

## Weaker market softens, but growth continues



### April 1–June 30, 2008

- Brand sales\* increased by 15 percent to SEK 477 million (414).
- The Group's net sales rose by 9 percent to SEK 95.8 million (87.8).
- The gross profit margin was 55.9 percent (55.6).
- Operating profit decreased by 14 percent to SEK 16.5 million (19.2).
- Profit after tax decreased by 14 percent to SEK 12.0 million (13.9).
- Earnings per share decreased by 16 percent to SEK 0.48 (0.57). Fully diluted earnings per share amounted to SEK 0.48 (0.56).

### Comment from the President

"Björn Borg continues to grow steadily – at a slower pace but with strong growth figures in several markets, not least our newer markets, of which England is the most gratifying. Our largest market, the Netherlands, also continues to report high growth. We are now taking another step to increase our international presence through a distribution agreement in Canada, a new and exciting market for us," says President Nils Vinberg.

### January 1–June 30, 2008

- Brand sales\* increased by 26 percent to SEK 1,165 million (927).
- The Group's net sales rose by 14 percent to SEK 234.6 million (206.5).
- The gross profit margin was 53.5 percent (52.6).
- Operating profit increased by 5 percent to SEK 53.0 million (50.6).
- Profit after tax increased by 6 percent to SEK 38.8 million (36.5).
- Earnings per share increased by 2 percent to SEK 1.55 (1.52). Fully diluted earnings per share amounted to SEK 1.54 (1.50).

SEK million	April–June 2008	April–June 2007	January–June 2008	January–June 2007	July 2007– June 2008	Full-year 2007
Brand sales*	477	414	1,165	927	2,475	2,237
Net sales	95.8	87.8	234.6	206.5	523.0	494.9
Gross profit margin, %	55.9	55.6	53.5	52.6	53.9	53.6
Operating profit	16.5	19.2	53.0	50.6	144.5	142.1
Operating margin, %	17.2	21.8	22.6	24.5	27.6	28.7
Profit after tax	12.0	13.9	38.8	36.5	104.3	102.1
Earnings per share, SEK**	0.48	0.57	1.55	1.52	4.21	4.18
Earnings per share after dilution, SEK***	0.48	0.56	1.54	1.50	4.21	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

It is gratifying that both the brand and the Group continued to report steady growth during the second quarter. The pace has slowed, but we see several positive signs that Björn Borg stands strong in both new and established markets. Our largest market, the Netherlands, continued to report impressive growth numbers, including for footwear, which were launched in spring 2007 and have quickly gained a foothold in the market. In England, volumes rose significantly, as did the number of retailers. Spain, which launched sales as recently as January of this year, is off to a good start and has solid prospects of an exciting future, as does France. In the U.S., work is under way to introduce the brand, with sales scheduled to begin later this year. In Scandinavia, we noticed greater cautiousness in the market, with sales unchanged in Sweden and lower in Denmark and Norway compared with last year's strong numbers.

As we expand, we have to build and adapt our organization. Doing so wisely and cost-effectively is our highest priority. During the quarter we incurred higher selling costs for new markets, particularly the U.S., compared with the previous year, in addition to increased costs for premises, product development and personnel. We are keeping a close eye on cost increases.

We will continue to develop the collections, further strengthen the brand and grow our international presence – systematically and with an eye on the long term. We are taking another step out into the world by introducing the brand in a large and exciting market – Canada – this coming winter.

As a whole, I feel there was a lot to be pleased with during the quarter, despite a weaker profit trend. The big challenge for us is to reach larger volumes in newer markets. It takes time, but we see positive signs with high growth numbers in several places, an indication of the brand's potential.

Nils Vinberg  
President

### Operations

#### Brand sales

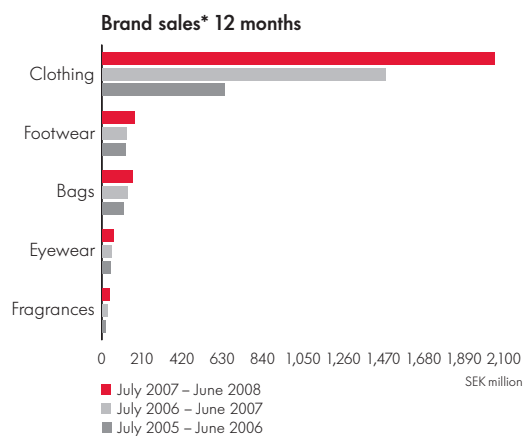
Estimated brand sales, i.e., sales of Björn Borg products at the consumer level, including VAT, based on reported wholesale sales, amounted to SEK 477 million (414) during the second quarter, an increase of 15 percent year-to-year. During the first half year estimated brand sales amounted to SEK 1,165 million (927). On a rolling 12-month basis, brand sales amounted to SEK 2,475 million.

