Björn Borg takes over Finland

FIRST QUARTER JANUARY 1 – MARCH 31, 2013

- The Group's net sales decreased by 6 percent to SEK 131.4 million (140.5). Excluding currency effects, sales decreased by 4 percent.
- The gross profit margin was 49.4 percent (48.0).
- Operating profit amounted to SEK 9.2 million (14.6).
- Investments in Björn Borg Sport, China and England reduced operating profit by SEK 5.1 million (4.9).
- Profit after tax amounted to SEK 6.0 million (9.3).
- Earnings per share before and after dilution amounted to SEK 0.30 (0.44).

QUOTE FROM THE CEO

"In the first quarter 2013 we reported a decline in sales, partly as a result of continued weakness in our European retail markets. At the same time we still see a need to expand wisely for future growth. During the quarter we took an important step through the acquisition of the Finnish operations from the former distributor," said CEO Arthur Engel.

SEK millions	January–March 2013	January–March 2012	April 2012–March 2013	Full-year 2012
Net sales	131.4	140.5	541.7	551.4
Gross profit margin, %	49.4	48.0	50.8	50.2
Operating profit	9.2	14.6	62.6	69.8
Operating margin, %	7.0	10.4	11.6	12.7
Profit after tax	6.0	9.3	42.5	47.2
Earnings per share, SEK	0.30	0.44	1.91	2.11
Brand sales*	432	448	1,582	1,598

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

CEO'S COMMENT

Economic concerns and weak demand continued to affect Björn Borg's markets and opportunities during the first quarter 2013, as was the case in 2012. As I have said before, these are the market conditions we are going to have to live with. One of the consequences we have seen is that the differences between quarters are generally becoming larger and that predictability is decreasing, in addition to the fact that we have to work even harder to reach where we want to be.

In the first quarter 2013 we reported lower sales and earnings. The sales decline was partly because a smaller share of the spring and summer underwear collections was delivered during the first quarter compared with the same quarter in 2012. On the positive side, we are seeing a higher gross profit margin at the retail level and continued strong growth in online sales.

Step forward in our own markets

At the beginning of the year we took another important step in our growth with the acquisition of the Finnish operations from the former distributor. Finland is our sixth largest market and has the potential to grow through additional stores and in more product areas. We have jumpstarted this work through our partner and the staff in Finland.

We are not pleased with how our operations in China work thus far and are evaluating various alternatives how to proceed in this large and challenging market.

In our British operations we are seeing continued progress in building a retailer network and higher sales. Two other markets that developed positively during the quarter were Belgium and Finland, which we now manage ourselves, while our large established markets saw sales declines. The majority of our European markets are experiencing weak retail sales, particularly the Dutch market. Our distributor in the Netherlands, which has a large network of its own stores in addition to wholesaling operations, has naturally been affected through lower sales and increased inventory, which has meant smaller purchases from the Group's product companies.

Stores in the right locations

During the first quarter we opened a store in new shopping center in Stockholm's Hornstull area. We are continuously evaluating our stores in the country to find the right locations to serve our target group, with an aim is to open another couple of stores during the year.

Looking forward we have a hard time seeing a quick rebound in the weak retail market. We believe in our brand's strong potential, even in tough times, and will continue to invest on several fronts: in important branding activities, smart product development, growing online sales and our strategic markets.

Arthur Engel, Chief Executive Officer

OPERATIONS

Brand sales

Brand sales (excluding VAT) decreased by 4 percent to SEK 432 million (448) in the first quarter. A stronger krona negatively affected brand sales. Adjusted for currency effects, sales were approximately unchanged for the quarter.

Product areas first quarter 2013

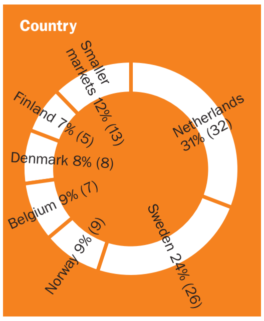
Brand sales in the underwear product area fell by 8 percent in the first quarter, in line with a weak wholesale market in Europe. Underwear accounted for 54 percent (57) of brand sales during the period.

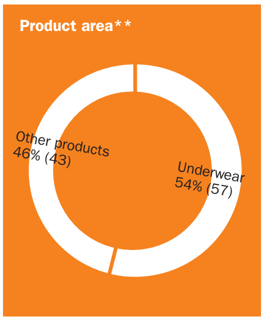
Sales in the sportswear and eyewear product areas noted solid increases during the quarter. The footwear product area saw a slight increase, while bags and fragrances reported declines. In total, sales of other products increased by 3 percent during the quarter.

