



BJÖRN BORG

BJÖRN BORG AB INTERIM REPORT JANUARY - SEPTEMBER 2015

STRONG QUARTER

JULY 1 - SEPTEMBER 30, 2015

- The Group's net sales increased by 17 percent to SEK 191.4 million (163.7). Excluding currency effects, sales rose by 8 percent.
- The gross profit margin was 51.9 percent (52.4).
- Operating profit amounted to SEK 32.9 million (32.8).
- Profit after tax amounted to SEK 21.7 million (24.0).
- Earnings per share before dilution amounted to SEK 0.88 (1.00) and after dilution amounted to SEK 0.84 (1.00).
- Brand sales* (excluding VAT) increased by 5 percent to SEK 473 million (452). Excluding currency effects, the increase was 4 percent.

QUOTE FROM THE CEO

"In total Björn Borg's sales increased in the third quarter by 17 percent compared with the same quarter in 2014. From a historical standpoint I would note that this made the third quarter the company's best ever in terms of sales," said CEO Henrik Bunge.

JANUARY 1 - SEPTEMBER 30, 2015

- The Group's net sales increased by 5 percent to SEK 421.7 million (403.5). Excluding currency effects, sales decreased by 3 percent.
- The gross profit margin was 52.7 percent (52.6).
- Operating profit amounted to SEK 44.0 million (52.4).
- Profit after tax amounted to SEK 34.3 million (41.7).
- Earnings per share before dilution amounted to SEK 1.45 (1.76) and after dilution amounted to SEK 1.32 (1.76).
- The comparative period in 2014 includes delayed shipments, which increased revenue for the first nine months by about SEK 25 million and operating profit by about SEK 12 million.
- Brand sales* (excluding VAT) increased by 2 percent to SEK 1,113 million (1,088). Excluding currency effects, brand sales were unchanged year-on-year.

SEK million	July-Sep 2015	July-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Oct 2014- Sep 2015	Full-year 2014
Net sales**	191.4	163.7	421.7	403.5	557.0	538.8
Gross profit margin, %	51.9	52.4	52.7	52.6	53.0	52.9
Operating profit	32.9	32.8	44.0	52.4	47.6	56.0
Operating margin, %	17.2	20.0	10.4	13.0	8.5	10.4
Profit after tax	21.7	24.0	34.3	41.7	40.2	47.6
Earnings per share before dilution, SEK	0.88	1.00	1.45	1.76	1.63	1.94
Earnings per share after dilution, SEK	0.84	1.00	1.32	1.76	1.55	1.94
Brand sales*	472.9	452.4	1,113.1	1,088.5	1,456.0	1,431

* 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 fall collection has been well received by our consumers with better sales than last year. The performance of our own stores remains good and sales for comparable units increased by over 16 percent compared with Q3 2014. Our e-commerce business continues to generate good growth +145% compared to same period last year.

In total Björn Borg's sales increased in the third quarter by 17 percent year-on-year. From an historical standpoint I would note that this made the third quarter, with net sales of SEK 191.4 million, the company's best ever in terms of sales. Q3 2010, which previously was our best quarter, had sales of SEK 171 million. Growth is being driven by every product group. We lost ground slightly in the Netherlands and Denmark during the quarter, but saw a very positive trend in Sweden. I am pleased with development in England, which earlier in the year had declined from the previous year but which during the quarter saw a solid sales increase.

Sales increased during the quarter with a slightly lower gross profit margin primarily due to a stronger US dollar. A stronger organization, increased marketing efforts and one-off expenses of SEK 2.2 million as a result of organizational changes led to a planned increase in operating

expenses of SEK 14 million. We are maintaining cost control and our investments are fully in line with the current business plan. As a whole, this generated an operating profit of SEK 32.9 million (32.8).

My focus during the quarter was on the development of our sport collections and on putting in place a performance culture where the key is the will of each individual to make a difference. I'm pleased with how our collection designs are working and am convinced that we now have the right product range to grow our presence in sports apparel distribution, as we have planned. I feel that we are clearly moving forward in accordance with the change process we earlier identified in our business plan, Northern Star.

Finally, I am very pleased with our branding work during the quarter, where we are progressing much faster than I had anticipated, with greater exposure in sporting goods retailers, in addition to which we were named sportswear brand of the year in the magazine Café's Sport Fashion Awards 2015 and, lastly, held a successful fashion show, during the Stockholm fashion week of which we had a bigger digital media presence, according to media-monitoring company Notified, than Nike and adidas combined.

Now let's go!

Head coach
Henrik Bunge



OPERATIONS

BRAND SALES

During the third quarter distributors and licensees reported higher sales mainly in underwear and bags. Brand sales (excluding VAT) increased by 5 percent to SEK 473 million (452) in the third quarter and by 2 percent to SEK 1,113 million (1,088) in the first nine months of the year. Adjusted for currency effects, brand sales were up 4 percent for the quarter and unchanged for the first nine months.

