



# H & M HENNES & MAURITZ AB

## SIX-MONTH REPORT

1 December 2009 – 31 May 2010

### THE FIRST HALF-YEAR

- The H&M Group's sales excluding VAT during the first six months of the financial year amounted to SEK 51,879 m (49,837), an increase of 4 percent. In local currencies, the increase was 11 percent.
- Profit after financial items amounted to SEK 12,095 m (9,338), an increase of 30 percent. Group profit after tax was SEK 8,950 m (6,770), corresponding to SEK 5.41 (4.09) per share.

### THE SECOND QUARTER

- The H&M Group's sales excluding VAT during the second quarter amounted to SEK 27,033 m (26,538), an increase of 2 percent. In local currencies, the increase was 10 percent.
- Gross profit amounted to SEK 17,808 m (16,201), corresponding to a gross margin of 65.9 percent (61.0).
- Profit after financial items amounted to SEK 7,040 m (5,784), an increase of 22 percent. Group profit after tax was SEK 5,209 m (4,193), corresponding to SEK 3.15 (2.53) per share.
- Sales in May increased by 6 percent in local currencies compared to the same month last year.

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- Sales in the period 1 – 22 June 2010 increased by 22 percent in local currencies compared to the same period last year.
  - Croatia and Romania new H&M countries in spring 2011.
  - Morocco new franchise market in autumn 2011.

	SIX MONTHS 2010	SIX MONTHS 2009	Q2 2010	Q2 2009
(SEK m)				
Net sales	51,879	49,837	27,033	26,538
Gross profit	33,198	29,379	17,808	16,201
<i>gross margin, %</i>	<i>64.0</i>	<i>59.0</i>	<i>65.9</i>	<i>61.0</i>
Operating profit	11,943	9,035	6,965	5,671
<i>operating margin, %</i>	<i>23.0</i>	<i>18.1</i>	<i>25.8</i>	<i>21.4</i>
Net financial items	152	303	75	113
Profit after financial items	12,095	9,338	7,040	5,784
Tax	-3,145	-2,568	-1,831	-1,591
Profit for the period	8,950	6,770	5,209	4,193
Earnings per share, SEK	5.41	4.09	3.15	2.53

## **Sales**

Sales including VAT for the first six months of the financial year amounted to SEK 60,699 m (58,352), an increase of 4 percent. In local currencies the increase was 11 percent and in comparable units sales increased by 1 percent. H&M Group sales excluding VAT amounted to SEK 51,879 m (49,837), an increase of 4 percent.

Sales including VAT for the second quarter amounted to SEK 31,604 m (31,070), an increase of 2 percent. In local currencies the increase was 10 percent. Sales in comparable units decreased by 1 percent. Sales excluding VAT for the second quarter amounted to SEK 27,033 m (26,538), an increase of 2 percent.

In May 2010, sales including VAT in local currencies, increased by 6 percent compared to the same month the previous year. Sales in comparable units decreased by 4 percent. Calendar effects are estimated to have had a negative impact of 3 to 4 percentage units in May.

The Group opened 86 (93) stores and closed 12 (9) stores during the first half-year. The total number of stores in the Group as per 31 May 2010 thus amounted to 2,062 (1,822), of which 42 are franchise stores, 27 COS stores and 59 stores within the FaBric Scandinavien Group.

## **Results for the first six months**

Gross profit for the Group for the first six months amounted to SEK 33,198 m (29,379), an increase of 13 percent. This corresponds to a gross margin of 64.0 percent (59.0).

The operating profit amounted to SEK 11,943 m (9,035), an increase of 32 percent, which corresponds to an operating margin of 23.0 percent (18.1).

Operating profit for the six-month period has been charged with depreciation amounting to SEK 1,555 m (1,436).

Consolidated net interest income was SEK 152 m (303).

Profit after financial items amounted to SEK 12,095 m (9,338), an increase of 30 percent.

