



BJÖRN BORG

BJÖRN BORG AB INTERIM REPORT JANUARY – JUNE 2014

APRIL 1 – JUNE 30, 2014

- The Group's net sales decreased by 8 percent to SEK 97.0 million (105.8). Excluding currency effects, sales fell by 10 percent.
- The gross profit margin was 52.5 percent (52.1).
- Operating profit amounted to SEK 0.5 million (0.9).
- Profit after tax amounted to SEK 2.2 million (3.4).
- Earnings per share before and after dilution amounted to SEK 0.15 (0.23).

JANUARY 1 – JUNE 30, 2014

- The Group's net sales increased by 1 percent to SEK 239.8 million (236.5). Excluding currency effects, sales were unchanged.
- The gross profit margin was 52.7 percent (51.0).
- Operating profit amounted to SEK 19.6 million (10.1).
- Profit after tax amounted to SEK 17.6 million (9.4).
- Earnings per share before and after dilution amounted to SEK 0.76 (0.52).

QUOTE FROM THE CEO

"During the second quarter we and our distributors experienced continued tough market conditions, particularly in our larger markets. On the positive side, our operations in Finland and England continue to perform well. At the same time we have good cost control. Now I look forward to working with the team at Björn Borg to set a clear direction and to increase our focus on consumers. Let's go!" says Henrik Bunge, the new CEO of Björn Borg.

SEK million	April-June 2014	April-June 2013	Jan-June 2014	Jan-June 2013	July 2013– June 2014	Full-year 2013
Net sales**	97.0	105.8	239.8	236.5	499.3	496.0
Gross profit margin**, %	52.5	52.1	52.7	51.0	52.3	51.5
Operating profit	0.5	0.9	19.6	10.1	30.6	21.2
Operating margin, %	0.5	0.8	8.2	4.2	6.1	4.3
Profit after tax	2.2	3.4	17.6	9.4	25.0	13.9
Earnings per share, SEK	0.15	0.23	0.76	0.52	1.21	0.86
Brand sales*	250.0	275.4	632.0	707.2	1,446.0	1,521.1

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

** As of 2014 the company has changed its income statement format based on type of cost instead of function as done before. As net sales and cost of goods sold are defined with the new format, net sales and the gross profit margin for comparative periods in 2013 may deviate slightly from reported values in 2013.



CEO'S COMMENT

I took over as CEO of Björn Borg about three weeks ago. From day one I have worked with the team at Björn Borg to refine our offering and the way we work. Though I obviously still have a lot left to learn about the business, I already see several areas where we can and will continue to develop. I will return to this at a later date and now look forward to an intensive fall and winter for Björn Borg.

During the second quarter we and our distributors experienced continued tough market conditions, particularly in our larger markets, which we are seeing the effects of in smaller purchases of both the summer collection and the current fall/winter collection of underwear and sportswear. In the Swedish market we are working close with retailers to

reverse the negative trend, including by supporting them with optimized merchandising and product mixes. On the positive side, our own operations in Finland and England continue to perform well. We are also pleased with e-commerce, which grew steadily in the second quarter as well. Lower quarterly expenses at the same time meant practically an unchanged operating profit compared with the same period in 2013.

For Björn Borg the brand is the basis of everything we do, and we will continue to invest smartly in the appropriate branding activities. Next week Björn Borg is holding its biggest event of the year during this year's even more international Fashion Week in Stockholm. It will be a show beyond the ordinary, choreographed by noted stylist Bea Åkerlund.

Henrik Bunge, CEO



OPERATIONS

Brand sales

Distributors and licensees continued to report weak sales in most product areas during the second quarter 2014. As a result, brand sales (excluding VAT) decreased by 9 percent to SEK 250 million (275) for the second quarter and by 11 percent to SEK 632 million (707) for the first half-year. Adjusted for currency effects, brand sales were down 12 percent for the quarter and 13 percent for the first half-year.

Product areas first quarter 2014

Brand sales in the underwear product area fell by 12 percent in the first half-year. Underwear accounted for 59 percent (60) of brand sales.

Brand sales* of Björn Borg products January–June 2014. Total SEK 632 million (707)



* 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 product areas: Sportswear, fragrances, footwear, bags and eyewear.