PRODUCT AREAS FIRST NINE MONTHS OF 2015

Brand sales in the underwear product area rose by 2 percent in the first nine months. Underwear accounted for 56 percent (56) of brand sales.

Sports apparel saw a decrease in brand sales. In the bags product areas brand sales rose significantly, while in footwear they increased slightly and in eyewear they declined. In total, sales of licensed products rose by 3 percent in the first nine months of the year.

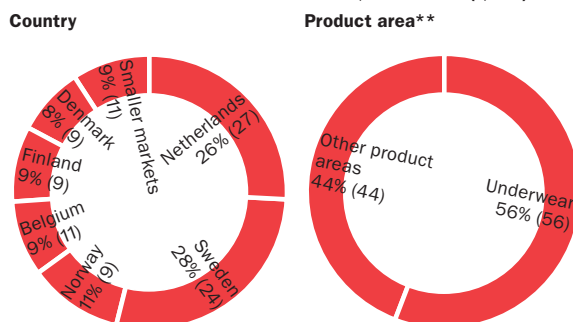
MARKETS FIRST NINE MONTHS OF 2015

Among large markets, Sweden, Norway and Finland saw good growth, while Belgium, Denmark and the Netherlands reported only slight changes compared with the previous year. Smaller markets faced tough conditions in the first nine months and lost ground compared with the previous year.

BJÖRN BORG STORES

Finland opened its fourth Björn Borg store, in the Helsinki area, in the third quarter. The distributor-operated store in Chile was closed. As of September 30, 2015 there were a total of 38 (38) Björn Borg stores, of which 18 (17) are Group-owned.

BRAND SALES* OF BJÖRN BORG PRODUCTS JANUARY-SEPTEMBER 2015. TOTAL SEK 1,113 MILLION (1,088)



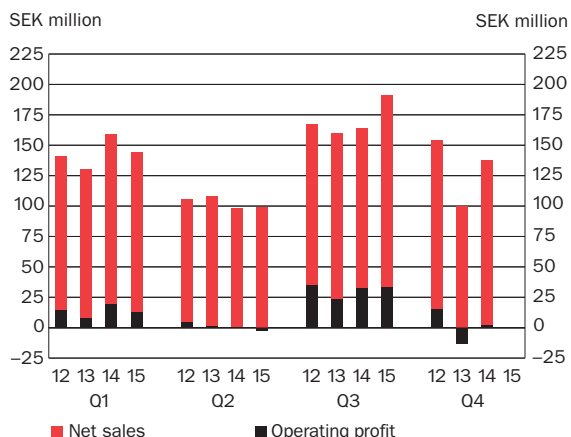
* BEstimated total sales of Björn Borg products at the consumer level, excluding VAT, based on reported sales at the wholesale level.

** **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

Net sales were higher in the third quarter with slightly improved operating profit compared with the same period in 2014.

QUARTERLY NET SALES AND OPERATING PROFIT, 2012-2015



SALES

Third quarter, July-September 2015

The Group's net sales amounted to SEK 191.4 million (163.7) in the third quarter, an increase of 17 percent. Excluding currency effects, sales rose by 8 percent.

The fall/winter collection from the sports apparel product company contributed positively to the sales increase. The corresponding underwear collection decreased compared with the previous year. The Swedish underwear wholesaling operations had a very strong quarter, partly due to expanded distribution to sporting goods retailers. The wholesale footwear company also had a very strong quarter, partly because distribution in Denmark was taken over. The Finnish company reported unchanged sales, while the British company saw good growth during the quarter. Group-owned retail operations and e-commerce both had another good quarter with higher sales. Royalties increased as well as a consequence of higher brand sales during the quarter.

Nine-month period, January-September 2015

The Group's net sales amounted to SEK 421.7 million (403.5) in the first nine months, an increase of 5 percent. Excluding currency effects, sales decreased by 3 percent.

As announced in earlier reports, shipments of about SEK 25 million were delayed from both product companies at the end of 2013 until the first quarter 2014. As a result, 2014 is not totally comparable with the first nine months of 2015 in terms of sales or operating profit. Adjusted for the delayed shipments and currency effects, sales rose by about 3% compared with the first nine months of 2014. External sales by the product companies dipped slightly, although the collections as a whole did well. Sweden posted a positive trend during the first nine months with increases in underwear wholesaling, e-commerce and Group-owned retail operations. Footwear wholesaling is also growing, partly due to the new distribution to the Danish market. The British and Finnish operations retreated during the period. Royalties increased slightly during the first nine months of the year.

PROFIT

Third quarter, July-September 2015

The gross profit margin for the third quarter decreased to 51.9 percent (52.4). Excluding currency effects, the margin would have been in line with 2014.