Growth for the clothing product area was 15 percent during the second quarter compared with the same quarter last year. Sales in the footwear product area nearly doubled as a result of substantially higher exports to the Netherlands and Denmark, among other countries. The external product area for eyewear noted strong growth of approximately 50 percent during the quarter, while sales for the bags and fragrances product areas decreased by approximately 5 percent.

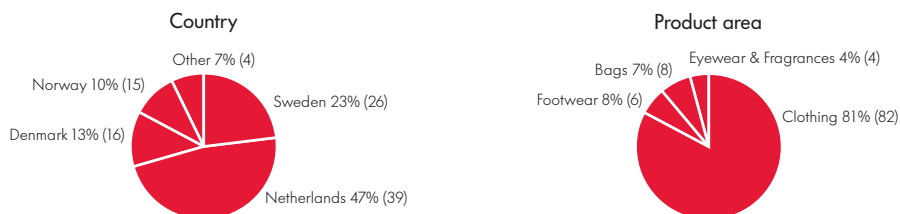
Among established markets, the Netherlands generated the highest growth during the quarter, though Finland also reported a strong sales increase. The other Scandinavian markets posted weaker results. New markets are contributing a growing share of total brand sales. Operations in England and Spain were especially strong during the quarter, with sales growing many times over and the number of retailers rising as well.

#### New market

In June an agreement was signed with an established Canadian distributor to distribute the brand in Canada. A launch is scheduled for winter 2008/2009.



**Brand sales\* of Björn Borg products January–June 2008.**  
Total SEK 1,165 million (927)

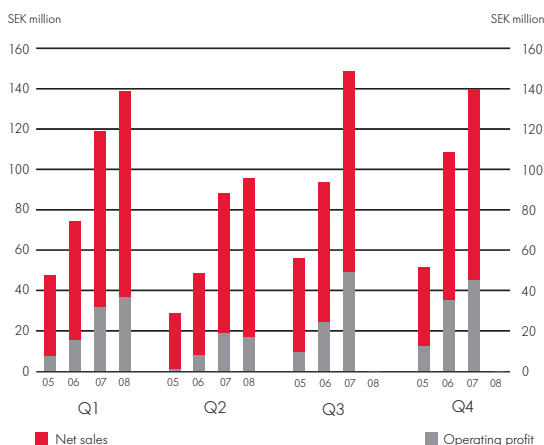


\*Estimated total sales of Björn Borg products at the consumer level, including VAT, based on reported wholesale sales.

### Concept stores

Björn Borg did not open any new concept stores during the second quarter. The Dutch franchisee opened three new concept stores during the quarter. At the end of the period there were 39 (28) concept stores, of which 10 (9) are Group-owned. During the third quarter a new Group-owned concept store will open on Grev Turegatan in central Stockholm. It will be the first Group-owned store devoted strictly to clothing. The Dutch franchisee plans to open four new stores during the third quarter 2008.

### Quarterly net sales and operating profit



### The Group's development

Sales continued to grow during the second quarter with slightly lower operating profit.

#### Net sales

##### Second quarter, April–June 2008

Group sales during the second quarter amounted to SEK 95.8 million (87.8), an increase of 9 percent due to positive sales trends for the footwear and clothing product areas. The difference between the Group's growth and brand sales growth is due to exchange rate effects. A large share of consolidated sales is invoiced in U.S. dollar, while brand sales are invoiced in each distributor's domestic currency, i.e., euro, NOK, SEK and DKK.

##### First half year, January–June 2008

Group sales during the first half year amounted to SEK 234.6 million (206.5), an increase of 14 percent.

#### Profit

##### Second quarter, April–June 2008

The gross profit margin rose to 55.9 percent (55.6) during the second 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 16.5 million (19.2) during the quarter, with an operating margin of 17.2 percent (21.8). Profit before tax decreased during the period to SEK 16.6 million (19.1).

The lower operating margin is largely due to a cost increase for measures taken to strengthen the organization for further growth, mainly in the Group's newer markets, as well as 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.

