



Q2 REPORT April-June 2009

REPORT PERIOD APRIL-JUNE 2009

- Net sales amounted to SEK 209.1 million (197.3 m)
- The operating loss was SEK 72.5 million (-22.1 m)
- The operating loss adjusted for one-off items amounted to SEK 54.3 million (-22.1 m)
- The loss after tax was SEK 75.8 million (-30.9 m)
- EPS was SEK -1.32 (-3.30)

Following new share issues during the period the number of shares increased to 152,885,018 compared with 9,333,332 at the corresponding period last year.

REPORT PERIOD JANUARY-JUNE 2009

- Net sales amounted to SEK 412.6 million (370.3 m)
- The operating loss excluding capital gains was SEK 130.4 million (-51.6 m)
- The operating loss excluding capital gains and adjusted for one-off items amounted to SEK 106.0 million (-51.6 m)
- The operating loss was SEK 130.4 million (+23.4 m)
- The loss after tax was SEK 139.4 million (+5.1 m)
- EPS was SEK -4.19 (+0.55)

Following new share issues during the period the number of shares increased to 152,885,018 compared with 9,333,332 at the corresponding period last year.

SIGNIFICANT EVENTS DURING AND AFTER THE REPORT PERIOD

- The preferential share issue was fully subscribed during the report period and raised around SEK 164 million for BRIO before administration costs. BRIO subsequently repaid a loan of SEK 140 million to Proventus AB.
- The offset share issue amounting to around SEK 152 million with BRIO's main creditors was carried out.
- On 29 June BRIO changed stock market and trading of BRIO's ordinary class B shares along with preference class C and D shares was initiated on NGM Equity. BRIO applied for delisting from NASDAQ OMX Stockholm as the distribution of BRIO's newly issued preference C and D shares did not meet requirements for listing on the NASDAQ OMX Stockholm exchange.
- Following the completion of the refinancing measures, the Group's equity/assets ratio is 30.6%.
- BRIO continued with its rationalization scheme during the report period to cut costs by around SEK 80 million per year, which will achieve full effect in 2011. One-off costs of SEK 18.2 million for initiating the rationalization scheme impacted negatively on the report period's results. The scheme continues and further one-off costs are expected to impact on coming quarters.
- As part of the rationalization process, BRIO's subsidiary in the UK was wound up. Meanwhile BRIO entered into a distribution agreement with Treasure Trove Holdings Ltd concerning the sale of both toys and baby products on the UK market.
- BRIO's subsidiary, BRIO Partner, entered into a partnership agreement with the Norwegian franchise chain, *Yes! Vi Leker*.

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GROUP PERFORMANCE OVER THE REPORT PERIOD APRIL-JUNE 2009

MARKET DEVELOPMENT

Around 290,000 babies are born each year in the Nordic region and around 680,000 in Germany. These are BRIO's main markets and new births impact directly on sales. During the first quarter of the year 26,900 babies were born in Sweden, which is 1% lower than Q1 2008. 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 situation is impacting on the baby products market. Consumers are increasingly buying used prams and re-using products for other children. BRIO's sales follow market development in local currency on the Nordic markets with the exception of Sweden, where the company is increasing market share by maintaining sales compared with previous years.

According to the DHI retail trade index, sales on the Swedish toy market fell by 3.8 per cent in the January-May period. BRIO believes that other Nordic markets followed a similar trend.

BRIO's sales of toys developed positively during the report period on several markets and BRIO is winning market share on most of its markets.

During the report period Top Toy Holding A/S, which operates the BR and Toys R Us chains, among others, in the Nordic region, acquired Danish toy wholesaler KE Mathiasen. This consolidation of the toy market opens new possibilities for the BRIO Toy division.

SALES

The Group's net sales during the report period amounted to SEK 209.1 million (197.3 m), which is an increase of SEK 11.8 million compared with the same period last year. Exchange rate effects had a positive impact on sales revenues by SEK 10.2 million (2.4 m). During the report period the BRIO Baby division reported a fall in sales in the Nordic market of SEK 4.5 million to SEK 51.6 million (56.1 m), mainly for child car seats. However in the rest of Europe net sales rose by SEK 7.9 million to SEK 13.2 million (5.3 m). The BRIO Toy division reported a sales increase of SEK 4.5 million to SEK 125.4 million (120.9 m) during the report period.

