



# H & M HENNES & MAURITZ AB

## THREE-MONTH REPORT

1 December 2010 – 28 February 2011

### THE FIRST QUARTER

- The H&M Group's sales excluding VAT increased by 9 percent in local currencies. Converted into SEK, sales amounted to SEK 24,503 m (24,846), a decrease of 1 percent. The difference between the sales development in local currencies and in SEK is due to a strong negative currency translation effect since the Swedish krona has strengthened against most of the sales countries' currencies.
- Sales increased by 1 percent in comparable units.
- Gross profit amounted to SEK 14,174 m (15,390), corresponding to a gross margin of 57.8 percent (61.9).
- Profit after financial items amounted to SEK 3,538 m (5,055). Group profit after tax was SEK 2,618 m (3,741), corresponding to SEK 1.58 (2.26) per share.
- Sales in February 2011 increased by 9 percent in local currencies compared to the same month last year.

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- Sales in the period 1 – 29 March 2011 increased by 3 percent in local currencies compared to a very strong comparative period last year that benefited from, among other things a positive Easter effect.
  - Successful openings of H&M's first two stores in Romania.

### Comments by Karl-Johan Persson, CEO

"We increased sales in local currencies by 9 percent and 1 percent in comparable units in a continued tough market. The quarter was also characterised by the fact that many external factors had a negative effect on the results, in contrast to last year when they had a favourable effect in the corresponding quarter. These external factors, which were beyond our influence, were for example strong negative currency effects and cost inflation in the sourcing markets with for example, significantly higher cotton prices. Instead of passing on these cost increases to customers, we chose to strengthen our price position in order to build further on our strong market position for the long term."

	Q1 2011	Q1 2010
(SEK m)		
Net sales	24,503	24,846
Gross profit	14,174	15,390
<i>gross margin, %</i>	57.8	61.9
Operating profit	3,408	4,978
<i>operating margin, %</i>	13.9	20.0
Net financial items	130	77
Profit after financial items	3,538	5,055
Tax	-920	-1,314
Profit for the period	2,618	3,741
Earnings per share, SEK	1.58	2.26



### **Sales and store openings**

Sales including VAT increased by 9 percent in local currencies during the first three months of the financial year. Converted into SEK, sales decreased by 1 percent and amounted to SEK 28,708 m (29,095). Sales in comparable units increased by 1 percent. Sales excluding VAT increased by 9 percent in local currencies. Converted into SEK, sales excluding VAT decreased by 1 percent and amounted to SEK 24,503 m (24,846).

Sales including VAT in local currencies increased by 9 percent in February compared to the same month the previous year. Sales in comparable units increased by 1 percent.

The Group opened 9 (10) stores and closed 3 (6) stores during the three-month period. The total number of stores in the Group as per 28 February 2011 thus amounted to 2,212 (1,992), of which 50 franchise stores, 35 COS stores, 49 Monki stores, 18 Weekday stores and one Cheap Monday store.

### **Results for the first quarter**

Gross profit for the Group for the first three months amounted to SEK 14,174 m (15,390), a decrease of 8 percent. This corresponds to a gross margin of 57.8 percent (61.9).

Operating profit amounted to SEK 3,408 m (4,978). This corresponds to an operating margin of 13.9 percent (20.0).

Operating profit for the three-month period has been charged with depreciation amounting to SEK 808 m (772).

Consolidated net interest income for the Group was SEK 130 m (77).

Profit after financial items amounted to SEK 3,538 m (5,055).

The Group's profit for the three-month period after applying an estimated tax rate of 26.0 percent (26.0) was SEK 2,618 m (3,741), which represents earnings per share of SEK 1.58 (2.26), a decrease of 30 percent.

Return on shareholders' equity, rolling twelve months was 39.3 percent (41.4) and return on capital employed, rolling twelve months, was 52.3 percent (55.4).



### Comments on the first quarter

Sales increased by 9 percent in local currencies in the quarter. Despite an increase in sales in local currencies, sales in reported currency SEK decreased since the Swedish krona has strengthened against most of the sales countries' currencies. This resulted in strong negative currency translation effects. Sales reported in SEK thus decreased by 1 percent.

Sales in comparable units increased by 1 percent in a quarter that was characterised by continued restrained consumption, a discount driven market with many price activities and unfavourable weather conditions. In December, stores in several markets had to close periodically due to heavy snowstorms.

