
Internal sales	6	–	6	–	116	111
	15,759	18,839	37,716	41,206	56,833	60,323
Eliminations						
	–65,606	–45,263	–137,561	–115,564	–199,389	–177,392
Operating revenue	160,762	148,597	395,323	355,091	535,119	494,886
Operating profit						
Brand and other	17,690	19,750	31,255	31,869	50,531	46,145
Product development	17,095	8,103	38,763	29,017	43,117	38,371
Distribution	12,082	13,671	29,489	29,033	40,081	39,626
Retail	2,820	7,715	3,196	9,898	11,231	17,933
Operating profit	49,688	49,239	102,702	99,817	144,960	142,075

Quarterly data

Group

SEK thousands	Q3 2008	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Brand sales	703,544	476,558	688,828	650,862	656,750	414,043	513,345	483,273
Net sales	160,762	95,813	138,748	139,795	148,597	87,844	118,650	108,537
Gross profit margin, %	54.1	55.9	51.9	53.8	54.6	55.6	50.4	52.8
Operating profit	49,688	16,493	36,521	42,258	49,238	19,188	31,390	34,994
Operating margin, %	30.9	17.2	26.3	30.2	33.1	21.8	26.5	32.2
Profit after financial items	52,277	16,594	37,258	42,719	48,920	19,139	31,448	34,147
Profit margin, %	32.5	17.3	26.9	30.6	32.9	21.8	26.5	31.5
Earnings per share, SEK	1.50	0.48	1.07	1.22	1.42	0.57	0.96	1.06
Earnings per share after dilution, SEK	1.50	0.48	1.07	1.22	1.41	0.56	0.94	1.04
Number of concept stores at end of period	41	39	36	36	33	29	26	24
of which own concept stores	11	10	10	10	10	9	9	8

Income statement

Parent Company in summary

SEK thousands	July–Sept 2008	July–Sept 2007	Jan–Sept 2008	Jan–Sept 2007	Oct 2007– Sept 2008	Full-year 2007
Net sales	14,333	10,200	28,032	22,073	36,855	44,595
Cost of goods sold	-1,906	-1,497	-3,556	-3,086	-3,527	-4,707
Gross profit	12,427	8,703	24,476	18,987	33,328	39,888
Distribution expenses	-9,052	-8,112	-26,421	-22,678	-15,936	-29,563
Administrative expenses	-3,482	-3,120	-10,162	-8,722	-6,129	-11,370
Development expenses	-1,393	-1,284	-4,065	-3,489	-2,452	-4,548
Operating profit	-1,500	-3,777	-16,171	-15,902	8,810	-5,593
Net financial items	230	53	318	-278	520	12
Profit before tax	-1,270	-3,724	-15,853	-16,180	9,330	-5,581
Tax	356	1,043	4,439	4,531	-3,689	486
Profit for the period	-915	-2,681	-11,414	-11,649	2,041	-5,095

Balance sheet

Parent Company in summary

SEK thousands	30 Sept 2008	30 Sept 2007	31 December 2007
Non-current assets			
Tangible non-current assets	5,787	6,214	6,460
Shares in Group companies	54,497	54,497	54,497
Total non-current assets	60,284	60,711	60,957
Current assets			
Receivables from Group companies	59,411	136,153	39,913
Current receivables	7,973	5,743	8,766
Cash & cash equivalents	112,278	12,062	180,269
Total current assets	179,662	153,958	228,948
Total assets	239,946	214,669	289,905
Equity and liabilities			
Equity	130,420	162,059	187,477
Untaxed reserves	7,254	5,955	7,254
Due to Group companies	89,197	28,256	81,807
Accounts payable	7,689	10,289	5,694
Other current liabilities	5,386	8,110	7,673
Total equity and liabilities	239,946	214,669	289,905

About the Björn Borg Group

The Group owns the Björn Borg trademark and has operations in five product areas: clothing, footwear, bags, eyewear and fragrances. Björn Borg products are sold in over ten markets, of which Sweden and the Netherlands are the largest. Operations are managed through a network of product and distribution companies that are either part of the Group or are independent companies with licenses for product areas and geographical markets. The Björn Borg Group has operations at every level from branding to consumer sales in its own concept stores. Total sales of Björn Borg products in 2007 amounted to approximately SEK 2.2 billion at the consumer level. Group net sales amounted to SEK 495 million in 2007, with 79 employees. The Björn Borg share is listed on the OMX Nordic Exchange, Mid Cap list since May 7, 2007.



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 plus financial expenses as a percentage of average capital employed.

Return on equity

Net profit 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, including VAT, based on reported wholesale sales.

The Board of Directors and the President certify that the nine-month interim report provides a true and fair view of the operations, financial position and results of the Parent Company and the Group and that it describes the substantial risks and uncertainties faced by the Parent Company and companies in the Group.

Stockholm, November 12, 2008

Fredrik Löfstedt
Chairman

Nils Vinberg
Vice Chairman

Vilhelm Schottenius
Board member

Mats H Nilsson
Board member

Lottie Svedenstedt
Board member

Michael Storåkers
Board member

Håkan Roos
Board member

Arthur Engel
President and CEO

Review report

Introduction

We have reviewed the interim report for Björn Borg AB (publ) for the period January 1-September 30, 2008. 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.

Focus and scope of the review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, "Review of Interim Financial Information Performed by the Independent Auditors of the Entity." A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted

in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices in Sweden. 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 on the basis of a review does not give the same level of assurance as a conclusion expressed on the basis of 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 respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, November 12, 2008

Deloitte AB

Håkan Pettersson
Authorized Public Accountant

Tommy Mårtensson
Authorized Public Accountant



Upcoming information dates

The year-end report for 2008 will be released on February 18, 2009.

The Annual General Meeting will be held on April 23, 2009.

The interim report January–March 2009 will be released on May 15, 2009.



For further information, please contact:

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Johan Mark, 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 12, 2008 at 7:30 a.m. (CET).