Profit after tax for the Group after an estimated tax rate of 26.0 percent (27.5) amounted to SEK 8,950 m (6,770) for the six-month period, corresponding to earnings per share of SEK 5.41 (4.09).

Return on shareholders' equity, rolling twelve months, was 54.8 percent (51.6) and return on capital employed, rolling twelve months, was 72.9 percent (70.9).

## **Results for the second quarter**

Gross profit for the second quarter amounted to SEK 17,808 m (16,201), an increase of 10 percent. This corresponds to a gross margin of 65.9 percent (61.0).

Operating profit for the second quarter amounted to SEK 6,965 m (5,671), an increase of 23 percent. This corresponds to an operating margin of 25.8 percent (21.4).

Profit after financial items was SEK 7,040 m (5,784), an increase of 22 percent.

Profit after tax was SEK 5,209 m (4,193), corresponding to SEK 3.15 (2.53) per share.

## Comments on the second quarter

Sales excluding VAT increased by 2 percent. In local currencies the increase was 10 percent. The quarter started with strong sales in March, while sales in both April and May were affected by unusually cold weather for the season in most of H&M's markets.

The gross margin amounted to 65.9 percent (61.0), an increase of 4.9 percentage units.

Currency hedging of the mark-up on internal sales of goods to the subsidiaries had a positive impact on the gross margin of approximately 0.5 percentage units. Such currency hedges had a negative impact of 1.3 percentage units on the gross margin in the second quarter 2009, i.e. a difference of 1.8 percentage units year-on-year.

The gross margin was also positively affected by a weaker US dollar at the purchase period for garments sold in the second quarter this year compared to the time of the purchases for the second quarter 2009. Other factors, such as greater surplus capacity at suppliers, lower transportation costs, favourable raw material prices and efficiencies in the buying process also impacted the gross margin positively in the second quarter 2010.

Increased mark-downs affected the gross margin negatively by 0.3 percentage units compared to the same quarter last year.

Cost control in the Group remains good. Selling and administrative expenses in the quarter amounted to SEK 10,843 m (10,530), an increase of 3 percent. In local currencies the increase was 10 percent. The cost increase was related to the expansion.

The stock-in-trade amounted to SEK 8,562 m (8,601). Excluding currency translation effects, the stock-in-trade increased by approximately 2 percent. The stock-in-trade as per 31 May 2010 consists of more spring garments than estimated due to a weaker sales development than planned during April and May. This could lead to a higher price reduction level in the third quarter compared to the corresponding quarter last year.

## Financial position and cash flow

Consolidated total assets as per 31 May 2010 amounted to SEK 50,247 m (44,551), an increase of 13 percent compared to the same time last year.

During the first six months of the financial year, the Group generated a cash flow of SEK 334 m (-8,190). The current operations generated a positive cash flow of SEK 12,504 m (7,194). Cash flow was among other things affected by dividends of SEK -13,239 m (-12,825), investments in fixed assets of SEK -1,860 m (-2,265) and by short-term investments with a duration of four to twelve months of SEK 2,970 m (-200). Liquid funds and short-term investments amounted to SEK 18,992 m (14,904).

The stock-in-trade decreased by 0.5 percent compared to the same time last year and amounted to SEK 8,562 m (8,601). This corresponds to 8.3 percent (8.9) of sales excluding VAT, rolling twelve months. The stock-in-trade was 17.0 percent (19.3) of total assets.

The equity/assets ratio was 71.8 percent (71.0) and the share of risk-bearing capital was 75.9 percent (74.8).

Shareholders' equity apportioned on the outstanding 1,655,072,000\* (1,655,072,000) shares as per 31 May 2010 was SEK 21.79 (19.12).

### \* Share split

H&M has recently implemented a 2:1 share split, where each share was split into two shares of the same class. The record date for the split was 3 June 2010, which means that the last day of trading prior to the split was 31 May 2010. The first day of trading in the split shares was 1 June 2010. The shares obtained through the split were entered in securities accounts on 4 June 2010, which was the day after the record date. Following the implemented share split the new number of shares is 1,655,072,000, of which 194,400,000 are series A shares and 1,460,672,000 are series B shares.