Sportswear saw a decline in brand sales similar to underwear. Sales also decreased in the eyewear and fragrances product areas, while sales of luggage & bags and footwear were relatively unchanged. In total, sales of licensed products fell by 8 percent during the first half-year.

Markets first half–year 2014

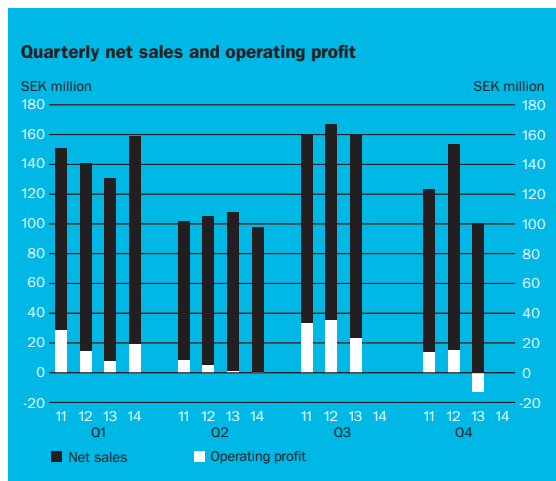
Among large markets, Belgium and Finland saw good growth, while other large markets – the Netherlands, Sweden, Denmark and Norway – reported declines. Among Björn Borg's smaller markets, England posted good growth numbers.

Björn Borg stores

No new Björn Borg stores were opened during the second quarter. As of June 30, 2014 there were a total of 38 (57) Björn Borg stores, of which 17 (17) are Group-owned. The smaller number of stores year-on-year is due to the previously announced retail reconstruction by the Dutch distributor, which has closed 19 stores since June 30, 2013.

THE GROUP'S DEVELOPMENT

Sales were lower during the second quarter and operating profit was practically unchanged compared with the same period in 2013.



Sales

Second quarter, April–June 2014

The Group's net sales amounted to SEK 97.0 million (105.8) during the second quarter, a decrease of 8 percent. The decrease excluding currency effects was 10 percent.

The quarterly sales decrease is partly due to lower sales of the summer collection and the current fall/winter collection of underwear and sportswear compared with the previous year. The Swedish wholesale company for underwear saw lower sales, partly as a result of delayed shipments until the third quarter. The British and Finnish wholesaling operations continued to perform positively, while the Swedish wholesale company for footwear had another tough quarter. The Group-owned retail operations reported a decline during the quarter, while e-commerce continued to develop strongly. Total royalties decreased as a result of lower brand sales during the quarter.

First half–year, January–June 2014

The Group's net sales amounted to SEK 239.8 million (236.5) during the first half-year, an increase of 1 percent. Excluding currency effects, sales were unchanged.

Previously announced shipment delays at the turn of the year in the product companies for underwear and sportswear have increased sales for 2014 by about SEK 25 million, while the declines for the summer and fall/winter 2014 collections have contributed negatively to the first half-year's sales. The

declines are partly due to the previously announced developments in the Netherlands, but also because Norway and Denmark reduced their preorders for both of these collections. For the first half-year as a whole, revenue in the two product companies still rose compared with the same period in 2013. The British and Finnish wholesaling operations continued to perform positively, while sales for the Swedish wholesale company for footwear decreased during the first half-year. After a stable first quarter for the Swedish wholesale operations, the second quarter outcome, as commented on above, resulted in lower revenue for the first half-year as a whole. Group-owned retail sales saw a slight decline, while e-commerce continued to perform strongly. Royalties decreased as a result of lower brand sales during the period.

Profit

Second quarter, April–June 2014

The gross profit margin for the second quarter improved slightly to 52.5 percent (52.1). Excluding currency effects, the margin would have been 52.7 percent.

Lower gross profit from a decrease in revenue in the underwear product company and in the Swedish wholesale operations was offset by lower operating expenses during the quarter, as a result of which operating profit only declined marginally to SEK 0.5 million (0.9). The operating margin was 0.5 percent (0.8). Operating expenses were SEK 5.4 million lower year-on-year. The discontinued operations in China contributed to the reduced costs at the same time new stores opened in Sweden, Finland and England, as well as further investments in e-commerce, added expenses.