Despite higher sales, operating profit increased only slightly to SEK 32.9 million (32.8) due to the slightly lower gross profit margin and higher operating expenses during the quarter. One-off expenses of SEK 2.2 million due to organizational changes, a stronger organization compared with 2014, increased marketing efforts and higher logistical expenses from a strongly growing e-commerce business are the biggest reasons for the increased operating expenses during the quarter. The above cost increases are in line with the business plan.

Net financial items amounted to SEK -3.4 million (1.0). The realized and unrealized return on investments, less interest on the bond loan, negatively affected the Group's financial net by SEK -2.8 million (-0.7). The remaining decrease compared with the previous year is mainly due to the revaluation of financial assets and liabilities in foreign currency. Profit before tax decreased to SEK 29.5 million (33.8).

Business segment	Revenue source	Operating revenue, SEK 000		Operating profit, SEK 000		Operating margin, %	
		2015	2014	2015	2014	2015	2014
Brand	Royalties	64,596	60,857	17,750	15,709	27%	26%
Product development	Products	316,230	270,668	25,634	35,462	8%	13%
Wholesale	Wholesale revenues	184,290	172,614	5,624	7,247	3%	4%
Retail	Retailers	80,100	62,589	-4,969	-6,027	-6%	-10%
	Less internal sales	-213,585	-159,858				
Total		431,631	406,870	44,039	52,391	10%	13%

Nine-month period, January-September 2015

The gross profit margin for the first nine months of the year was in line with the same period in 2014 at 52.7 percent (52.6). Excluding currency effects, the margin would have still been over 53 percent.

Despite improved sales and a slightly higher gross profit margin, operating profit fell to SEK 44.0 million (52.4) in the first nine months due to increased operating expenses. One-off expenses of SEK 2.2 million related to organizational changes, a stronger organization compared with 2014 (including a new CEO and a Sales Director in place in the first half-year 2015), increased marketing efforts and a strongly growing e-commerce business are the biggest reasons for the increased operating expenses during the first nine months.

Net financial items amounted to SEK 1.7 million (5.1). The realized and unrealized return on investments, less interest on the bond loan, positively affected the Group's financial net by SEK 0.1 million (1.5). The remaining year-on-year decrease is mainly due to the revaluation of financial assets and liabilities in foreign currency. Profit before tax decreased to SEK 45.7 million (57.5).

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 64.6 million (60.9) during the first nine months of 2015. External operating revenue decreased slightly to SEK 27.5 million (28.6). Royalties as a percentage vary between product categories, because of which there isn't always an exact correlation between royalties and brand sales.

Increased sales and a better gross profit margin raised operating profit to SEK 17.8 million (15.7) for the first nine months.

Product development

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

The business segment's operating revenue amounted to SEK 316.2 million (270.7) during the first nine months of 2015, an increase of 17 percent. External operating revenue amounted to SEK 170.9 million (172.6), a decrease of 1 percent compared with the same period in 2014. The comparable period in 2014 had additional revenue of about SEK 25 million from the shipment delays in 2013, and at the same time 2015 had a highly positive currency effect of about the same amount. Adjusted for the delayed shipments and currency effect, the total increase remained about 17%.

Operating profit decreased to SEK 25.6 million (35.5) due to the lower external sales and 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 7 percent to SEK 184.4 million (172.6) in the first nine months of 2015. External operating revenue amounted to SEK 161.6 million (151.9). The British and Finnish operations saw lower sales year-on-year. The Swedish wholesaling operations for underwear and footwear instead reported higher sales in the first nine months. Operating profit decreased year-on-year

to SEK 5.6 million (7.2) as a result of higher operating expenses, but also of increased sourcing costs in a stronger US dollar, among other currencies.

Retail

The Björn Borg Group owns and operates a total of 18 (17) 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 28 percent in the first nine months of 2015 to SEK 80.1 million (62.6). External net sales rose by 33.3 percent during the period to SEK 71.7 million (53.7). The increase is mainly due to continued strong performance in e-commerce during the first nine months +80%, but also because the Group-owned Swedish stores developed positively during the period. Sales for outlets and comparable Björn Borg stores in Sweden rose by 14 percent year-on-year.

The operating loss for the first nine months of 2015 amounted to SEK 5.0 million, against a year-earlier loss of SEK 6.0 million. The improved result is due to higher revenue during the period, but at the same time sourcing costs increased due to a stronger US dollar, among other currencies, and operating expenses increased.

Intra-Group sales

Intra-Group sales for the period amounted to SEK 213.6 million (159.9).

