

Björn Borg listed on Stockholm Stock Exchange



January 1 – March 31, 2007

- Brand sales increased by 75 percent to SEK 513 million (293).
- The Group's net sales rose by 60 percent to SEK 118.7 million (74.2).
- Operating profit rose by 109 percent to SEK 31.4 million (15.1).
- Profit after tax increased by 108 percent to SEK 22.6 million (10.9).
- Earnings per share increased by 102 percent to SEK 3.84 (1.89). Calculated after the share split in April 2007, earnings per share amounted to SEK 0.96 (0.47).
- The gross profit margin amounted to 50.4 percent (48.3).

Important events

- Two new concept stores were opened: one Group-owned store in Sweden and one franchise store in the Netherlands.
- On February 21, 2007 the Company completed a new share issue that generated proceeds of approximately SEK 100 million.
- New operational goals and financial targets have been established by the Board of Directors.
- The Company completed a 4-for-1 share split on April 27, 2007.
- Björn Borg AB was listed on May 7, 2007 on the Stockholm Stock Exchange's Nordic Mid Cap list.
- The Parent Company changed its name from Worldwide Brand Management AB to Björn Borg AB.

Comments from the President

"The expectations Björn Borg faces are high – from ourselves and from the capital market – and I am proud that we continue to produce such fine results. The quarter shows that we are growing strongly in our more established markets, and we are also beginning to gain a foothold in our newer markets, England and Germany, with a number of new retailers expected by autumn," says Nils Vinberg, President of Björn Borg.

SEK million	January–March 2007	January–March 2006	April 2006–March 2007	Full-year 2006
SEK million	513	293	1 624	1 404
Net sales	118.7	74.2	369.0	324.6
Gross profit margin, %	50.4	48.3	51.1	50.7
Operating profit	31.4	15.0	98.2	81.9
Operating margin, %	26.5	20.2	26.6	25.2
Profit before tax	31.4	15.1	97.8	81.4
Earnings per share, SEK	3.84	1.89	11.89	10.19
Earnings per share after dilution, SEK	3.75	1.88	11.65	10.14
Earnings per share after spli, SEK*	0.96	0.47	2.97	2.55
Earnings per share after dilution and spli, SEK**	0.94	0.47	2.91	2.53

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

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

President's comment

The Björn Borg brand continued to strengthen its position with fantastic figures during the first quarter. Brand sales increased by 75 percent compared with the same period last year, when we also posted record growth.

The clothing product area accounts for the large part of the Björn Borg brand's sales and continued to grow very strongly during the quarter. Eyewear, bags and fragrances also reported fine growth numbers. On the other hand, we are not satisfied with shoes, where sales are below expectations. We are reviewing our shoe operations to create better opportunities for growth.

The Group also reported very strong growth in sales and earnings during the quarter. Sales rose by 60 percent and reached approximately SEK 119 million, which was almost as high as the Company's annual turnover when we were listed on First North in 2004.

Growth through new markets and expanded product range

We are taking it step by step in new markets. During the quarter we increased distribution by adding around 25 new retailers in Germany and around 30 in England, including the prestigious department store Harvey Nichols in London. The first deliveries to these stores are expected in the third and fourth quarters. At the same time we are working to evaluate expansion opportunities in other countries. I think it is likely that we will add distributors in at least two new markets during the year.

In the near term the brand will continue to grow primarily within our current product areas, including by expanding to related product groups. One example is Björn Borg Lounge Wear, a new collection of casual but stylish clothing we launched in April.

The one thing that distinguished our work in the last quarter was the preparations for our listing on the Stockholm Stock Exchange on May 7. I think it is positive in every respect that Björn Borg is now in a position that will facilitate broader ownership while making the Company more visible and transparent.

Nils Vinberg
President

Operations

Brand sales

Estimated brand sales, i.e., sales of Björn Borg products at the consumer level including VAT based on reported wholesale sales, amounted to SEK 513 million (293) during the first quarter, an increase of 75 percent year-to-year. On a rolling 12-month basis, brand sales amounted to SEK 1,624 million.