Net financial items amounted to SEK 3.4 million (3.6). The realized and unrealized return on investments, less interest on the bond loan, positively affected the financial net by SEK 0.8 million (1.1). Profit before tax was SEK 3.9 million (4.5).

First half–year, January–June 2014

The gross profit margin for the first half-year increased to 52.7 percent (51.0). Excluding currency effects, the margin would have still been 52.7 percent.

The improved gross profit margin during the first half-year is the biggest reason why operating profit increased to SEK 19.6 million (10.1). The operating margin was 8.2 percent (4.2). Operating expenses decreased by SEK 5.8 million compared with the same period in 2013. The discontinued operations in China have contributed to the decrease at the same time new stores opened in Sweden, Finland and England, as well as further investments in e-commerce, have added expenses.

Net financial items amounted to SEK 4.1 million (1.5). The realized and unrealized return on investments, less interest on the bond loan, positively affected the Group's financial net by SEK 2.2 million (0.8). Profit before tax increased to SEK 23.7 million (11.6).

Business segment	Revenue source	Operating revenue, SEK thousands		Operating profit, SEK thousands		Operating margin	
		2014	2013	2014	2013	2014	2013
Brand	Royalties	35,631	36,286	8,284	6,383	23%	18%
Product development	Products	166,076	148,925	20,725	9,993	12%	7%
Wholesale	Wholesale revenues	100,839	121,287	-2,141	4,521	-2%	4%
Retail	Retailers	37,835	33,001	-7,298	-10,813	-19%	-33%
Less internal sales		-100,016	-100,314	-	-	-	-
Total		240,365	239,185	19,570	10,084	8%	4%

Development by business segment

The Group consists of a total of 13 companies, nine 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.

The business segment's operating revenue amounted to SEK 35.6 million (36.3) during the first half-year. External operating revenue decreased to SEK 16.3 million (17.3) as a result of the quarter's lower brand sales. 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 8.3 million (6.4), an increase of 30 percent for the period. The improved operating result is due to lower net operating expenses for branding activities during the first half-year.

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 operating revenue amounted to SEK 166.1 million (148.9) during the first half-year, an increase of 12 percent. External operating revenue amounted to SEK 104.6 million (96.6). The increase compared with the first half-year 2013 is due to the previously announced shipment delays in both product companies at the turn of the year compared with the same period a year earlier. The reason why the increase in this segment wasn't bigger was the decline in sales of the summer and fall/winter underwear collections during the period.

Operating profit increased to SEK 20.7 million (10.0) due to the higher sales as well as an improved gross profit margin in this segment. Operating expenses in the segment were in line with the first half-year 2013. Currency effects were limited during the period.

Wholesale

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

The business segment's operating revenue decreased by 17 percent to SEK 100.8 million (121.3) during the first half-year. External sales decreased to SEK 87.4 million (97.7). The British and Finnish operations saw sales growth, while the Group's Swedish underwear and footwear wholesaling had a weaker first half-year compared with the same period in 2013.

The operating loss amounted to SEK 2.1 million, against the year-earlier operating profit of SEK 4.5 million, due to the lower sales. Currency effects were limited during the period.

Retail

The Björn Borg Group owns and operates a total of 17 stores and factory outlets in Sweden, Finland and England that sell underwear, adjacent products, sportswear and other licensed products. Björn Borg also sells online through www.bjornborg.com.

As of January 1, 2014 revenue and expenses attributable to the Group-owned stores in Finland and England are also reported in this segment. These items previously were not reported separately from the wholesaling operations above due to the insignificant amounts.

Operating revenue in the Retail segment increased by 15 percent during the first half-year to SEK 37.8 million (33.0). External net sales rose by 16 percent during the first period to SEK 32.0 million (27.5). The increase is due to continued strong performance in e-commerce during the first half-year. Retail revenue declined slightly during the half-year despite the opening of more stores. Sales for outlets and comparable Björn Borg stores in Sweden decreased by 6 percent year-on-year.

The operating loss for the first half-year improved to SEK 7.3 million, against a year-earlier loss of SEK 10.8 million. The result is no longer charged with the operations in China.

