



Q3 REPORT July - September 2009

REPORT PERIOD JULY – SEPTEMBER 2009

- Net sales amounted to SEK 234.2 million (218.5 m)
- The operating loss was SEK 8.6 million (-9.6 m)
- The loss after tax was SEK 17.2 million (-8.9 m)
- EPS was SEK -0.11 (-0.95)

REPORT PERIOD JANUARY – SEPTEMBER 2009

- Net sales amounted to SEK 646.8 million (588.8 m)
- The operating loss excluding capital gains was SEK 139.0 million (-68.3 m)
- The operating loss excluding capital gains and adjusted for restructuring costs was SEK 114.6 million (-68.3 m)
- The operating loss was SEK 139.0 million (+13.8 m)
- The loss after tax was SEK 156.7 million (-3.8 m)
- EPS was SEK -2.15 (-0.41)

SIGNIFICANT EVENTS DURING AND AFTER THE REPORT PERIOD

- Thomas Lassen took over as BRIO's goods supply director in August, with responsibility for the Group's purchases, production and logistics. A Group-wide goods supply unit will create more effective processes and integrate sustainability in the supply of goods. Thomas joins the company from a similar position at TechData and will be part of the Group management team.
- Anders Hagert also joined the company during the report period as the new divisional manager of BRIO Baby, a position previously held by BRIO's CEO Andreas Sbrodiglia. Anders will also be part of BRIO's Group management team and takes up his position in January. He is currently responsible for Emerging Markets at ArjoHuntleigh.

CEO's COMMENTS

"It's pleasing that despite the current recession, we are increasing sales and strengthening our positions on the market. Costs and tied up capital in stock both fell over the quarter, which is the result of the ongoing change initiative. It's important now to continue pushing the change initiative forwards to further cut costs while improving our positions on the market," says BRIO's CEO Andreas Sbrodiglia.

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GROUP PERFORMANCE OVER THE REPORT PERIOD JULY-SEPTEMBER 2009

MARKET DEVELOPMENT

Around 290,000 babies are born every year in the Nordic region and around 680,000 in Germany. These are BRIO's main markets and new births have a direct impact on sales. During the first half of the year 56,251 babies were born in Sweden, which is an increase of 0.4% compared to the same period last year. According to Statistics Sweden the total number of births in Sweden in 2009 is expected to be at the same level as in 2008.

The general economic downturn continued to impact on the baby market during the period. Consumers are increasingly buying used prams and re-using products for their second child. The consolidation of the baby market is increasing.

BRIO's sales follow market development in local currency on the Nordic markets with the exception of Sweden, where the company is increasing market shares by maintaining sales compared with previous years. The launch of the BRIO Go pram on the German market now has a foothold, which has resulted in improved sales figures.

According to the DHI retail index, toy sales on the Swedish toy market fell by 2.5 per cent during the report period. BRIO believes that other Nordic countries have followed a similar trend. BRIO's sales of toys however developed positively during the report period on several markets and BRIO is boosting its market share on most of its markets.

SALES

The Group's net sales during the report period amounted to SEK 234.2 million (218.5 m), which is an increase of SEK 15.7 million compared with the same period last year. Exchange rate effects had a positive impact on sales revenues by SEK 2.4 million (10.1 m).

The gross profit fell by SEK 9.0 million to SEK 87.1 million (96.1 m) compared with the same period last year. The gross margin fell from 44 per cent in Q3 2008 to 37.2 per cent for the same period in 2009. The fall in gross margin was due to higher raw material prices combined with negative currency effects. The Group's raw material purchases are mainly in USD and the gross profit will increase as goods are bought at a lower exchange rate in USD. However, during the report period the gross profit was negatively affected by previous purchases at a higher exchange rate in USD. Purchase prices, mainly in baby products, are still suffering from the higher price of raw materials that appeared in the second half of 2008. BRIO still struggled with quality non-conformance costs during the report period. Measures have been taken to cut these quality non-conformance costs in the future.

COSTS

The operation's sales, administration and development costs including other operating income and costs fell by SEK 9.9 million to SEK 95.8 million (105.7 m) compared with the same period last year. During the report period negative currency effects of SEK 6.1 million impacted other operating income and costs, while in the corresponding period last year there was a positive currency effect of SEK 0.5 million. The weak Swedish krona means that costs in the Group's foreign subsidiaries rose by SEK 2.8 million due to the effect of a higher translation rate than the corresponding period last year.

BRIO continued working on its rationalization scheme during the period in order to cut costs by around SEK 80 million annually and achieving the full effect in 2011. Not accounting for currency and translation effects costs fell by SEK 16.0 million during the report period. Cost-cutting measures are being introduced throughout all business activities, mainly in staffing and office costs. The report period was not affected by any restructuring costs. However restructuring costs impacting Q4 cannot be ruled out.

OPERATING LOSS

The operating loss for the report period was SEK 8.6 million (-9.6 m), which is an improvement of SEK 1.0 million compared to the same period last year. The lower gross earnings compensated for by lower costs helped towards marginally improved earnings.