Clothing grew by 106 percent compared with the same quarter of the previous year. The shoes product area, on the other hand, decreased by 7 percent year-to-year. The external product areas for bags, eyewear and fragrances are reporting very positive growth.

Growth is being generated almost entirely in established markets, with the Netherlands, Denmark and Norway growing the fastest. Sweden also had a strong sales trend during the quarter.



Concept stores

During the first quarter the Group opened a new Björn Borg concept store in Linköping. In addition, the Dutch franchisee opened a new concept store. At the end of the period there were 26 (17) concept stores, of which 9 (6) are Group-owned. During the third quarter a new, Group-owned Björn Borg concept store will open in Stockholm. The Dutch franchisee will open two more stores during the second quarter and one in the third quarter.

Brand sales* of Björn Borg products first quarter 2007
Total SEK 513 million (293)

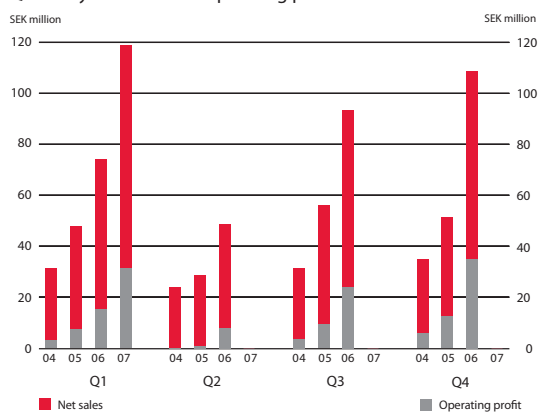


*Estimated total sales of Björn Borg products at the consumer level including VAT based on reported wholesale sales.

The Group's development

The Group developed very positively during the first quarter, with continued sales growth and a strong earnings improvement.

Quarterly net sales and operating profit



Sales

First quarter, January–March 2007

Group sales during the first quarter amounted to SEK 118.7 million (74.2), an increase of 60 percent due to very positive performance by all business segments.

Profit

First quarter, January–March 2007

The gross profit margin in the first quarter rose to 50.4 percent (48.3), mainly due to the acquisition of the Björn Borg trademark, though also to a positive exchange rate effect. On a rolling 12-month basis the gross profit margin was 51.1 percent.

Operating profit amounted to SEK 31.4 million (15.0), with an operating margin of 26.5 percent (20.2). Profit after financial items improved to SEK 31.4 million (15.1) during the first quarter. The improvement is mainly attributable to substantially higher sales in both domestic and export markets.

Costs incurred as a result of the Company's listing on the Stockholm Stock Exchange are estimated at SEK 2.5 million and will be charged against profit in the second quarter of 2007.

Operating expenses decreased as a share of sales to 24.0 percent, against 28.1 percent in the same quarter of 2006.

The number of shares outstanding at the end of the period amounted to SEK 6,080,396. Earnings per share amounted to SEK 3.84 (1.89) for the quarter. Earnings per share calculated after the exercise of outstanding warrants amounted to SEK 3.75 (1.88). After completing the share split on April 27, 2007 the number of shares was 24,321,584. Calculated after the share split in April 2007, earnings per share amounted to SEK 0.96 (0.47).

Development by business segment

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

Brand and other

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

Net sales for the first quarter reached SEK 26.3 million (17.7), an increase of 49 percent.

Operating profit amounted to SEK 10.8 million (6.8) for the first quarter of 2007. Profit has improved mainly as a result of the strong sales trend in the network, though also from the acquisition of the Björn Borg trademark.

Product development

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

The segment's net sales amounted to SEK 80.6 million (45.7) during the quarter, an increase of 76 percent.

The main reason for the significant growth is substantially higher exports in the clothing product area. The Netherlands, Denmark and Norway are the markets that have grown the most. Sweden also reported strong growth.

Operating profit rose to SEK 9.7 million (3.8) owing to the volume increase.

Distribution

The Björn Borg Group is the exclusive distributor in the clothing product area as well as the shoe product area in the Swedish market.

Net sales in the Distribution segment rose to SEK 49.4 million (35.0) during the quarter, or by 41 percent. Growth is mainly due to substantially higher sales in the clothing product area, while shoes reported a negative trend.