Intra-Group sales

Intra-Group sales for the first half-year amounted to SEK 100.0 million (100.3).

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

The Group's cash flow from operating activities amounted to SEK 4.6 million (-2.5) during the first half-year. An improved operating result year-on-year was accompanied by increased tied-up working capital during the first six months of 2014. An increase in accounts receivable during the first six months of 2014 compared with the first six months of 2013 have been partly offset by an increase in accounts payable during the same period, compared with 2013.

Total investments in tangible and intangible non-current assets amounted to SEK 0.8 million (3.1) for the period.

FINANCIAL POSITION AND LIQUIDITY

The Björn Borg Group's cash & cash equivalents and investments amounted to SEK 176.8 million (189.2) at the end of the period. During the half-year cash & cash equivalents and investments decreased by SEK 42.0 million (90.9). The decrease in 2014 is mainly due to the year's distribution of SEK 37.7 million (75.4).

In April 2012 the company issued a bond loan on NASDAQ OMX Stockholm that carries an annual coupon rate corresponding to the 3-month STIBOR rate +3.25 percentage points, maturing in April 2017. After transaction expenses of about SEK 1.6 million for the bond loan and the repurchase of corporate bonds with a nominal value of SEK 10 million, the carrying amount of the bond loan amounted to SEK 188.4 million as of June 30, 2014.

The surplus liquidity from the issuance of the bond loan is 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 June 30 investments had been made in bonds with a book value of SEK 148.8 million, which represents the fair value on the same date, compared with SEK 136.5 million on December 31, 2013. 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 June 30,

2014 the ratio was 0.30 (0.45) and the equity/assets ratio was 44 percent (45). 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, 2013.

PERSONNEL

The average number of employees in the Group was 144 (165) for the 12-month period ended June 30, 2014, of whom 65 percent (60) are women.

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 42–43 and in note 3 in the annual report 2013.

EVENTS AFTER THE BALANCE SHEET DATE

Henrik Bunge took over as CEO of Björn Borg on August 1, 2014. There are otherwise no significant events to report following the conclusion of the reporting 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. In addition, the company owns 80 percent of the shares in Björn Borg UK, 51 percent of the shares in Björn Borg Sport BV, 75 percent of the shares in Björn Borg (China) Ltd and 75 percent of the shares in Björn Borg Finland Oy.

The Parent Company's net sales amounted to SEK 16.4 million (11.9) during the second quarter and SEK 29.7 million (24.6) during the first half-year.

The loss before tax amounted to SEK 2.1 million for the second quarter, against a year-earlier loss of SEK 5.7 million, while the loss before tax for the first half-year was SEK 11.2 million, against a year-earlier loss of SEK 17.6 million. Cash & cash equivalents and investments amounted to SEK 150.5 million (157.0) as of June 30, 2014. For the first six months of the year investments in tangible and intangible non-current assets amounted to SEK 0.1 million (0.5).

NUMBER OF SHARES

Björn Borg currently has 25,148,384 shares outstanding.

FINANCIAL OBJECTIVES

The financial objectives of Björn Borg's operations for the period 2010-2014 are as follows:

- Average annual organic growth of at least 10 percent
- An average annual operating margin of at least 20 percent
- An annual dividend of at least 50 percent of net profit
- Long-term cash reserves equivalent to 10-20 percent of annual sales.

Comments to the financial objectives:

The long-term 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 held on April 10, 2014 resolved to pay a distribution of SEK 1.50 (3.00) per share to the shareholders for the financial year 2013.

Kerstin Hessius, Fredrik Lövestedt, Mats H Nilsson and Isabelle Ducellier were re-elected to the Board of Directors with Fredrik Lövestedt as Chairman of the Board. Vilhelm Schottenius and Michael Storåkers stepped down as Directors, while Martin Bjäringer, Nathalie Schuterman and Anders Slettengren were elected as new Directors.

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 2013, as described on page 54 in the annual report 2013.

New and amended accounting principles

New or amended IFRS and IFRIC interpretations effective as of January 1, 2014 have not had a significant effect on the interim report or consolidated financial statements. For further information, see the annual report 2013.

