

INTERIM REPORT

April - June 2010

CONTINUOUSLY REDUCED COSTS AND POSITIVE CASH FLOW

REPORTING PERIOD APRIL – JUNE 2010

- Net sales amounted to SEK 182.7 million (209.1 m)
- The operating loss was SEK 10.7 million (-72.5 m)
- Adjusted for restructuring costs the operating loss was SEK 9.8 million (-54.3 m)
- The loss for the period was SEK 9.1 million (-75.8 m)
- EPS before dilution was SEK -0.06 (-1.32)
- EPS after dilution was SEK -0.06 (-1.31)
- Cash flow from current business was SEK 10.8 million (-0.2 m)

PERIOD JANUARY – JUNE 2010

- Net sales amounted to SEK 371.7 million (412.6 m)
- The operating loss was SEK 41.9 million (-130.4 m)
- Adjusted for restructuring costs the operating loss was SEK 39.5 million (-106.0 m)
- The loss for the period was SEK 40.8 million (-139.4 m)
- EPS before dilution was SEK -0.27 (-4.19)
- EPS after dilution was SEK -0.27 (-4.15)
- Cash flow from current business was SEK -78.2 million (-100.1 m)

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

- Settlement was reached during the reporting period concerning two disputes from the company's former business activities in the US, resulting in a positive effect on income of SEK 5.3 million
- In conjunction with a market evaluation of currency futures the operating profit/loss was credited with SEK 14.3 million concerning unrealized gains
- BRIO appointed Erik Penser Bankaktiebolag as liquidity underwriter for BRIO's class C and class D preference shares and ordinary class B shares, all of which are quoted on NGM Equity
- The Board called an EGM on 22 July this year proposing the board's renewal

CEO's COMMENTS

"Cost-cutting measures are running according to plan; excluding one-off costs and currency effects, overall costs were cut by SEK 12.8 million during the reporting period. Despite the lower sales we've raised gross income through an improved gross margin of 6.3 percentage points, compared with a weak margin previous year. For the third consecutive quarter we can also report a positive cash flow. The process of change at BRIO is paying off and we've come a long way, even though there's still a lot remaining."

Andreas Sbrodiglia
President and CEO, BRIO

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This information was submitted for publication at 3.30 pm on 22 July 2010.*

GROUP PERFORMANCE OVER THE REPORTING PERIOD APRIL - JUNE 2010

OUTLOOK

The change process at BRIO will now continue by focusing on measures to boost liquidity, cost control and improved gross margins, with priority given to profits and liquidity ahead of sales growth. The Board expects the operating profit to significantly improve for the full year 2010 compared with 2009.

SALES AND GROSS PROFIT

Group sales amounted to SEK 182.7 million (209.1 m) during the reporting period. The same period last year included sales of SEK 9.2 million in stores that were later sold. The subsidiary in the UK was sold off in mid-2009 and a local distributor contracted, which negatively affected sales by SEK 4.3 million.

Sales via distributors are at a lower sales price than via own subsidiaries' activities to meet costs distributors have for their business. Meanwhile, BRIO has now eliminated its costs for the UK business.

In addition, the BRIO Toy division reported a sales drop of SEK 5.2 million, partly due to the effect of the transport strike that hit the Norwegian market in June and partly due to the effect of the cold start to the summer with a negative effect on sales of our spring and summer toys. The BRIO Baby division reported a drop in sales of SEK 7.7 million, of which SEK 4.3 million was due to the reorganization in the UK, while a further drop of SEK 3.4 million was attributable to the delay in the flow of goods.

The remaining fall of SEK 4.3 million is attributable to intra-group resources, partly relating to direct supplies to customers during the same period last year with no comparison in the reporting period and partly relating to supplies to customers that during the reporting period were reported as part of the BRIO Baby division.

The gross profit rose by SEK 3.3 million to SEK 68.5 million (65.3 m) compared with the same period last year. The gross margin improved from 31.2 per cent in Q2 2009 to 37.5 per cent for the same period in 2010. Last year's gross margin was negatively affected by goods purchases made during a period with a strong USD, while the lack of liquidity that affected the start of 2009 limited the ability to significantly hedge currency.

During the reporting period the rest of the world was showing clear signs of a gradual adaptation to the Chinese currency. It's currently difficult to say what effect a currency adaptation will have on raw material costs in China and thereby what net effect adaptation of the Chinese currency has on BRIO's future purchase prices and gross margins. BRIO tries to safeguard fixed purchase prices over the respective sales cycles, partly to safeguard the gross results in the respective periods and partly to safeguard a time for adapting to possible major changes in purchase prices.