Operating profit rose to SEK 10.6 million (3.7), mainly due to higher sales.

Retail

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

Net sales in the Retail segment amounted to SEK 10.2 million (6.8) during the quarter, an increase of 50 percent. The increase for comparable stores was 21 percent.

Operating profit decreased to SEK 0.4 million (0.7), mainly due to the renovation of existing concept stores.

Intra-Group sales

Intra-Group sales amounted to SEK 47.8 million (31.0) during the quarter.



Seasonal variations

The Björn Borg Group is active in an industry with seasonal variations. Sales and earnings vary by quarter. With the current product mix, the second quarter is generally the weakest in terms of profit. See the figure on sales and operating profit on page 3.

Investments and cash flow

Cash flow from operating activities in the Group amounted to SEK 10.4 million (2.5) for the period January–March 2007. Changes in working capital are mainly due to inventory increases resulting from the positive sales trend.

Total investments in tangible and intangible non-current assets amounted to SEK 4.6 million (0.3) during the period, the large part of which is attributable to the construction and renovation of concept stores.

Changes in financing activities are mainly due to the new share issue and repayment of loans. The increase in cash & cash equivalents amounted to SEK 54.4 million (2.2) for the period.

Financial position and liquidity

The Björn Borg Group's cash & cash equivalents (net cash balance) amounted to SEK 113.9 million (60.3) as of March 31, 2007. Loans of SEK 50 million were repaid during the first quarter 2007. The Group has unutilized bank overdraft facilities of SEK 137.5 million. The equity/assets ratio was 61.1 percent (68.4).

Personnel

The average number of employees for the period January–March 2007 was 55 (49).

Parent Company

Björn Borg AB (publ) is primarily engaged in intra-Group activities. In addition, the company owns 100 percent of the shares in Björn Borg Brands AB and in Björn Borg Footwear Holding AB. The Parent Company's net sales for the first quarter 2007 amounted to SEK 6.3 million (5.4) and largely related to intra-Group activities. Profit after financial items amounted to SEK –4.8 million (–1.6).

Accounting principles

This interim report has been prepared in accordance with the Annual Accounts Act and IAS 34. The accounting principles applied during the period are the same as in 2006, which are described on pages 35–38 of the annual report. The interim report is abbreviated and does not contain all the information and disclosures in the annual report. The interim report should therefore be read together with the annual report for 2006.

About the Björn Borg Group

The Group owns the Björn Borg trademark and currently has operations in five product areas: clothing, shoes, bags, eyewear and fragrances. Björn Borg products are sold in ten markets in Europe, of which Sweden and the Netherlands are the largest. Operations are conducted through a network of product and distribution companies which are either formally part of the Group or independent companies with licenses for product groups and geographical markets. The Björn Borg Group has its own operations at every level from branding to consumer sales in its own concept stores. Björn Borg's business model allows geographical and product expansion with minimal operational risk and capital investment, at the same time that control over the brand rests with the Company. In total, sales of Björn Borg products in 2006 amounted to approximately SEK 1.4 billion at the consumer level. Group sales amounted to SEK 325 million in 2006, with 64 employees. Björn Borg has been listed on First North since December 2004. The Company was listed on the Stockholm Stock Exchange's Nordic Mid Cap list on May 7, 2007.

Outlook 2007

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

Events after the balance sheet date

New operational goals and financial targets

In connection with the stock market listing, the Board of Directors of Björn Borg has updated the Company's operational goals and financial targets.

Operational goals

- To strengthen the Björn Borg brand and establish it in 3–5 new markets during the period 2007–2009, and then to accelerate the rate of international expansion.

Financial targets

- Annual sales growth of at least 20 percent for the Group during the period 2007–2009.
- An annual operating margin of at least 15 percent during the period 2007–2009.
- An equity/assets ratio of no less than 40 percent.

Split

The Annual General Meeting on April 19 approved a split on April 27 of four (4) new shares for every one (1) old share in the Company. The total number of shares after the split is 24,321,584.

Name change

The Parent Company, Worldwide Brand Management AB, changed its name to Björn Borg AB.