The gross margin amounted to 57.8 percent (61.9). The gross margin was negatively affected by many external factors in the sourcing markets which led to increased purchasing costs. These factors had a favourable effect in the corresponding quarter the previous year. Examples of disadvantageous external factors for the first quarter 2011 were accelerating cost inflation in the sourcing markets with significantly higher cotton prices, less spare capacity and increased transportation costs in combination with a negative US dollar effect. Instead of passing on these higher purchasing costs to the customers, H&M chose to strengthen its price position. This in order to build further on H&M's strong market position for the long term.

In the corresponding quarter last year, the gross margin was positively affected by 0.8 percentage units due to the former currency hedging policy.\*

Mark-downs in relation to sales were on the same level as in the first quarter 2010 and thus had a neutral effect on the gross margin year-on-year.

Selling and administrative expenses amounted to SEK 10,766 m (10,412) in the quarter, an increase of 3 percent. In local currencies, the increase was 12 percent. The increase in costs was mainly related to the expansion but also to continued investments in marketing, IT and online and catalogue sales in order to further strengthen H&M's market position in the long term and to secure future expansion.

Profit after financial items amounted to SEK 3,538 m (5,055). The decrease is mainly due to the cost inflation in the sourcing markets and to strong negative currency effects.

The stock-in-trade increased by 29 percent compared to the same time previous year and amounted to SEK 10,822 m (8,402). In local currencies, the increase was 33 percent. The increase in stock-in-trade is explained by the expansion but should also be viewed in the light of last year's historically low level and the fact that sales in the quarter did not increase as much as planned. The stock-in-trade as per 28 of February 2011 is well balanced with a larger proportion of spring garments compared to the corresponding time the previous year. The stock-in-trade in relation to sales excluding VAT, rolling twelve months, was 10.0 percent (8.2), which is at a good level.

\* H&M changed its currency hedging policy as of 1 December 2009, see the Full-year report from 28 January 2010.



### Financial position and cash flow

Consolidated total assets as per 28 February 2011 amounted to SEK 57,030 m (56,675), an increase of 1 percent compared to the same time the previous year.

During the three-month period, the Group generated a cash flow of SEK -1,961 m (-4,943). The current operations generated a positive cash flow of SEK 761 m (5,380). Cash flow was among other things affected by investments in fixed assets of SEK -807 m (-703) and by short-term investments with a duration of four to twelve months of SEK -1,937 m (-9,565). Liquid funds and short-term investments amounted to SEK 24,355 m (26,200).

The stock-in-trade increased by 29 percent compared to the same time the previous year and amounted to SEK 10,822 m (8,402). This corresponds to 10.0 percent (8.2) of sales excluding VAT, rolling twelve months. The stock-in-trade was 19.0 percent (14.8) of total assets.

The equity/assets ratio was 79.9 percent (77.2) and the share of risk-bearing capital was 81.4 percent (80.8).

Shareholders' equity apportioned on the outstanding 1,655,072,000 (1,655,072,000) shares as per 28 February 2011 was SEK 27.54 (26.43).

### Expansion

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

For the 2010/2011 financial year a net addition of approximately 250 stores is planned. China, the UK and USA are expected to be the largest expansion markets for H&M in 2011.

H&M's first two stores in Romania, which were opened in Bucharest at the end of March, were very well received.

As previously communicated, Croatia and Singapore will become new H&M countries in 2011 and Morocco and Jordan will become new franchise markets.

The expansion in online and catalogue sales continues with the roll-out of the new H&M Shop Online and the launch of online and catalogue sales in the USA at the turn of the year 2011/2012.

The Group plans to open 97 stores (76) and close 8 (6) stores during the second quarter of 2011.

### Tax

For the financial year 2010/2011 the tax rate is estimated to amount to approximately 26 percent.

### Parent company

The parent company's external sales amounted to SEK 1 m (-) for the first quarter. Profit after financial items amounted to SEK 215 m (282). Investments in fixed assets amounted to SEK 22 m (13).



### Comments on the second quarter

Sales during the period 1 – 29 March 2011 increased by 3 percent in local currencies compared to the same period the previous year. Sales in March should be viewed in the light of a very strong sales increase of 21 percent in March 2010, which among other things was positively affected by the fact that last year, the beginning of the Easter week occurred at the end of March.

The first units in the long-term H&M Incentive Program will be allocated to the employees during 2011. If the 2011 Annual General Meeting approves the proposed dividend of SEK 9.50 per share the contribution to the foundation H&M Incentive Program will be SEK 248 m, which will be recognised as a cost in the second quarter 2011.

### Enhanced information on monthly sales development

H&M plans to enhance the information concerning monthly sales development. In the future, the company will also publish press releases for the sales development for each of the months of February, May and August. Previously, sales for these months were published in connection with the relevant interim report. Sales development for December will also be issued as a separate press release. This means that each month's sales development will be published on the 15th of the following month. If the 15th falls on a weekend, the information will be published on the first weekday thereafter.