COSTS

The Group's operating costs fell by SEK 58.7 million to SEK 79.1 million (137.8 m) during the reporting period compared to the same period last year. During the reporting period other operating income and costs were affected positively by currency effects of SEK 16.2 million, while this had a negative currency effect for the same period last year of SEK 6.5 million. Of the period's positive currency effects of SEK 16.2 million, SEK 14.3 million was for unrealized market valuation effects in BRIO's currency hedging for the second half of 2010. A weak SEK furthermore means that costs for the Group's foreign activities fell by SEK 0.6 million as a result of the lower translation rate than the same period last year. Other operating income included final settlement received from two disputes attributable to previous years' business activities in the US of SEK 5.3 million.

BRIO continued working on its rationalization scheme during the reporting period in order to cut costs by around SEK 80 million annually with a full effect in 2011. The results were affected by one-off costs during the reporting period of SEK 0.9 million, compared to SEK 18.2 million for the same period last year. When one-off costs and currency and calculation effects are excluded, costs fell by SEK 12.8 million over the reporting period. Cost-cutting measures were implemented throughout all business activities and were partly attributable to seasonal variations, but mainly due to the drop in staff costs. Further one-off costs can be expected throughout the rest of 2010 of around SEK 11 million.

OPERATING LOSS

The operating loss was SEK 10.7 million (-72.5 m) during the reporting period, which is an improvement of SEK 61.8 million compared with the same period last year. The improvement is partly due to the strong gross margin, which improved from 31.2 to 37.5 per cent and partly due to reduced costs compared with the same period last year.

CASH FLOW

The Group is able to report positive cash flow for the third consecutive quarter from current business activities over the past 12 months, from SEK 6.9 million for the full-year 2009 to SEK 17.8 million at the end of March to SEK 28.8 for the past 12 months. This positive trend is the result of the rationalization scheme carried out in order to cut costs and minimize tied up working capital.

PROFIT/LOSS AFTER FINANCIAL ITEMS

The Group's loss before tax was SEK 8.6 million (-77.1 m) for the reporting period. Net financial items improved by SEK 6.7 million from SEK -4.6 million to SEK 2.1 million, mainly due to currency translations.

Earnings trend per quarter

(SEK m)	APR- JUN 10	JAN-MAR 10	OCT- DEC 09	JUL- SEP 09	APR- JUN 09
Net sales	182.7	189.0	304.2	234.2	209.1
Net sales – 12 months continuous	910.1	936.5	951.0	950.5	934.8
Gross profit	68.5	74.1	122.4	87.1	65.3
Operating costs	-79.1	-105.3	-105.7	-95.8	-137.8
Operating profit/loss	-10.7	-31.2	16.7	-8.6	-72.5
Operating profit/loss – 12 months continuous	-33.8	-95.7	-122.3	-197.6	-198.5*
Operating profit/loss excl. capital gains for sale of property – 12 months continuous	-33.8	-95.7	-122.3	-197.6	-205.5
Net financial items	2.1	-0.6	0.4	-7.7	-4.6
Profit/loss before tax	-8.6	-31.8	17.1	-16.3	-77.1
Earnings per share before dilution, SEK	-0.06	-0.21	0.10	-0.11	-1.32
Earnings per share after dilution, SEK	-0.06	-0.21	0.10	-0.11	-1.31

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

PERFORMANCE BY DIVISION DURING THE REPORTING PERIOD APRIL - JUNI 2010

The Group is divided into two divisions: BRIO Toy and BRIO Baby. The franchise business BRIO Lekehuset Partner is an independent subsidiary of the Group.

BRIO TOY DIVISION

The BRIO Toy division includes the Group's toy range, i.e. 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 aims 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.

Income per market

(SEK m)	APR-JUN 10	JAN-MAR 10	OCT-DEC 09	JUL-SEP 09	APR-JUN 09
Nordic region	105.9	101.2	195.1	125.0	113.0
Other European countries	11.7	17.8	35.5	22.3	9.8
Rest of the world	2.6	3.2	4.7	3.5	2.6
Total	120.2	122.2	235.3	150.8	125.4

Sales in the Nordic region consist of BRIO and Alga brand toys, and the sales of trend, licenses and branded toys via independent retailers, retail chains and convenience stores. Sales in the Nordic region amounted to SEK 105.9 million (113.0 m) during the reporting period. The drop in the Nordic region is partly due to the knock-on effects of the three-week long transport strike in Norway in June and partly to the cold spring and start to the summer, which meant a delay of spring and summer toys.