Earnings per share has been calculated based on the new number of shares. According to IAS 33 *Earnings Per Share*, the earnings per share is adjusted retroactively for all reported periods.

## **Expansion**

H&M remains positive towards the future expansion and the company's business opportunities.

During the second half-year, the Group plans to open 180 (182) stores and close 14 (16). Most of the stores are planned for Germany, USA, the UK, France, China and Italy.

H&M has signed a contract to open its first store in Turkey. The store is situated in Forum Istanbul, one of Europe's largest shopping centres. The store will be a full-range store and is planned to open in November 2010.

The second store in South Korea will open in Seoul in September 2010.

Examples of other interesting H&M openings during the autumn of 2010 are; Nevsky Prospect in St Petersburg, Russia in August, Champs Elysées in Paris in October, and in the shopping mall Forum Shops in Las Vegas in November.

During the autumn of 2010, the company will open one H&M Home store in Amsterdam in addition to the already communicated H&M-stores in Helsinki, Copenhagen and London.

Online sales will start in September 2010 in the UK.

The planned opening of a COS store in Hong Kong in the autumn of 2010 is postponed until 2011.

Croatia and Romania will become new H&M countries with openings in Zagreb and Bucharest during the spring of 2011.

Morocco will become a new franchise market with store opening in Casablanca in the autumn of 2011.

## **Tax**

The tax rate is estimated to amount to approximately 26.0 (25.9) percent for the full year of 2009/2010.

## **Parent company**

The parent company had no external sales (-) for the first six months of the financial year. Profit after financial items amounted to SEK 2,085 m (1,922). Investments in fixed assets amounted to SEK 30 m (29).

## **Comments on the current quarter**

Sales during the period 1 – 22 June 2010 increased by 22 percent in local currencies compared to the same period last year.

## **The Election Committee**

According to the principles for the Election Committee passed at the 2010 Annual General Meeting, H&M shall have an Election Committee made up of the Chairman of the Board plus four other members representing each of the four largest shareholders in terms of the number of votes, as far as can be ascertained from the register of shareholders, other than the shareholder that the Chairman of the Board may represent.

The composition is based on shareholdings at 28 February 2010. At the 2010 Annual General Meeting the following Election Committee was appointed:  
Stefan Persson, Chairman of the Board of H&M, Lottie Tham, representing Lottie Tham, Liselott Ledin, representing Alecta, Jan Andersson, representing Swedbank Robur fonder and Peter Lindell, representing AMF pension.

Since the AMF representative, Peter Lindell, is no longer employed by AMF, Anders Oscarsson will hereafter represent AMF in the Election Committee.

Proposals from shareholders for the Election Committee may be sent either to individual members of the Election Committee or directly to:

H & M Hennes & Mauritz AB  
Valberedningen  
106 38 Stockholm

E-mail: valberedningen@hm.com

### Accounting principles

The Group applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This report has been prepared according to IAS 34 Interim Financial Reporting as well as the Swedish Annual Accounts Act.

The accounting principles used in the preparation of this report are described in the annual accounts and consolidated accounts for 2008/2009 in Note 1 Accounting Principles.

Starting in 2009/10 the Group is applying IFRS 8 Operating Segments for its segment reporting. According to this standard, segment information is to be presented based on the internal segments determined by executive management. The new standard has not required any changes to be made to the way segments were reported previously. The Group's business consists primarily of the sale of clothes and cosmetics to consumers. Internal reporting is broken down by country. In its segment reporting the Group has grouped countries together into three geographical areas: the Nordic Region, Euro Zone excluding Finland and the Rest of the World. The financial characteristics are similar in each segment. The parent company and other subsidiaries without external sales are reported in a separate, Group-wide segment.