Markets first quarter 2013

Brand sales in smaller markets were largely unchanged and accounted for 12 percent (13) of total brand sales during the quarter. As of 2013 Finland is reported separately. Among larger markets, Belgium and Finland saw good growth, while Sweden, the Netherlands, Norway and Denmark decreased between 5 and 10 percent. Among smaller markets, England and France had positive growth numbers.

Brand sales* of Björn Borg products January–March 2013. Total SEK 432 million (448)





* 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. **Other products**: Sportswear, fragrances, footwear, bags and eyewear.

Björn Borg stores

During the quarter the Group closed its store on Kullagatan in Helsingborg. Two stores were closed in the Netherlands. As of March 31, 2013 there were a total of 57 (56) Björn Borg stores, of which 17 (14) are Group-owned. After the end of the quarter a new Group-owned store was opened in the Hornstull area of Stockholm.

Björn Borg in Finland

During the first quarter Björn Borg acquired the distributor Fashion Case in Finland. The Finnish operations currently consist of wholesaling of underwear, sportswear and bags as well as one Björn Borg store. The brand is strongly positioned in Finland, which today is Björn Borg's sixth largest market, and the company sees the potential for continued growth. Björn Borg is the principal owner (75 percent), while an experienced local partner is a minority owner. The total purchase price is approximately SEK 9 million. Further information is provided in note 2 of this report.

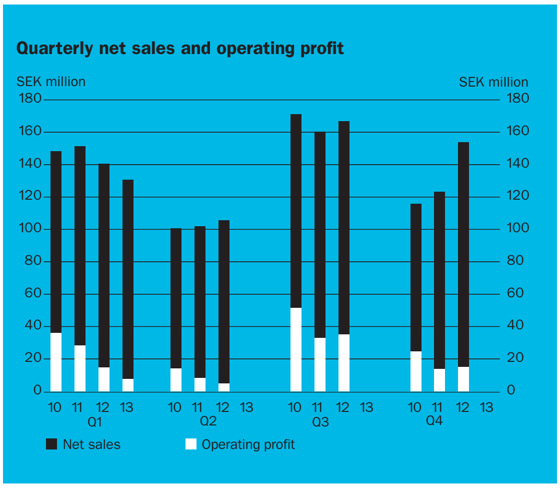
Björn Borg expects the acquired Finnish operations to contribute positively to the Group's operating profit in 2013.

Björn Borg in China

Björn Borg has been active in China since fall 2012 through a company with Björn Borg as principal owner (75 percent) and a local partner as minority owner. To date the operations have not developed as planned in China, and the company is evaluating various alternatives.

THE GROUP'S DEVELOPMENT

Sales and operating profit decreased during the first quarter.



Sales

First quarter, January–March 2013

Group sales during the first quarter amounted to SEK 131.4 million (140.5), a decrease of 6 percent. Excluding currency effects, sales fell by 4 percent. The biggest reason for the decline was that a smaller share of the spring and summer collections was delivered by the product companies in January 2013 compared with January 2012. The Swedish wholesaling operations for underwear and footwear reported slight declines, while the British operations saw solid growth. Retail sales as a whole decreased slightly. Growth in online sales was however continued strong. Royalties declined slightly in line with the lower brand sales. The Finnish subsidiary was consolidated during the first quarter after its acquisition and contributed to Group sales.

Profit

First quarter, January–March 2013

The gross profit margin for the first quarter increased to a more normalized level of 49.4 percent (48.0). The first quarter 2012 included temporarily higher discounts and customer refunds with higher discounted sales in the Swedish wholesaling operations, which adversely affected the gross profit margin.

Operating profit decreased during the quarter by 37 percent to SEK 9.2 million (14.6) with an operating margin of 7.0 percent (10.4). The investments in Björn Borg Sport, China and the British operations reduced operating profit by SEK 5.1 million (4.9). The lower operating profit is partly due to the Group's lower sales during the quarter, in spite of the higher gross profit margin, and partly to increased operating expenses. In total, operating expenses rose by SEK 2.8 million during the quarter due to higher personnel expenses in China and additional expenses in the acquired Finnish subsidiary.

The net financial expense increased to SEK 2.1 million (1.9). The majority of the net expense is attributable to the revaluation of financial assets and liabilities in foreign currency. Profit before tax decreased to SEK 7.1 million (12.7).