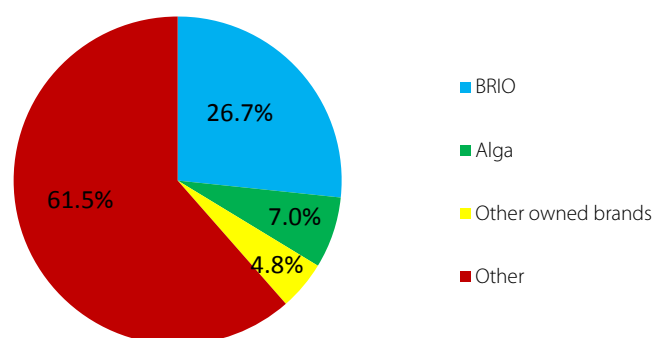
Sales in other European countries consist of BRIO brand toys via independent retailers and supermarkets, via subsidiaries in Germany and France and via distributors in other countries. Sales in other European countries amounted to SEK 11.7 million (9.8 m) during the reporting period. The increase was attributable to sales growth in Germany and France, on the back of continued strong sales of BRIO products.

Sales outside Europe refer to Japan and mainly consist of BRIO brand toys. Sales were in line with last year and amounted to SEK 2.6 million (2.6 m) during the reporting period.

BRIO's distribution contract of many years with Märklin, ended during the reporting period due to Märklin's changed distribution strategy. This does not however affect BRIO's operating income for the year. The importance of the distribution contract with Märklin has diminished gradually as this range was partly aimed at other sales channels than the toy retail trade. BRIO Toy is aiming to replace these volumes with other parts of its toy range.

Sales of BRIO brand products amounted to SEK 32.0 million (32.7 m), equivalent to 26.7 per cent (26.0) of the division's net sales during the reporting period. Sales mainly rose for Alga brand products compared to the same period last year.

Sales per product segment during the reporting 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. Export sales of BRIO brand toys to distributors and markets outside BRIO's own subsidiaries are also reported by the division. All production is located in China with the exception of in-house manufacturing of prams and children's car seats in Hungary.

BRIO Baby focus 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.

Income per market

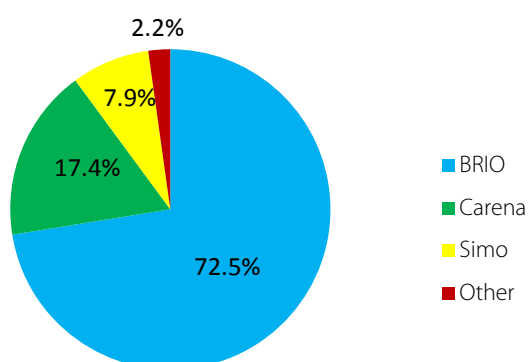
(SEK m)	APR-JUN 10	JAN-MAR 10	OCT-DEC 09	JUL-SEP 09	APR-JUN 09
Nordic region	48.3	50.3	40.9	46.0	51.6
Other European countries	6.9	5.6	14.3	12.7	13.2
Rest of the world	2.2	0.2	0.4	1.0	0.3
Total	57.4	56.1	55.6	59.7	65.1

Total sales for the division in the Nordic region during the reporting period amounted to SEK 48.3 million (51.6 m), a drop of SEK 3.3 million. The same period last year included a stock clearance sale of SEK 1.5 million. The rest of the drop in sales of SEK 1.8 million is mainly the result of delays in goods flows for children's car seats, children's furniture and prams. Measures to stabilize goods flows have been taken and a normal level of availability had once again been achieved at the end of the reporting period, resulting in healthy sales in the last month of the period. Stroller sales for models such as Sitty, Race and Spin were good.

Sales in other European countries amounted to SEK 6.9 million (13.2 m) for the reporting period. The main reason for the drop in sales in other European countries is the divestment of the UK subsidiary and a local distributor contracted. This reorganization meant that the reporting period's sales were SEK 4.3 million lower than the same period last year, of which SEK 1.2 million of the difference is due to the distributor's stockpiling during the same period last year. Sales via distributors are at a lower sales price than via own subsidiaries' activities to meet costs distributors have for their business. Meanwhile, BRIO has now eliminated its costs for the UK business. The drop in sales in other export markets of SEK 2.0 million was the result of delays in goods flows.

Sales of BRIO brand products amounted to SEK 41.6 million (44.8 m), corresponding to 72.5 (68.7) per cent of the division's total income during the reporting period.