A statement of consolidated comprehensive income is also presented containing items previously reported in the statement of shareholders' equity that do not constitute shareholder transactions.

The parent company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.3 Accounting for Legal Entities, which essentially involves applying IFRS. In accordance with RFR 2.3 the parent company does not apply IAS 39.

Earnings per share has been calculated based on the new number of shares. According to *IAS 33 Earnings Per Share*, the earnings per share is adjusted retroactively for all reported periods.

### Risks and uncertainties

A number of factors may affect H&M's results and business. Most of these can be dealt with through internal routines, while certain others are affected more by external influences. There are risks and uncertainties related to fashions, weather situations, climate changes, trade interventions and exchange rates, but also in connection with expansion into new markets, the launch of new concepts, changes in consumer behaviour and handling of the brand.

For a more detailed description of risks and uncertainties, refer to the Administration Report and to Note 2 in the Annual Report and Consolidated Accounts for 2008/2009. There were no significant changes in risks and uncertainties during the period.

### KEY RATIO DEFINITIONS

**Return on equity:** Profit for the year in relation to average shareholders' equity.

**Return on capital employed:** Profit after financial items plus interest expense in relation to average shareholders' equity plus average interest-bearing liabilities.

**Share of risk-bearing capital:** Shareholders' equity plus deferred tax liability in relation to the balance sheet total.

**Equity/assets ratio:** Shareholders' equity in relation to the balance sheet total.

**Equity per share:** Shareholders' equity divided by number of shares.

**P/E ratio:** Price per share divided by earnings per share.

**Comparable units:** Comparable units comprise the stores and the internet and catalogue sales countries that have been in operation for at least one financial year. H&M's financial year is from 1 December to 30 November.

All figures within parenthesis refer to the corresponding period or point of time the previous year.

### CALENDAR

29 September 2010	Nine-month report, 1 December 2009 – 31 August 2010
27 January 2011	Full-year report, 1 December 2009 – 30 November 2010
31 March 2011	Three-month report, 1 December 2010 – 28 February 2011
22 June 2011	Six-month report, 1 December 2010 – 31 May 2011

The six-month report has not been audited by the company's auditors.

The undersigned hereby provide an assurance that the half-year report for 1 December 2009 – 31 May 2010 provides a true and fair view of the parent company's and the Group's business, positions and earnings, and also describe the significant risks and uncertainties faced by the companies making up the Group.

Stockholm 23 June, 2010

Stefan Persson Chairman of the Board	Mia Brunell Livfors Board member	Anders Dahlvig Board member
Lottie Knutson Board member	Sussi Kvart Board member	Bo Lundquist Board member
Marianne Broman Board member	Melker Schörling Board member	Christian Sievert Board member
Margareta Welinder Board member		Karl-Johan Persson Managing Director

*The information in this Interim Report is that which H & M Hennes & Mauritz AB (publ) is required to disclose under Sweden's Securities Market Act. It will be released for publication at 8.00 (CET) on 24 June 2010.*

## CONTACT PERSONS

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*H& M Hennes & Mauritz AB (publ) was founded in Sweden in 1947 and is quoted on NASDAQ OMX Stockholm. The company's business concept is to offer fashion and quality at the best price. In addition to H&M, the group includes the brands COS, Monki, Weekday and Cheap Monday as well as H&M Home. The H&M Group has more than 2,000 stores in 37 markets. In 2009, sales including VAT were SEK 118,697 million and the number of employees was around 76,000. For further information, visit [www.hm.com](http://www.hm.com).*