Development by business segment

The Group consists of a total of 14 companies, eleven of which operate under the Björn Borg brand on every level from product development to wholesaling and consumer sales in its own Björn Borg stores.

Brand

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

Net sales reached SEK 21.8 million (23.4) during the first quarter 2013, a decrease of 7 percent. External sales amounted to SEK 10.9 million (12.6) and are reasonable relative to the lower brand sales during the quarter. It should be noted that the royalties Björn Borg Sport receives from its customers are also reported in the Brand segment.

Operating profit amounted to SEK 4.6 million (5.8), a decrease of 21 percent for the period. The decline was mainly due to higher expenses for branding activities during the quarter.

Product development

The Björn Borg Group has global responsibility for development, design and production of underwear and adjacent products, as well as sportswear through Björn Borg Sport.

The business segment's net sales amounted to SEK 74.0 million (89.9) in the first quarter 2013, a decrease of 18 percent. External sales amounted to SEK 50.0 million (65.3), a decrease of 23 percent year-on-year. The decline is due to lower year-on-year shipment volumes during the first quarter. A stronger SEK has had a negative effect on sales for both product companies.

Operating profit decreased to SEK 5.8 million (8.7) due to the lower sales, with operating expenses largely unchanged from the same period in 2012. A weaker USD has also affected operating profit negatively.

Business segment	Revenue source	Sales, SEK thousands January–March 2013	2012	Operating profit, SEK thousands January–March 2013	2012	Operating margin January–March 2013	2012
Brand	Royalties	21,772	23,437	4,582	5,789	21%	25%
Product development	Products	74,001	89,949	5,757	8,713	8%	10%
Wholesale	Wholesale revenues	71,800	63,537	5,659	3,353	8%	5%
Retail	Retailerse	14,805	15,210	–6,773	–3,224	–46%	–21%
Less internal sales		–50,964	–51,595	–	–	–	–
Total		**131,414**	**140,538**	**9,225**	**14,631**	**7%**	**10%**

Wholesale

The Björn Borg Group is the exclusive wholesaler of underwear and adjacent products in Sweden, England and Finland as well as footwear in Sweden, Finland and the Baltic countries.

Net sales for the wholesaling operations increased by 13 percent to SEK 71.8 million (63.5) in the first quarter 2013. External sales amounted to SEK 58.0 million (49.8). The British operations reported good growth, while the Swedish wholesaling operations for footwear and underwear had a weaker quarter. Sales in Finland are consolidated as of the first quarter 2013.

Operating profit amounted to SEK 5.7 million (3.4). The increase was due to the higher sales, although operating expenses in Finland and England were higher than in the same quarter of 2012. A stronger SEK has positively affected gross profit and operating profit to a limited extent.

Retail

The Björn Borg Group owns and operates 15 stores in mainly the Swedish market that sell underwear, sportswear and other products. Additionally, Björn Borg manages two factory outlets and the e-commerce operations. This segment also includes the operations in China.

External net sales in the Retail segment decreased by 3 percent in the first quarter 2013 to SEK 12.5 million (12.9). The decrease was due to the fact that the company had fewer net stores in Sweden compared with the first quarter 2012 and to generally tough retail conditions. E-commerce has continued to report strong growth, however. Outlets and comparable Björn Borg stores reported a sales decline of 19 percent. This was partly due to an intentionally shorter discount period at the beginning of the year, which has had a positive effect on gross profit margins.

The operating loss for the quarter amounted to SEK 6.8 million, against a year-earlier loss of SEK 3.2 million, due to the operations in China, asset write-offs in connection with the closure of the store in Helsingborg and a stronger e-commerce organization.

Intra–Group sales

Intra-Group sales amounted to SEK 51.0 million (51.6) for the period.

SEASONAL VARIATIONS

The Björn Borg Group is active in an industry with seasonal variations. Sales and earnings vary by quarter. 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 –11.7 million (–2.2) in the first quarter 2013. Tied-up working capital decreased slightly during the quarter compared with the same period in 2012. The lower cash flow was mainly due to lower operating profit and tax payments for 2011 during the quarter. The increased inventory was due to the operations in Finland, China and the Fragrances product area. The increase in accounts receivable primarily relates to receivables of the Dutch distributor.

Total investments in tangible and intangible non-current assets amounted to SEK 1.5 million (1.0) for the period, with the higher investments in 2013 largely due to the Swedish Group-owned stores.