##### First half year, January–June 2008

The gross profit margin increased to 53.5 percent (52.6) during the first half year. Operating profit amounted to SEK 53.0 million (50.6) with an operating margin of 22.6 percent (24.5). Profit before tax increased during the period to SEK 38.8 million (36.5). Operating expenses increased as a share of net sales to 30.9 percent, against 28.1 percent in the same period of 2007.

The reasons for increased gross profit margin and lower operating margin are the same as described for the second quarter.

The number of shares outstanding at the end of the period was 25,041,584. Earnings per share before and after exercise of outstanding warrants amounted to SEK 1.55 (1.52) respectively to SEK 1.54 (1.50 for the first half year).

### 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 first half year reached SEK 53.9 million (47.7), an increase of 13 percent.

Operating profit amounted to SEK 13.6 million (12.1) for the period. Profit improved mainly as a result of the strong sales trend in the network.

#### 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 140.8 million (131.3) during the first half year, an increase of 7 percent.

The increase is mainly due to substantially higher footwear exports to the Netherlands and Denmark.

Operating profit increased to SEK 21.7 million (20.9).

#### 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 89.8 million (75.4) during the first half year, or by 19 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 17.4 million (15.4), mainly due to higher sales, though also to the lower U.S. dollar.

#### Retail

The Björn Borg Group owns and operates eight concept 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 22.0 million (22.4) during the first half year, a decrease of 2 percent. For comparable stores, sales decreased by 13 percent for the first half year. Operating profit amounted to SEK 0.4 million (2.2).

### Intra-Group sales

Intra-Group sales amounted to SEK 72.0 million (70.3) 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 26.2 million (23.9) for the period January–June 2008. The changes in working capital are mainly due to a decrease in other current liabilities.

Total investments in tangible and intangible non-current assets amounted to SEK 1.2 million (6.9) for the period, the large part of which is attributable to the reconstruction of concept stores.

Changes in financing activities are largely due to the dividend. For the period January–June 2008 cash & cash equivalents decreased by SEK 12.4 million, against a year-earlier increase of SEK 60.0 million.

### Financial position and liquidity

The Björn Borg Group's cash & cash equivalents (net cash balance) amounted to SEK 175.0 million (119.6) at the end of the period. In addition, the Group has unutilized bank overdraft facilities of SEK 125 million. The equity/assets ratio was 70.4 per cent (65.6).

### 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 (60), 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

There are no significant events to report following the balance sheet date.

### Options

The Annual General Meeting on April 10, 2008, resolved to offer employees options to acquire shares in the Parent Company. The offering was accepted by 54 percent of employees. In total, 155,300 options were subscribed. The option price was set at SEK 8 and the strike price at SEK 74.60. Warrant premium was paid in July 2008.

### 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 second quarter

amounted to SEK 6.1 million (5.5) and largely related to intra-Group activities. During the first half year the Parent Company's net sales amounted to SEK 13.7 million (11.9). The loss before tax amounted to SEK –11.2 million (–7.6) for the second quarter and SEK –14.6 million (–12.5) for the first half year. Cash & cash equivalents amounted to SEK 9.7 million (23.9). For the first half year investments in tangible and intangible non-current assets amounted to SEK 0.4 million (0.9).