The gross profit fell by SEK 17.8 million to SEK 65.3 million (83.1 m) compared with the same period last year. The gross margin fell from 42.1 per cent in Q2 2008 to 31.2 per cent for the same period in 2009. The fall in gross profit was mainly due to the strengthening of USD in the second half of 2008 combined with rising raw material prices, which put pressure on the gross margin as most of the Group's purchases of goods are priced in USD. Due to the Group's liquidity problem at the end of last year and in early 2009 there was no opportunity to make sufficient currency hedges, which BRIO is now able to do following the financial reconstruction. Gross profit during the report period was further hit by high costs for quality non-conformance, which was mainly attributable to reworking of pram models.

COSTS

The operation's sales, administration and development costs including other operating income and costs rose by SEK 32.6 million to SEK 137.8 million (105.2 m) compared to the same period last year. During the report period negative currency effects of SEK 6.5 million impacted other operating income and costs, while in the corresponding period last year there was a positive currency effect of SEK 1.7 million. The weak Swedish krona means that costs in the Group's foreign subsidiaries increased by SEK 5.7 million due to the effect of a higher translation rate than the corresponding period last year. Excluding currency and translation effects, costs have risen by SEK 20.4 million. BRIO continued working on its rationalization scheme during the report period in order to cut costs by around SEK 80 million annually and achieving full effect in 2011. One-off costs of SEK 18.2 million for starting up the rationalization scheme impacted the report period. Other deviations included rising logistics costs, partly due to increased energy costs but also due to rising stock-keeping costs. The company is working intensively to review the overall logistics solution.

OPERATING LOSS

The operating loss amounted to SEK 72.5 million (-22.1 m), which is a decline of SEK 50.4 million compared to the same period last year, which can mainly be explained by the decline of SEK 17.8 million in gross earnings and the effect of the SEK 32.6 million increase in operating costs. Operating costs include one-off items amounting to SEK 18.2 million.

LOSS AFTER FINANCIAL ITEMS

The Group's loss before tax was SEK 77.1 million (-28.3 m) for the report period. Net financial items improved by SEK 1.6 million from SEK -6.2 million to SEK -4.6 million, which is mainly an effect of currency recalculations.

Earnings trend per quarter

(SEK m)	APR- JUNE 09	JAN- MARCH 09	OCT- DEC 08	JUL- SEP 08	APR- JUN 08
Net sales	209.1	203.5	303.7	218.5	197.3
Net sales – 12 months continuous	934.8	923.0	892.5	912.5	916.7
Gross profit	65.3	69.0	115.2	96.1	83.1
Operating costs	-137.8	-126.9	-173.8	-112.7	-105.2
Operating profit/loss	-72.5	-57.8	-58.6	-9.6**	-22.1
Operating profit/loss – 12 months continuous	-198.5	-148.1	-44.8*	19.9*	31.1*
Operating loss, excluding capital gains for sale of property – 12 months continuous	-205.5	-155.1	-126.8	-62.1	-43.9
Net financial items	-4.6	-2.8	7.3	1.8	-6.2
Profit/loss after net financial items	-77.1	-60.7	-51.3	-7.8	-28.3
Earnings per share. SEK	-1.32	-6.85	-7.66	-0.95	-3.30

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

** Including capital gains from sale of property of SEK 7 million

PERFORMANCE BY DIVISION DURING THE REPORT PERIOD APRIL-JUNE 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, licence and branded toys. BRIO Toy is a consumer-focused division that aims to create 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)	APR-JUN 09	JAN-MAR 09	OCT-DEC 08	JUL-SEP 08	APR-JUN 08
Nordic region	113.0	102.6	187.3	120.9	107.6
Other European countries	9.8	13.9	39.0	19.8	9.9
Rest of the world	2.6	4.8	6.9	5.3	3.4
Total	125.4	121.3	233.3	145.9	120.9