Sales per product segment during the reporting period



BRIO LEKEHUSET PARTNER FRANCHISE BUSINESS

The BRIO Lekehuset Partner franchise business is run by an independent subsidiary. With its 113 member stores, owned by the franchise members, BRIO Lekehuset Partner is Norway's biggest retail chain for toys with sales accounting for about one third of the Norwegian market. The BRIO Lekehuset Partner chain's management team coordinates and runs marketing, purchasing and range planning for the franchisees.

BRIO Lekehuset Parter signed a contract during the period with 10 or so new stores that will join the franchise concept during the year.

Franchise income

(SEK m)	APR-JUN 10	JAN-MAR 10	OCT-DEC 09	JUL-SEP 09	APR-JUN 09
Norway	2.9	2.9	2.7	2.3	2.4

Franchise income is based on franchisees' income.

OTHER INFORMATION CONCERNING THE REPORTING PERIOD APRIL - JUNE 2010

FINANCIAL POSITION

The balance sheet total rose from SEK 631.7 million to SEK 636.5 million, compared to the same time last year.

The Group is able to report positive cash flow for the third consecutive quarter over the past 12 months, from SEK 6.9 million for the full-year 2009 to SEK 17.8 million at the end of March to SEK 28.8 for the past 12 months. This positive trend is the result of the rationalization scheme carried out in order to cut costs and achieve a more effective use of working capital.

Tied up capital in stock and accounts receivable fell by SEK 63.7 million compared with the same period last year, from SEK 348.9 million to SEK 285.2 million. The biggest drop was for stock, which fell by SEK 54.3 million.

BRIO works constantly on improving the effectiveness of its working capital, mainly by ensuring that supplies follow the business' seasonal variations, but also by further optimizing incoming flows of goods to meet sales to customers.

The Group's liquid assets totalled SEK 119.2 million on 30 June 2010, compared with SEK 111.6 million on 31 December 2009. Net debt was SEK 91.5 million, compared with SEK 105.8 million at the same time last year, which is a drop of SEK 14.3 million.

BRIO signed a new credit agreement in 2009 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 a freeze on interest payments up to 30 June 2010, and the credit is amortization-free up to 31 December 2011. The credit has been raised as an overdraft facility and is reported under current liabilities. BRIO pledged a property mortgage and shares in a subsidiary as security. BRIO is also 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 over the past 12 months with six-monthly reconciliation.

The market-listed subordinated loan that BRIO issued in September 2006 falls due for payment in September 2010. The loan is linked to a 3 per cent annual coupon payment and 9 per cent effective interest, and on 30 June 2010 amounted to a total of SEK 68.2 million, including accrued interest. During the reporting period BRIO's main owner Proventus and BRIO agreed that on 22 September 2010 Proventus will convert its part of the convertible loan of around SEK 54 million to a subordinated loan to BRIO. The new loan will carry a 9 per cent annual interest rate, equivalent to the interest paid on the subordinated loan with unconditional rights for BRIO to make premature payments of all or parts of the loan. The new loan is due for payment on 22 September 2011. Repayments to other holders of promissory notes will run according to plan.

At the end of the reporting period BRIO's current interest-bearing liabilities amounted to SEK 210.7 million. In addition, BRIO has pension provisions of SEK 69.7 million. The Group's equity/assets ratio at the end of the reporting period was 22.1 per cent compared to 30.6 per cent for the same period last year. The equity/assets ratio, including convertible loans, was 32.9 (40.8) per cent and the majority share of shareholders' equity was SEK 141.0 million (190.7 m). There have been no minority interests since 31 March.

INVESTMENTS

Investments in tangible and intangible fixed assets for the quarter amounted to SEK 2.7 million (1.0 m).

Investments are mainly attributable to product development. Overall depreciation and impairment was SEK -4.4 million compared with SEK -4.7 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.

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 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 2009 Annual Report.

PARENT COMPANY

The loss before tax for the reporting period was SEK 10.3 million (-33.5 m). Sales for the reporting period amounted to SEK 73.4 million (78.6 m). Investments in tangible and intangible fixed assets amounted to SEK 2.6 million (0.8 m). The parent company's liquid funds on 30 June 2010 were SEK 57.7 million compared to SEK 38.5 million at the start of the year.

The average number of employees in the parent company during the period was 79, compared to an average of 94 for the full year in 2009.

STAFF

During the reporting period the BRIO Group had a headcount of 288, compared to an average of 348 for the full year in 2009.

NOMINATIONS COMMITTEE

BRIO'S nominations committee consists of: Bengt Ivarsson, the Ivarsson family representative and 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.