### 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 not been reviewed by the Company's auditors.



# Income statement

## The Group in summary

SEK thousands	April–June 2008	April–June 2007	January–June 2008	January–June 2007	July 2007– June 2008	Full-year 2007
<b>Net sales</b>	<b>95,813</b>	<b>87,844</b>	<b>234,561</b>	<b>206,494</b>	<b>522,954</b>	<b>494,886</b>
Cost of goods sold	-42,260	-39,001	-109,063	-97,792	-241,112	-229,841
<b>Gross profit</b>	<b>53,553</b>	<b>48,843</b>	<b>125,498</b>	<b>108,702</b>	<b>281,841</b>	<b>265,045</b>
Distribution expenses	-24,793	-19,131	-48,253	-37,173	-92,573	-81,493
Administrative expenses	-9,325	-7,884	-18,318	-15,516	-33,421	-30,619
Development expenses	-2,940	-2,639	-5,912	-5,433	-11,337	-10,858
<b>Operating profit</b>	<b>16,493</b>	<b>19,188</b>	<b>53,015</b>	<b>50,578</b>	<b>144,510</b>	<b>142,075</b>
Net financial items	100	-50	837	9	981	152
<b>Profit before tax</b>	<b>16,594</b>	<b>19,139</b>	<b>53,852</b>	<b>50,587</b>	<b>145,492</b>	<b>142,227</b>
Tax	-4,646	-5,247	-15,079	-14,052	-41,163	-40,136
<b>Profit for the period</b>	<b>11,948</b>	<b>13,892</b>	<b>38,773</b>	<b>36,535</b>	<b>104,329</b>	<b>102,091</b>
<b>Profit attributable to minority interests</b>	<b>8</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-27</b>	<b>-29</b>
<b>Profit attributable to Parent Company's shareholders</b>	<b>11,956</b>	<b>13,892</b>	<b>38,775</b>	<b>36,535</b>	<b>104,302</b>	<b>102,062</b>
Earnings per share, SEK	0.48	0.57	1.55	1.52	4.21	4.18
Earnings per share after dilution, SEK	0.48	0.56	1.54	1.50	4.21	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	25,038,517	24,462,384	25,037,751	24,020,581	24,771,251	24,406,699
Effect of dilution*	55,239	314,775	60,663	300,376	0	83,461
Weighted average number of shares after full dilution	25,093,757	24,777,159	25,098,414	24,320,957	24,771,251	24,490,160

\* Björn Borg has three outstanding incentive programs based on warrants in Björn Borg AB: option schemes 2005, 2006:1 and 2006:2. For more detailed information, see page 45 of the annual report 2007.

# Balance sheet

## The Group in summary

SEK thousands	June 30 2008	June 30 2007	December 31 2007
<b>Non-current assets</b>			
Goodwill	13,944	13,944	13,944
Trademarks	187,532	187,532	187,532
Other intangible assets	818	1,064	941
Tangible non-current assets	17,113	11,566	17,817
<b>Total non-current assets</b>	<b>219,407</b>	<b>214,106</b>	<b>220,234</b>
<b>Current assets</b>			
Inventories	22,685	23,994	24,640
Current receivables	71,980	50,264	77,093
Cash & cash equivalents	175,049	119,577	187,423
<b>Total current assets</b>	<b>269,714</b>	<b>193,834</b>	<b>289,156</b>
<b>Total assets</b>	<b>489,121</b>	<b>407,940</b>	<b>509,390</b>
<b>Equity and liabilities</b>			
Equity	344,271	267,680	342,943
Deferred tax liabilities	31,599	19,511	28,607
Other non-current liabilities	52,515	55,465	52,515
Accounts payable	37,923	17,756	23,140
Other current liabilities	22,813	47,528	62,184
<b>Total equity and liabilities</b>	<b>489,121</b>	<b>407,940</b>	<b>509,390</b>

# Change in equity

## The Group in summary

SEK thousands	January–June 2008	January–June 2007	Full-year 2007
Opening balance	342,943	138,054	138,054
Incentive programs	–	12,737	22,480
New share issue	110	98,500	98,500
Dividend	–37,555	–18,241	–18,241
Minority interest in equity	–2	94	88
Profit for the period	38,775	36,535	102,062
Closing balance	344,271	267,680	342,943

# Cash flow statement

## The Group in summary

SEK thousands	April–June 2008	April–June 2007	January–June 2008	January–June 2007	Full-year 2007
<b>Cash flow from operating activities</b>					
Before change in working capital	15,075	12,772	38,406	35,634	130,311
Change in working capital	–8,211	718	–12,168	–11,706	–22,610
<b>Cash flow from operating activities</b>	<b>6,864</b>	<b>13,490</b>	<b>26,238</b>	<b>23,927</b>	<b>107,701</b>
<b>Cash flow from investing activities</b>	<b>–718</b>	<b>–2,329</b>	<b>–1,167</b>	<b>–6,890</b>	<b>–15,560</b>
Dividend	–37,555	–18,241	–37,555	–18,241	–18,241
Incentive programs/new share issues	110	12,737	110	111,237	120,980
Change in loans	–	–	–	–50,000	–67,001
<b>Cash flow from financing activities</b>	<b>–37,445</b>	<b>–5,504</b>	<b>–37,445</b>	<b>42,996</b>	<b>35,738</b>
<b>Cash flow for the period</b>	<b>–31,299</b>	<b>5,657</b>	<b>–12,374</b>	<b>60,033</b>	<b>127,879</b>
Cash & cash equivalents at beginning of period	206,348	113,920	187,423	59,544	59,544
<b>Cash &amp; cash equivalents at end of period</b>	<b>175,049</b>	<b>119,577</b>	<b>175,049</b>	<b>119,577</b>	<b>187,423</b>