When the percentage sales development is published for February, May, August and November, which are the last months of each quarter, sales figures in SEK for the quarter will also be published. This will illustrate the impact of currency translation on the quarter's sales in SEK. The sales development figures for May 2011, which will be published on 15 June 2011, will be the first to state both the percentage change compared with the same month in the previous year as well as the total sales for the quarter in SEK.

### 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 and calculation methods applied in this report are unchanged from those used in the preparation of the Annual Report and Consolidated Financial Statements for 2009/2010 and described in Note 1 – Accounting principles.

In its segment reporting the Group has grouped countries together into three geographical areas: the Nordic Region, the 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 function segment.

The parent company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities, which essentially involves applying IFRS. In accordance with RFR 2 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 fashion, weather situations, changes in consumer behaviour, climate changes, trade interventions, external factors in production countries and foreign currency, but also in connection with expansion into new markets, the launch of new concepts and how the brand is managed.

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 2009/2010. 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 runs from 1 December to 30 November.

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

### CALENDAR

28 April 2011	Annual General Meeting 2011, Victoria Hall, at the Stockholm International Fairs at 3 p.m.
22 June 2011	Six-month report, 1 December 2010 – 31 May 2011
29 September 2011	Nine-month report, 1 December 2010 – 31 August 2011
26 January 2012	Full-year report, 1 December 2010 – 30 November 2011

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

Stockholm, 30 March 2011  
Board of Directors



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 31 March 2011.

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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 2,200 stores in 39 markets including franchise markets. In 2010, sales including VAT were SEK 126,966 million and the number of employees was more than 87,000. For further information, visit [www.hm.com](http://www.hm.com).*

**GROUP INCOME STATEMENT (SEK m)**

	1 Dec 10- 28 Feb 11	1 Dec 09- 28 Feb 10	1 Dec 09- 30 Nov 10
Sales including VAT	28 708	29 095	126 966
Sales excluding VAT	24 503	24 846	108 483
Cost of goods sold	-10 329	-9 456	-40 214
<b>GROSS PROFIT</b>	<b>14 174</b>	<b>15 390</b>	<b>68 269</b>
<i>Gross margin, %</i>	57,8	61,9	62,9
Selling expenses	-9 973	-9 754	-40 751
Administrative expenses	-793	-658	-2 859
<b>OPERATING PROFIT</b>	<b>3 408</b>	<b>4 978</b>	<b>24 659</b>
<i>Operating margin, %</i>	13,9	20,0	22,7
Interest income	131	78	356
Interest expense	-1	-1	-7
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>3 538</b>	<b>5 055</b>	<b>25 008</b>
Tax	-920	-1 314	-6 327
<b>PROFIT FOR THE PERIOD</b>	<b>2 618</b>	<b>3 741</b>	<b>18 681</b>
Earnings per share, SEK*	1,58	2,26	11,29
Number of shares, thousands*	1 655 072	1 655 072	1 655 072
Depreciation, total	808	772	3 061
of which cost of goods sold	91	85	336
of which selling expenses	667	640	2 540
of which administrative expenses	50	47	185

\* Before and after dilution.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK m)**

	1 Dec 10- 28 Feb 11	1 Dec 09- 28 Feb 10	1 Dec 09- 30 Nov 10
<b>PROFIT FOR THE PERIOD</b>	<b>2 618</b>	<b>3 741</b>	<b>18 681</b>
<b>Other comprehensive income</b>			
Translation differences	-981	-1 036	-2 169
Change in hedging reserves	-300	581	386
Tax attributable to other comprehensive income	78	-153	-100
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-1 203</b>	<b>-608</b>	<b>-1 883</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1 415</b>	<b>3 133</b>	<b>16 798</b>

All comprehensive profit for the period is attributable to the shareholders of the parent company H &amp; M Hennes &amp; Mauritz AB.



**GROUP BALANCE SHEET IN SUMMARY (SEK m)**

	28 Feb 2011	28 Feb 2010	30 Nov 2010
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible fixed assets	1,115	1,575	1,198
Tangible fixed assets	14,889	14,289	15,469
Financial assets	1,555	1,743	1,583
	17,559	17,607	18,250
<b>Current assets</b>			
Stock-in-trade	10,822	8,402	11,487
Current receivables	4,294	4,466	4,587
Short-term investments, 4-12 months	10,092	12,566	8,167
Liquid funds	14,263	13,634	16,691
	39,471	39,068	40,932
<b>TOTAL ASSETS</b>	<b>57,030</b>	<b>56,675</b>	<b>59,182</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	45,587	43,746	44,172
Long-term liabilities*	1,074	2,652	1,163
Current liabilities**	10,369	10,277	13,847
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>57,030</b>	<b>56,675</b>	<b>59,182</b>

\* Only provisions for pensions are interest-bearing.

