

BJÖRN BORG

**BJÖRN BORG AB INTERIM REPORT
JANUARY – MARCH 2016**

SALES INCREASES

JANUARY 1 – MARCH 31, 2016

- The Group's net sales increased by 21 percent to SEK 158.1 million (131.1). Sales were not affected by exchange rates.
- The gross profit margin was 50.0 percent (53.6).
- Operating profit amounted to SEK 13.9 million (12.8).
- Profit after tax amounted to SEK 6.5 million (14.9).
- Earnings per share before dilution amounted to SEK 0.28 (0.61) and earnings per share after dilution amounted to SEK 0.28 (0.61).

QUOTE FROM THE CEO

“The performance of our own stores remains good and sales for comparable units increased by over 15 percent compared with Q1 2015. Our own e-commerce continues to post strong growth, +103 percent. In total, Björn Borg's sales rose during the first quarter 2016 by 21 percent versus the comparable quarter of 2015,” noted CEO Henrik Bunge.

SEK million	January- March 2016	January- March 2015	April 2015- March 2016	Full-year 2015
Net sales	158.1	131.1	601.3	574.3
Gross profit margin, %	50.0	53.6	51.6	52.4
Operating profit	13.9	12.8	59.7	58.6
Operating margin, %	8.8	9.8	9.9	10.2
Profit after tax	6.5	14.9	33.3	41.6
Earnings per share before dilution, SEK	0.28	0.61	1.46	1.79
Earnings per share after dilution, SEK	0.28	0.61	1.45	1.77
Brand sales*	419	394	1,477	1,443

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



CEO'S COMMENT

Björn Borg's spring collection has been well-received by consumers, with better sales than the previous year. The performance of our own stores remains good and sales for comparable units increased by over 15 percent compared with the first quarter of 2015. Our own e-commerce continues to post strong growth, up 103 percent. In total, Björn Borg's sales rose during the first quarter 2016 by 21 percent compared with the first quarter of 2015, which I am very pleased with.

We are seeing positive trends in Sweden, England, Finland and the Netherlands, but in Norway and Belgium sales have dipped. Growth is mainly being driven by two product groups: underwear and footwear. The sports apparel collection is somewhat below expectations.

The gross profit margin for the first quarter decreased to 50.0 percent, compared with 53.6 percent in the first quarter 2015. A higher share of discounted sales, a change in the distribution mix at the wholesale level and slightly stronger foreign currencies negatively affected the margin during the quarter.

The combination of higher revenue, a lower gross profit margin and slightly higher operating expenses led to an

increase in operating profit of only about 9 percent from the comparable quarter of 2015 to SEK 13.9 million (12.8).

Much of my personal focus during the quarter was on making sure that we follow through on the plan we have established. Under the motto "stick to the plan," we are focused on putting into action what we have decided and challenging ourselves to perform at our best, rather than adding more activities. I feel that we are continuously making progress in accordance with the process previously defined in our business plan, Northern Star.

Good communication is a key to a strong brand, and during the first quarter our campaigns were recognized in the Swedish Guldägget advertising awards and nominated in global ad contests such as The One Show and The Webby Awards. The first quarter's campaigns have generated great attention in the media, including for the launch of skin toned underwear for everyone.

I am proud of how much we have accomplished in a short time and that we have now posted another quarter that was better than the same period last year.

Head coach
Henrik Bunge



OPERATIONS

BRAND SALES

Sales improved in the first quarter, mainly of underwear, though footwear also performed well. As a result, brand sales (excluding VAT) rose by 6 percent to SEK 419 million (394). Adjusted for currency effects, brand sales increased by 8 percent for the quarter.

PRODUCT AREAS FIRST QUARTER 2016

Brand sales in the underwear product area improved by 14 percent in the first quarter. Underwear accounted for 56 percent (52) of brand sales.

Sports apparel saw a drop in brand sales of 4 percent in the quarter. Brand sales rose in the footwear product area, but fell for bags, eyewear and fragrances. In total, sales of licensed products dropped by 1 percent in the first quarter.