## GROUP INCOME STATEMENT (SEK m)

	1 Dec 09- 31 May 10	1 Dec 08- 31 May 09	1 March 10- 31 May 10	1 March 09- 31 May 09	1 Dec 08- 30 Nov 09
Sales including VAT	60,699	58,352	31,604	31,070	118,697
Sales excluding VAT	51,879	49,837	27,033	26,538	101,393
Cost of goods sold	-18,681	-20,458	-9,225	-10,337	-38,919
<b>GROSS PROFIT</b>	<b>33,198</b>	<b>29,379</b>	<b>17,808</b>	<b>16,201</b>	<b>62,474</b>
<i>Gross margin, %</i>	64.0	59.0	65.9	61.0	61.6
Selling expenses	-19,871	-19,059	-10,117	-9,836	-38,224
Administrative expenses	-1,384	-1,285	-726	-694	-2,606
<b>OPERATING PROFIT</b>	<b>11,943</b>	<b>9,035</b>	<b>6,965</b>	<b>5,671</b>	<b>21,644</b>
<i>Operating margin, %</i>	23.0	18.1	25.8	21.4	21.3
Interest income	154	306	76	114	467
Interest expense	-2	-3	-1	-1	-8
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>12,095</b>	<b>9,338</b>	<b>7,040</b>	<b>5,784</b>	<b>22,103</b>
Tax	-3,145	-2,568	-1,831	-1,591	-5,719
<b>PROFIT FOR THE PERIOD</b>	<b>8,950</b>	<b>6,770</b>	<b>5,209</b>	<b>4,193</b>	<b>16,384</b>
Earnings per share, SEK*	5.41	4.09	3.15	2.53	9.90
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
* Before and after dilution. See page 3, Share split.					
Depreciation, total	1,555	1,436	783	715	2,830
of which cost of goods sold	171	143	86	67	310
of which selling expenses	1,289	1,226	649	617	2,350
of which administrative expenses	95	67	48	31	170

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK m)

	1 Dec 09- 31 May 10	1 Dec 08- 31 May 09	1 March 10- 31 May 10	1 March 09- 31 May 09	1 Dec 08- 30 Nov 09
<b>Profit for the period</b>	<b>8,950</b>	<b>6,770</b>	<b>5,209</b>	<b>4,193</b>	<b>16,384</b>
<b>Other comprehensive income</b>					
Translations effects etc. regarding equity	-807	359	229	-1,646	294
Change in hedging reserves	742	542	161	1,208	-264
Tax attributable to other comprehensive income	-195	-152	-42	-342	74
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-260</b>	<b>749</b>	<b>348</b>	<b>-780</b>	<b>104</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>8,690</b>	<b>7,519</b>	<b>5,557</b>	<b>3,413</b>	<b>16,488</b>

## GROUP BALANCE SHEET IN SUMMARY (SEK m)

	31 May 2010	31 May 2009	30 Nov 2009
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible fixed assets	1,640	1,658	1,674
Tangible fixed assets	14,823	13,369	14,811
Financial assets	1,733	1,919	1,797
	18,196	16,946	18,282
<b>Current assets</b>			
Stock-in-trade	8,562	8,601	10,240
Current receivables	4,497	4,100	3,816
Short-term investments, 4-12 months	20	200	3,001
Liquid funds	18,972	14,704	19,024
	32,051	27,605	36,081
<b>TOTAL ASSETS</b>	<b>50,247</b>	<b>44,551</b>	<b>54,363</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	36,064	31,644	40,613
Long-term liabilities*	2,715	2,456	2,660
Short-term liabilities**	11,468	10,451	11,090
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>50,247</b>	<b>44,551</b>	<b>54,363</b>

\* Only pension liabilities are interest-bearing.

\*\* No short-term liabilities are interest-bearing.