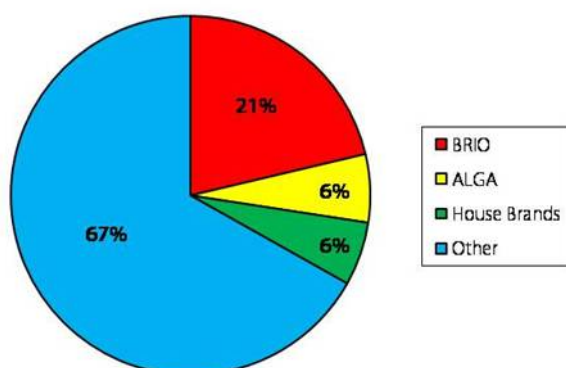
Sales in the Nordic region mainly consist of BRIO and Alga brand toys, partly through the sale of trend, licensed and branded toys via independent retailers, retail chains and convenience stores. Sales in the Nordic region amounted to SEK 113.0 million (107.6 m) during the report period. Last year the Swedish part of the BRIO Partner franchise chain was wound down. Despite this closure, BRIO Toy reported sales on the Swedish market during the report period that were at the same level as the corresponding period last year.

Sales in other European countries mainly consist of BRIO brand toys via independent retailers and supermarkets.

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 2.6 million (3.4 m).

Sales of BRIO brand products amounted to SEK 27.0 million (25.2 m), which represents 21.5 per cent (20.8) of the divisions net sales during the report period.

Sales per product segment 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 adults expecting babies, and parents of children aged 0-3 years. The division aims to create 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

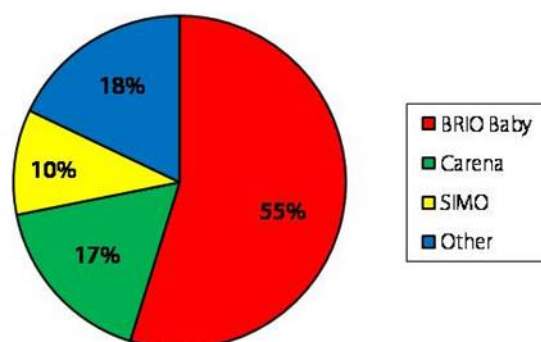
(SEK m)	APR-JUN 09	JAN-MAR 09	OCT-DEC 08	JUL-SEP 08	APR-JUN 08
Nordic region	51.6	51.2	43.2	45.6	56.1
Other European countries	13.2	16.4	16.7	13.0	5.3
Rest of the world	0.3	1.0	0.7	0.3	1.1
Total	65.1	68.6	60.6	59.0	62.5

Sales on the Nordic market during the report period amounted to SEK 51.6 million (56.1 m). The fall in sales is mainly attributable to the fall in sales for car seats, which is partly attributable to lower campaign volumes than the previous year and partly to the fact that parts of the range are being updated.

Sales in the rest of Europe during the report period amounted to SEK 13.2 million (5.3 m). The second half of 2008 saw the launch of a more international range for BRIO Baby in Northern Europe, which is the main reason for the sales increase during the report period. The most recent addition to the pram range, BRIO Go, developed positively and made a strong contribution to increased sales.

Sales of BRIO brand products amounted to SEK 35.7 million (32.9 m), which represents 55 per cent (53) of the division's total net sales during the report period.

Sales per product segment 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)	APR-JUN 09	JAN-MAR 09	OCT-DEC 08	JUL-SEP 08	APR-JUN 08
Nordic region	2.4	2.5	0.4	4.8	5.8

OTHER INFORMATION CONCERNING THE REPORT PERIOD JANUARY-MARCH 2009

FINANCIAL POSITION

The balance sheet total fell from SEK 640.6 million to SEK 630.8 million, compared to the same period last year.

BRIO works continuously to improve the effectiveness of its working capital. Among other measures, the inventory build-up that took place in 2008 has now been returned to the normal level of previous years. Work aimed at increasing efficiency will continue in order to make further rationalisations regarding working capital.

