

QUARTERLY REPORT January - March 2011

REPORTING PERIOD JANUARY – MARCH 2011

- Income amounted to SEK 197.1 million (189.0 m)
- The operating loss was SEK -23.3 million (-31.2 m)
- Adjusted for restructuring costs and other one-off items, the operating loss was SEK -21.3 million (-31.2 m)
- The loss for the period was SEK -28.2 million (-31.7 m)
- EPS before and after dilution was SEK -0.18 (-0.21)
- Cash flow from operating activities was SEK -96.9 million (-89.0 m)

SIGNIFICANT EVENTS OVER THE REPORTING PERIOD

- Peder Zetterberg was appointed as acting President and CEO with effect from January 1, 2011.
- Executive Vice President and CFO Håkan Johansson was appointed as the new divisional manager for BRIO Baby on March 1, 2011, replacing Anders Hagert who has since left the company.
- BRIO's main owner Proventus increased its ownership in March 2011 to over 90 per cent of the shares in BRIO AB and called for the compulsory purchase of outstanding shares. Proventus also submitted a public buy out offer to BRIO's shareholders. In conjunction with this BRIO's class C preference shares, class D preference shares and ordinary class B shares were put on the watch list for trading on the NGM Equity list.
- BRIO and Proventus signed an agreement in March for Proventus to convert the loan of SEK 54 million that falls due for repayment on September 22 this year to run until December 31, 2013, on September 22, 2011. The loan replaced Proventus' share of the subordinated debenture signed in conjunction with BRIO's new share issue in 2006.
- BRIO's tied-up working capital rose to an unexpectedly high level during the reporting period. The main owner Proventus therefore provided BRIO with a short-term loan of SEK 60 million, of which SEK 30 million was paid out during the reporting period and the remainder at the beginning of April, after the end of the reporting period.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- Proventus reported its ownership amounted to 98.9 per cent of the shares and 99.3 per cent of the voting rights in BRIO after the registration period for the public buy out offer had expired on April 28, 2011. Against this background BRIO's Board decided on May 12, 2011 to apply for a de-listing of its shares from NGM. The final trading date is expected to be June 10, 2011. The final day will be announced as soon as BRIO has received confirmation from the NGM.

CEO's COMMENTS

"BRIO's extensive reorganization is continuing and characterizes work within the Group. At the same time, the Group had a sales growth during Q1 of 4 per cent compared to the same period last year. The BRIO Toy division's increase was 8 per cent compared to the same period last year primarily due to strong sales in Norway. In the BRIO Baby division sales rose over the reporting period by 11 per cent compared with the same very weak period last year, mainly as a result of strong demand in Sweden. This, combined with cost-cutting measures resulted in an improved operating loss. The Group's liquidity is still however stretched."

Peder Zetterberg
Acting President and CEO, BRIO

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Group performance over the reporting period January – March 2011

SALES AND GROSS PROFIT

Group income amounted to SEK 197.1 million (189.0 m) during the reporting period, which is an increase of SEK 8.1 or 4 per cent. The same period last year included sales from restructured business activities of SEK 4.7 million. Adjusted for this, sales rose by SEK 12.8 million or 7 per cent.

The sales trend remained positive throughout the BRIO Toy division with growth of SEK 9.5 million or 8 per cent, compared with the same period last year. The BRIO Baby division increased sales by SEK 6.0 million or 11 per cent compared with the same very weak period last year.

The gross profit rose by SEK 11.0 million to SEK 85.1 million (74.1 m) compared with the same period last year. The gross margin improved by 4 percentage points compared with the same period last year and amounted to 43.2 per cent (39.2).

During the reporting period major changes occurred in currency exchange rates. The SEK strengthened against currencies such as the EUR, NOK and USD, while the USD weakened against the EUR. The Group buys a large share of its goods in USD, which means that gross earnings over the long-term are boosted by a weaker USD. This however didn't have any major affect over the short-term due to the current stock bought in 2010.

COSTS

The Group's operating costs rose by SEK 3.1 million to SEK 108.4 million (105.3 m) during the reporting period compared to the same period last year. As part of management's continued efforts in cutting costs and the changes taking place, especially in the BRIO Baby division, the reporting period was affected by one-off costs of SEK -2.0 million. Operating costs were further negatively affected during the reporting period by currency effects of SEK -2.9 million (0.1 m).

The effect of major variations in global currencies in 2010 meant major fluctuations reported in market values of futures contracts. A positive effect was reported in the market value of futures contracts of SEK 3.1 million (2.3 m).

Adjusted for one-off costs and negative currency effects, operating costs fell by SEK 1.8 million during the reporting period.