EXTRAORDINARY GENERAL MEETING

BRIO AB's Board called for an EGM to be held at 4 p.m. on 22 July 2010 in Malmö, Sweden. The meeting was held due to the proposed addition of one new Board member and the appointment of Heikki Takanen as the new Chairman of the Board following Daniel Sachs. The Nominations Committee's proposed that the EGM appointed Heikki Takanen as the new Chairman of the Board and that Towe Ressman be appointed as a new member of the Board.

LIQUIDITY GUARANTEE

BRIO has appointed Erik Penser Bankaktiefbolag as its liquidity underwriter for BRIO's class C and class D preference shares and ordinary class B shares, which are all quoted on the NGM Equity index. As liquidity underwriter, Erik Penser Bankaktiefbolag guarantees to constantly, at their own expense, set bid and offer rates for BRIO's preference shares. The aim is to reduce the price difference between the bid and offer rates and to boost the liquidity of these classes of shares.

Key indicators – The Group

	30 June 2010	30 June 2009	31 Dec 2009
Return on capital employed for the quarter, %	Neg	Neg	9.3
Return on shareholders' equity for the quarter, %	Neg	Neg	8.6
Return on capital employed for the year, %	Neg	Neg	Neg
Return on shareholders' equity for the year, %	Neg	Neg	Neg
Equity/assets ratio, %	22.1	30.6	32.0
Equity/assets ratio, incl. subordinated loans, %	32.9	40.8	42.9
No. of shares at the end of the period	152 885 018	152 885 018	152 885 018
No. of shares at the end of the period after dilution	154 197 055	154 134 055	154 197 055
Average number of shares during the period	152 885 018	57 183 894	152 885 018
Average number of shares during the period after dilution	154 197 055	57 741 573	154 197 055

Income statement in summary – The Group

(SEK m)	APR-JUN		JAN-JUN		JUL 2009 -JUN 2010	Full year 2009
	2010	2009	2010	2009		
Income	182.7	209.1	371.7	412.6	910.1	951.0
Cost of goods sold	-114.2	-143.8	-229.2	-278.3	-558.0	-607.1
Gross profit	68.5	65.3	142.5	134.3	352.1	343.9
Sales costs	-75.7	-85.1	-156.5	-171.9	-308.5	-324.0
Administrative costs	-32.0	-40.0	-63.0	-80.7	-129.2	-147.0
Development costs	-2.9	-3.5	-5.9	-8.3	-12.5	-14.9
Other income/costs	18.9	-3.9	26.1	-1.8	44.5	16.6
Other gains / losses - net	12.4	-5.3	14.7	-2.0	19.7	3.0
Operating loss	-10.7	-72.5	-41.9	-130.4	-33.8	-122.3
Net financial items	2.1	-4.6	1.5	-7.4	-5.8	-14.7
Loss before tax	-8.6	-77.1	-40.4	-137.8	-39.6	-137.0
Income tax	-0.5	1.3	-0.4	-1.6	-2.4	-3.6
Loss for the period	-9.1	-75.8	-40.8	-139.4	-42.0	-140.6
Of which parent company's shareholders' share	-9.1	-75.6	-40.9	-139.5	-42.3	-140.9
Of which minority share	-0.0	-0.2	0.1	0.1	0.3	0.3
Earnings per share before dilution, SEK	-0.06	-1.32	-0.27	-4.19	-0.28	-1.51
Earnings per share after dilution, SEK	-0.06	-1.31	-0.27	-4.15	-0.27	-1.51

Statement of comprehensive income – The Group

(SEK m)	APR-JUN		JAN-JUN		JUL 2009 -JUN 2010	Full year 2009
	2010	2009	2010	2009		
Results for the period	-9.1	-75.8	-40.8	-139.4	-42.0	-140.6
Comprehensive income - other						
Translation differences for the period	-4.4	-0.9	-10.6	12.0	-6.9	15.7
Comprehensive income for the period - other	-4.4	-0.9	-10.6	12.0	-6.9	15.7
Comprehensive income for the period - total	-13.6	-76.7	-51.5	-127.4	-49.0	-124.9
Of which parent company's shareholders' share	-13.6	-76.3	-51.4	-127.5	-49.3	-125.4
Of which minority share	-	-0.4	-0.1	0.1	0.3	0.5

Depreciation/impairment – The Group

(SEK m)	APR-JUN		JAN-JUN		Full year 2009
	2010	2009	2010	2009	
Cost of goods sold	-2.5	-2.5	-5.1	-4.8	-11.8
Sales costs	-0.4	-0.4	-0.8	-0.9	-2.0
Administrative costs	-1.5	-1.8	-3.0	-3.4	-6.4
Development costs	-0.0	-0.0	-0.0	-0.0	-0.1
Total	-4.4	-4.7	-8.9	-9.1	-20.3