The Group's liquid assets totalled SEK 48.6 million on 30 June 2009, compared to SEK 22.0 million on 30 June 2008. Net debt was SEK 105.8 million, compared with SEK 265.1 million last year, which is a decrease of SEK 159.3 million. Net debt rose partly as an effect of the implemented financial reconstruction.

During the report period BRIO 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 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.

In April BRIO signed a credit agreement with its main creditor. According to the credit agreement the credit framework amounts to SEK 266.5 million, of which some will be utilised for letters of credit, guarantees, leasing and derivative products, and SEK 75.0 million represents a framework for seasonal invoice borrowing. BRIO was granted authorisation 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.

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 annual coupon payments, 9 per cent effective interest and amounts in total to SEK 64.7 million as of 30 June 2009. At the end of the report period BRIO's short-term interest-bearing liabilities amounted to SEK 89.6 million. This is exclusively a bank credit. BRIO also has a pensions liability of SEK 65.7 million. The Group's equity/assets ratio at the end of the report period was 30.6 per cent, compared to 15.9 per cent for the same time last year. The equity/assets ratio, including convertible loans, was 40.8 per cent (25.5) and the majority share of shareholders' equity was SEK 190.7 million (100.0 m).

INVESTMENTS

Investments in tangible and intangible fixed assets for the period April to June amounted to SEK 1.0 million (7.7 m). Investments are mainly attributable to IT and product development. Overall depreciation was SEK -4.7 million compared to SEK -2.9 for the same period last year.

CURRENCY EFFECTS

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

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.

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 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 33.5 million (-27.4 m). Sales for the period amounted to SEK 78.6 million (79.2 m). Investments in intangible and tangible fixed assets amounted to SEK 0.8 million (7.1 m). The parent company's net liquidity on 30 June 2009 was SEK 23.0 million, compared to SEK 35.6 million at the start of the year.

The headcount during the period was 91, compared to an average of 109 for the full year in 2008.

STAFF

During the report period BRIO Group had a headcount of 373, compared to an average of 396 for the full year in 2008.

NOMINATIONS COMMITTEE

The nominations committee consists of Bengt Ivarsson (convener), Daniel Sachs and Ragnhild Wiborg and can be contacted via: Nominations Committee, BRIO AB, Box 305, 201 23 Malmö, Sweden.

Key indicators – The Group

	June 2009	June 2008	Dec 2008
Return on capital employed, %	Neg	8.8	Neg
Return on shareholders' equity, %	Neg	5.1	Neg
Equity/assets ratio including subordinated loan, %	40.8	25.5	9.7
Equity/assets ratio, %	30.6	15.9	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	9 333 332
Average number of shares during the period	57 183 894	9 333 332	9 333 332
Average number of share after dilution	57 741 573	9 555 332	9 555 332
Shareholders' equity per share, SEK	3.36	10.91	0.70

Income statement in summary – The Group

	APR-JUN		JAN-JUN		JUL 2008- JUN 2009	Full-year 2008
	2009	2008	2009	2008		
(SEK m)						
Net sales	209.1	197.3	412.6	370.3	934.8	892.5
Cost of goods sold	-143.8	-114.2	-278.3	-208.3	-589.2	-519.1
Gross profit	65.3	83.1	134.3	162.0	345.6	373.4
Sales costs	-85.1	-87.3	-171.9	-163.1	-381.2	-372.4
Administrative costs	-40.0	-23.4	-80.7	-55.4	-151.6	-126.4
Development costs	-3.5	-6.8	-8.3	-14.1	-23.5	-29.3
Other operating income/expenses	-9.2	12.3	-3.8	94.0	12.3	110.0
Operating profit/loss	-72.5	-22.1	-130.4	23.4	-198.5	-44.7
Net financial items	-4.6	-6.2	-7.4	-20.3	1.7	-11.2
Profit/loss before tax	-77.1	-28.3	-137.8	3.1	-196.8	-55.9
Tax on profit/loss for the year	1.3	-2.6	-1.6	2.0	-23.0	-19.3
Profit/loss for the year	-75.8	-30.9	-139.4	5.1	-219.8	-75.3
Of which parent company's shareholders	-75.6	-31.0	-139.5	4.9	-220.0	-75.6
Of which minority share	-0.2	0.1	0.1	0.2	0.2	0.3
Earnings per share before dilution, SEK	-1.32	-3.30	-4.19	0.55	-10.33	-8.10
Earnings per share after dilution, SEK	-1.31	-3.30	-4.15	0.54	-10.19	-8.10