During the winter and spring 2013-2014, in connection with the implementation of a new enterprise system, Björn Borg conducted a review of its external financial statements. Against this backdrop, management has determined that an income statement format based on type of cost instead of function as done before creates a more relevant and reliable income statement for users of Björn Borg's financial reports. Comparative figures in this interim report have been restated in accordance with the revised classification by cost.

AUDIT REPORT

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

OUTLOOK 2014

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

CONSOLIDATED INCOME STATEMENT Condensed

SEK thousands	Note	April–June 2014	April–June 2013	Jan–June 2014	Jan–June 2013	July 2013– June 2014	Full-year 2013
Net sales		96,969	105,758	239,752	236,544	499,255	496,048
Other operating revenue		387	2,013	613	2,641	1,170	3,198
Operating revenue		97,356	107,771	240,365	239,185	500,425	499,246
Goods for resale		-46,013	-50,659	-113,453	-115,928	-238,100	-240,574
Other external expenses	1	-23,651	-26,564	-54,095	-56,285	-122,191	-124,381
Staff costs		-25,026	-24,916	-48,635	-48,446	-100,608	-100,419
Depreciation/amortization of tangible/ intangible non-current assets		-1,921	-1,702	-3,848	-3,313	-7,363	-6,828
Other operating expenses		-223	-3,070	-764	-5,129	-1,519	-5,884
Operating profit		522	860	19,570	10,084	30,644	21,160
Net financial items		3,417	3,607	4,132	1,469	9,290	3,689
Profit before tax		3,939	4,467	23,702	11,553	39,934	24,849
Tax		-1,723	-1,052	-6,079	-2,131	-14,891	-10,943
Profit for the period		2,216	3,415	17,623	9,422	25,043	13,906
Profit for the period attributable to:							
Parent Company's shareholders		3,777	5,726	19,172	13,178	30,543	21,613
Non-controlling interests		-1,561	-2,311	-1,549	-3,756	-5,500	-7,707
Earnings per share before and after dilution, SEK		0.15	0.23	0.76	0.52	1.21	0.86
Number of shares		25,148,384	25,148,384	25,148,384	25,148,384	25,148,384	25,148,384

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME Condensed

SEK thousands	April–June 2014	April–June 2013	Jan–June 2014	Jan–June 2013	July 2013– June 2014	Full-year 2013
Net profit for the period	2,216	3,415	17,623	9,422	25,043	13,906
OTHER COMPREHENSIVE INCOME						
Components that may be reclassified to profit or loss						
Translation difference for the period	-2,264	-1,593	-2,251	-985	-3,289	-2,035
Accumulated translation difference reclassified to profit or loss for discontinued operations	-	-	-	-	-	12
Total other comprehensive income for the period	-2,264	-1,593	-2,251	-985	-3,289	-2,023
Total comprehensive income for the period	-48	1,822	15,372	8,437	21,754	11,883
Total comprehensive income for the period attributable to						
Parent Company's shareholders	2,055	4,133	17,488	12,193	27,821	19,590
Non-controlling interests	-2,103	-2,311	-2,116	-3,756	-6,067	-7,707

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Condensed

SEK thousands	Note	June 30 2014	June 30 2013	Dec 31 2013
Non-current assets				
Goodwill		19,097	18,570	18,966
Trademarks		187,532	187,532	187,532
Other intangible assets		3,950	4,607	4,748
Tangible non-current assets		14,495	14,471	16,519
Long-term receivable	2	11,600	–	13,400
Deferred tax assets		31,335	35,356	31,126
Total non-current assets		268,009	260,536	272,291
Current assets				
Inventories, etc.		45,041	43,853	39,031
Accounts receivable		58,446	81,454	52,321
Other current receivables		35,398	43,864	34,104
Investments	2	148,752	155,467	136,519
Cash & cash equivalents		28,052	33,768	82,304
Total current assets		315,689	358,406	344,279
Total assets		583,698	618,942	616,570
Equity and liabilities				
Equity		258,298	277,215	280,650
Deferred tax liabilities		40,850	44,587	39,694
Other non-current liabilities		20,616	27,455	24,115
Bond loan	2	188,377	192,603	192,927
Accounts payable		35,531	25,364	26,549
Other current liabilities		40,026	51,718	52,635
Total equity and liabilities		583,698	618,942	616,570