LOSS AFTER FINANCIAL ITEMS

The Group's loss before tax was SEK 16.3 (-7.8 m) for the report period. Net financial items deteriorated by SEK 9.5 million from SEK 1.8 million to SEK -7.7 million, which is mainly an effect of currency recalculations.

Earnings trend per quarter

(SEK m)	JUL- SEP 09	APR- JUN 09	JAN- MAR 09	OCT-DEC 08	JUL- SEP 08
Net sales	234.2	209.1	203.5	303.7	218.5
Net sales – 12 months continuous	950.5	934.8	923.0	892.5	912.5
Gross profit	87.1	65.3	69.0	115.2	96.1
Operating costs	-95.8	-137.8	-126.9	-173.8	-105.7
Operating profit/loss	-8.6	-72.5	-57.8	-58.6	-9.6**
Operating profit/loss – 12 months continuous	-197.6	-198.5	-148.1	-44.8*	19.9*
Operating loss, excluding capital gains for sale of property – 12 months continuous	-197.6	-205.5	-155.1	-126.8	-62.1
Net financial items	-7.7	-4.6	-2.8	7.3	1.8
Profit/loss after net financial items	-16.3	-77.1	-60.7	-51.3	-7.8
Earnings per share, SEK	-0.11	-1.32	-6.85	-7.66	-0.95

* Including capital gains from sale of property in Q1 2008 of SEK 75 million

** Including capital gains from sale of property in Q3 2008 of SEK 7 million

PERFORMANCE BY DIVISION DURING THE REPORT PERIOD JULY - SEPTEMBER 2009

The Group has been divided into two divisions since 1 January 2009: BRIO Toy and BRIO Baby. The franchise business BRIO Partner is an independent subsidiary of the Group.

BRIO TOY DIVISION

The BRIO Toy division includes the Group's joint toy range, e.g. product development, purchasing and sales of toys under the BRIO and Alga brands and distribution through Scanditoy with purchasing and sales of trend, license and branded toys. BRIO Toy is a consumer-focused division aimed at creating sales growth and a good return through a broad range of strong brands and licensed products, a large customer focus and broad market channels.

Net sales per market

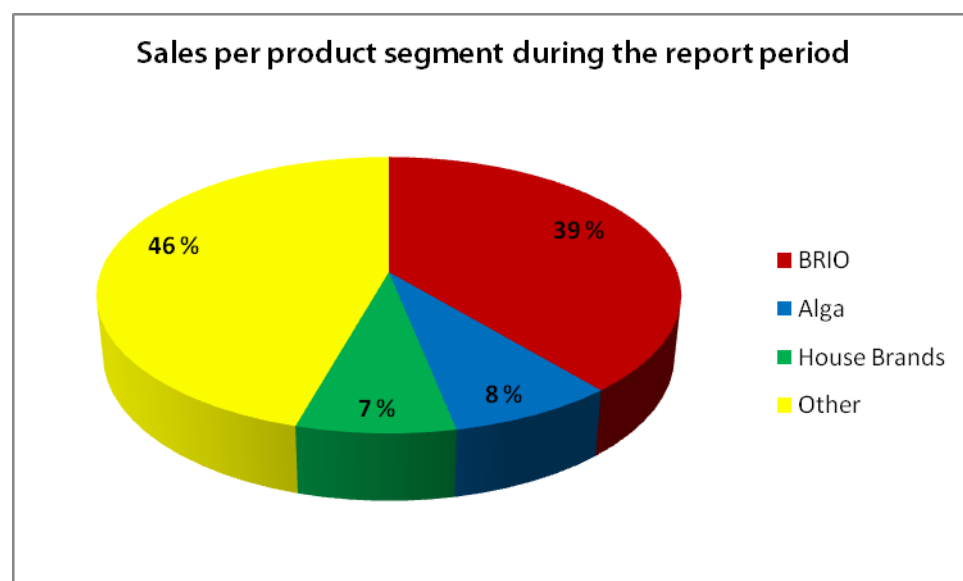
(SEK m)	JUL-SEP 09	APR-JUN 09	JAN-MAR 09	OCT-DEC 08	JUL-SEP 08
Nordic region	125.0	113.0	102.6	187.3	111.0
Other European countries	22.3	9.8	13.9	39.0	19.4
Rest of the world	3.5	2.6	4.8	6.9	5.3
Total	150.8	125.4	121.3	233.3	135.7

Sales in the Nordic region mainly consist of BRIO and Alga brand toys, partly through the sale of trend, licenses and branded toys via independent retailers, retail chains and convenience stores. Sales in the Nordic region amounted to SEK 125.0 million (111.0 m) during the report period. Sales increases at BRIO, Alga and toys with the Hello Kitty brand, contributed to the increase.

Sales in other European countries mainly consist of BRIO brand toys via independent retailers and supermarkets. Sales trends in Germany were positive during the report period.

BRIO's single largest market outside Europe is Japan. Sales consist mainly of BRIO brand toys. Non-European sales during the report period amounted to SEK 3.5 million (5.3 m). Last year's sales included products within the framework of a distribution agreement. There were no similar sales for the current report period.