FINANCIAL POSITION AND LIQUIDITY

The Björn Borg Group's cash & cash equivalents and investments amounted to SEK 258.2 million (154.0) at the end of the period. During the quarter cash & cash equivalents and investments decreased by SEK 22.0 million, compared with a year-earlier decrease of SEK 4.0 million. The quarterly decrease was mainly due to an increase in tied-up working capital.

The bond loan is listed on NASDAQ OMX Stockholm and carries an annual coupon rate corresponding to the 3-month STIBOR rate +3.25 percentage points, maturing in April 2017. In 2012 the company repurchased corporate bonds with a nominal value of SEK 5 million, due to which the carrying amount of the bond loan after the repurchase and transaction expenses of about SEK 3 million amounted to SEK 192.4 million as of March 31 2013.

The surplus liquidity from the issuance of the bond loan was placed in interest-bearing financial instruments, highly liquid corporate bonds, within the framework of the financial policy laid down by the Board of Directors. As of March 31 investments had been made in bonds with a book value of SEK 169.0 million, which represents the fair value on the same date. As a rule, bonds in foreign currency are hedged.

COMMITMENTS AND CONTINGENT LIABILITIES

As a commitment for the above-mentioned bond loan, the company has pledged to ensure that the ratio between the Group's net debt and operating profit before depreciation and amortization does not exceed 3.00 on the last day of each quarter and that the Group maintains an equity/assets ratio of at least 30 percent at any given time. As of March 31, 2013 the ratio was -0.54 (positive net cash) with an equity/assets ratio of 49.8 percent (72.8). A complete description of commitments and conditions of the bond loan is provided in the prospectus, which is available on the company's website and from the Swedish Financial Supervisory Authority.

No changes were otherwise made with regard to pledged assets and contingent liabilities compared with December 31, 2012.

PERSONNEL

The average number of employees in the Group was 151 (120) for the 12-month period ending March 31, 2013, of whom 64 percent (59) are women. The increase in the number of employees was mainly due to the new operations in China and Finland.

TRANSACTIONS WITH RELATED PARTIES

No transactions with related parties have been executed during the period.

SIGNIFICANT RISKS AND UNCERTAINTIES

In its operations the Björn Borg Group is exposed to risks and uncertainties. Information on the Group's risks and uncertainties can be found on pages 46-47 and in note 3 in the annual report 2012.

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, 75 percent of the shares in Bjorn Borg (China) Ltd, 75 percent of the shares in Bjorn Borg Finland Oy and 51 percent of the shares in Björn Borg Sport BV.

The Parent Company's net sales for the first quarter amounted to SEK 12.7 million (12.1).

The loss before tax amounted to SEK 11.9 million for the first quarter, against a year-earlier loss of SEK 12.7 million. Cash & cash equivalents and short-term investments amounted to SEK 204.6 million (102.1) on March 31, 2013. Investments in tangible and intangible non-current assets amounted to SEK 0.4 million (0.5) for the period.

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:

- 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 objectives will be achieved if established markets grow slightly below the average growth target and new markets contribute stronger growth.

The surplus liquidity generated while taking into account the new financial objectives will be distributed gradually during the forecast period.

Operating investments are estimated annually at 2–5 percent of net sales depending on whether any new Björn Borg stores are opened.

ANNUAL GENERAL MEETING

The Annual General Meeting on April 17, 2013 resolved to pay a distribution of SEK 3.00 (4.00) per share to the shareholders for the financial year 2012. Payment for redemption shares is expected to be issued around May 24, 2013.

Kerstin Hessius, Fredrik Lövstedt, Mats H Nilsson, Vilhelm Schottenius and Michael Storåkers were reelected to the Board of Directors with Fredrik Lövstedt as Chairman of the Board. Isabelle Ducellier was elected as a new member of the Board.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. This condensed interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with chapter 9 of the Annual Accounts Act on interim reporting and RFR 2 Accounting in Legal Entities. The accounting principles applied in the interim report conform to the accounting principles applied in the preparation of the consolidated accounts and annual report for 2012, as described on page 56 in the annual report 2012, with the exception of the changes and new standard below.

IFRS 13 Fair Value Measurement

The new standard IFRS 13 replaces the previous guidance in each standard on measurement at fair value. The standard is applicable to the measurement at fair value of both financial and non-financial items. Fair value is defined as the price that would be received from the sale of an asset or the consideration that would be paid to transfer a debt in a normal transaction between market players on the measurement date ("exit price"). IFRS 13 has been applied prospectively as of January 1, 2013. The introduction of IFRS 13 has not had a material effect on the measurement of financial instruments by the Group and Parent Company.