TOTAL EQUITY AND LIABILITIES

Condensed

SEK thousands	Equity attributable to Parent Company's shareholders	Non- controlling interests	Total equity
Opening balance, January 1, 2013	354,050	–9,835	344,216
Total comprehensive income for the period	12,193	–3,756	8,437
Distribution for 2012	–75,444	–	–75,444
Non-controlling interests that arose through acquisition	–	6	6
Closing balance, June 30, 2013	290,799	–13,585	277,215
Opening balance, January 1, 2013	354,050	–9,835	344,216
Total comprehensive income for the year	19,590	–7,707	11,883
Distribution for 2012	–75,445	–	–75,445
Non-controlling interests that arose through acquisition	–	6	6
Translation difference	–12	–	–12
Discontinued business	–4,003	4,003	–
Closing balance, December 31, 2013	294,180	–13,533	280,650
Opening balance, January 1, 2014	294,180	–13,533	280,650
Total comprehensive income for the period	17,488	–2,116	15,372
Distribution for 2013	–37,723	–	–37,723
Closing balance, June 30, 2014	273,946	–15,649	258,298

CONSOLIDATED STATEMENT OF CASH FLOWS

Condensed

SEK thousands	Note	April–June 2014	April–June 2013	Jan–June 2014	Jan–June 2013	Full-year 2013
Cash flow from operating activities						
Before changes in working capital		3,056	-2,458	20,945	-518	13,382
Changes in working capital		10,633	11,712	-16,300	-1,969	24,617
Cash flow from operating activities		13,689	9,254	4,645	-2,487	37,999
Investments in intangible non-current assets		-28	-119	-130	-366	-1,533
Investments in tangible non-current assets		-179	-1,438	-655	-2,695	-8,088
Business combinations	2	-	-	-	-6,547	-6,547
Disposal of subsidiaries		-	-	-	-	-2,369
Investments/divestments		32,145	13,910	-10,890	8,357	28,886
Cash flow from investing activities		31,938	12,353	-11,675	-1,251	10,349
Distribution		-37,723	-75,445	-37,723	-75,445	-75,445
Amortization of loans		-1,961	-1,140	-3,760	-3,211	-7,207
Repurchase of bond loan		-4,870	-	-4,870	-	-
Cash flow from financing activities		-44,554	-76,585	-46,353	-78,656	-82,652
Cash flow for the period		1,073	-54,978	-53,383	-82,394	-34,304
Cash & cash equivalents at beginning of period		27,836	89,171	82,304	116,195	116,195
Translation difference in cash & cash equivalents		-857	-425	-869	-33	413
Cash & cash equivalents at end of period		28,052	33,768	28,052	33,768	82,304

KEY FIGURES

Group

SEK thousands	April–June 2014	April–June 2013	Jan–June 2014	Jan–June 2013	July 2013– June 2014	Full-year 2013
Gross profit margin, %	52.5	52.1	52.7	51.0	52.3	51.5
Operating margin, %	0.5	0.8	8.2	4.3	6.1	4.3
Profit margin, %	4.1	4.2	9.9	4.9	8.0	5.0
Return on capital employed, %	10.5	14.8	10.5	14.8	10.5	7.0
Return on average equity, %	11.4	17.6	11.4	17.6	11.4	6.9
Profit attributable to Parent Company's shareholders	3,777	5,726	19,172	13,178	30,543	21,613
Equity/assets ratio, %	44.3	44.8	44.3	44.8	44.3	45.5
Equity per share, SEK	10.27	11.02	10.27	11.02	10.27	11.16
Investments in intangible non-current assets	28	119	130	366	1,297	1,533
Investments in tangible non-current assets	179	1,438	655	2,695	6,048	8,088
Business combinations	-	-	-	6,547	-	6,547
Depreciation, amortization and impairment losses for the period	-1,921	-1,702	-3,848	-3,313	-7,363	-6,828
Average number of employees	-	-	-	-	144	159