Sales of BRIO brand products amounted to SEK 58.7 million (49.5 m), which represents 39 per cent (36) of the division's net sales during the report period.



BRIO BABY DIVISION

The BRIO Baby division covers the Group's product development, purchasing, manufacturing and sales of baby items, mainly prams, children's car seats and children's furniture through own brands BRIO, Carena, and SIMO. All production is located in China with the exception of in-house manufacturing of prams and children's car seats in Hungary.

BRIO Baby focuses on parents to be and parents of children aged 0-3 years. The division aims at creating growth and profitability by strengthening its market positions in the Nordic region and northern Europe, extending distribution and expanding on selected markets.

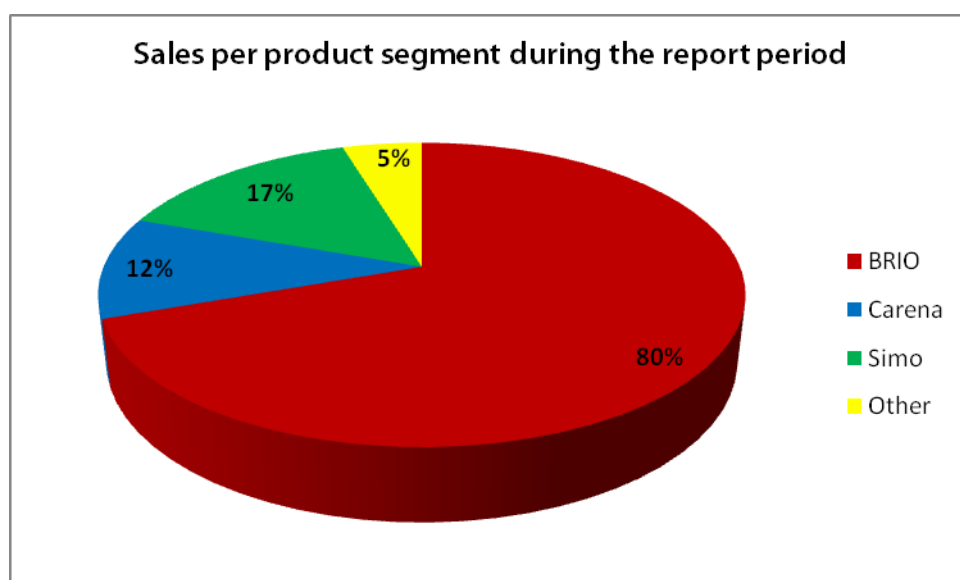
Net sales per market

(SEK m)	JUL-SEP 09	APR-JUN 09	JAN-MAR 09	OCT-DEC 08	JUL-SEP 08
Nordic region	46.0	51.6	51.2	43.2	48.5
Other European countries	12.7	13.2	16.4	16.7	10.8
Rest of the world	1.0	0,3	1,0	0,7	0,3
Total	59.7	65.1	68.6	60.6	59.5

Sales on the Nordic market during the report period amounted to SEK 46.0 million (48.5 m). The sales figure for child car seats fell during the report period compared to the same period last year, mainly due to parts of the range being phased out and will be replaced by updated products to be launched at the start of 2010.

Sales in other European countries during the report period amounted to SEK 12.7 million (10.8 m). The second half of 2008 saw the launch of a more international range for BRIO Baby in Northern Europe. The launch has helped boost sales figures in Germany by SEK 3 million. The main reason for lower sales volumes in other European countries is the closure of activities in the UK with local distributors under contract. The restructuring has had a short-term negative impact on the report period's sales.

Sales of BRIO branded products amounted to SEK 47.6 million (44.1 m), which represents 80 per cent (74) of the division's total net sales during the report period.



BRIO PARTNER FRANCHISE BUSINESS

The BRIO Partner franchise business is run by an independent subsidiary. With its member stores BRIO Partner is one of Norway's biggest retail chains for toys with 114 stores owned by the franchise members. In 2008 the business concentrated on the Norwegian market, after previously also including stores in Sweden, which explains the downturn in franchise revenues during the report period. Franchise revenues are based on franchisee sales.

During the report period BRIO Partner entered into a partnership agreement focused on product range, purchasing and marketing with the Norwegian franchise chain *Yes! Vi Leker* and its 58 toy stores. The aim of the partnership is to strengthen the company's retail positions in Norway.

Net sales per market

(SEK m)	JUL-SEP 09	APR-JUN 09	JAN-MAR 09	OCT-DEC 08	JUL-SEP 08
Nordic region	2.3	2.4	2.5	0.4	4.8

OTHER INFORMATION CONCERNING THE REPORT PERIOD JULY-SEPTEMBER 2009

FINANCIAL POSITION

The balance sheet total fell from SEK 780.8 million to SEK 721.8 million, compared to the same period last year. The drop is mainly due to increased efficiency in stock, which is an effect of improved purchasing processes based on a reinforced link to sales forecasts and customer orders.

BRIO works continuously to improve the effectiveness of its working capital. Work aimed at increasing efficiency will continue in order to further improve the effectiveness of its working capital, mainly by ensuring that suppliers follow the business' seasonal variations, but also by further optimizing how BRIO's incoming flow of goods meets our sales to customers.