MARKETS FIRST QUARTER 2016

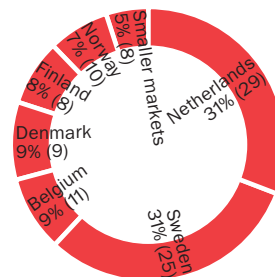
Among large markets, every country except Norway and Belgium reported growth. Sweden and the Netherlands saw the highest growth during the quarter, though Denmark, Finland and England also performed well. Smaller markets continue to decrease compared with the previous year.

BJÖRN BORG STORES

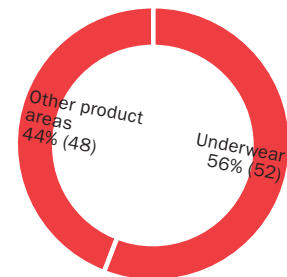
One new Björn Borg was opened during the first quarter, in Uppsala, Sweden, while two were closed, one in Finland and one in Belgium. As of March 31, 2016 there were a total of 40 (40) Björn Borg stores, of which 21 (18) are Group-owned.

BRAND SALES* OF BJÖRN BORG PRODUCTS JANUARY-MARCH 2016. TOTAL SEK 419 MILLION (394)

Country



Product area**



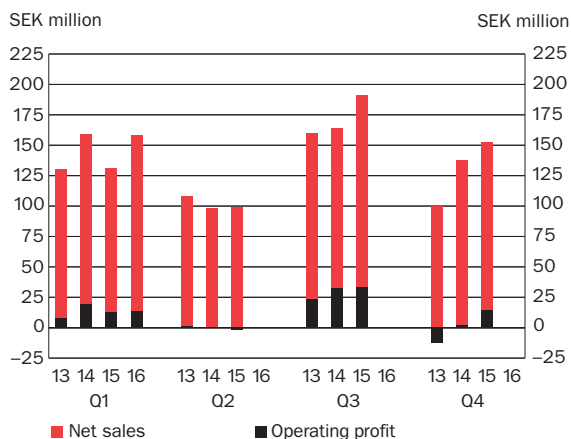
* Estimated total sales of Björn Borg products at the consumer level, excluding VAT, based on reported sales at the wholesale level.

** **Underwear:** Men's and women's underwear, swimwear, socks and adjacent products. **Other product areas:** Sports apparel, fragrances, footwear, bags and eyewear.

THE GROUP'S DEVELOPMENT

Sales improved significantly during the first quarter of the year with an operating profit that was slightly better than with the same period in 2015.

QUARTERLY NET SALES AND OPERATING PROFIT, 2013-2016



SALES

First quarter, January–March 2016

The Group's net sales amounted to SEK 158.1 million (131.1) in the first quarter, an increase of 21 percent. Sales were not affected by exchange rates compared with the previous year.

The positive sales trend compared with the first quarter of 2015 was mainly driven by the Group-owned wholesale and retail operations. The product companies' external revenue decreased from 2015, driven by the Norwegian market, which underperformed the previous year. All Group-owned companies, wholesale and retail, significantly increased their sales compared with the first quarter of 2015. The increases in Sweden, Finland and England are mainly due to broader distribution of underwear through sporting goods retailers, but also to growth from existing customers. The increase in the wholesale companies can be partly explained by a larger share of collection orders for customers' central warehouses, which generated sales earlier than

the previous year, when shipments were delivered directly to stores throughout the season.

The wholesale company for footwear is growing partly due to the distribution rights for Denmark, which the company has as of July 1, 2015, but also through growth in the Swedish market. The Swedish retail company had a very positive quarter as well and is growing both in absolute terms and for comparable stores. E-commerce also reported continued good growth. External royalties decreased because brand sales by external licensees fell during the quarter.

PROFIT

First quarter, January–March 2016

The gross profit margin for the first quarter decreased to 50.0 percent (53.6). The impact of exchange rates on the margin was marginal. The year-on-year decrease in the gross profit margin is due to increased price pressure in the market and a change in the distribution mix at the wholesale level. The product companies' margins were also affected by pressure on external distributors from lower realized margins in their markets.