IFRS 13 requires several quantitative and qualitative disclosures on measurement at fair value in the annual report. As a result of the requirements in IFRS 13, IAS 34 Interim Reporting has also been updated to include a requirement that interim reports released as of 2013 must also contain specific disclosures with respect to financial reports at fair value. The revision to IAS 34 also requires the disclosure in the interim report of the fair value of financial instruments recognized at amortized cost. See note 1 for these disclosures in the interim report.

IAS 1 Presentation of Financial Statements (Presentation of items in other comprehensive income)

The amendments in IAS 1 Presentation of Financial Statements require additional disclosures in other comprehensive income so that items in other comprehensive income are grouped into categories: a) items that will not be reclassified to profit or loss and b) items that will be reclassified to profit or loss if certain criteria are met. Björn Borg's application of the amendments introduced in IAS 1 is indicated in the consolidated statement of comprehensive income. Because Björn Borg has no significant transactions related to items that will not be transferred to profit or loss, the introduction of the amendments to IAS 1 has not had a significant effect on the layout of the statement.

Other IFRS revisions

No new or revised IFRS standards and interpretations from IFRIC besides those mentioned above have been applied or have had a significant effect on the Group's or Parent Company's financial position, results or disclosures. Björn Borg has no significant defined-benefit pension plans, because of which the revised IAS 19 does not have any impact.

AUDIT REPORT

This interim report has not been reviewed by the company's auditors.

OUTLOOK 2013

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

CONSOLIDATED INCOME STATEMENT
Condensed

SEK thousands	Note	January–March 2013	January–March 2012	April 2012–March 2013	Full-year 2012
Net sales		**131,414**	**140,538**	**541,717**	**551,432**
Cost of goods sold		–66,537	–73,034	–266,792	–274,803
Gross profit		**64,877**	**67,504**	**274,925**	**276,628**
Distribution expenses		–38,765	–36,637	–148,580	–144,694
Administrative expenses		–14,065	–13,256	–52,495	–51,016
Development expenses		–2,822	–2,980	–11,223	–11,133
Operating profit		**9,225**	**14,631**	**62,627**	**69,786**
Net financial items		–2,138	–1,901	–1,147	–909
Profit before tax		**7,086**	**12,730**	**61,480**	**68,877**
Tax		–1,079	–3,409	–18,934	–21,650
Profit for the period		**6,007**	**9,321**	**42,546**	**47,227**
Profit for the period attributable to:					
Parent Company's shareholders		7,453	11,136	47,912	52,963
Non-controlling interests		–1,446	–1,815	–5,366	–5,736
Earnings per share before and after dilution, SEK		0.30	0.44	1.91	2.11
Number of shares		25,148,384	25,148,384	25,148,384	25,148,384

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Condensed

SEK thousands	January–March 2013	January–March 2012	April 2012–March 2013	Full-year 2012
Net profit for the period	**6,007**	**9,321**	**42,546**	**47,227**
OTHER COMPREHENSIVE INCOME				
Components that will be reclassified to net profit for the period				
Currency effect on translation of foreign operations	608	294	1,206	892
Other comprehensive income for the period	**608**	**294**	**1,206**	**892**
Total comprehensive income for the period	**6,615**	**9,615**	**43,751**	**48,119**
Total comprehensive income attributable to				
Parent Company's shareholders	8,061	11,430	49,118	53,855
Non-controlling interests	–1,446	–1,815	–5,366	–5,736

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Condensed

SEK thousands	Note	31 March 2013	31 March 2012	31 December 2012
Non-current assets				
Goodwill		18,348	13,944	13,944
Trademarks		187,531	187,532	187,532
Other intangible assets		4,868	5,919	4,572
Tangible non-current assets		14,347	14,277	13,952
Deferred tax assets		35,138	43,167	35,283
Total non-current assets		**260,232**	**264,839**	**255,283**
Current assets				
Inventories, etc.		40,939	31,552	35,688
Accounts receivable		104,190	79,962	93,994
Other current receivables		38,521	28,198	29,250
Investments	1	168,983	–	163,979
Cash & cash equivalents		89,171	154,031	116,195
Total current assets		**441,804**	**293,743**	**439,106**
Total assets		**702,036**	**558,582**	**694,389**
Equity and liabilities				
Equity		350,831	406,577	344,216
Deferred tax liabilities		44,769	49,035	44,544
Other non-current liabilities		28,755	27,088	30,985
Bond loan	1	192,442	–	192,283
Accounts payable		31,067	19,946	32,780
Other current liabilities		54,172	55,936	49,581
Total equity and liabilities		**702,036**	**558,582**	**694,389**