The Group's liquid assets totaled SEK 48.2 million on 30 September 2009, compared to SEK 15.5 million on 30 September 2008. Net debt was SEK 159.3 million, compared to SEK 372.7 million last year, which is a drop of SEK 213.4 million. Net debt fell mainly as an effect of the implemented financial reconstruction carried out during the first half of the year.

During the year BRIO has completed measures initiated as part of the financial reconstruction of the Group agreed by the AGM on 27 April 2009. A new share issue with preferential rights for current shareholders raised around SEK 164 million before administration costs. In connection with the preferential rights issue BRIO paid back a loan to Proventus AB amounting to around SEK 140 million, of which around SEK 60 million was in temporary working capital financing established in the final quarter of 2008 and around SEK 80 million was bridging financing for the period up to the implementation of the new share issue.

BRIO signed a credit agreement in April with its main creditor. According to the credit agreement the credit framework amounts to SEK 266.5 million, of which some will be utilized for letters of credit, guarantees, leasing and derivative products, and SEK 75.0 million represents a framework for seasonal invoice borrowing. BRIO was granted authorization to pay interest up to 30 June 2010, and the credit is amortization-free up to 31 December 2011. BRIO pledged a property mortgage and shares in a subsidiary as security. BRIO is committed to achieving specific key indicators as part of a covenant, which means that the Group's sales must reach at least SEK 700 million, calculated using six-month periods over the past 12 months. On 3 November 2009 BRIO's board decided to co-opt a representative from the credit grantor as an observer on the board.

The market-listed subordinated loan that BRIO issued in September 2006 falls due for payment in September 2010. The loan is linked to 3 per cent's annual coupon payments, 9 per cent effective interest and amounts in total to SEK 65.7 million as of 30 September 2009. At the end of the report period BRIO's short-term interest-bearing liabilities amounted to SEK 207.5 million, of which SEK 65.7 million for a subordinated loan and the remaining SEK 141.8 million for bank credit. BRIO also has pensions liability of SEK 66.0 million: The Group's equity/assets ratio at the end of the report period was 24.7 per cent, compared to 11.4 per cent for the same time last year. The equity/assets ratio, including convertible loans, was 33.8 per cent (19.4) and the majority share of shareholders' equity was SEK 176.3 million (87.2 m).

INVESTMENTS

Investments in tangible and intangible fixed assets for the period July to September amounted to SEK 2.4 million (3.7 m). Investments are mainly attributable to IT and product development. Overall depreciation was SEK -4.8 million compared to SEK 3.3 million for the same period last year.

CURRENCY EFFECTS

The key foreign currencies for BRIO are USD, EUR and NOK. Foreign currencies are first marched against each other in inward and outward flows, and then net exposure is hedged in accordance with the Group's financial policy.

SUSTAINABILITY

BRIO stands for quality at every level and has high ambitions with its quality and sustainability, where certification of suppliers and continuous external controls are important parts. Despite this, it was discovered in the autumn that some of BRIO's contracted toy suppliers didn't fully live up to the requirements that BRIO sets. BRIO has tackled this with an intensified dialogue, directed measures on site and by strengthening the organization for its sustainability processes.

BRIO coordinated its purchasing and production issues over the report period in the new Group-wide unit for goods supply under the management of Thomas Lassen who was appointed in August. There is a clear need to integrate sustainability aspects over the short and long-term in the everyday business, including setting clear action plans for improved working conditions at BRIO's suppliers, ensuring that all production during 2010 takes place at suppliers certified according to the industry standard, ICTI, and developing the platform for BRIO's long-term sustainability.

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

BRIO's activities are seasonal and affected considerably by sales in the Christmas period. A large portion of earnings is generated therefore in the final months of the year.

Currency risks partly arise due to profits and net investment in foreign subsidiaries and due to flow exposure as a result of commercial flows (mainly in USD for outflow and NOK and EUR for inflow). Invoicing to foreign subsidiaries is in the local currency. Invoicing to other foreign customers mainly takes place in the customers' currency. BRIO's finance policy states that commercial flows must be forward covered. Hedging should take place for between 50 and 80 per cent of future flows in a concurrent nine-month period.

BRIO's purchases are strongly dependent on the Chinese manufacturing industry. If significant political changes occur that influence BRIO's ability to purchase goods at established prices, it can have negative consequences on BRIO's earnings capability.

The global market is in a deep, widespread recession and the future development of the business climate is difficult to predict. Reporting of certain items in the balance sheet is based on estimates and predictions and is therefore uncertain. Against the background of BRIO's restructuring work and the prevailing market situation this applies specifically to values of goodwill, brands, shares in subsidiaries and deferred tax liabilities.

It cannot be ruled out that the company will be unable to generate sufficient profit to finance future activities and must therefore seek further external capital. There is no guarantee that the company will be able to raise capital when it needs to and that the terms for future financing are acceptable for the company and its owners. For a full description of the Group's risk management please refer to the Annual Report 2008.