Due to the combination of higher revenue, a lower gross profit margin and slightly higher operating expenses, operating profit only increased to SEK 13.9 million (12.8) during the quarter. The operating margin was 8.8 percent (9.8). Operating expenses excluding goods for resale were SEK 3.6 million higher year-on-year. A significant share of the increase is due to the higher number of Group-owned stores and increased logistical expenses as an effect of the higher net sales in the Group's own channels.

Net financial items amounted to SEK –4.3 million (5.0). The realized and unrealized return on investments, less interest on the bond loan, negatively affected the Group's financial net by SEK –1.6 million (1.1 million). The remaining decrease in net financial items compared with the previous year is mainly due to a revaluation of financial assets and liabilities in foreign currency, where the previous year had a strongly positive result while the quarterly result this year is negative. Profit before tax decreased to SEK 9.6 million (17.8).

Development by business segment

The Group operates through nine companies under the Björn Borg brand on every level from product development to wholesaling and consumer sales in its own Björn Borg stores.

Business segment	Revenue source	Operating revenue, SEK thousands		Operating profit, SEK thousands		Operating margin, %	
		2016	2015	2016	2015	2016	2015
Brand	Royalties	22,629	22,283	5,844	6,432	26	29
Product development	Products	88,877	96,808	6,124	9,283	7	10
Wholesale	Wholesale revenue	86,210	58,542	5,523	1,685	6	3
Retail	Retailers	32,361	20,542	–3,600	–4,572	–11	–22
Less internal sales		–73,166	–64,116	–	–	–	–
Total		156,911	134,059	13,891	12,828	9	10

Brand

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

The business segment's operating revenue amounted to SEK 22.6 million (22.3) during the first quarter 2016. External operating revenue decreased to SEK 9.3 million (11.5), which is a result of lower brand sales by licensees and certain distributors. Royalties as a percentage vary between product categories, due to which there is not always a precise correlation between royalties and brand sales.

Operating profit decreased to SEK 5.8 million (6.4) for the quarter. The decline in operating result is due to lower revenue.

Product development

The Björn Borg Group has global responsibility for development, design and production of underwear, sports apparel and adjacent products.

The business segment's operating revenue amounted to SEK 88.9 million (96.8) during the first quarter 2016, a decrease of 8 percent. External operating revenue fell even more, by 19 percent, to SEK 42.6 million (52.9). The decrease is mainly due to a weak Norwegian market and because distributors in smaller markets are reducing their purchases or have been terminated.

Operating profit decreased to SEK 6.1 million (9.3) due to the lower sales and slightly higher operating expenses.

Wholesale

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

The business segment's operating revenue increased by 47 percent to SEK 86.2 million (58.5) during the first quarter 2016. External operating revenue amounted to SEK 77.0 million (51.7). Swedish wholesaling of underwear and sports apparel as well as wholesale footwear sales accounted for the large part of the increase during the quarter. The increase is mainly driven by broader distribution of underwear to sporting goods retailers as well as the distribution rights for footwear in Denmark, which apply as of July 1, 2015. The increase can be partly explained by a larger share of collection orders for customers' central warehouses, which generated sales earlier than the previous year, when shipments were delivered directly to stores throughout the season. The British and Finnish operations are also growing, but at a slightly slower pace.

Operating profit amounted to SEK 5.5 million (1.7) driven by the revenue increase, but with a lower gross profit margin due to price pressure and a change in the distribution mix.

Retail

The Björn Borg Group owns and operates a total of 21 stores and factory outlets in Sweden, Finland and England that sell underwear, sports apparel, adjacent products and other licensed products. Björn Borg also sells online through www.bjornborg.com.