Statement of comprehensive income – The Group

	APR-JUN		JAN-JUN		JUL 2008- JUN 2009	Full-year 2008
	2009	2008	2009	2008		
(SEK m)						
Results for the period	-75.8	-30.9	-139.4	5.1	-219.8	-75.3
Comprehensive income – other						
Translation differences for the period	-0.9	2.3	12.0	1.0	-2.9	-13.9
Comprehensive income for the period – other	-0.9	2.3	12.0	1.0	-2.9	-13.9
Comprehensive income for the period – total	-76.7	-28.6	-127.4	6.1	-222.7	-89.2
Of which parent company's shareholders	-76.3	-28.7	-127.5	5.9	-223.1	-89.2
Of which minority share	-0.4	0.1	0.1	0.2	0.4	0.0

Depreciation/amortization – The Group

	APR-JUN	APR-JUN	JAN-JUN	JAN-JUN	Full-year
	2009	2008	2009	2008	2008
(SEK m)					
Cost of goods sold	-2.5	-1.4	-4.8	-2.6	-7.0
Sales costs	-0.4	-0.3	-0.9	-0.5	-1.1
Administrative costs	-1.8	-1.2	-3.4	-2.3	-5.4
Development costs	-0.0	-0.0	-0.0	-0.1	-0.2
Total	-4.7	-2.9	-9.1	-5.5	-13.6

Balance sheet in summary – The Group

(SEK m)	30-06-09	30-06-08	31-12-08
ASSETS			
Intangible assets	159.8	165.2	155.9
Tangible fixed assets	19.3	20.0	19.2
Financial fixed assets	24.9	44.8	26.1
Total fixed assets	204.0	230.0	201.2
Stock	217.5	222.5	261.7
Accounts receivable	131.4	133.7	152.0
Other receivables	29.3	32.4	45.6
Liquid assets	48.6	22.0	60.1
Total current assets	426.8	410.6	519.4
Total assets	630.8	640.6	720.5
SHAREHOLDERS' EQUITY AND LIABILITIES			
Parent company's shareholders' share			
Share capital	336.3	93.3	93.3
Other capital contribution	149.9	128.2	128.1
Provisions	76.0	78.6	64.0
Loss brought forward	-371.5	-200.1	-280.5
Total	190.7	100.0	5.0
Minority shareholding	1.7	1.8	1.6
Total shareholders equity	192.4	101.8	6.5
Interest-bearing long-term liabilities			
Liabilities to credit institutions	0.0	10.0	8.6
Other long-term liabilities	64.7	61.1	63.0
Non interest-bearing long-term liabilities			
Deferred tax liabilities	17.4	18.0	16.9
Pension provisions	64.7	66.0	62.8
Other provisions	38.2	10.8	16.8
Current interest-bearing liabilities			
Other current liabilities	89.6	216.0	303.1
Non interest-bearing current liabilities			
Provisions	10.6	12.3	19.4
Accounts payable - trade	68.7	69.9	124.2
Other current liabilities	84.5	74.7	99.2
Total liabilities	438.4	538.8	714.0
Total shareholders' equity and liabilities	630.8	640.6	720.5

Changes in shareholders' equity – The Group

(SEK m)	Attributable to parent company's shareholders				Minority interests	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			1.0	4.9	0.2	6.1
Closing balance on 30 June 2008	93.3	128.2	78.6	-200.1	1.8	101.8
Overall result for the period – total		-0.1	-14.6	-80.4	-0.2	-95.3
Closing balance on 31 December 2008	93.3	128.1	64.0	-280.5	1.6	6.5
Reduction of share capital	-72.8	24.3		48.5		0.0
Share issues	315.8	-2.5				313.3
Overall result for the period – total			12.0	-139.5	0.1	-127.4
Closing balance on 30 June 2009	336.3	149.9	76.0	-371.5	1.7	192.4