Balance sheet in summary – The Group

(SEK m)	30/06/10	30/06/09	31/12/09
ASSETS			
Intangible assets	154.0	159.8	161.0
Tangible fixed assets	15.2	19.3	17.9
Other fixed assets	21.8	24.9	22.9
Total fixed assets	191.0	204.0	201.7
Stock	163.2	217.5	151.1
Accounts receivable	122.0	131.4	113.4
Other receivables	26.9	29.3	31.1
Derivative instruments	14.3	0.9	0.2
Liquid assets	119.2	48.6	111.6
Total current assets	445.6	427.7	407.4
Total assets	636.5	631.7	609.1
SHAREHOLDERS' EQUITY AND LIABILITIES			
Parent company's shareholders' share			
Share capital	336.3	336.3	336.3
Other capital contribution	-	149.9	149.5
Reserves	69.0	76.0	79.5
Loss brought forward	-264.4	-371.5	-372.9
Total	141.0	190.7	192.4
Minority shareholding	-	1.7	2.1
Total shareholders' equity	141.0	192.4	194.6
Interest-bearing long-term liabilities			
Other long-term liabilities	0.0	64.7	0.0
Total	0.0	64.7	0.0
Non interest-bearing long-term liabilities			
Deferred tax liabilities	17.4	17.4	18.0
Pension provisions	68.3	64.7	66.9
Other provisions	11.9	38.2	17.8
Total	97.6	120.3	102.8
Current interest-bearing liabilities			
Bank overdraft facilities	142.5	89.6	50.6
Other current liabilities	68.2	-	66.6
Total	210.7	89.6	117.2
Non interest-bearing current liabilities			
Provisions	21.6	10.6	21.6
Accounts payable - trade	84.7	68.7	88.7
Other current liabilities	80.9	79.1	83.5
Derivative instruments	-	6.3	0.6
Total	187.2	164.7	194.6
Total liabilities	495.5	439.3	414.6
Total shareholders' equity and liabilities	636.5	631.7	609.1

Changes in shareholders' equity – The Group

(SEK m)	Attributable to parent company's shareholders				Minority interest	Total equity
	Share capital	Other capital contribution	Reserves	Loss brought forward		
Opening balance on 1 Jan. 2009	93.3	128.1	64.0	-280.5	1.6	6.5
Overall result for the period - total			12.0	-139.5	0.1	-127.4
Reduction in share capital	-72.8	24.3		48.5		-
New share issue	315.8	-2.5				313.3
Transactions with owner - total	243.0	21.8		48.5		313.3
Closing balance on 30 June 2009	336.3	149.9	76.0	-371.5	1.7	192.4
Overall result for the period - total			3.5	-1.4	0.4	2.5
New share issue		-0.4				-0.4
Transactions with owner - total		-0.4				-0.4
Opening balance on 1 Jan. 2010	336.3	149.5	79.5	-372.9	2.1	194.6
Conversion as decided at the AGM		-149.5		149.5		-
Overall result for the period - total			-10.5	-40.9	-0.1	-51.5
Subsidiaries sold					-2.0	-2.0
Transactions with owner - total					-2.0	-2.0
Closing balance on 30 June 2010	336.3	-	69.0	-264.4	-	141.0

Changes to reserves – The Group

(SEK m)	Translation difference	Fund for fair value	Total reserves
Opening balance on 1 Jan. 2009	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
Translation difference for the period	3.5	-	3.5
Opening balance on 1 Jan. 2010	62.0	17.5	79.5
Translation difference for the period	-10.5	-	-10.5
Closing balance on 30 June 2010	51.5	17.5	69.0

Contingent assets and liabilities

No significant change has occurred to the Group's contingent assets and liabilities since the end of the last financial year.

Transactions with related parties

No transactions with related parties that are important for understanding the changes to the Group's financial position and development have place since the end of the last financial year.