Operating revenue in the Retail segment increased by 58 percent in the first quarter to SEK 32.4 million (20.5). External net sales rose by 55 percent in the first quarter to SEK 27.9 million (18.0). The increase is due to both e-commerce, which continues to grow, and the positive development by Group-owned stores during the period. E-commerce sales

increased by 103 percent to SEK 12.4 million (6.0). Sales for outlets and comparable Björn Borg stores in Sweden rose by 15 percent year-on-year.

The operating loss for the first quarter 2016 was SEK 3.6 million, against a year-earlier loss of SEK 4.6 million. The improved result is due to higher revenue during the quarter, although the gross profit margin decreased due to price pressure in the market.

Intra-Group sales

Intra-Group sales for the first quarter 2016 amounted to SEK 73.2 million (64.1).

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 +1.5 million (-0.5) in the first quarter 2016. Despite a better operating profit and a year-on-year improvement in tied-up working capital, cash flow was only slightly better than the same quarter in 2015. The modest increase in cash flow is due to realized exchange rate differences on assets in foreign currency.

Total investments in tangible and intangible non-current assets amounted to SEK 0.7 million (0.3) for the period.

FINANCIAL POSITION AND LIQUIDITY

The Björn Borg Group's cash & cash equivalents and investments amounted to SEK 123.3 million (214.2) at the end of the period, with interest-bearing liabilities (bond loan) of SEK 146.7 million (185.0).

In April 2012 the company issued a bond loan that is listed on Nasdaq Stockholm and carries an annual coupon rate corresponding to the 3-month STIBOR rate plus 3.25 percentage points, maturing in April 2017.

The surplus liquidity arising from the issuance of the bond loan and the convertible plan 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 March 31 investments had been made in bonds with a book value of SEK 73.8 million, which represents the fair value on the same date, compared with SEK 132.7 million on March 31, 2015. During the period bonds were repurchased for SEK 8.0 million.

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, 2016 the ratio was 0.62 (-0.50) and the equity/assets ratio was 53.6 percent (49.7). 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 other changes were made with regard to pledged assets and contingent liabilities compared with December 31, 2015.

PERSONNEL

The average number of employees in the Group was 132 (130) for the 12-month period ended March 31, 2016, of whom 69 percent (67) are women.

RELATED PARTY TRANSACTIONS

There were no transactions with related parties 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 78-79 and in note 3 in the annual report 2015.

PARENT COMPANY

Björn Borg AB (publ) is primarily engaged in intra-Group activities. As of March 31, 2016 the company also owns 100 percent of the shares in Björn Borg Brands AB, Björn Borg Footwear AB, Björn Borg Sport BV, Björn Borg Inc. and Björn Borg Services AB. In addition, the company owns 75 percent of the shares in Björn Borg (China) Ltd, 80 percent of the shares in Björn Borg UK and 75 percent of the shares in Björn Borg Finland Oy.

The Parent Company's net sales for the first quarter amounted to SEK 16.3 million (13.2).

The loss before tax amounted to SEK 7.2 million for the first quarter, against a year-earlier loss of SEK 10.7 million. Cash & cash equivalents and investments amounted to SEK 76.6 million (143.2) as of March 31, 2016. For the period, investments in tangible and intangible non-current assets amounted to SEK 0.4 million (0.1).

EVENTS AFTER THE BALANCE SHEET DATE

During the second quarter Björn Borg AB acquired the shares held by the minority shareholder of Björn Borg UK Limited (20 percent), following which Björn Borg UK is a wholly owned subsidiary. The former minority shareholder is exiting the company during the second quarter.

NUMBER OF SHARES

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

FINANCIAL OBJECTIVES

The Board of Directors of Björn Borg has established a business plan for the period 2015-2019 with the following long-term financial objectives for operations:

- By the financial year 2019 the Group will reach sales of SEK 1 billion with an operating margin of 15 percent
- An annual dividend of at least 50 percent of net profit
- The equity/assets ratio should not fall below 35 percent.

Comments to the financial objectives:

The sales objective for 2019 corresponds to average annual organic growth of 14 percent. The sales increase, along with the increase in the operating margin, is expected to come from new product groups in sports fashion as well as expanded geographical distribution within all the product groups.