OPERATING PROFIT/LOSS

The operating loss improved by SEK 7.9 million compared with the same period last year and amounted to SEK -23.3 million (-31.2 m). Adjusted for one-off costs and negative currency effects the operating loss was SEK -18.4 million (-31.3 m).

PROFIT/LOSS AFTER FINANCIAL ITEMS

The Group's loss before tax improved by SEK 3.6 million and amounted to SEK -28.2 million (-31.8 m) during the reporting period. Net financial items worsened by SEK 4.3 million from SEK -0.6 million to SEK -4.9 million, mainly due to negative currency effects.

CASH FLOW

The bulk buying of stock at the end of 2010 affected the Group's working capital and liquid assets negatively during the reporting period.

The bulk buying was to a certain degree a planned measure to ensure delivery capacity in 2011 due to major disruption in the flow of goods for the BRIO Baby division over the previous financial year, caused by a number of major Chinese suppliers' lack of capacity in conjunction with, and after, the Chinese New Year. In addition stock increased to unexpectedly high levels during the reporting period.

Sales trends during the reporting period, the effects of the bulk buying in Q4 and major supplier payments resulted in a negative cash flow for the reporting period.

Earnings trend per quarter

(SEK m)	JAN-MAR 2011	OCT-DEC 2010	JUL-SEP 2010	APR-JUN 2010	JAN-MAR 2010
Income	197.1	310.2	239.5	182.7	189.0
Income – 12 months continuous	929.6	921.4	915.4	910.1	936.5
Gross profit	85.1	127.2	93.8	68.5	74.1
Operating costs	-108.4	-120.6	-114.8	-79.1	-105.3
Operating profit/loss	-23.3	6.6	-21.0	-10.7	-31.2
Operating profit/loss - 12 months continuous	-48.3	-56.2	-46.1	-33.8	-95.7
Net financial items	-4.9	-6.3	-3.2	2.1	-0.6
Profit/loss before tax	-28.2	0.3	-24.2	-8.6	-31.8
EPS before and after dilution, SEK	-0.18	-0.01	-0.16	-0.06	-0.21

Performance by division during the reporting period January - March 2011

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.

DIVISION BRIO TOY

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, licensed 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.

Net sales per market

(SEK m)	JAN-MAR 2011	OCT-DEC 2010	JUL-SEP 2010	APR-JUN 2010	JAN-MAR 2010
Nordic region	107.7	200.6	147.8	105.9	101.2
Other European countries	19.6	61.5	35.0	17.1	21.0
Rest of the world	7.6	3.7	2.4	3.2	3.2
Total	134.9	265.8	185.2	126.3	125.4

Footnote: The Group's toy export activities were previously part of the BRIO Baby division but are now part of BRIO Toy, for which an adjustment of comparable figures has been made.

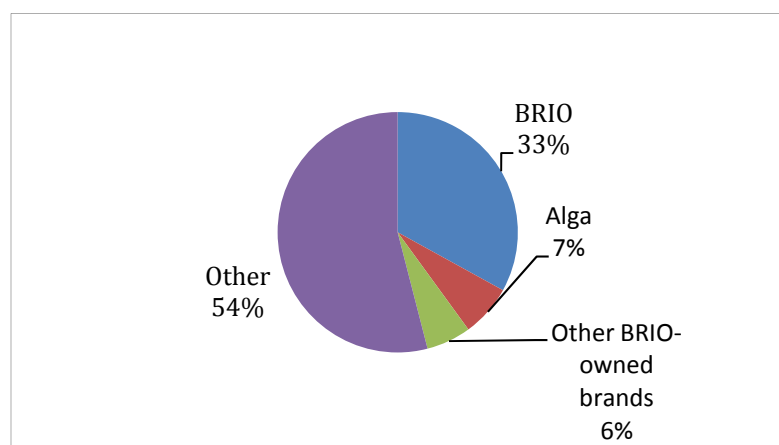
Sales during the reporting period climbed by 7.6 per cent to SEK 134.9 million (125.4 m), mainly attributable to increased sales on the Norwegian market and a certain degree due to calendar effects.

Sales in the Nordic region consist of BRIO and Alga brand toys, and the sale of trend, licensed and branded toys via independent retailers, retail chains and convenience stores. Sales amounted to SEK 107.7 million (101.2 m).

Sales in other European countries mainly consist of BRIO brand toys to independent retailers and supermarkets, via subsidiaries in Germany and France and via distributors in other countries. Sales amounted to SEK 19.6 million (21.0 m).