Cash flow statement – The Group

(SEK m)	JAN-JUN 10	JAN-JUN 09	JUL 09-JUN10	Full year 2009
Cash flow from current activities before changes in working capital	-52.4	-111.4	-46.5	-105.5
Changes in working capital	-25.8	11.3	75.3	112.4
Cash flow from current activities	-78.2	-100.1	28.8	6.9
Cash flow from investment activities	-1.8	-5.1	-8.0	-11.3
Cash flow from financing activities	88.8	93.1	50.0	54.3
Cash flow for the period	8.8	-12.1	70.8	49.9
Liquid assets at the start of the period	111.6	60.1	48.6	60.1
Exchange rate difference in liquid assets	-1.2	0.6	-0.2	1.6
Liquid assets at the end of the period	119.2	48.6	119.2	111.6

Income statement in summary – Parent company

(SEK m)	APR-JUN		JAN-JUN		JUL 09 -JUN 10	Full year 2009
	2010	2009	2010	2009		
Net sales	73.4	78.6	149.5	170.1	349.2	369.8
Cost of goods sold	-50.3	-55.5	-99.5	-115.0	-234.7	-250.2
Gross profit	23.1	23.1	50.0	55.1	114.6	119.7
Sales costs	-26.0	-31.9	-58.1	-71.2	-127.6	-140.7
Administrative costs	-23.2	-22.0	-46.3	-44.8	-87.0	-85.5
Development costs	-2.9	-3.3	-5.9	-7.7	-13.6	-15.3
Other operating income/expenses	18.0	7.4	26.8	9.9	36.5	19.6
Operating loss	-11.1	-26.7	-33.5	-58.6	-77.1	-102.3
Profit/loss from participations in Group companies	-	-6.8	-	-13.8	2.7	2.7
Net financial items - other	0.8	-33.5	-3.7	-72.4	-8.0	-18.2
Loss before tax	-10.3	-33.5	-37.1	-72.4	-82.5	-117.7
Tax on period's profit/loss	-	-	-	-	-	-
Loss for the period	-10.3	-33.5	-37.1	-72.4	-82.5	-117.7

Balance sheet in summary – Parent company

(SEK m)	30/06/10	30/06/09	31/12/09
ASSETS			
Fixed assets			
Intangible fixed assets	28.6	34.5	31.1
Tangible fixed assets	8.6	10.5	9.5
Financial fixed assets	414.6	346.1	385.8
Total fixed assets	451.8	391.1	426.4
Current assets			
Stock	82.7	100.7	68.4
Accounts receivable	42.1	45.7	50.8
Other receivables	86.8	155.7	67.1
Liquid assets	57.7	23.0	38.5
Total current assets	269.3	325.1	224.8
Total assets	721.0	716.2	651.3
SHAREHOLDERS' EQUITY AND LIABILITIES			
Restricted shareholders' equity			
Share capital	336.3	336.3	336.3
Revaluation reserve	34.0	34.0	34.0
Statutory reserve	11.2	11.2	11.2
Total restricted shareholders' equity	381.5	381.5	381.5
Loss brought forward			
Non-restricted funds	-	149.9	149.5
Loss brought forward	-96.4	-128.2	-128.2
Loss for the period	-37.1	-72.4	-117.7
Total loss brought forward	-133.5	-50.7	-96.2
Total shareholders' equity	248.0	330.8	285.2
Interest-bearing long-term liabilities			
Liabilities to Group companies	0.1	0.6	0.1
Other interest-bearing liabilities	-	64.8	-
Total	0.1	65.4	0.1
Non interest-bearing long-term liabilities			
Pension provisions	54.1	53.7	54.0
Total	54.1	53.7	54.0
Current interest-bearing liabilities			
Bank overdraft facilities	140.0	88.0	49.0
Other interest-bearing liabilities	66.6	-	66.6
Total	206.6	88.0	115.6
Non interest-bearing current liabilities			
Other provisions	7.8	11.4	8.2
Accounts payable - trade	40.1	28.7	36.3
Liabilities to Group companies	131.6	120.2	121.7
Other non interest-bearing liabilities	32.7	18.0	30.2
Total	212.2	178.3	196.4
Total shareholders' equity and liabilities	721.0	716.2	651.3

Shareholders on 30 June 2010

	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	2 455 725	41 024 582	90 784 603	89.62	87.53
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	600 000	300 000	0.63	1.05
Tor Diderholm		85 111	402 055	249 033	0.48	0.72
Olle Lindhe System AB			257 600	473 925	0.48	0.50
Susanna Molander			463 200	231 600	0.45	0.80
BRIO ABs Intressefond		10 000	220 000	90 000	0.21	0.38
Zonata Design AB		7 766	179 000	87 000	0.18	0.31
Other shareholders	50 000	2 688 063	3 320 223	1 843 965	5.17	6.30
Total	3 914 666	5 577 166	46 508 160	96 885 026	100.00	100.00

BRIO's share capital comprises four classes of shares: A and B shares are ordinary shares, while C and D shares are preference shares. Preference shares entail different rights to the dividend and other rights to a share in the company's capital upon dissolution, compared with ordinary shares.