ANNUAL GENERAL MEETING

The Annual General Meeting for the financial year 2015 will be held at 5:30 pm (CET) on May 19, 2016 in Stockholm. The Board of Directors has decided to recommend to the AGM a distribution of SEK 2.00 (1.50) per share for the financial year 2015, corresponding to 112 percent of net profit. As proposed, the distribution would be paid through an automatic redemption, where every share is divided into one common share and one redemption share. The redemption shares will then automatically be redeemed for SEK 2.00 per share. Payment for the redemption shares, contingent on the approval of the AGM, is expected to be made around June 22, 2016.

The Board of Directors' proposal corresponds to a transfer to shareholders of SEK 50.3 million (37.7). A distribution of SEK 1.50 per share was paid for 2014, corresponding to 77 percent of net profit.

ACCOUNTING PRINCIPLES

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 2015, as described on page 95 in the annual report 2015.

New and amended accounting principles

New or amended IFRS and IFRIC interpretations effective as of January 1, 2016 have not had a material effect or impact on the interim report or consolidated financial statements.

AUDIT REPORT

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

OUTLOOK 2016

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

CONSOLIDATED INCOME STATEMENT CONDENSED

SEK thousands	Note	January- March 2016	January- March 2015	April 2015- March 2016	Full-year 2015
Net sales		158,065	131,081	601,312	574,328
Other operating revenue		-1,154	2,978	6,038	10,170
Operating revenue		156,911	134,059	607,350	584,498
Goods for resale		-78,972	-60,769	-291,329	-273,126
Other external expenses	1	-35,388	-31,441	-140,082	-136,135
Staff costs		-25,618	-26,147	-105,484	-106,013
Depreciation/amortization of tangible/intangible non-current assets		-1,625	-1,861	-6,356	-6,592
Other operating expenses		-1,417	-1,014	-4,443	-4,040
Operating profit		13,891	12,828	59,656	58,592
Net financial items		-4,312	4,954	-10,297	-1,032
Profit before tax		9,579	17,781	49,359	57,560
Tax		-3,044	-2,916	-16,045	-15,917
Profit for the period		6,535	14,865	33,314	41,643
Profit for the period attributable to:					
Parent Company's shareholders		7,113	15,452	36,724	45,062
Non-controlling interests		-578	-587	-3,410	-3,419
Earnings per share before dilution, SEK		0.28	0.61	1.46	1.79
Earnings per share after dilution, SEK		0.28	0.61	1.45	1.77
Number of shares		25,148,384	25,148,384	25,148,384	25,148,384

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME CONDENSED

SEK thousands	Note	January- March 2016	January- March 2015	April 2015- March 2016	Full-year 2015
Net profit for the period		6,535	14,865	33,314	41,643
OTHER COMPREHENSIVE INCOME					
Components that may be reclassified to profit or loss					
Translation difference for the period		2,831	-3,977	3,921	-2,887
Total other comprehensive income for the period		2,831	-3,977	3,921	-2,887
Total comprehensive income for the period		9,366	10,888	37,235	38,756
Total comprehensive income attributable to					
Parent Company's shareholders		9,421	12,210	39,635	42,423
Non-controlling interests		-55	-1,322	-2,401	-3,668

CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONDENSED

SEK thousands	Note	March 31 2016	March 31 2015	Dec 31 2015
Non-current assets				
Goodwill		19,116	19,144	19,064
Trademarks		187,532	187,532	187,532
Other intangible assets		2,483	3,889	2,740
Tangible non-current assets		9,022	11,144	10,076
Long-term receivable	2	8,900	8,900	8,900
Deferred tax assets		32,301	31,471	35,315
Total non-current assets		259,354	262,080	263,627
Current assets				
Inventory		72,501	46,794	75,851
Accounts receivable		82,154	54,413	87,816
Other current receivables		22,854	19,659	19,579
Investments	2	73,760	132,596	80,909
Cash & cash equivalents		49,517	81,615	50,643
Total current assets		300,786	335,078	314,799
Total assets		560,140	597,158	578,425
Equity and liabilities				
Equity		300,042	296,596	290,675
Deferred tax liabilities		41,993	38,012	41,969
Other non-current liabilities		20,376	11,417	20,294
Bond loan	2	146,654	184,995	154,538
Accounts payable		8,008	13,528	21,019
Other current liabilities		43,067	52,610	49,931
Total equity and liabilities		560,140	597,158	578,425