PARENT COMPANY

The loss before tax for the report period was SEK 18.2 million (+4.0 m). Sales for the period amounted to SEK 94.9 million (98.3 m). Investments in tangible and intangible fixed assets amounted to SEK 2.3 million (3.4 m). The parent company's net liquidity on 30 September 2009 was SEK 13.7 million, compared to SEK 35.6 million at the start of the year.

The headcount during the period was 92, compared to an average of 109 for the full year in 2008.

STAFF

During the report period the BRIO Group had a headcount of 366, compared to an average of 396 for the full year in 2008. 56 of the 366 staff were being made redundant at the end of the period as part of the rationalization scheme. The financial effects will however not be shown in full until the end of their period of notice.

CHANGES TO THE NOMINATIONS COMMITTEE

Because Consepio is no longer a major shareholder in BRIO, Ragnhild Wiborg has stepped down from the nominations committee. Mats Jacobsson is the new member. Following this the nominations committee now consists of: Bengt Ivarsson, representing the Ivarsson family and is the convener. Daniel Sachs, representing Proventus Invest AB, and Mats Jacobsson, representing Mats and Margareta Jacobsson. The nominations committee can be contacted via: Nominations Committee, BRIO AB, Box 305, 201 23 Malmö, Sweden.

Key indicators – The Group

	SEP 2009	SEP 2008	DEC 2008
Return on capital employed, %	Neg	9.7	Neg
Return on shareholders' equity, %	Neg	Neg	Neg
Equity/assets ratio including subordinated loan, %	33.8	19.4	9.7
Equity/assets ratio, %	24.7	11.4	0.9
No. of shares at the end of the period	152 885 018	9 333 332	9 333 332
No. of shares after dilution	154 134 055	9 555 332	9 555 332
Average number of shares during the period	152 885 018	9 333 332	9 333 332
Average number of shares after dilution	154 134 055	9 555 332	9 555 332
Shareholders' equity per share, SEK	1.17	9.54	0.70

Income statement in summary – The Group

(SEK m)	JUL-SEP		JAN-SEP		OCT 2008- SEP 2009	Full-year 2008
	2009	2008	2009	2008		
Net sales	234.2	218.5	646.8	588.8	950.5	892.5
Cost of goods sold	-147.1	-122.4	-425.4	-330.7	-613.8	-519.1
Gross profit	87.1	96.1	221.4	258.1	336.7	373.4
Sales costs	-65.6	-82.1	-237.5	-245.2	-364.7	-372.4
Administrative costs	-32.0	-26.4	-112.7	-81.8	-157.3	-126.4
Development costs	-3.1	-7.0	-11.3	-21.1	-19.5	-29.3
Other operating income/expenses	4.8	9.8	1.1	103.8	7.3	110.0
Operating profit/loss	-8.6	-9.6	-139.0	13.8	-197.6	-44.7
Net financial items	-7.7	1.8	-15.1	-18.5	-7.8	-11.2
Profit/loss before tax	-16.3	-7.8	-154.2	-4.7	-205.4	-55.9
Tax on profit/loss for the period	-0.9	-1.1	-2.5	0.9	-22.8	-19.3
Loss for the period	-17.2	-8.9	-156.7	-3.8	-228.2	-75.3
Of which parent company's shareholders	-17.4	-9.0	-157.0	-4.1	-228.4	-75.6
Of which minority share	0.2	0.1	0.3	0.3	0.3	0.3
Earnings per share before dilution, SEK	-0.11	-0.95	-2.15	-0.41	-3.99	-8.10
Earnings per share after dilution, SEK	-0.11	-0.95	-2.13	-0.41	-3.96	-8.10

Statement of comprehensive income – The Group

(SEK m)	JUL-SEP		JAN-SEP		OCT 2008- SEP 2009	Full-year 2008
	2009	2008	2009	2008		
Results for the period	-17.2	-8.9	-156.7	-3.8	-228.2	-75.3
Comprehensive income - other						
Translation differences for the period	3.5	-3.8	15.5	-2.8	4.4	-13.9
Comprehensive income for the period - other	3.5	-3.8	15.5	-2.8	4.4	-13.9
Comprehensive income for the period - total	-13.7	-12.7	-141.1	-6.6	-223.8	-89.2
Of which parent company's shareholders	-14.0	-12.8	-141.5	-6.9	-223.9	-89.2
Of which minority share	0.3	0.1	0.4	0.3	0.1	0.0

Depreciation/amortization – The Group

(SEK m)	JUL-SEP	JUL-SEP	JAN-SEP	JAN-SEP	Full-year 2008
	2009	2008	2009	2008	
Cost of goods sold	-2.6	-1.7	-7.4	-4.3	-7.0
Sales costs	-0.4	-0.3	-1.3	-0.8	-1.1
Administrative costs	-1.7	-1.3	-5.1	-3.6	-5.4
Development costs	-0.0	-0.0	-0.0	-0.1	-0.2
Total	-4.8	-3.3	-13.9	-8.8	-13.6