# Key figures

## Group

SEK thousands	April–June 2008	April–June 2007	January–June 2008	January–June 2007	July 2007– June 2008	Full-year 2007
Gross profit margin, %	55.9	55.6	53.5	52.6	53.9	53.6
Operating margin, %	17.2	21.8	22.6	24.5	27.6	28.7
Profit margin, %	17.3	21.8	23.0	24.5	27.8	28.7
Return on capital employed, %	4.3	6.7	14.2	17.0	38.4	40.0
Return on average equity, %	3.5	6.8	11.3	18.0	34.1	42.4
Net profit for the period	11,956	13,892	38,775	36,535	104,302	102,062
Earnings per share, SEK*	0.48	0.57	1.55	1.52	4.21	4.18
Earnings per share after dilution, SEK**	0.48	0.56	1.54	1.50	4.21	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**	25,038,517	24,462,384	25,037,751	24,020,581	24,771,251	24,406,699
Effect of dilution	55,239	314,775	60,663	300,376	0	83,461
Weighted average number of shares after dilution	25,093,757	24,777,159	25,098,414	24,320,957	24,771,251	24,490,160
Equity/assets ratio, %	70.4	65.6	70.4	65.6	70.4	67.3
Equity per share, SEK	13.75	10.82	13.75	10.82	13.75	13.70
Investments in intangible assets	0	225	0	225	0	225
Investments in tangible assets	718	2,059	1,167	6,620	9,837	15,290
Depreciation for the period	–1,194	–977	–2,351	–1,528	–4,944	–4,121
Average number of employees	86	60	86	60	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	April–June 2008	April–June 2007	January–June 2008	January–June 2007	July 2007– June 2008	Full-year 2007
<b>Operating revenue</b>						
<b>Brand and other</b>						
External sales	10,318	11,045	25,347	22,709	54,167	51,529
Internal sales	12,584	10,423	28,589	25,031	78,671	75,113
	<b>22,902</b>	<b>21,468</b>	<b>53,936</b>	<b>47,740</b>	<b>132,838</b>	<b>126,642</b>
<b>Product development</b>						
External sales	47,674	42,989	107,953	95,894	237,430	225,371
Internal sales	17,225	7,728	32,838	35,399	72,730	75,291
	<b>64,899</b>	<b>50,717</b>	<b>140,791</b>	<b>131,293</b>	<b>310,160</b>	<b>300,662</b>
<b>Distribution</b>						
External sales	27,004	21,682	79,305	65,524	171,555	157,774
Internal sales	4,119	4,339	10,529	9,871	27,535	26,877
	<b>31,123</b>	<b>26,021</b>	<b>89,833</b>	<b>75,394</b>	<b>199,090</b>	<b>184,651</b>
<b>Retail</b>						
External sales	10,817	12,128	21,957	22,368	58,902	60,212
Internal sales	–	–	–	–	111	111
	<b>10,817</b>	<b>12,128</b>	<b>21,957</b>	<b>22,368</b>	<b>59,912</b>	<b>60,323</b>
<b>Eliminations</b>						
	<b>–33,928</b>	<b>–22,490</b>	<b>–71,955</b>	<b>–70,301</b>	<b>–179,046</b>	<b>–177,392</b>
<b>Operating revenue</b>	<b>95,813</b>	<b>87,844</b>	<b>234,561</b>	<b>206,494</b>	<b>522,954</b>	<b>494,886</b>
<b>Operating profit</b>						
Brand and other	450	1,340	13,565	12,119	47,591	46,145
Product development	12,792	11,242	21,668	20,913	39,125	38,371
Distribution	2,589	4,786	17,405	15,361	41,670	39,626
Retail	663	1,820	376	2,185	16,125	17,933
<b>Operating profit</b>	<b>16,493</b>	<b>19,188</b>	<b>53,014</b>	<b>58,578</b>	<b>144,510</b>	<b>142,075</b>