C shares give preference rights in dividends and dissolution with annual upward adjustment of 25 per cent of SEK 2.20 and gives entitlement, as with A shares, to ten votes per share. D shares give preference rights in dividends and dissolution with annual upward adjustment of 7 per cent of SEK 2.20 and gives entitlement, as with B shares, to one vote per share.

On 28 May 2010, members of BRIO's group management bought 319 373 class C shares, equivalent to 0.2 per cent of the number of shares and 0.5 per cent of the voting rights in BRIO, from the principal owner Proventus Invest. The sales proceeds of the shares amounted to SEK 1 239 167. Group management's total holding amounts to 447 373 class C shares and 90 000 class D shares.

The share capital on 30 June 2010 remained unchanged at SEK 336 347 039.60 and the total number of shares was also unchanged at 152 885 018, of which 3 914 666 are class A shares, 5 577 166 class B shares, 46 508 160 preference class C shares and 96 885 026 preference class D shares. The total number of votes was 606 690 452.

Distribution of share capital on 30 June 2010

Class of shares	No. of shares	Votes per share	No. of votes
Ordinary A shares	3 914 666	10	39 146 660
Ordinary B shares	5 577 166	1	5 577 166
Preference C shares	46 508 160	10	465 081 600
Preference D shares	96 885 026	1	96 885 026
Total	152 885 018		606 690 452

Information by segment

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

(SEK m)	BRIO Toy		BRIO Baby		BRIO Lekehuset Partner		Joint resources / eliminations		Total BRIO	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
External income	242	247	113	134	6	5	10	27	372	413
Internal income	-	-	11	17	-	-	-11	-17	-	-
Operating loss	-25	-70	-5	-16	0	-3	-12	-40	-42	-130
Net financial items							1	-7	1	-7
Loss before tax	-25	-70	-5	-16	0	-3	-11	-48	-40	-138
Total assets	415	378	194	205	10	7	17	42	637	632

Sales per market

(SEK m)	JAN-JUN 10	JAN-JUN 09
Nordic region	321.1	350.6
Other European countries	42.3	54.6
Rest of the world	8.3	7.4
Total	371.7	412.6

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. Differences in the product mix mean that margins during the first and second quarters are normally lower than margins in the third and final quarters. BRIO's total quarterly sales for the 2005-2009 periods are as follows:

Q1	Q2	Q3	Q4
20%	22%	24%	34%

Quarterly sales for 2009 were as follows:

Q1	Q2	Q3	Q4
21%	22%	25%	32%

SENSITIVITY ANALYSIS

The table below provides an estimate of the net effects of changes to currency exchange rates on BRIO's results for 2009.

Change to USD +5%	Effect on earnings, SEK m
USD/SEK	-22.5
Change to EUR +5%	
EUR/SEK	7.2

ACCOUNTING PRINCIPLES

General information about applied accounting principles – the Group

The Group applies the EU-endorsed IFRS standards, the Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 1.3, Complementary Accounting Rules for Groups. Interim reports are drawn up according to IAS 34, Interim Reports. The accounting principles applied in this interim report are explained in Note 1 of the Annual Report 2009, with the changes below.

Changes to accounting principles – the Group

The new and amended accounting principles for 2010 expected to affect the Group's financial reports are IFRS 3 (Revised) Business Combinations and IAS 27 (Revised) Consolidated and separate financial statements.

Information about the parent company

The parent company reports in accordance with the Annual Accounts Act and RFR 2.3, Accounting for Legal Entities.

FUTURE REPORTS

Report	Time of publication
Q3 report	28 October 2010
Financial Statement	24 February 2011
Annual Report	April 2011

The Board and CEO certify that this Interim Report gives a fair view of the company and the Group's business activities, position and performance and describes significant risks and uncertainties that the company and companies included in the Group face.

Malmö, 22 July 2010

Andreas Sbrodiglia
President and CEO

Daniel Sachs
Chairman of the Board

Dag Ivarsson
Board member

Lea Rytz Goldman
Board member

Heikki Takanen
Board member

Gabriella Sahlman
Board member

Anders Hallberg
Employee representative

Torbjörn Nordh
Employee representative

This interim 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.

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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, together with the subsidiary, BRIO Lekehuset Partner. The company was formed in 1884 and is today an international Group with the BRIO, SIMO, Carena and Alga brands. The Group has around 290 employees, is represented in over 40 countries and has been market-listed since 1985, being listed on NGM Equity since June 2009.

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BRIO is a public limited liability company