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, 2012	**400,815**	**–3,854**	**396,962**
Total comprehensive income for the period	11,430	–1,815	9,615
Closing balance, March 31, 2012	**412,245**	**–5,669**	**406,577**
Opening balance, January 1, 2012	**400,815**	**–3,854**	**396,962**
Total comprehensive income for the year	53,855	–5,736	48,119
Distribution for 2011	–100,594	–	–100,594
Acquisition of non-controlling interests	–26	–79	–105
Dividend to non-controlling interests	–	–168	–168
Non-controlling interests that arose through formation of subsidiaries	–	2	2
Closing balance, December 31, 2012	**354,050**	**–9,835**	**344,216**
Opening balance, January 1, 2013	**354,050**	**–9,835**	**344,216**
Total comprehensive income for the period	8,061	–1,446	6,615
Closing balance, March 31, 2013	**362,111**	**–11,281**	**350,831**

CONSOLIDATED STATEMENT OF CASH FLOWS

Condensed

SEK thousands	Note	January–March 2013	January–March 2012	Full-year 2012
Cash flow from operating activities				
Before changes in working capital		1,939	15,288	62,460
Changes in working capital		–13,680	–17,449	–31,220
Cash flow from operating activities		**–11,741**	**–2,161**	**31,240**
Investments in intangible non-current assets		–247	–89	–2,679
Investments in tangible non-current assets		–1,257	–892	–3,843
Business combinations	2	–6,547	–	–
Investments		–5,553	–	–161,211
Cash flow from investing activities		**–13,604**	**–955**	**–167,734**
Dividend/distribution		–	–	–100,594
Amortization of loans		–2,071	–1,667	–6,667
Change in long-term liabilities		–	–	8,899
Issuance of bond loan		–	–	196,778
Repurchase of bond loan		–	–	–4,950
Cash flow from financing activities		**–2,071**	**–1,667**	**93,466**
Cash flow for the period		**–27,416**	**–4,809**	**–43,028**
Cash & cash equivalents at beginning of period		116,195	158,042	158,042
Translation difference in cash & cash equivalents		392	798	1,182
Cash & cash equivalents at end of period		**89,171**	**154,031**	**116,195**

KEY FIGURES

Group

SEK thousands	January–March 2013	January–March 2012	April 2012–March 2013	Full-year 2012
Gross profit margin, %	49.4	48.0	50.8	50.2
Operating margin, %	7.0	10.4	11.6	12.7
Profit margin, %	5.4	9.1	11.3	12.5
Return on capital employed, %	12.6	15.6	12.3	15.9
Return on average equity, %	13.0	22.0	12.7	14.3
Profit attributable to Parent Company's shareholders	7,453	11,136	47,912	52,963
Equity/assets ratio, %	50.0	72.8	49.8	49.6
Equity per share, SEK	13.95	16.17	13.9	13.69
Investments in intangible non-current assets	247	89	2,761	2,679
Investments in tangible non-current assets	1,257	892	4,602	3,843
Investments in financial non-current assets	6,585	–	16	–
Depreciation, amortization and impairment losses for the period	–1,557	–1,776	–6,219	–6,438
Average number of employees	–	–	151	139

SUMMARY BY SEGMENT

Group

SEK thousands	January–March 2013	January–March 2012	April 2012–March 2013	Full-year 2012
Operating revenue				
Brand				
External revenue	10,912	12,581	41,233	42,900
Internal revenue	10,860	10,856	38,396	38,392
	21,772	**23,437**	**79,629**	**81,292**
Product development				
External revenue	50,046	65,318	261,373	277,236
Internal revenue	23,955	24,631	107,431	108,107
	74,001	**89,949**	**368,804**	**385,343**
Wholesale				
External revenue	57,978	49,755	176,849	168,626
Internal revenue	13,822	13,782	52,741	52,701
	71,800	**63,537**	**229,589**	**221,327**
Retail				
External revenue	12,478	12,884	62,263	62,669
Internal revenue	2,327	2,326	10,297	10,296
	14,805	**15,210**	**72,560**	**72,965**
Less internal sales	–50,964	–51,595	–208,865	–209,495
Operating revenue	**131,414**	**140,538**	**541,717**	**551,432**
Operating profit				
Brand	4,582	5,789	16,434	16,281
Product development	5,757	8,713	43,769	48,589
Wholesale	5,659	3,353	16,189	14,636
Retail	–6,773	–3,224	–13,765	–9,720
Operating profit	**9,225**	**14,631**	**541,717**	**69,786**