SUMMARY BY SEGMENT

Group

SEK thousands	April–June 2014	April–June 2013	Jan–June 2014	Jan–June 2013	July 2013– June 2014	Full-year 2013
Operating revenue						
Brand						
External revenue	6,633	6,434	16,282	17,346	37,307	38,371
Internal revenue	7,179	8,079	19,349	18,940	39,537	39,128
	13,812	14,513	35,631	36,286	76,844	77,499
Product development						
External revenue	41,488	46,580	104,639	96,626	195,102	187,090
Internal revenue	26,535	28,345	61,437	52,300	116,195	107,058
	68,023	74,925	166,076	148,926	311,297	294,148
Wholesale						
External revenue	31,601	39,732	87,446	97,710	194,123	204,386
Internal revenue	6,920	9,755	13,393	23,577	41,816	52,000
	38,521	49,487	100,839	121,287	235,939	256,386
Retail						
External revenue	17,635	15,025	31,998	27,504	73,893	69,399
Internal revenue	3,149	3,171	5,837	5,497	11,421	11,081
	20,784	18,196	37,835	33,001	85,314	80,480
Less internal sales	-43,784	-49,350	-100,016	-100,314	-208,969	-209,267
Operating revenue	97,356	107,771	240,365	239,185	500,425	499,246
Operating profit						
Brand	3,346	1,802	8,284	6,383	16,596	14,697
Product development	5,216	4,235	20,725	9,993	14,775	4,043
Wholesale	-6,537	-1,138	-2,141	4,520	8,865	15,526
Retail	-1,503	-4,039	-7,298	-10,812	-9,592	-13,106
Operating profit	522	860	19,570	10,084	30,644	21,160

Reconciliation between operating profit and profit before tax

The difference between operating profit for segments for which information must be disclosed, SEK 19,570 thousand (10,084), and profit before tax, SEK 23,702 thousand (11,553), is net financial items, SEK 4,132 thousand (1,469).

QUARTERLY DATA

Group

SEK thousands	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012
Net sales	96,969	142,783	99,275	160,228	105,759	130,786	138,735	165,963
Gross profit margin, %	52.5	52.8	52.1	51.8	52.1	50.1	51.9	50.9
Operating profit/loss	522	19,048	-12,534	23,610	860	9,225	15,085	35,222
Operating margin, %	0.5	13.3	neg	14.7	0.8	7.1	10.9	21.2
Profit/loss after financial items	3,939	19,987	-9,399	22,695	4,467	7,086	18,948	33,368
Profit margin, %	4.1	14.0	neg	14.2	4.2	5.4	13.7	20.1
Earnings per share								
before/after dilution, SEK	0.15	0.62	-0.40	0.74	0.23	0.30	0.45	1.11
Number of Björn Borg stores at end of period	38	38	38	54	57	57	60	59
of which Group-owned Björn Borg stores	17	17	17	16	17	17	17	13
Brand sales	249,963	382,081	331,665	482,268	275,379	431,815	376,244	484,938

PARENT COMPANY INCOME STATEMENT

Condensed

SEK thousands	Note	April–June 2014	April–June 2013	Jan–June 2014	Jan–June 2013	July 2013– June 2014	Full-year 2013
Net sales		16,446	11,935	29,739	24,614	55,102	49,977
Other operating revenue		-1,218	39	-1,178	80	-1,060	198
Operating revenue		15,228	11,974	28,561	24,694	54,042	50,175
Goods for resale		-43	-16	-72	-118	-196	-242
Other external expenses	1	-8,773	-8,633	-21,575	-19,772	-48,801	-46,997
Staff costs		-7,518	-7,899	-14,999	-15,565	-30,859	-31,425
Depreciation/amortization of tangible/ intangible non-current assets		-543	-571	-1,107	-1,146	-2,064	-2,103
Other operating expenses		-3	-118	-44	-367	-369	-692
Operating loss		-1,652	-5,263	-9,236	-12,274	-28,247	-31,284
Result from shares in subsidiaries		-	-	-	-	50,725	50,725
Group contributions received		-	-	-	-	43,755	43,755
Net financial items		-445	-458	-1,954	-5,330	-5,863	-9,239
Profit/loss before tax		-2,097	-5,721	-11,190	-17,604	60,370	53,957
Appropriations		-	-	-	-	295	295
Tax		-	-	-	403	-108	296
Profit/loss for the period		-2,097	-5,721	-11,190	-17,201	60,557	54,548
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the period		-2,097	-5,721	-11,190	-17,201	60,557	54,548