Sales to the rest of the world refer to Japan and other markets outside Europe of BRIO brand toys and amounted to SEK 7.6 million (3.2 m). The sales increase is mainly attributable to a major order to the US during the reporting period.

Sales of BRIO brand products amounted to SEK 44.1 million (41.6 m), equivalent to 33 per cent (33) of the division's total income during the reporting period. Sales per product segment during the reporting period are shown below.



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

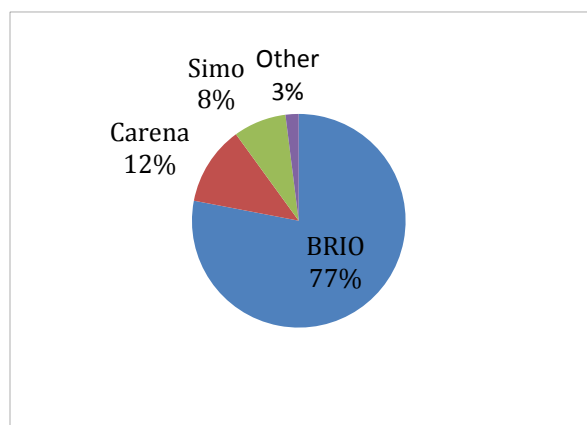
(SEK m)	JAN-MAR 2011	OCT-DEC 2010	JUL-SEP 2010	APR-JUN 2010	JAN-MAR 2010
Nordic region	55.6	35.3	47.3	48.3	50.3
Other European countries	3.3	6.2	2.7	2.7	2.4
Rest of the world	0.0	0.3	0.8	0.4	0.2
Total	58.9	41.8	50.8	51.3	52.9

Footnote: The Group's toy export activities were previously part of the BRIO Baby division but are now part of BRIO Toy, for which an adjustment of comparable figures has been made.

Total sales for the division rose during the reporting period by SEK 6.0 million and amounted to SEK 58.9 million (52.9 m), mainly attributable to the strong demand from the Swedish market.

Sales of BRIO brand products reported a sales increase of SEK 10.5 million, partly due to the measures taken in 2010 relating to goods flows. Other brand products reported a drop in sales.

Sales of BRIO brand products amounted to SEK 45.5 million (34.9 m), equivalent to 77 per cent (66) of the division's total income during the reporting period. Sales per product segment during the reporting period are shown below.



BRIO LEKEHUSET PARTNER FRANCHISE BUSINESS

The BRIO Lekehuset Partner franchise business is run by an independent subsidiary. With its 119 member stores, owned by 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.

Franchise income

(SEK m)	JAN-MAR 2011	OCT-DEC 2010	JUL-SEP 2010	APR-JUN 2010	JAN-MAR 2010
Nordic region	2.8	2.8	2,7	2.9	2.9

Other information concerning the reporting period January-March 2011

CHANGE OF OWNERSHIP, COMPULSORY PURCHASE AND DE-LISTING

BRIO's main owner Proventus increased its ownership in March 2011 to over 90 per cent of the shares in BRIO AB and called for the compulsory purchase of outstanding shares. To make it possible for shareholders who didn't want to wait out the compulsory purchase process to receive their funds, Proventus submitted a public buy out offer to BRIO's shareholders on March 11 to transfer all BRIO shares to Proventus. In conjunction with this BRIO's class C preference shares, class D preference shares and ordinary class B shares were put on the watch list for trading on the NGM Equity list. Proventus reported its ownership amounted to 98.9 per cent of the shares and 99.3 per cent of the voting rights in BRIO after the registration period for the public buy out offer had expired on April 28, 2011. Against this background BRIO's Board decided on May 12, 2011 to apply for a de-listing of its share from NGM. The final trading date is expected to be June 10, 2011. The final day will be announced as soon as BRIO has received confirmation from the NGM.

FINANCIAL POSITION

The balance sheet total on March 31, 2011 fell to SEK 589.7 million, compared with SEK 630.9 million at year-end 2010 and compared with SEK 604.0 million at the same time last year.

Stock levels rose to an unexpectedly high level compared with year-end, partly due to the planned bulk purchasing by BRIO Baby to ensure supply capacity in 2011.

The sales increase during the reporting period meant that accounts receivable increased compared with the same period last year and increased somewhat compared with year-end 2010.

The Group's liquid assets at the end of the reporting period amounted to SEK 56.4 million, compared with SEK 94.1 million at year-end 2010.

According to the agreement signed with the company's main creditor, 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. The credit has been raised as an overdraft facility and is reported under current liabilities. BRIO pledged a chattel 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.