OPERATING PROFIT

Group

SEK thousands	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
Net sales	131,414	138,655	166,761	105,478	140,538	123,100	160,150	101,937
Gross profit margin, %	49.4	51.6	49.5	52.1	48.0	52.4	50.6	53.3
Operating profit	9,225	15,085	35,222	4,848	14,631	14,143	32,976	8,190
Operating margin, %	7.0	10.9	21.1	4.6	10.4	11.5	20.6	8.0
Profit after financial items	7,086	18,948	33,368	3,830	12,730	15,026	32,664	8,903
Profit margin, %	5.4	13.7	20.0	3.6	9.1	12.2	20.4	8.7
Earnings per share before/after dilution, SEK	0.30	0.45	1.11	0.10	0.44	1.92	1.05	0.33
Number of Björn Borg stores at end of period	57	60	59	57	56	56	54	54
of which Group-owned Björn Borg stores	17	17	13	13	14	15	13	12
Brand sales	431,815	376,244	484,938	288,360	447,640	384,133	551,267	314,967

PARENT COMPANY INCOME STATEMENT
Condensed

SEK thousands	Note	January–March 2013	January–March 2012	April 2012–March 2013	Full-year 2012
Net sales		**12,720**	**12,063**	**50,325**	**49,667**
Cost of goods sold		–350	–433	–657	–740
Gross profit		**12,370**	**11,630**	**49,667**	**48,927**
Distribution expenses		–12,597	–13,423	–50,217	–49,304
Administrative expenses		–4,845	–5,163	–19,314	–18,963
Development expenses		–1,937	–2,065	–7,726	–7,585
Operating loss		**–7,009**	**–9,021**	**–27,589**	**–26,925**
Dividend from subsidiary		–	–	75,000	75,000
Group contributions received		–	–	41,047	41,047
Net financial items		–4,872	–3,708	–13,358	–12,194
Profit/loss before tax		**–11,881**	**–12,729**	**75,101**	**76,928**
Appropriations		–	–	355	355
Tax		403	–	–1,804	–2,207
Profit for the period		**–11,478**	**–12,729**	**73,651**	**75,076**
Other comprehensive income		–	–	–	–
Total comprehensive income for the period		**–11,478**	**–12,729**	**73,651**	**75,076**

PARENT COMPANY BALANCE SHEET
Condensed

SEK thousands	Note	31 March 2013	31 March 2012	31 December 2012
Non-current assets				
Intangible non-current assets		637	1,103	753
Tangible non-current assets		5,847	6,619	5,876
Shares in Group companies		330,267	321,227	327,132
Total non-current assets		**336,751**	**328,949**	**333,761**
Current assets				
Receivables from Group companies		177,552	207,762	103,444
Current receivables		5,398	6,674	5,399
Investments	1	168,983	–	163,979
Cash & cash equivalents		30,654	102,114	86,172
Total current assets		**382,587**	**316,550**	**358,994**
Total assets		**719,338**	**645,499**	**692,754**
Equity and liabilities				
Equity		127,306	151,573	138,784
Untaxed reserves		2,183	2,538	2,183
Deferred tax		609	–	609
Bond loan	1	192,442	–	192,283
Due to Group companies		382,171	479,740	345,377
Accounts payable		3,901	2,724	2,766
Other current liabilities		10,726	8,924	10,752
Total equity and liabilities		**719,338**	**645,499**	**692,754**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
Condensed

SEK thousands	January–March 2013	January–March 2012	Full-year 2012
Opening balance	**138,784**	**164,302**	**164,302**
Dividend/distribution	–	–	–100,594
Total comprehensive income for the period	–11,478	–12,729	75,076
Closing balance	**127,306**	**151,573**	**138,784**

SUPPLEMENTARY DISCLOSURES

NOTE 1 FINANCIAL ASSETS AND LIABILITIES

Level 1 fair value is determined using observable (unadjusted) quoted prices on an active market for identical assets and liabilities.
Level 2 fair value is determined using valuation models based on other observable inputs for the asset or liability other than quoted prices included in level 1.
Level 3 fair value is determined using valuation models where significant inputs are based on non-observable data.