Balance sheet in summary – The Group

(SEK m)	30-09-09	30-09-08	31-12-08
ASSETS			
Intangible assets	159.0	164.4	155.9
Tangible fixed assets	17.9	19.3	19.2
Financial fixed assets	24.4	44.8	26.1
Total fixed assets	201.3	228.5	201.2
Stock	238.8	292.7	261.7
Accounts receivable	202.1	208.4	152.0
Other receivables	31.4	35.7	45.6
Liquid assets	48.2	15.5	60.1
Total current assets	520.5	552.3	519.4
Total assets	721.8	780.8	720.5
SHAREHOLDERS' EQUITY AND LIABILITIES			
Parent company's shareholders' share			
Share capital	336.3	93.3	93.3
Other capital contribution	149.5	128.2	128.1
Provisions	79.5	74.8	64.0
Loss brought forward	-389.0	-209.1	-280.5
Total	176.3	87.2	5.0
Minority shareholding	2.0	1.9	1.6
Total shareholders' equity	178.3	89.1	6.5
Interest-bearing long-term liabilities			
Liabilities to credit institutions	0.0	8.6	8.6
Other long-term liabilities	0.0	62.2	63.0
Non interest-bearing long-term liabilities			
Deferred tax liabilities	17.4	18.3	16.9
Pension provisions	66.0	66.6	62.8
Other provisions	19.5	10.8	16.8
Current interest-bearing liabilities			
Other current liabilities	207.5	316.6	303.1
Non interest-bearing current liabilities			
Provisions	23.7	15.1	19.4
Accounts payable – trade	112.7	125.1	124.2
Other current liabilities	96.7	68.4	99.2
Total liabilities	543.5	691.7	714.0
Total shareholders' equity and liabilities	721.8	780.8	720.5

Changes in shareholders' equity – The Group

(SEK m)	Attributable to parent company's shareholders				Minority interest	Total equity
	Share capital	Other capital contribution	Provisions	Profit/loss brought forward		
Opening balance on 1 January 2008	93.3	128.2	77.6	-205.0	1.6	95.7
Overall result for the period - total			-2.8	-4.1	0.3	-6.6
Closing balance on 30 September 2008	93.3	128.2	74.8	-209.1	1.9	89.1
Overall result for the period - total		-0.1	-10.8	-71.4	-0.3	-82.6
Closing balance on 31 December 2008	93.3	128.1	64.0	-280.5	1.6	6.5
Reduction in share capital	-72.8	24.3		48.5		0.0
New share issue	315.8	-2.9				312.9
Overall result for the period - total			15.5	-157.0	0.4	-141.1
Closing balance on 30 September 2009	336.3	149.5	79.5	-389.0	2.0	178.3

Provisions – The Group

(SEK m)	Translation difference	Revaluation provision	Total provisions
Opening balance on 1 January 2008	60.1	17.5	77.6
Translation difference for the period	-2.8	-	-2.8
Closing balance on 30 September 2008	57.3	17.5	74.8
Translation difference for the period	-10.8	-	-10.8
Closing balance on 31 December 2008	46.5	17.5	64.0
Translation difference for the period	15.5	-	15.5
Closing balance on 30 September 2009	62.0	17.5	79.5

Cash flow statement – The Group

(SEK m)	JAN-SEP 09	JAN-SEP 08	Full-year 08
Cash flow from current activities before changes in working capital	-123.1	-94.7	-129.1
Changes in working capital	4.7	-135.9	43.2
Cash flow from current activities	-118.4	-230.6	-85.9
Cash flow from investment activities	-7.8	87.9	61.2
Cash flow from financing activities	114.1	82.9	8.7
Cash flow for the period	-12.0	-59.8	-15.9
Liquid assets at the start of the period	60.1	74.8	74.8
Exchange rate difference in liquid assets	0.0	0.5	1.2
Liquid assets at the end of the period	48.2	15.5	60.1

Income statement in summary – Parent company

(SEK m)	JUL-SEP		JAN-SEP		OCT 2008- SEP 2009	Full-year 2008
	2009	2008	2009	2008		
Net sales	94.9	98.3	265.0	259.5	387.8	382.3
Cost of goods sold	-65.8	-58.2	-180.8	-148.2	-257.7	-225.1
Gross profit	29.1	40.1	84.2	111.3	130.1	157.2
Sales costs	-32.1	-37.7	-103.3	-104.1	-167.5	-165.6
Administrative costs	-18.3	-16.7	-63.0	-54.5	-86.4	-73.7
Development costs	-2.8	-6.6	-10.5	-19.9	-22.2	-31.2
Other operating income/expenses	12.0	19.0	21.9	39.5	8.7	28.9
Operating profit/loss	-12.1	-1.9	-70.8	-27.6	-137.2	-84.4
Profit/loss from participations in Group companies	-	3.1	-	83.1	-	80.5
Net financial items	-6.1	2.8	-19.9	-15.7	-7.6	-3.3
Profit/loss after net financial items	-18.2	4.0	-90.6	39.8	-144.8	-7.2
Additional depreciation	-	-	-	-	-	-
Profit/loss before tax	-18.2	4.0	-90.6	39.8	-144.8	-7.2
Tax on profit/loss for the period	-	-0.2	-	0.8	-15.2	-14.4
Profit/loss for the period	-18.2	3.8	-90.6	40.6	-160.0	-21.6