Other provisions – The Group

(SEK m)	Translation difference	Revaluation provision	Other provisions
Opening balance on 1 January 2008	60.1	17.5	77.6
Translation difference for the period	1.0	-	1.0
Closing balance on 30 June 2008	61.1	17.5	78.6
Translation difference for the period	-14.6	-	-14.6
Closing balance on 31 December 2008	46.5	17.5	64.0
Translation difference for the period	12.0	-	12.0
Closing balance on 30 June 2009	58.5	17.5	76.0

Cash flow statement – The Group

(SEK m)	JAN-JUN 09	JAN-JUN 08	Full-year 2008
Cash flow from current activities before changes in working capital	-111.4	-79.1	-129.1
Changes in working capital	11.3	-39.0	43.2
Cash flow from current activities	-100.1	-118.1	-85.9
Cash flow from investment activities	-5.1	83.3	61.2
Cash flow from financing activities	93.1	-17.7	8.7
Cash flow for the period	-12.1	-52.5	-15.9
Liquid assets at the start of the period	60.1	74.8	74.8
Exchange rate difference in liquid assets	0.6	-0.3	1.2
Liquid assets at the end of the period	48.6	22.0	60.1

Income statement in summary – Parent company

	APR- JUN	APR- JUN	JAN- JUN	JAN- JUN	JUL 2008- JUN 2009	Full- year 2008
(SEK m)	2009	2008	2009	2008		
Net sales	78.6	79.2	170.1	161.2	391.3	382.3
Cost of goods sold	-55.5	-44.9	-115.0	-90.0	-250.1	-225.1
Gross profit	23.1	34.3	55.1	71.2	141.1	157.2
Sales costs	-31.9	-31.5	-71.2	-66.4	-170.4	-165.6
Administrative costs	-22.0	-18.8	-44.8	-37.8	-80.7	-73.7
Development costs	-3.3	-7.3	-7.7	-13.3	-25.5	-31.2
Other operating income/expenses	7.4	5.3	9.9	100.6	21.1	28.9
Operating profit/loss	-26.7	-18.0	-58.6	54.3	-114.4	-84.4
Profit/loss from participations in Group companies	-	-	-	-	-2.5	80.5
Net financial items	-6.8	-9.4	-13.8	-18.5	1.5	-3.3
Profit/loss after net financial items	-33.5	-27.4	-72.4	35.8	-115.4	-7.2
Additional depreciation	-	-	-	-	-	-
Profit/loss before tax	-33.5	-27.4	-72.4	35.8	-115.4	-7.2
Tax on profit/loss for the year	0.0	-0.3	0.0	1.0	-15.5	-14.4
Profit/loss for the year	-33.5	-27.7	-72.4	36.8	-130.9	-21.6

Balance sheet in summary – Parent company

SEK m	30-06-09	30-06-08	31-12-08
ASSETS			
Fixed assets			
Intangible fixed assets	34.5	41.2	39.2
Tangible fixed assets	10.5	12.1	10.2
Financial fixed assets	346.1	268.7	340.9
Total fixed assets	391.1	322.0	390.2
Stock	100.7	93.4	113.9
Accounts receivable	45.7	45.2	66.6
Other receivables	155.7	200.7	189.5
Liquid assets	23.0	8.0	35.6
Total current assets	325.1	347.3	405.6
Total assets	716.2	669.3	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	149.9	128.1	128.1
Loss brought forward	-128.2	-165.1	-155.1
Profit/loss for the year	-72.4	36.8	-21.6
Total non-restricted shareholders' equity/loss brought forward	-50.7	-0.2	-48.6
Total shareholders' equity	330.8	148.3	90.0
Allocations			
Pension allocations	53.7	55.2	53.0
Other allocations	11.4	6.6	14.2
Total allocations	65.1	61.8	67.2
Long-term liabilities			
Liabilities to Group companies	0.6	23.2	15.9
Other liabilities	64.8	61.3	63.0
Total long-term liabilities	65.4	84.5	78.9
Current liabilities			
Bank overdraft facilities	88.0	122.9	147.6
Accounts payable - trade	28.7	29.6	43.9
Liabilities to Group companies	120.2	122.0	211.7
Liabilities to parent company	0.0	0.0	60.9
Other liabilities	18.0	100.2	95.7
Total current liabilities	254.9	374.7	559.7
Total shareholders' equity and liabilities	716.2	669.3	795.8