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 -28.2 million (-0.7) in the first nine months of 2015. The lower cash flow year-on-year is partly due to lower earnings and partly to inventories and accounts receivable. The inventory buildup in the first nine months of 2015 was higher than in the same period in 2014, which contributed to increased tied-up working capital. This is partly a temporary effect due to the shipment delays, but also is an effect of a higher share of sales in the wholesale and retail segments.

Total investments in tangible and intangible non-current assets amounted to SEK 1.5 million (0.9) for the period.

FINANCIAL POSITION AND LIQUIDITY

The Björn Borg Group's cash & cash equivalents and investments amounted to SEK 134.0 million (168.5) at the end of the period, while interest-bearing liabilities (the bond loan) amounted to SEK 158.4 million (188.5) and the convertible program to SEK 16.2 million (0).

In April 2012 the company issued a bond loan on Nasdaq 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 0.7 million for the bond loan and bond repurchases with a book value of SEK 40.9 million as of September 30, 2015, the carrying amount of the bond loan was SEK 158.4 million as of September 30, 2015.

The convertible program adopted earlier in the year by the Annual General Meeting was subscribed in Q3. In total, 456,000 convertibles were subscribed for SEK 17.3 million. For more information on the convertible program, see note 3.

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 September 30

investments had been made in bonds with a book value of SEK 97.4 million, which represents the fair value on the same date, compared with SEK 133.1 million on December 31, 2014. In 2015 bonds were repurchased for SEK 30 million (5). 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 September 30, 2015 the ratio was 0.44 (0.42) and the equity/assets ratio was 48.8 percent (49.4). 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, 2014.

PERSONNEL

The average number of employees in the Group was 130 (136) for the 12-month period ended September 30, 2015, of whom 69 percent (63) are women.

TRANSACTIONS WITH RELATED PARTIES

During the year Björn Borg issued a warrant program for senior management and a convertible program for all employees. The CEO has subscribed for 190,000 warrants and 120,000 convertibles. Other senior executives have subscribed for 280,000 warrants and 270,000 convertibles. Björn Borg has received market consideration for the warrants and convertibles it issued based on fair market value. The subsidiary BB Services currently has 40,000 unsubscribed warrants from the program and 124,000 unsubscribed convertibles. See note 3 for a more detailed description of the warrant program and the convertible liability. In addition to customary compensation (salary, bonuses and other benefits), the CEO, senior management and Board of Directors did not execute any 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 74-75 and in note 3 in the annual report 2014. The assessment of these risks is unchanged compared with the assessment in the annual report for 2014.

EVENTS AFTER THE BALANCE SHEET DATE

There are no significant events to report following the conclusion of the reporting period.

NOMINATION COMMITTEE

In accordance with the resolution of the Annual General Meeting, Björn Borg's Nomination Committee for the 2016 AGM will be appointed by having the Chairman of the Board contact the company's four largest shareholders based on voting rights as of August 31, 2015, each of which appoints one member. Björn Borg's Nomination Committee for the 2016 AGM has the following composition:

- Fredrik Lövestedt, Chairman of the Board;
- Mats Nilsson, representing himself as a major shareholder;
- Martin Bjäringer, representing himself as a major shareholder;
- Pehr-Olof Malmström, appointed by Danske Invest.

ANNUAL GENERAL MEETING

The Annual General Meeting for the financial year 2015 will be held in Stockholm on May 19, 2016 at 17:30.

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 Sport BV, Björn Borg Inc. and Björn Borg Services AB. In addition, the company owns 80 percent of the shares in Björn Borg UK, 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 13.1 million (15.6) in the third quarter and SEK 39.2 million (45.3) for the first nine months of the year.

The loss before tax amounted to SEK 16.5 million for the third quarter, against a year-earlier loss of SEK 8.3 million, while the loss before tax for the first nine months was SEK 36.2 million, against a year-earlier loss of SEK 19.5 million. Cash & cash equivalents and investments amounted to SEK 100.7 million (135.0) as of September 30, 2015. For the first nine months of the year investments in tangible and intangible non-current assets amounted to SEK 0.6 million (0.1).

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 13 percent with 2014 as the starting year. The sales increase is expected to come from new product groups in sports fashion as well as expanded geographical distribution within all the product groups.

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 2014, as described on page 91 in the annual report 2014.

New and amended accounting principles

New or amended IFRS and IFRIC interpretations effective as of January 1, 2015 have not had a material effect or impact on the interim report or consolidated financial statements.

AUDIT REPORT

This interim report has been reviewed by the company's auditors. The review report can be found on page 14.