BRIO and Proventus signed an agreement in March for Proventus to convert the loan of SEK 54 million that falls due for repayment on September 22 this year to run until December 31, 2013, on September 22 2011. The loan replaced Proventus' share in 2010 of the subordinated debenture signed in conjunction with BRIO's new share issue in 2006. A 9 per cent annual interest rate will apply to the loan, which is however capitalized.

Because BRIO's tied-up working capital rose to an unexpectedly high level during the reporting period Proventus issued a short-term loan of SEK 60 million in March 2011, of which SEK 30 million was paid out during the reporting period and the remainder at the beginning of April, after the end of the reporting period. The loan falls due for payment on June 30, 2011.

Net borrowing on March 31 was SEK 184.9 million, compared with SEK 84.6 million at year-end. Net borrowing at the same time last year was SEK 31.0 million.

BRIO's short-term interest-bearing liabilities on March 31 amounted to SEK 241.3 million. In addition BRIO has pension provisions of SEK 63.9 million. The Group's equity/assets ratio was 14.0 per cent (25.6) on March 31, 2011.

INVESTMENTS

Investments in tangible and intangible fixed assets for the reporting period amounted to SEK 1.5 million (2.0). Investments are mainly attributable to product development. Overall depreciation and impairment was SEK -4.7 million, compared with SEK -4.5 million for the same period last year.

CURRENCY EFFECTS

The SEK continued to strengthen against other currencies like the USD and EUR during the reporting period. The USD dropped against the EUR during the reporting period, resulting in unrealized currency hedging effects of SEK 3.1 million.

Currency risks mainly arise 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 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.

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

BRIO's toy activities are seasonal in terms of sales and income and considerably affected by sales over the Christmas period. Around two-thirds of sales take place in the second half of the calendar year. See section on currency effects above.

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. To reduce these risks work is underway to improve the supply model, meaning shorter physical and administrative lead times.

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 marred with uncertainty. In light of BRIO's restructuring work and the prevailing market situation this applies specifically to values of goodwill, brands and deferred tax assets.

BRIO's profitability problems in recent years have meant risks in generating profits and the company's ability for future financing. The current restructuring initiative aims at reducing these risks.

For a more thorough description of how the Group manages its risks please read the Annual Report 2010.

PARENT COMPANY

BRIO AB supplies resources to other Group companies in the form of IT, economics, HR and logistics. The parent company is also the invoicing unit for Germany, France and with regard to BRIO Baby also for Sweden, Denmark, Finland and other exporting activities.

Sales for the reporting period amounted to SEK 91.2 million (76.1 m) and the loss before tax was SEK -25.2 million (-26.9 m). Investments in tangible and intangible fixed assets amounted to SEK 1.4 million (1.7 m). The parent company's liquid funds on March 31, 2011 were SEK 31.0 million, compared with SEK 20.7 million at the beginning of the year.

The average number of employees in the parent company during the reporting period was 48, compared to an average of 66 for the full year in 2010. The major change is due to restructuring within the Group, which has resulted in staff from the parent company joining subsidiaries.

INTRA-GROUP LEGAL REORGANIZATION OF THE BRIO BABY DIVISION

Some of the BRIO Baby division's business run by the parent company will be sold to the wholly owned subsidiary BRIO Baby AB in Q2. The sale will mainly involve the tangible fixed assets and stock. In addition, there will be a legal reorganization carried out by the BRIO Baby business.

CHANGES TO MANAGEMENT

Peder Zetterberg was appointed acting President and CEO of the BRIO Group on January 1, 2011, and until then had acted as advisor to the company and its Board.

As part of the transformation work in the BRIO Baby division, BRIO's Executive Vice President and CFO Håkan Johansson was appointed as the divisional manager on March 1, 2011. To ensure the running of the economy and finance department the company has employed the services of consultant Tommy Nilsson was appointed on April 1, 2011 as acting CFO.

STAFF

During the reporting period the BRIO Group had a headcount of 279, compared with an average of 292 for the full year 2010. The reduction is due to the implementation of the rationalization scheme.

ANNUAL GENERAL MEETING AND ANNUAL REPORT

The Annual General Meeting took place on May 12, 2011 in Malmö, Sweden. The 2010 Annual Report has been available since mid-April on BRIO's website, www.brio.net.

NOMINATIONS COMMITTEE

The Annual General Meeting on May 12, 2011 decided not to appoint a nominations committee.

LIQUIDITY GUARANTEE

BRIO signed a liquidity guarantee agreement in July 2010 for trading in BRIO's shares quoted on the NGM. The liquidity guarantee's commitment to safeguard minimum liquidity for trading in BRIO's shares ceased in conjunction with BRIO's shares being put on the watch list.