Stock market listing

Björn Borg AB was listed on May 7, 2007 on the Stockholm Stock Exchange's Nordic Mid Cap list and is traded under the ticker symbol BORG.

Audit report

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

Björn Borg AB (publ)

Stockholm, May 15, 2007

The Board of Directors

Condensed consolidated income statements

The Group in summary

SEK thousands	January–March 2007	January–March 2006	April 2006– March 2007	Full-year 2006
Net sales	118,650	74,209	368,996	324,555
Cost of goods sold	-58,791	-38,354	-180,505	-160,068
Gross profit	59,859	35,855	188,491	164,487
Distribution expenses	-18,042	-12,865	-57,201	-52,024
Administrative expenses	-7,632	-5,648	-24,373	-22,388
Development expenses	-2,794	-2,337	-8,668	-8,211
Operating profit	31,390	15,005	98,249	81,864
Net financial items	58	93	-499	-464
Profit before tax	31,448	15,098	97,750	81,400
Tax	-8,806	-4,227	-27,493	-22,915
Profit for the period	22,643	10,871	70,257	58,485
Profit attributable to minority	-	-	-	-
Profit attributable to shares in Parent Company	22,643	10,871	70,257	58,485
Earnings per share, SEK	3.84	1.89	11.89	10.19
Earnings per share after dilution, SEK	3.75	1.88	11.65	10.14
Number of shares	6,080,396	5,724,144	6,080,396	5,801,844
Weighted average number of shares	5,894,695	5,724,144	5,909,070	5,738,519
Effect of dilution	145,457	56,168	121,170	31,881
Weighted average number of shares after full dilution	6,040,151	5,780,312	6,030,239	5,770,400

Condensed consolidated balance sheets

The Group in summary

SEK thousands	March 31 2007	March 31 2006	December 31 2006
Non-current assets			
Goodwill	13,944	13,944	13,944
Trademarks	187,532	-	187,532
Other intangible assets	900	-	950
Tangible non-current assets	10,391	2,144	6,331
Financial non-current assets	45	45	45
Total non-current assets	212,812	16,133	208,802
Current assets			
Inventories	29,690	18,813	22,036
Current receivables	67,771	41,870	58,194
Cash & cash equivalents	113,920	60,284	59,544
Total current assets	211,380	120,967	139,774
Total assets	424,193	137,099	348,576
Equity and liabilities			
Equity	259,198	93,722	138,054
Non-current liabilities	73,048	2,246	112,606
Accounts payable	23,157	13,002	20,691
Short-term provisions	0	1,900	2,900
Other current liabilities	68,789	26,229	74,324
Total equity and liabilities	424,193	137,099	348,576
Pledged assets	78,152	18,000	78,152
Contingent liabilities	2,018	1,900	2,018

Changes in equity

SEK thousands	January–March 2007	January–March 2006	Full-year 2006
Opening balance	138,055	82,851	82,851
Option premium paid	–	–	1,804
New share issue	98,500	–	2,070
Dividend	–	–	–7,155
Profit for the period	22,643	10,871	58,485
Closing balance	259,198	93,722	138,054

Björn Borg has no minority interests, because of which total equity is attributable to the Parent Company's shareholders.

Condensed cash flow statement

The Group in summary

SEK thousands	January–March 2007	January–March 2006	Full-year 2006
Cash flow from operating activities			
Before change in working capital	22,862	12,241	80,994
Change in working capital	–12,425	–9,733	–12,492
Cash flow from operating activities	10,437	2,508	68,503
Cash flow from investing activities	–4,561	–304	–113,758
Dividend	–	–	–7,155
New share issue/option premium	98,500	–	3,874
Change in loans	–50,000	–	50,000
Cash flow from financing activities	48,500	–	46,719
Cash flow for the period	54,376	2,204	1,464
Cash & cash equivalents at beginning of period	59,544	58,080	58,080
Cash & cash equivalents at end of period	113,920	60,284	59,544