PARENT COMPANY BALANCE SHEET

Condensed

SEK thousands	Note	June 30 2014	June 30 2013	Dec 31 2013
Non-current assets				
Intangible non-current assets		516	520	595
Tangible non-current assets		3,733	5,426	4,627
Long-term receivable	2	11,600	-	13,400
Shares in Group companies		321,243	332,439	321,243
Total non-current assets		337,092	338,385	339,865
Current assets				
Receivables from Group companies		127,610	175,106	182,141
Current receivables		14,961	6,786	10,749
Investments	2	148,752	155,467	136,519
Cash & cash equivalents		1,735	1,537	41,559
Total current assets		293,058	338,896	370,968
Total assets		630,150	677,281	710,833
Equity and liabilities				
Equity		68,974	46,138	117,887
Untaxed reserves		1,888	2,183	1,888
Deferred tax		314	609	314
Bond loan	2	188,377	192,603	192,927
Due to Group companies		346,967	423,757	382,447
Accounts payable		8,122	2,947	5,407
Other current liabilities		15,508	9,044	9,963
Total equity and liabilities		630,150	677,281	710,833

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Condensed

SEK thousands	Jan–June 2014	Jan–June 2013	Full-year 2013
Opening balance	117,887	138,784	138,784
Distribution	-37,723	-75,445	-75,445
Total comprehensive income for the period	-11,190	-17,201	54,548
Closing balance	68,974	46,138	117,887

SUPPLEMENTARY DISCLOSURES

NOTE 1 OTHER EXTERNAL EXPENSES

	Group		Parent Company	
	Jan-Jun 2014	Jan-Jun 2013	Jan-Jun 2014	Jan-Jun 2013
Cost of premises	13,062	11,643	4,341	4,244
Selling expenses	10,883	14,273	1,540	3,931
Marketing expenses	15,037	12,251	7,557	4,702
Administrative expenses	11,749	13,138	7,036	6,827
Other	3,364	4,980	1,101	68
Total	54,095	56,285	21,575	19,772

NOTE 2 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 have been 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.

Net investments in the company's portfolio of corporate bonds amounted to SEK 10,890 thousand during the first half-year.

Financial assets at fair value through profit or loss

	Level 1	Level 2	Level 3
Securities held for trading	149,718	–	–
Derivatives held for trading	–	–966	–
Total assets	149,718	–966	–

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 June 30, 2014, with the exception of the bond loan, whose fair value amounted to SEK 183,350 thousand, compared with a carrying amount of SEK 188,377 thousand.

In 2013 the company granted an interest-bearing, SEK 17 million collateralized loan to the Dutch distributor expiring on March 31, 2017 with quarterly amortizations of SEK 900,000 as of December 31, 2013.

DEFINITIONS

Gross profit margin

Net sales less cost of goods sold divided by net sales.

Operating margin

Operating profit as a percentage of net sales.

Profit margin

Profit before tax as a percentage of net sales.

Equity/assets ratio

Equity as a percentage of total assets.

Return on capital employed

Profit after financial items (over a rolling 12-month period) plus financial expenses as a percentage of average capital employed.

Return on equity

Net profit (over a rolling 12-month period) according to the income statement as a percentage of average equity. Average equity is calculated by adding equity at January 1 to equity at December 31 and dividing by two.

Earnings per share/Earnings per share 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, August 20, 2014

Fredrik Lövestedt
Chairman

Martin Bjäringer
Board Member

Isabelle Ducellier
Board Member

Kerstin Hessius
Board Member

Mats H Nilsson
Board Member

Nathalie Schuterman
Board Member

Anders Slettengren
Board Member

Henrik Bunge
CEO

Upcoming information dates

The interim report January–September 2014 will be released on November 17, 2014.
The year-end report for 2014 will be released on February 19, 2015.

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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 August 20, 2014 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 as well as 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 2013 amounted to around SEK 1.5 billion, excluding VAT, at the consumer level. Group net sales amounted to SEK 496 million in 2013, with an average of 159 employees. The Björn Borg share has been listed on NASDAQ OMX Nordic in Stockholm since 2007.