Key indicators – The Group

	Mar 31, 2011	Mar 31, 2010	Dec 31, 2010
Return on capital employed for the quarter, %	Neg	Neg	1.2
Return on shareholders' equity for the quarter, %	Neg	Neg	Neg
Return on capital employed for the year, %	Neg	Neg	Neg
Return on shareholders' equity for the year, %	Neg	Neg	Neg
Equity/assets ratio, %	14.0	25.7	17.6
Equity/assets ratio incl. subordinated loans, %	n/a	36.9	n/a
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	153,922,055	154,197,055	153,922,055
Average number of shares during the quarter	152,885,018	152,885,018	152,885,019
Average number of shares during the quarter after dilution	153,922,055	154,197,055	154,036,638

Income statement in summary – The Group

(SEK m)	QUARTER		FULL YEAR	
	JAN-MAR 2011	JAN-MAR 2010	APR 2010- MAR 2011	JAN-DEC 2010
Income	197.1	189.0	929.6	921.4
Cost of goods sold	-112.0	-114.9	-555.0	-557.9
Gross profit	85.1	74.1	374.5	363.6
Sales costs	-73.7	-77.3	-311.8	-317.4
Administrative costs	-35.2	-30.5	-133.5	-129.3
Development costs	-3.9	-3.0	-12.5	-11.6
Write-down of goodwill	-	-	-9.6	-9.6
Other income/expenses	1.3	3.2	47.6	54.4
Other net profit/loss	3.1	2.3	-3.1	-6.2
Operating loss	-23.3	-31.2	-48.3	-56.2
Net financial items	-4.9	-0.6	-12.4	-8.1
Loss before tax	-28.2	-31.8	-60.7	-64.3
Income tax	0.0	0.1	-2.6	-2.5
Loss for the period	-28.2	-31.7	-63.3	-66.8
<u>Loss attributable to:</u>				
Parent company's shareholders	-28.2	-31.8	-63.3	-66.9
Non-controlling interest	-	0.1	-	0.1
Earnings per share before dilution, SEK	-0.18	-0.21	-0.41	-0.44
Earnings per share after dilution, SEK	-0.18	-0.21	-0.41	-0.43

Statement of comprehensive income – The Group

(SEK m)	QUARTER		FULL YEAR	
	JAN-MAR 2011	JAN-MAR 2010	APR 2010- MAR 2011	JAN-DEC 2010
Loss for the period	-28.2	-31.7	-63.3	-66.8
Comprehensive income - other				
Translation difference for the period	-0.2	-6.2	-8.5	-14.4
Comprehensive income for the period - other	-0.2	-6.2	-8.5	-14.4
Comprehensive income for the period - total	-28.4	-37.9	-71.7	-81.2
<u>Loss attributable to:</u>				
Parent company's shareholders	-28.4	-37.8	-71.7	-81.3
Non-controlling interest	-	-0.1	-	0.1

Depreciation/impairment – The Group

(SEK m)	QUARTER		FULL YEAR
	JAN-MAR 2011	JAN-MAR 2010	JAN-DEC 2010
Cost of goods sold	-2.7	-2.6	-10.4
Sales costs	-0.5	-0.4	-1.5
Administrative costs	-1.5	-1.5	-6.1
Development costs	0.0	-0.0	-0.1
Impairment of goodwill	-	-	-9.6
Total	-4.7	-4.5	-27.7