OUTLOOK 2015

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

CONSOLIDATED INCOME STATEMENT

CONDENSED

SEK thousands	Note	July-Sep 2015	July-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Oct 2014- Sep 2015	Full-year 2014
Net sales		191,430	163,723	421,711	403,475	556,989	538,753
Other operating revenue		2,988	2,782	9,920	3,395	12,269	5,744
Operating revenue		194,418	166,505	431,631	406,870	569,258	544,497
Goods for resale		-92,153	-77,964	-199,525	-191,417	-261,668	-253,560
Other external expenses	1	-39,426	-31,816	-101,129	-85,911	-137,950	-122,732
Staff costs		-28,554	-22,166	-79,717	-70,801	-111,533	-102,617
Depreciation/amortization of tangible/ intangible non-current assets		-1,519	-1,870	-5,086	-5,718	-8,245	-8,877
Other operating expenses		106	131	-2,135	-633	-2,262	-761
Operating profit		32,872	32,820	44,039	52,391	47,598	55,950
Net financial items		-3,362	1,014	1,666	5,145	3,720	7,198
Profit before tax		29,510	33,834	45,705	57,536	51,318	63,148
Tax		-7,797	-9,791	-11,402	-15,870	-11,109	-15,577
Profit for the period		21,713	24,043	34,303	41,666	40,209	47,572
Profit for the period attributable to:							
Parent Company's shareholders		22,156	25,190	36,574	44,362	41,047	48,835
Non-controlling interests		-443	-1,147	-2,271	-2,696	-838	-1,263
Earnings per share before dilution, SEK		0.88	1.00	1.45	1.76	1.63	1.94
Earnings per share after dilution, SEK		0.84	1.00	1.32	1.76	1.55	1.94
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	Note	July-Sep 2015	July-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Oct 2014- Sep 2015	Full-year 2014
Net profit for the period		21,713	24,043	34,303	41,666	40,209	47,572
OTHER COMPREHENSIVE INCOME							
Components that may be reclassified to profit or loss							
Translation difference for the period		127	-2,525	-2,848	-4,776	-5,124	-7,052
Total other comprehensive income for the period		127	-2,525	-2,848	-4,776	-5,124	-7,052
Total comprehensive income for the period		21,840	21,518	31,455	36,890	35,085	40,520
Total comprehensive income for the period attributable to:							
Parent Company's shareholders		22,209	23,376	34,241	40,864	37,094	43,717
Non-controlling interests		-369	-1,858	-2,786	-3,974	-2,009	-3,197

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

CONDENSED

SEK thousands	Note	30 Sep 2015	30 Sep 2014	31 Dec 2014
Non-current assets				
Goodwill		19,210	19,089	19,265
Trademarks		187,532	187,532	187,532
Other intangible assets		2,952	3,506	4,390
Tangible non-current assets		8,272	13,258	12,334
Long-term receivable	2	8,900	10,700	9,800
Deferred tax assets		30,504	29,399	31,713
Total non-current assets		257,370	263,483	265,034
Current assets				
Inventories		65,600	45,095	40,381
Accounts receivable		99,402	79,322	68,232
Other current receivables		21,491	29,503	19,573
Investments	2	97,413	139,154	133,147
Cash & cash equivalents		36,355	29,383	85,080
Total current assets		320,261	322,457	346,414
Total assets		577,631	585,940	611,447
Equity and liabilities				
Equity		281,796	289,703	285,708
Deferred tax liabilities		37,691	41,481	38,350
Other non-current liabilities	3	23,823	9,303	13,292
Bond loan	2	158,392	188,539	187,738
Accounts payable		17,214	12,935	25,064
Other current liabilities		58,715	43,979	61,295
Total equity and liabilities		577,631	585,940	611,447

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CONDENSED

SEK thousands	Note	Equity attributable to Parent Company's shareholders	Non-controlling interests	Total equity
Opening balance, January 1, 2014				
Total comprehensive income for the period		40,864	-3,974	36,890
Distribution for 2013		-37,723	-	-37,723
Translation difference		-	420	420
Offset issue in subsidiary		-	9,466	9,466
Closing balance, September 30, 2014		297,323	-7,621	289,703
Opening balance, January 1, 2014				
Total comprehensive income for the year		43,717	-3,197	40,520
Distribution for 2013		-37,723	-	-37,723
Offset issue in subsidiary		-	9,466	9,466
Acquisition of minority shares		-9,822	2,619	-7,203
Closing balance, December 31, 2014		290,353	-4,645	285,708
Opening balance, January 1, 2015				
Total comprehensive income for the period		34,241	-2,786	31,455
Distribution for 2014		-37,723	-	-37,723
Issuance of warrants	3	1,200	-	1,200
Warrant premium convertible	3	1,154	-	1,154
Closing balance, September 30, 2015		289,225	-7,431	281,796