Securities held for trading relate to investments in corporate bonds quoted on NASDAQ OMX and are measured at their quoted prices. Forward exchange contracts are measured according to level 2 based on observable information as of the closing date with respect to exchange rates and market interest rates for the remaining maturities.

Financial assets at fair value through profit or loss	Level 1	Level 2	Level 3
Securities held for trading	167,400	–	–
Derivatives held for trading	–	1,583	–
Total assets	**167,400**	**1,583**	**–**

Björn Borg currently has no liabilities measured at fair value. The carrying amount of financial instruments at amortized cost coincides with their fair value as of March 31, 2013, with the exception of the bond loan, whose fair value amounted to SEK 189,150 thousand, compared with a carrying amount of SEK 192,442 thousand.

NOTE 2 ACQUISITION OF SUBSIDIARY

In February 2013 Björn Borg AB acquired 75 percent of the shares in Fashion Case Retail Oy in Finland, previously owned by the Finnish distributor. An experienced local partner acquired the remaining 25 percent. The acquired company changed its name to Björn Borg Finland Oy in February 2013.

The Finnish operations currently consist of wholesaling of underwear, sportswear and bags as well as one Björn Borg store in Helsinki. The brand is strongly positioned in Finland, which today is Björn Borg's six largest market. The company sees the potential for continued growth.

During the first quarter the operations contributed SEK 6.5 million to the Group's sales and SEK 0.3 million to operating profit. The acquired operations are included in the Wholesale segment as of the acquisition date.

The total purchase price amounted to EUR 1,052,500 including the non-controlling interest, of which 75 percent (EUR 789,375, of which Björn Borg's share is EUR 592,031) was paid in cash on the acquisition date, with the remaining share payable in February 2014 (EUR 262,500, of which Björn Borg's share is EUR 196,875). The effect on cash flow was EUR 6,547 thousand, i.e., the total purchase price paid in cash of SEK 6,788 thousand less acquired cash & cash equivalents of SEK 239 thousand. There are no conditions associated with the purchase price. Acquisition expenses amounted to SEK 260 thousand and have been expensed in 2012 and 2013.

Carrying amount as of acquisition date of acquired net assets SEK thousands	
Non-current assets	
Customer relations	1,209
Other non-current assets	524
Current assets	
Inventories	6,391
Accounts receivable	1,588
Other current assets	309
Current liabilities	
Accounts payable	3,971
Other current liabilities	1,592
Identifiable assets and liabilities, net	**4,458**
Goodwill arising through acquisitions	
Transferred consideration including non-controlling interest	8,862
Minus: Fair value of acquired net assets	4,458
Goodwill upon acquisition	**4,404**

The goodwill that arose in connection with the acquisition and recognized locally in the Finnish company is expected to be tax deductible.

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 and earnings per share after dilution
Earnings in relation to the weighted average number of shares during the period and 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 interim report provides a true and fair overview of the operations, financial position and results of the Parent Company and the Group and describes the material risks and uncertainties faced by the Parent Company and the companies in the Group.

Stockholm, May 17, 2013

Fredrik Lövstedt Chairman	Kerstin Hessius Board Member	Isabelle Ducellier Board Member
Mats H Nilsson Board Member	Vilhelm Schottenius Board Member	Michael Storåkers Board Member

Arthur Engel
President and CEO

Upcoming information dates

The interim report for January–June 2013 will be released on August 23, 2013.
The interim report for January–September 2013 will be released on November 8, 2013.
The year-end report for 2013 will be released on February 14, 2014.

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Björn Borg is required to make public the information in this interim report in accordance with the Securities Market Act.
The information was released for publication on May 17, 2013 at 7:30 am (CET).

ABOUT THE BJÖRN BORG GROUP

The Group owns the Björn Borg trademark and its core business is underwear. It also offers sportswear and fragrances, and footwear, luggage & bags and eyewear through licensees. Björn Borg products are sold in around thirty markets, of which Sweden and the Netherlands are the largest. The Björn Borg Group has operations at every level from branding to consumer sales in its own Björn Borg stores. Total sales of Björn Borg products in 2012 amounted to around SEK 1.6 billion, excluding VAT, at the consumer level. Group net sales amounted to SEK 551 million in 2012, with 139 employees. The Björn Borg share has been listed on NASDAQ OMX Nordic in Stockholm since 2007.