## CHANGE IN GROUP EQUITY (SEK m)

	31 May 2010	31 May 2009	30 Nov 2009
Shareholders' equity at the beginning of the period	40,613	36,950	36,950
Dividend	-13,239	-12,825	-12,825
Total comprehensive income for the period	8,690	7,519	16,488
Shareholders' equity at the end of the period	36,064	31,644	40,613



## GROUP CASH FLOW STATEMENT (SEK m)

	1 Dec 09- 31 May 10	1 Dec 08- 31 May 09
<b>Current operations</b>		
Profit after financial items*	12,095	9,338
Provisions for pensions	11	21
Depreciation	1,555	1,436
Tax paid	-2,374	-3,340
<b>Cash flow from current operations before changes in working capital</b>	<b>11,287</b>	<b>7,455</b>
<b>Cash flow from changes in working capital</b>		
Current receivables	-100	-164
Stock-in-trade	1,552	-30
Current liabilities	-235	-67
<b>CASH FLOW FROM CURRENT OPERATIONS</b>	<b>12,504</b>	<b>7,194</b>
<b>Investment activities</b>		
Investments in intangible fixed assets	-137	-59
Investments in tangible fixed assets	-1,723	-2,206
Change in short-term investments, 4-12 months	2,970	-200
Other investments	-41	-94
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>1,069</b>	<b>-2,559</b>
<b>Financing activities</b>		
Dividend	-13,239	-12,825
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-13,239</b>	<b>-12,825</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>334</b>	<b>-8,190</b>
Liquid funds at the beginning of the financial year	19,024	22,726
Cash flow for the period	334	-8,190
Exchange rate effect	-386	168
Liquid funds at the end of the period**	18,972	14,704

\* Interest paid amounts for the Group to SEK 2 m (3).

\*\* Liquid funds and short-term investments 4-12 months amounted to SEK 18,992 m (14,904) at the end of the period.

## SALES INCLUDING VAT BY COUNTRY AND NUMBER OF STORES

Six months 1 December - 31 May

COUNTRY	SEK m	SEK m	Change in %		No. of stores	New	Closed
	2010	2009	SEK	Local currency	31 May 2010	stores	stores
Sweden	3,996	3,690	8	8	165	4	
Norway	2,784	2,615	6	4	98	6	
Denmark	2,111	2,087	1	10	83	6	
United Kingdom	3,879	3,591	8	15	176	10	1
Switzerland	2,939	3,000	-2	3	73		
Germany	14,774	14,944	-1	7	367	11	6
Netherlands	3,611	3,727	-3	5	103	1	1
Belgium	1,618	1,800	-10	-2	63	4	2
Austria	2,582	2,757	-6	2	64	1	
Luxembourg	193	208	-7	1	10	1	
Finland	1,219	1,232	-1	7	42	4	
France	4,444	4,286	4	12	137	3	1
USA	4,094	3,752	9	22	194	5	
Spain	3,077	3,202	-4	4	115	2	1
Poland	1,259	1,162	8	9	69	4	
Czech Republic	329	320	3	7	20	1	
Portugal	476	476	0	9	21	1	
Italy	2,061	1,786	15	25	66	2	
Canada	1,241	1,019	22	17	53	1	
Slovenia	271	314	-14	-6	11	1	
Ireland	255	286	-11	-3	11		
Hungary	177	148	20	23	10		
Slovakia	103	87	18	27	5	1	
Greece	330	217	52	65	15		
China	1,121	723	55	74	33	6	
Japan	893	467	91	105	9	3	
Russia	359	129	178	190	6	1	
South Korea	99				1	1	
Franchise	404	327	24	24	42	6	
<b>Total</b>	<b>60,699</b>	<b>58,352</b>	<b>4</b>	<b>11</b>	<b>2,062</b>	<b>86</b>	<b>12</b>