Balance sheet in summary – Parent company

(SEK m)	30-09-09	30-09-08	31-12-08
ASSETS			
Fixed assets			
Intangible fixed assets	33.3	41.2	39.2
Tangible fixed assets	9.8	11.5	10.2
Financial fixed assets	347.6	278.5	340.9
Total fixed assets	390.7	331.2	390.2
Stock	94.0	115.6	113.9
Accounts receivable	61.0	67.4	66.6
Other receivables	182.5	255.2	189.5
Liquid assets	13.7	3.3	35.6
Total current assets	351.2	441.5	405.6
Total assets	741.9	772.7	795.8
SHAREHOLDERS' EQUITY AND LIABILITIES			
Restricted shareholders' equity			
Share capital	336.3	93.3	93.3
Revaluation reserve	34.0	44.0	34.0
Statutory reserve	11.2	11.2	11.2
Total restricted shareholders' equity	381.5	148.5	138.5
Non-restricted shareholders' equity			
Share premium reserve	149.6	128.1	128.1
Loss brought forward	-128.2	-165.1	-155.1
Profit/loss for the period	-90.6	40.6	-21.6
Total non-restricted shareholders' equity/loss brought forward	-69.2	3.6	-48.6
Total shareholders' equity	312.3	152.1	90.0
Provisions			
Pension provisions	54.0	55.9	53.0
Other provisions	9.3	5.8	14.2
Total provisions	63.3	61.7	67.2
Long-term liabilities			
Liabilities to Group companies	0.6	23.9	15.9
Other liabilities	0.0	62.2	63.0
Total long-term liabilities	0.6	86.1	78.9
Current liabilities			
Bank overdraft facilities	107.9	218.1	147.6
Accounts payable - trade	36.1	40.4	43.9
Liabilities to Group companies	123.7	129.2	211.7
Liabilities to parent company	0.0	0.0	60.9
Other liabilities	98.0	85.1	95.7
Total current liabilities	365.7	472.8	559.7
Total shareholders' equity and liabilities	741.9	772.7	795.8

Shareholders on 30 September 2009

	No. of A shares	No. of B shares	No. of C shares	No. of D shares	Shareholding, %	Votes, %
Proventus Invest AB	2 752 466	2 645 725	41 165 955	90 784 603	89.84	87.58
BRIO ABs Personalstiftelse		236 000		2 800 000	1.99	0.50
Dag Ivarsson and family	1 112 200	34 501	41 500	24 900	0.79	1.91
Mats Jacobsson and family		60 000	500 000	300 000	0.56	0.88
Tor Diderholm		85 111	402 055	249 033	0.48	0.72
Susanna Molander		77 200	386 000	231 600	0.45	0.69
BRIO ABs Intressefond		105 030	150 000	90 000	0.23	0.28
Zonata Design AB		31 266	145 000	87 000	0.17	0.26
Durator AB		50 000	125 000	75 000	0.16	0.23
Christian Nordström			165 000		0.11	0.27
Other shareholders	50 000	2 093 833	3 586 150	2 242 890	5.21	6.69
Total	3 914 666	5 418 666	46 666 660	96 885 026	100.00	100.00

The board meeting on 23 September decided to convert 12,000 class C shares to class B shares. The change was registered in October, after the end of the report period.

BRIO's share capital consists of four classes of shares: ordinary class A and B shares and preference class C and D shares. The preference class shares have different rights to dividends and share of the company's capital when redeeming the shares than ordinary class shares do.

The preference class C shares provide preferential rights for dividend and when redeeming the shares with an annual enumeration of 25 per cent of SEK 2.20 and provide the shareholder, like ordinary class A shares, with ten votes per share. Preference class D shares provide preferential rights for dividends and when redeeming with an annual enumeration limited to 7 per cent of SEK 2.20 and provide the shareholder, like ordinary class B shares, with one vote per share.

After the conversion, the share capital amounts unchanged to SEK 336,347,040 and made up of 3,914,666 ordinary class A shares, 5 430 666 ordinary class B shares, 46,546,660 preference class C shares and 96,885,026 preference class D shares. The total number of votes amounts to 608,008,952.

Share class	No. of shares	Votes per share	No. of votes
Ordinary share, class A	3 914 666	10	39 146 660
Ordinary share, class B	5 430 666	1	5 430 666
Preference share, class C	46 546 660	10	466 546 600
Preference share, class D	96 885 026	1	96 885 026
Total	152 885 018		608 008 952

Information per segment

Since 1 January 2009 the Group has been divided into two divisions, BRIO Toy and BRIO Baby, plus subsidiary BRIO Partner. The following is a summary of segment information for the first nine months of 2009.