Key figures

SEK thousands	January–March 2007	January–March 2006	April 2006– March 2007	Full-year 2006
Gross profit margin, %	50.4	48.3	51.1	50.7
Operating margin, %	26.5	20.2	26.6	25.2
Profit margin, %	26.5	20.3	26.5	25.1
Return on capital employed, %	10.4	14.5	45.2	28.8
Return on average equity, %	11.4	12.3	39.8	29.4
Net profit for the period	22,643	10,871	70,257	58,485
Equity per share	42.6	16.4	49.3	23.8
Equity/assets ratio, %	61.1	68.4	61.1	39.6
Number of employees	55	49	49	52
Investments in intangible assets	–	–	188,531	188,531
Investments in tangible assets	4,560	304	9,799	5,542
Depreciation for the period	–550	–228	–1,652	–1,328
Number of shares	6,080,396	5,724,144	6,080,396	5,801,844
Weighted average number of shares	5,894,695	5,724,144	5,909,070	5,738,519
Effect of dilution	145,457	56,168	121,170	31,881
Weighted average number of shares after dilution	6,040,151	5,780,312	6,030,239	5,770,400
Earnings per share, SEK	3.84	1.89	11.89	10.19
Earnings per share after dilution, SEK	3.75	1.88	11.65	10.14

Summary by segment

SEK thousands	January–March 2007	January–March 2006	April 2006– March 2007	Full-year 2006
Net sales				
Brand and other				
External sales	11,664	6,563	31,775	26,673
Internal sales	14,608	11,089	56,123	52,604
	26,272	17,652	87,897	79,277
Product development				
External sales	52,904	28,601	160,706	136,403
Internal sales	27,672	17,116	78,721	68,166
	80,576	45,717	239,427	204,568
Distribution				
External sales	43,842	32,228	130,830	119,216
Internal sales	5,532	2,776	18,239	15,574
	49,374	35,004	149,159	134,790
Retail				
External sales	10,239	6,818	45,684	42,263
Internal sales	–	–	–	–
	10,239	6,818	45,684	42,263
Eliminations	–47,812	–30,982	–153,173	–136,344
Net sales	118,650	74,209	368,996	324,555
Operating profit				
Brand and other	10,779	6,804	28,151	24,175
Product development	9,672	3,762	28,916	23,006
Distribution	10,574	3,703	28,224	21,353
Retail	364	736	12,958	13,330
Operating profit	31,390	15,005	98,249	81,864

Quarterly data

SEK thousands	Q2 2005	Q3 2005	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007
Brand sales	121,883	219,378	206,898	292,643	217,998	409,305	483,273	513,345
Net sales	28,658	56,083	51,247	74,209	48,368	93,442	108,537	118,650
Gross profit margin, %	56.0	46.7	58.7	48.3	56.8	46.9	52.8	50.4
Operating profit	1,176	9,573	12,739	15,005	7,874	23,991	34,994	31,390
Operating margin, %	4.1	17.1	24.9	20.2	16.3	25.7	32.2	26.5
Profit after financial items	1,659	9,731	13,622	15,098	8,145	24,010	34,147	31,448
Profit margin, %	4.4	16.7	25.8	20.3	16.8	25.7	31.5	26.5
Earnings per share, SEK	0.23	1.22	1.69	1.89	1.05	3.01	4.22	3.84
Earnings per share after dilution, SEK	0.23	1.22	1.67	1.88	1.04	2.96	4.15	3.75
Number of stores at end of period	16	17	17	17	18	21	24	26
of which own stores	6	6	6	6	6	7	8	9

Definitions

Gross profit margin

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

Operating margin

Operating profit as a percentage of net sales.

Profit margin

Profit before tax as a percentage of net sales.

Equity/assets ratio

Equity as a percentage of total assets.

Return on capital employed

Profit after financial items plus finance expense as a percentage of average capital employed.

Return on average equity

Net profit according to the income statement as a percentage of average equity. Average equity is calculated by adding equity at January 1 to equity at December 31 and dividing by two.

Earnings per share

Earnings per share in relation to the weighted average number of shares during the period.

Earnings per share after dilution

Earnings per share adjusted for any dilution effect.

Brand sales

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

Upcoming information dates

Interim report January–June 2007 will be released on August 16, 2007

Interim report January–September 2007 will be released on November 15, 2007

Year-end report 2007 will be released on February 13, 2008

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