## SALES INCLUDING VAT PER COUNTRY AND NUMBER OF STORES

Second quarter 1 March - 31 May

COUNTRY	SEK m	SEK m	Change in %		No. of stores	New	Closed
	2010	2009	SEK	Local currency	31 May 2010	stores	stores
Sweden	2,072	1,910	8	8	165	4	
Norway	1,353	1,305	4	3	98	6	
Denmark	1,066	1,100	-3	7	83	5	
United Kingdom	2,022	1,902	6	14	176	9	
Switzerland	1,505	1,614	-7	-2	73		
Germany	7,644	8,100	-6	5	367	8	3
Netherlands	1,947	2,082	-6	4	103	1	1
Belgium	803	906	-11	-2	63	4	1
Austria	1,312	1,471	-11	-1	64	1	
Luxembourg	100	109	-8	2	10	1	
Finland	627	624	0	12	42	4	
France	2,200	2,214	-1	10	137	1	
USA	2,284	1,979	15	26	194	4	
Spain	1,507	1,601	-6	4	115	2	1
Poland	649	645	1	-1	69	4	
Czech Republic	170	177	-4	1	20	1	
Portugal	232	237	-2	8	21	1	
Italy	1,116	1,004	11	23	66	2	
Canada	709	581	22	15	53	1	
Slovenia	144	170	-15	-6	11	1	
Ireland	127	142	-11	-1	11		
Hungary	95	82	16	18	10		
Slovakia	54	45	20	31	5	1	
Greece	169	122	39	53	15		
China	624	415	50	66	33	6	
Japan	540	239	126	134	9	3	
Russia	225	129	74	79	6	1	
South Korea	91				1		
Franchise	217	165	32	32	42	5	
<b>Total</b>	<b>31,604</b>	<b>31,070</b>	<b>2</b>	<b>10</b>	<b>2,062</b>	<b>76</b>	<b>6</b>

## KEY RATIOS PER QUARTER

	2008				2009				2010	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Sales including VAT, SEK m	23,241	25,412	24,540	30,848	27,282	31,070	27,587	32,758	29,095	<b>31,604</b>
Sales excluding VAT, SEK m	19,742	21,609	20,871	26,310	23,299	26,538	23,545	28,011	24,846	<b>27,033</b>
Change from previous year, %	18	8	12	15	18	23	13	6	7	<b>2</b>
Operating profit, SEK m	3,799	5,155	4,365	6,819	3,364	5,671	4,700	7,909	4,978	<b>6,965</b>
Operating margin, %	19.2	23.9	20.9	25.9	14.4	21.4	20.0	28.2	20.0	<b>25.8</b>
Depreciation for the period, SEK m	578	577	590	457	721	715	722	672	772	<b>783</b>
Profit after financial items, SEK m	4,057	5,433	4,586	7,114	3,554	5,784	4,773	7,992	5,055	<b>7,040</b>
Profit after tax, SEK m	2,941	3,939	3,325	5,089	2,577	4,193	3,460	6,154	3,741	<b>5,209</b>
Liquid funds and short-term investments, SEK m	22,450	14,528	17,786	22,726	23,625	14,904	16,238	22,025	26,200	<b>18,992</b>
Stock-in-trade, SEK m	7,892	7,073	7,930	8,500	9,052	8,601	10,215	10,240	8,402	<b>8,562</b>
Equity, SEK m	34,803	27,263	30,828	36,950	41,043	31,644	34,612	40,613	43,746	<b>36,064</b>
Shareholders' equity per share, SEK*	1.78	2.38	2.01	3.07	1.56	2.53	2.09	3.72	2.26	<b>3.15</b>
Equity per share, SEK*	21.03	16.47	18.63	22.33	24.80	19.12	20.91	24.54	26.43	<b>21.79</b>
Cash flow from current operations per share, SEK*	1.48	3.17	2.57	3.63	0.74	3.60	1.91	4.60	3.25	<b>4.30</b>
Share of risk-bearing capital, %	81.0	76.0	75.1	75.7	77.9	74.8	76.2	78.5	80.8	<b>75.9</b>
Equity/assets ratio, %	79.5	74.2	73.5	72.1	74.6	71.0	72.8	74.7	77.2	<b>71.8</b>
Total number of stores	1,529	1,593	1,618	1,738	1,748	1,822	1,840	1,988	1,992	<b>2,062</b>
<b>Rolling 12 months</b>										
Earnings per share, SEK*	8.60	8.88	8.98	9.24	9.02	9.18	9.26	9.90	10.61	<b>11.22</b>
Return on shareholders' equity, %	43.6	56.9	50.7	44.3	39.4	51.6	46.8	42.2	41.4	<b>54.8</b>
Return on capital employed, %	60.5	77.4	68.9	61.1	54.3	70.9	64.5	56.7	55.4	<b>72.9</b>
Stock-in-trade in % of turnover	9.7	8.5	9.3	9.6	9.8	8.9	10.2	10.1	8.2	<b>8.3</b>