(SEK m)	BRIO Baby		BRIO Toy		Partner		Joint resources		Eliminations		Total BRIO	
	09	08	09	08	09	08	09	08	09	08	09	08
Sales from external customers	193	190	398	344	7	15	49	40	0	0	647	589
Sales between segments	5	6	0	0	0	0	93	225	-98	-230	0	0
Operating profit/loss	-16	3	-68	-46	-3	-8	-53	65	0	0	-139	14
Financial net	0	0	0	0	0	0	-15	-19	0	0	-15	-19
Profit/loss before tax	-16	3	-68	-46	-3	-8	-68	46	0	0	-154	-5

Sales per market

(SEK m)	JAN-SEP 09	JAN-SEP 08
Nordic region	545.3	497.5
Other European countries	89.6	73.6
Rest of the world	11.9	17.7
Total	646.8	588.8

SEASONAL VARIATIONS

The toy industry is characterized by major seasonal variations, where the majority of sales take place in the last few months of the year. BRIO's total quarterly sales for the 2004-2008 period are as follows:

Q1	Q2	Q3	Q4
20 %	21 %	23 %	36 %

Quarterly sales for 2008 are as follows:

Q1	Q2	Q3	Q4
19 %	22 %	25 %	34 %

SENSITIVITY ANALYSIS

The following table provides an estimate of the net effects of changes to currency exchange rates on BRIO's results for 2008.

Change to USD +5 %	Effect on earnings, SEK m
USD/SEK	-7.6
Change to EUR +5 %	
EUR/SEK	1.8

ACCOUNTING PRINCIPLES

General information about applied accounting principles – The Group

The Group applies the EU-endorsed IFRS standards, the Annual Accounts Act, and the Swedish Financial Reporting Board's recommendation RFR 1.2, Complementary Accounting Rules for Groups. Quarterly reports are drawn up according to IAS 34, Interim Reports. The accounting principles applied in this quarterly report are explained in Note 1 of the Annual Report 2008, with the changes below. The note states that IFRS standards have been applied since 2005 and the impact this has on the BRIO Group.

Change to accounting principles – The Group

Presentation of financial reports

As of 1 January 2009 the Group is implementing the changes to IFRS 1 Presentation of Financial Statements. The standard divides changes in shareholders' equity as a result of transactions with owners and other changes. The account of changes in shareholders' equity only contains details of owner transactions. Changes other than owner transactions in shareholders' equity are presented in a line in the account of changes to shareholders' equity. In addition, the standard introduces the term "Statement of comprehensive income – Group" that shows all items concerning revenues and costs. BRIO has chosen to report in two tables, an income statement and a statement of comprehensive income. Comparable information for 2008 has been revised in accordance with the new standard.

Operating segment

From 1 April 2009 the Group has implemented IFRS 8 Operating Segments. IFRS 8 replaces IAS 14 Segment Reporting. The new standard requires that segment information is presented based on the management team's perspective, which means that it is presented in the way that it is used in internal reporting. The introduction of IFRS 8 has meant that new operating segments have been identified within BRIO compared with previously. The starting point for identifying reporting segments is internal reporting as it is reported to the ultimate decision makers, and monitored by them. In this case the ultimate decision makers are Group management. The business is assessed and controlled based on business divisions. BRIO has identified three reporting operating segments in accordance with IFRS 8. These are BRIO Toy, BRIO Baby and the franchise business, BRIO Partner. Since these have changed compared to previous reports, figures for comparison have been restated. Segments are assessed internally based on operating profit/loss.

Information about the parent company

The parent company reports in accordance with the Annual Accounts Act and RFR 2.2, Accounting for Legal Entities.

FUTURE REPORTS

Report	Time of publication
Q4 report 2009	24 February 2010
Annual General Meeting in Malmö	11 May 2010
Q1 report 2010	11 May 2010

Malmö, 3 November 2009

Andreas Sbrodiglia
President and CEO

REVIEW REPORT

We have reviewed this report for the period 1 January to 30 September 2009, for BRIO AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this quarterly report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this quarterly report based on our review.

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by FAR SRS. 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 Standards on Auditing in Sweden, RS, 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.

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

Malmö, 3 November 2009

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Ulf Westerberg
Authorized public accountant
PricewaterhouseCoopers AB

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Jan-Inge Andersson
Authorized public accountant
PricewaterhouseCoopers AB

FINANCIAL INFORMATION

May be ordered from:

BRIO AB

Box 305

201 23 Malmö

Sweden

Tel: +46 479 19 000

Email: info@brio.net

All financial information is published on www.brio.net immediately after publication.

CONTACT INFORMATION

President and CEO Andreas Sbrodiglia

Email: andreas.sbrodiglia@brio.net

Tel: +46 479 19 000

BRIO is a Swedish company that develops and sells toys, prams, children's car seats and children's furniture. The business is divided into two divisions; BRIO Toy and BRIO Baby, along with the subsidiary, BRIO Partner. The company was formed in 1884 and is today an international Group with the BRIO, SIMO and Alga brands. The Group has about 370 employees, is represented in over 50 countries, and has been listed on the stock market since 1985. BRIO has been listed on NGM Equity since June 2009.

BRIO AB

Box 305

201 23 Malmö

Sweden

Tel:+46 479 190 00

Fax:+46 479 147 24

info@brio.net

www.brio.net

Co. Reg. No. 556201-9686

BRIO is a public limited liability company