Balance sheet in summary – The Group

(SEK m)	QUARTER		FULL YEAR
	Mar 31, 2011	Mar 31, 2010	Dec 31, 2010
ASSETS			
Intangible assets	133.2	155.3	137.2
Tangible fixed assets	12.7	16.5	13.7
Other fixed assets	18.8	21.9	19.1
Total fixed assets	164.7	193.7	170.0
Stock	203.6	162.7	193.4
Accounts receivable	141.8	136.0	140.3
Other receivables	23.2	28.8	33.1
Derivative instruments	-	2.3	-
Liquid assets	56.4	80.5	94.1
Total current assets	425.0	410.3	460.9
TOTAL ASSETS	589.7	604.0	630.9
SHAREHOLDERS' EQUITY AND LIABILITIES			
<u>Parent company's shareholders' share:</u>			
Share capital	336.3	336.3	336.3
Other capital contribution	-	149.5	-
Reserves	55.5	73.2	65.1
Accumulated deficit	-309.1	-404.7	-290.2
Total	82.8	154.5	111.2
Non-controlling interest	-	-	-
TOTAL SHAREHOLDERS' EQUITY	82.8	154.5	111.2
<u>Interest-bearing long-term liabilities:</u>			
Other long-term liabilities	0.0	0.0	0.1
Total	0.0	0.0	0.1
<u>Non interest-bearing long-term liabilities:</u>			
Deferred tax liabilities	16.5	17.6	16.7
Pension provisions	63.9	66.9	63.9
Other provisions	5.7	13.9	7.7
Total	86.1	98.4	88.3
<u>Current interest-bearing liabilities:</u>			
Bank overdraft facilities	154.3	111.5	121.3
Liabilities to parent company	87.0	-	57.4
Other current liabilities	-	67.7	-
Total	241.3	179.2	178.7
<u>Non interest-bearing current liabilities:</u>			
Provisions	13.8	26.9	14.6
Accounts payable - trade	85.7	65.4	121.0
Other current liabilities	76.5	79.2	110.5
Derivative instruments	3.5	0.4	6.6
Total	179.5	171.9	252.7
TOTAL LIABILITIES	506.9	449.5	519.8
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	589.7	604.0	630.9

Changes in shareholders' equity – The Group

(SEK m)	Attributable to parent company shareholders				Non-controlling interest	Total equity
	Share capital	Other capital contribution	Reserves	Accumulated deficit		
Opening balance on Jan 1, 2010	336.3	149.5	79.5	-372.9	2.1	194.6
Comprehensive income for the period – total	-	-	-6.1	-31.8	-0.1	-38.0
Subsidiaries sold	-	-	-	-	-2.0	-2.0
Transactions with owner - total	-	-	-	-	-2.0	-2.0
Closing balance on Mar 31, 2010	336.3	149.5	73.4	-404.7	-	154.5
Conversion as decided by the AGM	-	-149.5	-	149.5	-	-
Comprehensive income for the period – total	-	-	-8.3	-35.0	0.2	-43.1
Subsidiaries sold	-	-	-	-	-0.2	-0.2
Transactions with owner - total	-	-	-	-	-0.2	-0.2
Opening balance on Jan 1, 2011	336.3	-	65.1	-290.2	-	111.2
Comprehensive income for the period – total	-	-	-9.6	-18.8	-	-28.4
Closing balance on Mar 31, 2011	336.3	-	55.5	-309.1	-	82.8

Changes to reserves – The Group

(SEK m)	Translation difference	Fund for fair value	Total reserves
Opening balance on Jan 1, 2010	62.0	17.5	79.5
Translation difference for the period	-6.1	-	-6.1
Opening balance on Apr 1, 2010	55.9	17.5	73.4
Translation difference for the period	-8.3	-	-8.3
Opening balance on Jan 1, 2011	47.6	17.5	65.1
Translation difference for the period	-9.6	-	-9.6
Closing balance on Mar 31, 2011	38.0	17.5	55.5

Contingent assets and liabilities

No significant changes have occurred to the Group's or parent company's contingent assets and liabilities since the end of the last financial year.

Transactions with related parties

Because BRIO's tied-up working capital rose to an unexpectedly high level during the reporting period, Proventus issued a short-term loan of SEK 60 million in March 2011, of which SEK 30 million was paid out during the reporting period and the remainder at the beginning of April, after the end of the reporting period. The loan falls due for payment on June 30, 2011.

Cash flow statement – The Group

(SEK m)	QUARTER		FULL YEAR
	JAN-MAR 2011	JAN-MAR 2010	JAN-DEC 2010
Cash flow from operating activities before changes in working capital	-28.7	-31.6	-76.3
Changes in working capital	-68.2	-57.4	10.9
Cash flow from operating activities	-96.9	-89.0	-65.4
Cash flow from investment activities	-1.5	0.7	-8.1
Cash flow from financing activities	61.8	58.4	60.0
Cash flow for the period	-36.6	-29.9	-13.5
Liquid assets at the start of the period	94.1	111.6	111.6
Exchange rate difference in liquid assets	-1.2	-1.1	-3.9
Liquid assets at the end of the period	56.4	80.5	94.1