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CONDENSED

SEK thousands	Note	Equity attributable to Parent Company's shareholders	Non- controlling interests	Total equity
Opening balance, January 1, 2015		290,353	-4,645	285,708
Total comprehensive income for the period		12,210	-1,322	10,888
Closing balance, March 31, 2015		302,563	-5,967	296,596
Opening balance, January 1, 2015		290,353	-4,645	285,708
Total comprehensive income for the period		42,423	-3,668	38,755
Distribution for 2014		-37,723		-37,723
Shareholder contribution paid			1,580	1,580
Issuance of warrants		1,200		1,200
Warrant premium convertible		1,154		1,154
Closing balance, December 31, 2015		297,408	-6,733	290,675
Opening balance, January 1, 2016		297,408	-6,733	290,675
Total comprehensive income for the period		9,421	-55	9,366
Closing balance, March 31, 2016		306,829	-6,788	300,042

CONSOLIDATED STATEMENT OF CASH FLOWS CONDENSED

SEK thousands	January- March 2016	January- March 2015	Full-year 2015
Cash flow from operating activities			
Before changes in working capital	11,168	15,840	48,534
Changes in working capital	-9,711	-16,330	-66,343
Cash flow from operating activities	1,457	-490	-17,809
Investments in intangible non-current assets	-61	-136	-301
Investments in tangible non-current assets	-590	-192	-4,746
Sale of non-current assets	-	74	129
Investments in/sale of investments	5,528	-85	47,657
Cash flow from investing activities	4,877	-339	42,739
Distribution	-	-	-37,723
Amortization of loans	-	-1,875	-7,500
Issue of warrants/convertibles	-	-	18,510
Repurchase of bond loan	-8,045	-2,902	-33,844
Cash flow from financing activities	-8,045	-4,777	-60,557
Cash flow for the period	-1,710	-5,606	-35,627
Cash & cash equivalents at beginning of year	50,643	85,080	85,080
Translation difference in cash & cash equivalents	585	2,141	1,190
Cash & cash equivalents at end of the period	49,517	81,615	50,643

KEY FIGURES

GROUP

SEK thousands	January- March 2016	January- March 2015	April 2015- March 2016	Full-year 2015
Gross profit margin, %	50.0	53.6	51.6	52.4
Operating margin, %	8.8	9.8	9.9	10.2
Profit margin, %	6.1	13.6	8.2	10.0
Return on capital employed, %	12.0	13.5	12.0	14.8
Return on average equity, %	12.3	16.4	12.3	15.6
Profit attributable to Parent Company's shareholders	7,113	15,452	36,724	45,062
Equity/assets ratio, %	53.6	49.7	53.6	50.3
Equity per share, SEK	11.93	11.79	11.93	11.56
Investments in intangible non-current assets	61	136	226	301
Investments in tangible non-current assets	590	192	5,144	4,746
Depreciation, amortization and impairment losses for the period	-1,625	-1,861	-8,641	-6,592
Average number of employees	-	-	132	132