\* Number of shares adjusted according to share split. See page 3, Share split.

Definitions on key figures see page 5.

## SEGMENT REPORTING (SEK m)

	1 Dec 09- 31 May 10	1 Dec 08- 31 May 09
<b>Nordic region</b>		
External net sales	8,139	7,743
Operating profit	263	234
Operating margin, %	3.2	3.0
<b>Euro Zone excluding Finland</b>		
External net sales	28,431	28,687
Operating profit	879	1,086
Operating margin, %	3.1	3.8
<b>Rest of the World</b>		
External net sales	15,309	13,407
Operating profit	616	659
Operating margin, %	4.0	4.9
<b>Group Functions</b>		
Internal net sales	28,767	24,567
Operating profit	10,185	7,056
<b>Eliminations</b>		
Internal net sales	-28,767	-24,567
<b>Total</b>		
External net sales	51,879	49,837
Operating profit	11,943	9,035
Operating margin, %	23.0	18.1

## PARENT COMPANY INCOME STATEMENT (SEK m)

	1 Dec 09- 31 May 10	1 Dec 08- 31 May 09	1 March 10- 31 May 10	1 March 09- 31 May 09	1 Dec 08- 30 Nov 09
External sales	-	-	-	-	-
Internal sales excluding VAT*	2,664	2,182	1,543	1,279	5,521
Cost of goods sold	-	-	-	-	-
<b>GROSS PROFIT</b>	<b>2,664</b>	<b>2,182</b>	<b>1,543</b>	<b>1,279</b>	<b>5,521</b>
Selling expenses	-1,035	-1,044	-611	-725	-1,898
Administrative expenses	-906	-769	-479	-393	-1,561
<b>OPERATING PROFIT</b>	<b>723</b>	<b>369</b>	<b>453</b>	<b>161</b>	<b>2,062</b>
Dividend from subsidiaries	1,339	1,468	1,339	1,468	13,092
Interest income	23	85	11	32	113
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>2,085</b>	<b>1,922</b>	<b>1,803</b>	<b>1,661</b>	<b>15,267</b>
Year-end appropriations	-	-	-	-	-41
Tax	-196	-127	-122	-54	-608
<b>PROFIT FOR THE PERIOD</b>	<b>1,889</b>	<b>1,795</b>	<b>1,681</b>	<b>1,607</b>	<b>14,618</b>

\* Includes received royalty from group companies.

## PARENT COMPANY BALANCE SHEET IN SUMMARY (SEK m)

	31 May 2010	31 May 2009	30 Nov 2009
<b>ASSETS</b>			
<b>Fixed assets</b>			
Tangible fixed assets	393	393	414
Financial fixed assets	1,632	1,025	1,363
	2,025	1,418	1,777
<b>Current assets</b>			
Current receivables	758	3,943	8,726
Short-term investments	10	200	3,001
Liquid funds	3,034	105	3,644
	3,802	4,248	15,371
<b>TOTAL ASSETS</b>	<b>5,827</b>	<b>5,666</b>	<b>17,148</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	4,244	4,246	15,594
Untaxed reserves	825	782	825
Long-term liabilities*	211	193	211
Short-term liabilities**	547	445	518
	5,827	5,666	17,148
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,827</b>	<b>5,666</b>	<b>17,148</b>

\* Relates to provisions for pensions.

\*\* No short-term liabilities are interest-bearing.