Income statement in summary – Parent company

(SEK m)	QUARTER		FULL YEAR	
	JAN-MAR 2011	JAN-MAR 2010	APR 2010- MAR 2011	JAN-DEC 2010
Net sales	91.2	76.1	352.7	337.7
Cost of goods sold	-63.1	-49.2	-239.8	-225.9
Gross profit	28.1	26.9	112.9	111.8
Sales costs	-32.7	-28.6	-131.7	-127.5
Administrative costs	-23.8	-22.6	-88.7	-93.8
Development costs	-0.2	-3.0	-5.4	-8.2
Other income/expenses	7.3	4.9	50.2	47.8
Operating loss	-21.3	-22.4	-62.7	-70.0
Profit/loss from participations in Group companies	2.1	-	30.6	28.5
Net financial items - other	-6.0	-4.5	-20.1	-18.6
Loss before tax	-25.2	-26.9	-52.2	-60.1
Income tax	-	-	-	-
Loss for the period	-25.2	-26.9	-52.2	-60.1

Balance sheet in summary – Parent company

(SEK m)	QUARTER		FULL YEAR
	Mar 31, 2011	Mar 31, 2010	Dec 31, 2010
ASSETS			
<u>Fixed assets:</u>			
Intangible fixed assets	23.9	29.2	26.2
Tangible fixed assets	7.5	9.1	8.0
Receivables from Group companies	31.7	41.4	32.8
Other financial fixed assets	374.2	374.0	374.2
Total fixed assets	437.3	453.7	441.1
<u>Current assets:</u>			
Stock	96.3	67.7	110.2
Accounts receivable	43.4	45.8	63.4
Receivables from Group companies	159.6	74.1	90.9
Other receivables	11.5	12.5	18.7
Liquid assets	31.0	38.4	20.7
Total current assets	341.8	238.5	303.9
TOTAL ASSETS	779.1	692.3	745.1
SHAREHOLDERS' EQUITY AND LIABILITIES			
<u>Restricted shareholders' equity:</u>			
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
<u>Accumulated deficit:</u>			
Non-restricted reserves	-	149.5	-
Accumulated deficit	-156.4	-245.9	-96.4
Loss for the period	-25.2	-26.9	-60.1
Total accumulated deficit	-181.6	-123.2	-156.5
TOTAL SHAREHOLDERS' EQUITY	199.9	258.3	225.0
<u>Interest-bearing long-term liabilities:</u>			
Liabilities to Group companies	0.1	0.1	0.1
Total	0.1	0.1	0.1
<u>Non interest-bearing long-term liabilities:</u>			
Pension provisions	54.7	53.1	54.5
Total	54.7	53.1	54.5
<u>Current interest-bearing liabilities:</u>			
Bank overdraft facilities	153.1	109.6	121.3
Liabilities to parent company	84.4	0.0	56.1
Other interest-bearing liabilities	-	66.6	-
Total	237.5	176.2	177.4
<u>Non interest-bearing current liabilities:</u>			
Other provisions	5.1	12.6	5.3
Accounts payable - trade	33.0	27.0	50.6
Liabilities to Group companies	216.9	134.7	200.6
Other non interest-bearing liabilities	31.9	30.4	31.5
Total	286.9	204.7	288.0
TOTAL LIABILITIES	579.2	434.0	520.1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	779.1	692.3	745.1

Shareholders on Mar 31, 2011

	No. of A shares	No. of B shares	No. of C shares	No. of D shares	Shareholding %	Votes %
Proventus Invest AB	3,783,066	3,527,655	44,457,660	95,095,526	96.06	95.77
Mats Jacobsson and family		60,000	400,000	300,000	0.50	0.72
Tor Diderholm		85,111	402,055	249,033	0.48	0.72
Dag Ivarsson and family	131,600				0.09	0.22
GEVERAN Trading Co Ltd		100,000			0.07	0.02
Göran Axheim		10,000	50,000	30,000	0.06	0.09
Grenspecialisten Förvaltning AB		9,166	45,830	27,498	0.05	0.08
Gunnar Larsson		7,300	44,000	26,400	0.05	0.08
Krister Widner				67,500	0.04	0.01
Other shareholders		1,777,934	1,108,615	1,089,069	2.60	2.30
Total	3,914,666	5,577,166	46,508,160	96,885,026	100.00	100.00

Proventus has reported that it now owns 98.9 per cent of the shares and 99.3 per cent of the voting rights in BRIO after the registration period for the public buy out offer ran out on April 28, 2011.

BRIO's share capital comprises four classes of shares: A and B 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 give entitlement, as with A shares, to ten votes per share. D shares give preference rights in dividends and dissolution with upward adjustment of 7 per cent of SEK 2.20 and give entitlement, as with B shares, to one vote per share.