SUMMARY BY SEGMENT GROUP

SEK thousands	January- March 2016	January- March 2015	April 2015- March 2016	Full-year 2015
Operating revenue				
Brand				
External revenue	9,339	11,495	32,591	34,747
Internal revenue	13,290	10,788	52,093	49,591
	22,629	22,283	84,684	84,338
Product development				
External revenue	42,648	52,859	227,852	238,062
Internal revenue	46,229	43,949	226,351	224,071
	88,877	96,808	454,203	462,133
Wholesale				
External revenue	76,977	51,694	232,414	207,131
Internal revenue	9,233	6,848	30,426	28,041
	86,210	58,542	262,840	235,172
Retail				
External revenue	27,947	18,013	114,491	104,557
Internal revenue	4,414	2,529	12,916	11,031
	32,361	20,542	127,407	115,589
Less internal sales	-73,166	-64,116	-321,784	-312,734
Operating revenue	156,911	134,059	607,350	584,498
Operating profit				
Brand	5,844	6,432	23,591	24,179
Product development	6,124	9,283	34,266	37,425
Wholesale	5,523	1,685	-227	-4,065
Retail	-3,600	-4,572	2,025	1,053
Operating profit	13,891	12,828	59,655	58,592

Reconciliation between operating profit and profit before tax

The difference between operating profit for segments for which information must be disclosed, SEK 13,891 thousand (12,828), and profit before tax, SEK 9,579 thousand (17,781), is net financial items, SEK -4,312 thousand (4,954).

QUARTERLY DATA GROUP

SEK thousands	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Net sales	158,065	152,618	191,430	99,199	131,081	135,278	163,723	96,969
Gross profit margin, %	50.0	51.8	51.9	53.0	53.6	54.1	52.4	52.5
Operating profit/loss	13,891	14,554	32,872	-1,662	12,828	3,559	32,821	522
Operating margin, %	8.8	9.5	17.2	neg	9.8	2.6	20.0	0.5
Profit/loss after financial items	9,579	11,855	29,510	-1,585	17,781	5,612	33,834	3,939
Profit margin, %	6.1	7.8	15.4	neg	13.6	4.1	20.7	4.1
Earnings per share before dilution, SEK	0.28	0.34	0.88	-0.04	0.61	0.18	1.00	0.15
Earnings per share after dilution, SEK	0.28	0.29	0.84	-0.04	0.61	0.18	1.00	0.15
Number of Björn Borg stores at end of period	40	41	38	38	40	41	38	38
of which Group-owned Björn Borg stores	21	21	18	17	18	18	17	17
Brand sales	424,685	330,214	472,865	249,063	394,206	342,904	452,422	253,976

PARENT COMPANY INCOME STATEMENT CONDENSED

SEK thousands	Note	January- March 2016	January- March 2015	April 2015- March 2016	Full-year 2015
Net sales		16,280	13,173	55,465	52,358
Other operating revenue		2,161	121	7,664	5,624
Operating revenue		18,441	13,294	63,129	57,982
Goods for resale		-2	-	-26	-24
Other external expenses	1	-11,534	-10,575	-52,227	-51,268
Staff costs		-8,036	-10,753	-39,435	-42,152
Depreciation/amortization of tangible/intangible non-current assets		-527	-473	-1,927	-1,873
Other operating expenses		-373	-69	-307	-3
Operating loss		-2,031	-8,576	-30,793	-37,338
Result from shares in subsidiaries		-	-	43,769	43,769
Net financial items		-5,211	-2,110	-18,535	-15,434
Loss after financial items		-7,242	-10,686	-5,559	-9,003
Group contributions received		-	-	48,054	48,054
Profit/loss before tax		-7,242	-10,686	42,495	39,051
Tax		-	-	47	47
Profit/loss for the period		-7,242	-10,686	42,542	39,098
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-7,242	-10,686	42,542	39,098

PARENT COMPANY BALANCE SHEET CONDENSED

SEK thousands	Note	March 31 2016	March 31 2015	Dec 31 2015
Non-current assets				
Intangible assets		261	354	284
Tangible non-current assets		2,748	2,488	3,118
Long-term receivable	2	8,900	8,900	8,900
Deferred tax		1,008	961	1,008
Shares in Group companies		353,882	335,331	353,882
Total non-current assets		366,799	348,034	367,192
Current assets				
Receivables from Group companies		329,808	400,671	330,805
Current receivables		13,561	13,811	15,198
Investments	2	73,760	132,596	80,909
Cash & cash equivalents		2,880	10,624	25,717
Total current assets		420,010	557,702	452,629
Total assets		786,809	905,736	819,821
Equity and liabilities				
Equity		140,630	133,457	147,872
Untaxed reserves		1,014	1,014	1,014
Bond loan	2	146,654	184,995	154,538
Other non-current liabilities	2	20,376	5,792	20,294
Due to Group companies		464,127	554,603	480,250
Accounts payable		4,412	4,520	2,637
Other current liabilities		9,596	21,355	13,216
Total equity and liabilities		786,809	905,736	819,821