CONSOLIDATED STATEMENT OF CASH FLOWS

CONDENSED

SEK thousands	July-Sep 2015	July-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Full-year 2014
Cash flow from operating activities					
Before changes in working capital	30,293	32,328	41,589	53,283	63,363
Changes in working capital	-46,298	-37,641	-69,769	-53,951	-8,629
Cash flow from operating activities	-16,005	-5,313	-28,180	-668	54,734
Investments in intangible non-current assets	-	-4	-136	-134	-1,428
Investments in tangible non-current assets	-792	-136	-1,411	-791	-1,353
Sale/disposal of non-current assets	-	-	129	-	-
Investments/divestments	10,668	9,380	34,512	-1,510	-106
Cash flow from investing activities	9,876	9,240	33,094	-2,435	-2,887
Distribution	-	-	-37,723	-37,723	-37,723
Acquisition of minority shares	-	-	-	-	-1,410
Amortization of loans	-1,875	-1,814	-5,625	-5,574	-7,434
Issuance of warrants	17,310	-	18,510	-	-
Repurchase of bond loan	-18,550	-	-29,828	-4,870	-5,833
Cash flow from financing activities	-3,115	-1,814	-54,666	-48,166	-52,400
Cash flow for the period	-9,244	2,113	-49,752	-51,270	-553
Cash & cash equivalents at beginning of period	45,722	28,052	85,080	82,304	82,304
Translation difference in cash & cash equivalents	-123	-783	1,027	-1,652	3,329
Cash & cash equivalents at end of period	36,355	29,383	36,355	29,383	8,080

KEY FIGURES

GROUP

SEK thousands	July-Sep 2015	July-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Oct 2014- Sep 2015	Full-year 2014
Gross profit margin, %	51.9	52.4	52.7	52.6	53.0	52.9
Operating margin, %	17.2	20.0	10.4	13.0	8.5	10.4
Profit margin, %	15.4	20.7	10.8	14.3	9.2	11.7
Return on capital employed, %	13.5	11.8	13.5	11.8	13.5	14.8
Return on average equity, %	14.4	12.1	14.4	12.1	14.4	17.2
Profit attributable to Parent Company's shareholders	22,156	25,190	36,574	44,362	41,047	48,835
Equity/assets ratio, %	48.8	49.4	48.8	49.4	48.8	46.7
Equity per share, SEK	11.21	11.52	11.21	11.52	11.21	11.36
Investments in intangible non-current assets	-	4	136	134	1,430	1,428
Investments in tangible non-current assets	792	136	1,411	791	1,973	1,353
Business combinations	-	-	-	-	1,410	1,410
Depreciation, amortization and impairment losses for the period	-1,519	-1,870	-5,086	-5,718	-8,245	-8,877
Average number of employees	-	-	-	-	130	129

SUMMARY BY SEGMENT

GROUP

SEK thousands	July-Sep 2015	July-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Oct 2014- Sep 2015	Full-year 2014
Operating revenue						
Brand						
External revenue	9,284	12,351	27,505	28,633	36,356	37,484
Internal revenue	19,368	12,875	37,091	32,224	45,864	40,997
	28,652	25,226	64,596	60,857	82,220	78,481
Product development						
External revenue	74,408	67,979	170,914	172,617	232,051	233,755
Internal revenue	73,703	36,613	145,316	98,051	170,328	123,063
	148,111	104,592	316,230	270,668	402,379	356,818
Wholesale						
External revenue	78,711	64,433	161,555	151,879	202,325	192,649
Internal revenue	8,975	7,342	22,735	20,735	29,369	27,369
	87,686	71,775	184,290	172,614	231,694	220,018
Retail						
External revenue	32,015	21,743	71,656	53,741	98,524	80,609
Internal revenue	3,005	3,011	8,444	8,848	11,182	11,586
	35,020	24,754	80,100	62,589	109,706	92,195
Less internal sales	-105,051	-59,842	-213,585	-159,858	-256,741	-203,015
Operating revenue	194,418	166,505	431,631	406,870	569,258	544,497
Operating profit						
Brand	9,849	7,424	17,750	15,709	21,610	19,569
Product development	13,178	14,737	25,634	35,462	24,998	34,825
Wholesale	9,651	9,389	5,624	7,247	4,658	6,282
Retail	194	1,270	-4,969	-6,027	-3,668	-4,726
Operating profit	32,872	32,820	44,039	52,391	47,598	55,950

Reconciliation between operating profit and profit before tax

The difference between operating profit for segments for which information must be disclosed, SEK 44,039 thousand (52,391), and profit before tax, SEK 45,705 thousand (57,536), is net financial items, SEK 1,666 thousand (5,145).