# Quarterly data

## Group

SEK thousands	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006	Q3 2006
Brand sales	476,558	688,828	650,862	659,120	414,058	513,345	483,273	409,305
Net sales	95,813	138,748	139,795	148,597	87,844	118,650	108,537	93,442
Gross profit margin, %	55.9	51.9	53.8	54.6	55.6	50.4	52.8	46.9
Operating profit	16,493	36,521	42,258	49,238	19,188	31,390	34,994	23,991
Operating margin, %	17.2	26.3	30.2	33.1	21.8	26.5	32.2	25.7
Profit after financial items	16,594	37,258	42,719	48,920	19,139	31,448	34,147	24,010
Profit margin, %	17.3	26.9	30.6	32.9	21.8	26.5	31.5	25.7
Earnings per share, SEK	0.48	1.07	1.22	1.42	0.57	0.96	1.06	0.75
Earnings per share after dilution, SEK	0.48	1.07	1.22	1.41	0.56	0.94	1.04	0.74
Number of concept stores at end of period	39	36	36	33	29	26	24	21
of which own concept stores	10	10	10	10	9	9	8	7

# Income statement

## Parent Company in summary

TSEK	April–June 2008	April–June 2007	January–June 2008	January–June 2007	July 2007– June 2008	Full–year 2007
<b>Net sales</b>	<b>6,054</b>	<b>5,534</b>	<b>13,699</b>	<b>11,874</b>	<b>38,775</b>	<b>44,595</b>
Cost of goods sold	-1,275	-441	-1,650	-1,589	-4,392	-4,707
<b>Gross profit</b>	<b>4,779</b>	<b>5,093</b>	<b>12,049</b>	<b>10,285</b>	<b>34,383</b>	<b>39,888</b>
Distribution expenses	-9,240	-8,347	-17,368	-14,567	-24,236	-29,563
Administrative expenses	-3,554	-3,210	-6,680	-5,603	-9,321	-11,370
Development expenses	-1,422	-1,284	-2,672	-2,241	-3,729	-4,548
<b>Operating profit</b>	<b>-9,436</b>	<b>-7,748</b>	<b>-14,671</b>	<b>-12,126</b>	<b>-2,902</b>	<b>-5,593</b>
Net financial items	-1,770	141	88	-331	-1,427	12
<b>Profit before tax</b>	<b>-11,206</b>	<b>-7,608</b>	<b>-14,583</b>	<b>-12,457</b>	<b>-4,330</b>	<b>-5,581</b>
Tax	3,138	2,130	4,830	3,488	136	486
<b>Profit for the period</b>	<b>-8,068</b>	<b>-5,477</b>	<b>-10,500</b>	<b>-8,969</b>	<b>-4,194</b>	<b>-5,095</b>

# Balance sheet

## Parent Company in summary

SEK thousands	June 30 2008	June 30 2007	December 31 2007
<b>Non-current assets</b>			
Tangible non-current assets	6,028	1,189	6,460
Shares in Group companies	54,497	54,497	54,497
<b>Total non-current assets</b>	<b>60,525</b>	<b>55,686</b>	<b>60,957</b>
<b>Current assets</b>			
Receivables from Group companies	98,898	125,273	39,913
Current receivables	11,410	4,246	8,766
Cash & cash equivalents	9,651	23,919	180,269
<b>Total current assets</b>	<b>119,959</b>	<b>154,439</b>	<b>228,948</b>
<b>Total assets</b>	<b>180,484</b>	<b>209,125</b>	<b>289,905</b>
<b>Equity and liabilities</b>			
Equity	135,449	165,782	187,477
Untaxed reserves	7,254	5,955	7,254
Due to Group companies	27,237	28,462	81,807
Accounts payable	7,069	5,173	5,694
Other current liabilities	3,475	3,753	7,673
<b>Total equity and liabilities</b>	<b>180,484</b>	<b>209,125</b>	<b>289,905</b>

## 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 six-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, August 20, 2008

Fredrik Lövestedt  
*Chairman*

Vilhelm Schottenius  
*Vice Chairman*

Mats H Nilsson  
*Board member*

Håkan Roos  
*Board member*

Michael Storåkers  
*Board member*

Lottie Svedenstedt  
*Board member*

Nils Vinberg  
*Board member, President and CEO*



#### Upcoming information dates

The interim report January–September 2008 will be released on November 12, 2008.

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



#### For further information, please contact:

Nils Vinberg, President and CEO  
Tel: +46 8 506 33 700 or +46 708 631101  
[nilsvinberg@bjornborg.com](mailto:nilsvinberg@bjornborg.com)

Björn Borg AB  
Götgatan 78  
SE-118 30 Stockholm, Sweden  
[www.bjornborg.com](http://www.bjornborg.com)

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 August 20, 2008 at 7:30 a.m. (CET).