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY CONDENSED

SEK thousands	January- March 2016	January- March 2015	Full-year 2015
Opening balance	147,872	144,143	144,143
Distribution	–	–	–37,723
Issuance of warrants	–	–	1,200
Warrant premium convertible	–	–	1,154
Total comprehensive income for the period	–7,242	–10,686	39,098
Closing balance	140,630	133,457	147,872

SUPPLEMENTARY DISCLOSURES

NOTE 1 OTHER EXTERNAL EXPENSES

SEK thousands	Group		Parent Company	
	Jan-Mar 2016	Jan-Mar 2015	Jan-Mar 2016	Jan-Mar 2015
Cost of premises	7,819	6,873	2,801	2,703
Selling expenses	11,178	8,460	482	438
Marketing expenses	6,886	8,831	3,143	4,349
Administrative expenses	6,106	6,140	3,253	2,319
Other	3,399	1,137	1,855	766
Total	35,388	31,441	11,534	10,575

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 Stockholm 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 divestments in the company's portfolio of corporate bonds amounted to SEK 5,528 thousand during the quarter.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

SEK thousands	Level 1	Level 2	Level 3
Securities held for trading	73,733		
Derivatives held for trading		27	
Contingent consideration (liability)			–4,138
Net	73,733	27	–4,138

Björn Borg has recognized a liability for the contingent consideration to the sellers of the minority interest in Björn Borg Sport BV at fair value. The amount as of March 31, 2016 was SEK 4,138 thousand (5,792) and is included in level 3. The carrying amount of financial instruments recognized at amortized cost corresponds to the fair value as of March 31, 2016.

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

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 19, 2016

Fredrik Lövestedt
Chairman

Martin Bjäringer
Board member

Isabelle Ducellier
Board member

Kerstin Hessius
Board member

Mats H Nilsson
Board member

Heiner Olbrich
Board member

Nathalie Schuterman
Board member

Henrik Bunge
CEO

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 (per rolling 12-month period) plus financial expenses as a percentage of average capital employed.

RETURN ON EQUITY

Net profit (per 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 in relation to the weighted average number of shares during the period.

EARNINGS PER SHARE AFTER DILUTION

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

BRAND SALES

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

FINANCIAL CALENDAR 2016

Interim report January-June 2016 on August 19, 2016

Interim report January-September 2016 on November 14, 2016

Year-end report for 2016 on February 17, 2016

FINANCIAL REPORTS

Financial reports can be downloaded from the company's website, www.bjornborg.com or ordered by telephone +46 8 506 33 700 or by e-mail info@bjornborg.com.

SHAREHOLDER CONTACT

Henrik Bunge, CEO

E-mail: henrik.bunge@bjornborg.com

Tel: +46 8 506 33 700

Daniel Grohman, CFO

E-mail: daniel.grohman@bjornborg.com

Tel: +46 8 506 33 700

ABOUT THE BJÖRN BORG GROUP

The Group owns the Björn Borg trademark and its core business is sports apparel and underwear. It also offers footwear, 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 2015 amounted to about SEK 1.4 billion, excluding VAT, at the consumer level. Group net sales amounted to SEK 574 million in 2015, with an average of 132 employees. The Björn Borg share has been listed on Nasdaq Stockholm since 2007.

IMAGES IN THE YEAR-END REPORT

The images in the interim report are from Björn Borg's spring/summer 2016 collection.

Björn Borg AB
Tulegatan 11
SE-113 53 Stockholm, Sweden
www.bjornborg.com

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 19, 2016 at 5:30 pm (CET).