Shareholders on 30 June 2009

	NO. OF A SHARES	NO. OF B SHARES	NO. OF C SHARES	NO. OF D SHARES	SHARE-HOLDING, %	VOTES, %
Proventus Invest AB	2 752 466	2 645 725	41 165 955	90 784 603	89,84	87,58
BRIO ABs Personalstiftelse				2 800 000	1,83	0,46
Dag Ivarsson and family	1 112 200	34 501	41 500	24 900	0,79	1,91
BRIO ABs Intressefond		228 530	150 000	90 000	0,31	0,30
Bengt Ivarsson	50 000	50 000			0,07	0,09
Joachim Robert Hubler		87 839			0,06	0,01
Kent Jörgen Björnberg		6 935	34 675	20 805	0,04	0,06
Other shareholders		2 365 136	5 274 530	3 164 718	7,07	9,58
Total	3 914 666	5 418 666	46 666 660	96 885 026	100,00	100,00

On 8 April BRIO's Staff and Associate Fund converted a total of 502,000 class A shares to the equivalent number of class B shares in the company in accordance with the conversion provisions stated in the articles of association. The preferential rights share issue resulted in 46,666,660 class C preference shares and 27,999,996 class D preference shares, and through the offset issue 68,885,030 class D preference shares.

Following the conversion and new share issues BRIO AB's share capital is made up of 3,914,666 class A shares with ten votes each, 5,418,666 class B shares with one vote each, 46,666,660 class C preference shares with ten votes each, and 96,885,026 class D shares with one vote each. After the completion of the financial reconstruction, Proventus Invest AB's ownership amounts to 89.8 per cent of the capital.

The following is a summary of the total number of shares including votes in BRIO following the completed financial reconstruction.

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	5 418 666	1	5 418 666
Preference share, class C	46 666 660	10	466 666 600
Preference share, class D	96 885 026	1	96 885 026
Total	152 885 018		608 116 952

Information per segment

Since 1 January 2009 the Group has been divided into two divisions, BRIO Toy and BRIO Baby. The following is a summary of segment information for the first six 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	133.7	124.5	246.6	214.8	4.9	9.7	27.4	21.4	-	-	412.6	370.3
Sales between segments	3.2	3.1	0.0	0.0	-	-	49.3	44.9	-52.5	-48.0	-	-
Segment operating profit/loss	-16.1	-15.1	-68.2	-14.2	-3.5	-2.2	-40.3	55.1	-	-	-130.4	23.4
Financial net							-6.4	-20.3			-6.4	-20.3
Profit/loss before tax	-16.1	-15.1	-68.2	-14.2	-3.5	-2.2	-46.7	34.8	-52.5	-48.0	-136.8	3.1

Sales per market

SEK m	JAN-JUN 09	JAN-JUN 08
Nordic region	350.6	330.3
Other European countries	54.6	37.4
Rest of the world	7.4	6.7
Total	412.6	370.3

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%	21%	38%

SENSITIVITY ANALYSIS

The table below 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
Q3 report 2009	3 November 2009
Q4 report	24 February 2010

Malmö, 23 July 2009

Andreas Sbrodiglia President and CEO	Daniel Sachs Chairman of the Board	Dag Ivarsson Member of the Board
Lea Rytz Goldman Member of the Board	Johan Hjertonsson Member of the Board	Gabriella Sahlman Member of the Board
Anders Hallberg Union representative	Torbjörn Nordh Union representative	,

This quarterly report has not been subject to scrutiny by the company's auditors.

FINANCIAL INFORMATION

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

CONTACT INFORMATION

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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.

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BRIO is a public limited liability company