QUARTERLY DATA

GROUP

SEK thousands	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013
Net sales	191,430	99,199	131,081	135,278	163,723	96,969	142,783	99,275
Gross profit margin, %	51.9	53.0	53.6	54.1	52.4	52.5	52.8	52.1
Operating profit/loss	32,872	-1,662	12,828	3,559	32,821	522	19,048	-12,534
Operating margin, %	17.2	neg	9.8	2.6	20.0	0.5	13.3	neg
Profit/loss after financial items	29,510	-1,585	17,781	5,612	33,834	3,939	19,987	-9,399
Profit margin, %	15.4	neg	13.6	4.1	20.7	4.1	14.0	neg
Earnings per share before dilution, SEK	0.88	-0.04	0.61	0.18	1.00	0.15	0.62	-0.40
Earnings per share after dilution, SEK	0.84	-0.04	0.61	0.18	1.00	0.15	0.62	-0.40
Number of Björn Borg stores at end of period	38	38	40	41	38	38	38	38
of which Group-owned								
Björn Borg stores	18	17	18	18	17	17	17	17
Brand sales	472 865	249,063	394,206	342,904	452,422	253,976	382,081	331,665

PARENT COMPANY INCOME STATEMENT

CONDENSED

SEK thousands	Note	July-Sep 2015	July-Sep 2014	Jan-Sep 2015	Jan-Sep 2014	Oct 2014- Sep 2015	Full-year 2014
Net sales		13,062	15,591	39,230	45,330	53,577	59,677
Other operating revenue		2,725	1,395	4,994	217	5,416	639
Operating revenue		15,787	16,986	44,224	45,547	58,993	60,316
Goods for resale		-3	-	-3	-2	-2,148	-2,147
Other external expenses	1	-13,820	-14,420	-36,807	-35,957	-48,537	-47,687
Staff costs		-12,396	-6,763	-33,188	-21,762	-43,109	-31,683
Depreciation/amortization of tangible/ intangible non-current assets		-428	-514	-1,359	-1,621	-1,863	-2,125
Other operating expenses		254	-696	123	-834	138	-819
Operating loss		-10,606	-5,393	-27,010	-14,629	-36,526	-24,145
Result from shares in subsidiaries		-	-	-	-	67,395	67,395
Net financial items		-5,915	-2,949	-9,158	-4,903	-15,921	-11,666
Profit/loss after financial items		-16,521	-8,342	-36,168	-19,532	14,948	31,584
Group contributions received		-	-	-	-	30,246	30,246
Appropriations		-	-	-	-	874	874
Profit/loss before tax		-16,521	-8,342	-36,168	-19,532	46,068	62,704
Tax		-	-	-	-	1,275	1,275
Profit/loss for the period		-16,521	-8,342	-36,168	-19,532	47,343	63,979
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the period		-16,521	-8,342	-36,168	-19,532	47,343	63,979

PARENT COMPANY BALANCE SHEET

CONDENSED

SEK thousands	Note	30 Sep 2015	30 Sep 2014	31 Dec 2014
Non-current assets				
Intangible non-current assets		306	447	393
Tangible non-current assets		2,153	3,290	2,849
Long-term receivable	2	8,900	10,700	9,800
Deferred tax		961	-	961
Shares in Group companies		335,331	330,734	335,331
Total non-current assets		347,651	345,171	349,334
Current assets				
Receivables from Group companies		279,763	190,446	392,513
Current receivables		15,397	15,151	14,143
Investments	2	97,413	139,154	133,147
Cash & cash equivalents		3,245	-	48,081
Total current assets		395,818	344,751	587,884
Total assets		743,469	689,922	937,218
Equity and liabilities				
Equity		72,606	60,632	144,143
Untaxed reserves		1,014	1,888	1,014
Deferred tax		-	314	-
Bond loan	2	158,392	188,539	187,738
Other long-term liabilities	2, 3	21,948	-	5,792
Due to Group companies		472,829	413,786	573,668
Accounts payable		4,564	1,878	4,725
Other current liabilities		12,116	18,753	20,138
Total equity and liabilities		743,469	689,922	937,218

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

CONDENSED

SEK thousands	Jan-Sep 2015	Jan-Sep 2014	Full-year 2014
Opening balance	144,143	117,887	117,887
Distribution	-37,723	-37,723	-37,723
Issuance of warrants	1,200	-	-
Warrant premium convertible	1,154	-	-
Total comprehensive income for the period	-36,168	-19,532	63,979
Closing balance	72,606	60,632	144,143

SUPPLEMENTARY DISCLOSURES

NOTE 1 OTHER EXTERNAL EXPENSES

SEK thousands	Group		Parent Company	
	Jan-Sep 2015	Jan-Sep 2014	Jan-Sep 2015	Jan-Sep 2014
Cost of premises	20,530	19,696	8,275	6,711
Selling expenses	24,855	16,327	2,744	1,835
Marketing expenses	32,951	26,614	16,688	14,619
Administrative expenses	16,974	16,736	7,323	9,584
Other	5,819	6,538	1,777	3,208
Total	101,129	85,911	36,807	35,957

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 34,512 thousand during the first nine months of the year.

FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

SEK thousands	Level 1	Level 2	Level 3
Securities held for trading	97,574		
Derivatives held for trading		-161	
Contingent consideration (liability)			-5,792
Net	97,574	-161	-5,792

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 September 30, 2015 was SEK 5,792 thousand (0) and is included in level 3. The carrying amount of financial instruments recognized at amortized cost corresponds to the fair value as of September 30, 2015, with the exception of the bond loan, the fair value of which amounted to SEK 158,603 thousand, compared with a carrying amount of SEK 158,392 thousand.

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 loan is temporarily (since December 31, 2014) paying interest only as per the agreement to acquire the minority interest in Björn Borg Sport BV.

NOTE 3 CONVERTIBLE

Björn Borg issued convertible debentures on June 16 which were subscribed for a nominal value of SEK 17,310 thousand. The convertibles carry interest (starting on 1 July 1, 2015) which will be paid annually in arrears, with the first payment date on June 30, 2016. The interest rate will be determined based on an average of STIBOR on certain fixed dates during the annual period (September 10, December 10, March 10 and June 10), plus a margin of 3.15%. The recognized interest expense for 2015 amounts to SEK 123.4 thousand. The debentures fall due for payment on June 30, 2019 at a nominal value of SEK 17,310 thousand or can be converted to shares at the holder's request at a rate of SEK 37.96 per share. Each convertible entitles its holder to subscribe for one share, which means that at maximal conversion the number of shares would increase by 456,000, corresponding to a dilution of 1.8 percent. Convertible debentures are hybrid financial instruments, which means that the liability portion is initially recognized at fair value (i.e., the value a similar liability without the conversion right to shares would have had). The equity portion is initially recognized as the difference between the fair value of the entire instrument and the fair value of the liability portion. Björn Borg has not incurred any significant directly attributable transaction expenses for the issue. The liability portion is subsequently measured at amortized cost, while the equity portion is not revalued except upon conversion or redemption. Due to the short time since the issuance, the market rate of interest is essentially unchanged, due to which the carrying amount is a good approximation of the carrying amount as of September 30, 2015. The liability and equity portions are distributed as follows:

SEK thousands	Sep 30, 2015	Dec 31, 2015
Nominal value convertible debentures	17,310	0
Less equity portion	1,154	0
Liability upon issuance	16,156	0

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.

Björn Borg has determined that the issue was implemented on fair market terms and that the terms of the convertible program are designed in such a way that employees are not unduly favored. As a result, no expenses other than interest have been recognized related to the employee convertibles.

WARRANTS

On June 16 Björn Borg issued warrants to senior management of the Group, with 480,000 warrants subscribed. Each warrant entitles the holder to subscribe for one share for SEK 37.96 per share during the period June 1-14, 2019. If they are fully subscribed, the dilution effect would be 1.9 percent. Björn Borg has received market consideration for the warrants amounting to SEK 2.50 per warrant, corresponding to total proceeds of SEK 1,200 thousand, which has been recognized as an increase in equity. The warrants have been valued according to Black & Scholes. The most important inputs in the valuation were the Björn Borg share's average volume-weighted price paid during the period May 21-29, 2015, volatility of 30 percent, a risk-free rate of interest of 0.28 percent and an adjustment to the present value of future dividends. The corresponding inputs have been used in the valuation of the convertible rights as described above. According to the terms there is no employment requirement for the employee, but there is a pre-emption clause that gives Björn Borg the right, though not the obligation, to acquire the holder's warrant if the holder has ceased employment before June 30, 2019. Against this backdrop, Björn Borg has determined that market consideration has been received and that the terms in other respects are designed in such a way that participants in the warrant program are not unduly favored. As a result, no expense has been recognized related to the issued warrants.

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 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, excluding VAT, based on reported wholesale sales.

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, November 5, 2015

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

REVIEW REPORT

INTRODUCTION

We have reviewed the interim report for Björn Borg AB (publ) for the period January 1 to September 30, 2015. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with the International Standards of Auditing (ISA) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material aspects, prepared in accordance with IAS 34 and the Annual Accounts Act for the Group and in accordance with the Annual Accounts Act for the Parent Company.

Stockholm, November 5, 2015
Deloitte AB

Fredrik Walméus
Authorized Public Accountant

2015 CALENDAR

Year-end report for 2015 February 19, 2016
Annual report in April 2016
The 2016 Annual General Meeting will be held on May 19, 2016
at 17:30.

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

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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 2014 amounted to about SEK 1.4 billion,
excluding VAT, at the consumer level. Group net sales
amounted to SEK 539 million in 2014, with an average of
129 employees. The Björn Borg share has been listed on
Nasdaq Stockholm since 2007.

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Björn Borg is required to make public the information in this year-end report in accordance with the Securities Market Act.
The information was released for publication on November 6, 2015 at 07:30 am (CET).