In the event of a dividend being paid the dividend will be as follows:

(i) Class C: Class C preference shares will be entitled to an (a) annual dividend per share equivalent to twenty five (25) per cent of SEK 2.20 and (b) accumulated from year to year but as yet unpaid dividends index-linked by twenty five (25) per cent, whereby (a) and (b) together are known as Class C preference dividends. Class C preference shares also entitle the holder to preferential rights for Class C preference dividend payments before payments of dividends for other shares issued by the company. The index-linking concerning dividends unpaid for some years will be calculated on a daily basis from 26 May each relevant year until payment is made. In addition to Class C preference dividends, Class C preference shares will entitle the holder to dividends according to item (iv) below.

(ii) Class D: Class D preference shares will be entitled to an (a) annual dividend per share equivalent to seven (7) per cent of SEK 2.20 and (b) accumulated from year to year but as yet unpaid dividend index-linked by seven (7) per cent, whereby (a) and (b) together are known as Class D preference dividends. Class D preference shares also entitle the holder to preferential rights for Class D preference dividend payments before payments of dividends to other shares issued by the company, but not before class C preference shares have received payment for Class C preference dividends. The index-linking concerning dividends unpaid for some years will be calculated on a daily basis from 26 May each relevant year until payment is made. Class D preference shares will not entitle the holder to further dividends from the company or value in excess of the Class D preference dividend besides what was paid for the share upon subscription. This means that in the event of a redemption of the company's class D preference shares the redemption sum will be limited to the equivalent Class D preference dividend besides what was paid for the share upon subscription.

(iii) Ordinary shares: Ordinary shares will be entitled to a dividend equivalent to the amount per share given in total to class C preference shares according to item (i) above. In case the company's distributable earnings for a specific financial year are not sufficient for full payment of the dividend for ordinary shares in accordance herewith, the ordinary shares' right to the shortfall of the dividend will be accumulated, whereby the dividend for the following financial year's class C shares and class D shares respectively will have the preferential right to payment of the Class C and D preference dividends respectively ahead of payment of dividends for ordinary shares.

(iv) In the event of remaining assets with reference to dividends for a specific financial year according to item (i), (ii) and (iii), the dividend for the actual financial year will be paid according to the price per share of all ordinary shares and class C preference shares respectively.

The share capital on March 31, 2011 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 class C preference shares and 96 885 026 class D preference shares. The total number of votes was 606,690,452.

Distribution of share capital on Mar 31, 2011

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

INFORMATION PER SEGMENT

The BRIO Group is 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 three months of the year.

(SEK m)	BRIO Toy		BRIO Baby		BRIO Lekehuset Partner		Joint resources		Eliminations		Total BRIO	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
External income	135	126	59	53	3	3	-	7	-	-	197	189
Internal income	-	-	3	5	-	-	-	-	-3	-5	0	0
Operating profit/loss	-3	-11	-9	-3	1	-	-12	-17	-	-	-23	-31
Net financial items	-	-	-	-	-	-	-5	-1	-	-	-5	-1
Profit/loss before tax	-3	-11	-9	-3	1	-	-18	-18	-	-	-28	-32
Total assets	405	390	176	180	8	9	1	25	-	-	590	604

Joint resources refer to IT, finance, HR and logistics. Minor adjustments have been made to BRIO's segment division, mainly relating to restructuring in progress and for developing the BRIO Toy and BRIO Baby divisions from divested business activities.

Sales per market

(SEK m)	JAN-MAR 2011	JAN-MAR 2010
Nordic region	166.6	162.1
Other European countries	22.9	23.4
Rest of the world	7.6	3.5
Total	197.1	189.0

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 the margins in the third and final quarters. BRIO's total quarterly sales for the 2006-2010 periods are as follows:

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

Quarterly sales for 2010 were as follows:

Q1	Q2	Q3	Q4
20%	20%	26%	34%

SENSITIVITY ANALYSIS

The table below provides an estimate of the net effects of changes to currency exchange rates on BRIO's results for 2010.

Change to USD +5 %	Effect on earnings, SEK m
USD/SEK	-21.6
Change to EUR +5 %	Effect on earnings, SEK m
EUR/SEK	+6.7

ACCOUNTING PRINCIPLES

General information about applied accounting principles – The Group

The Group applies the EU-endorsed IAS standards, the Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups. Interim 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 2010.

Information about the parent company

The parent company reports in accordance with the Annual Accounts Act and RFR 2, Accounting for Legal Entities.

FUTURE REPORTS

Because BRIO has applied for a de-listing and the final trading day is estimated to be June 10, 2011. BRIO is not expecting to publish any further quarterly reports.

Malmö, May 12, 2011

Peder Zetterberg
Acting President and CEO

This 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 280 employees, is represented in over 40 countries and has been market-listed since 1985, being listed on the NGM Equity since June 2009.

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BRIO is a public limited liability company