\*\* No current liabilities are interest-bearing.

**CHANGE IN GROUP EQUITY IN SUMMARY (SEK m)**

	28 Feb 2011	28 Feb 2010	30 Nov 2010
Shareholders' equity at the beginning of the period	44,172	40,613	40,613
Dividend	-	-	-13,239
Total comprehensive income for the period	1,415	3,133	16,798
Shareholders' equity at the end of the period	45,587	43,746	44,172

**GROUP CASH FLOW STATEMENT (SEK m)**

	1 Dec 10- 28 Feb 11	1 Dec 09- 28 Feb 10
<b>Current operations</b>		
Profit after financial items*	3,538	5,055
Provisions for pensions	4	-1
Depreciation	808	772
Tax paid	-2,472	-1,048
<b>Cash flow from current operations before changes in working capital</b>	<b>1,878</b>	<b>4,778</b>
<b>Cash flow from changes in working capital</b>		
Current receivables	215	-345
Stock-in-trade	487	1,671
Current liabilities	-1,819	-724
<b>CASH FLOW FROM CURRENT OPERATIONS</b>	<b>761</b>	<b>5,380</b>
<b>Investment activities</b>		
Investment in intangible fixed assets	0	-4
Investment in tangible fixed assets	-807	-699
Change in short-term investments, 4 - 12 months	-1,937	-9,565
Other investments	22	-55
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>-2,722</b>	<b>-10,323</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-1,961</b>	<b>-4,943</b>
<b>Liquid funds at beginning of the financial year</b>	<b>16,691</b>	<b>19,024</b>
Cash flow for the period	-1,961	-4,943
Exchange rate effect	-467	-447
<b>Liquid funds at end of the period**</b>	<b>14,263</b>	<b>13,634</b>

\* Interest paid for the Group amounts to SEK 1 m (1).

\*\* Liquid funds and short-term investments 4-12 months at the end of the period amounted to SEK 24,355 m (26,200).

**SALES INCLUDING VAT BY COUNTRY AND NUMBER OF STORES**

First quarter, 1 December - 28 February

COUNTRY	SEK m	SEK m	Change in %		No. of stores 28 Feb 2011	New stores	Closed stores
	Q1-2011	Q1-2010	SEK	Local currency			
Sweden	1,987	1,924	3	3	168	1	1
Norway	1,243	1,431	-13	-6	101		
Denmark	952	1,045	-9	4	88	1	
United Kingdom	1,941	1,857	5	14	192	1	1
Switzerland	1,383	1,434	-4	-6	75		
Germany	6,723	7,130	-6	7	377		
Netherlands	1,540	1,664	-7	5	112		
Belgium	746	815	-8	4	64		
Austria	1,122	1,270	-12	0	66		
Luxembourg	90	93	-3	10	10		
Finland	538	592	-9	3	43		
France	2,085	2,244	-7	6	151		
USA	2,133	1,810	18	26	209	2	1
Spain	1,396	1,570	-11	1	122		
Poland	597	610	-2	8	76		
Czech Republic	153	159	-4	4	22		
Portugal	217	244	-11	1	21		
Italy	1,000	945	6	20	72		
Canada	580	532	9	11	55		
Slovenia	112	127	-12	1	11		
Ireland	115	128	-10	2	12		
Hungary	101	82	23	41	15		
Slovakia	56	49	14	30	7		
Greece	177	161	10	25	18		
China	692	497	39	45	50	3	
Japan	351	353	-1	-2	10		
Russia	283	134	111	128	11		
South Korea	73	8	813	860	2		
Turkey	54				2	1	
Franchise	268	187	43	43	50		
<b>Total</b>	<b>28,708</b>	<b>29,095</b>	<b>-1</b>	<b>9</b>	<b>2,212</b>	<b>9</b>	<b>3</b>

**FIVE YEAR SUMMARY**

First quarter, 1 December - 28 February

	2011	2010	2009	2008	2007
Sales including VAT, SEK m	28,708	29,095	27,282	23,241	19,701
Sales excluding VAT, SEK m	24,503	24,846	23,299	19,742	16,772
Change from previous year, %	-1	7	18	18	11
Operating profit, SEK m	3,408	4,978	3,364	3,799	3,223
Operating margin, %	13.9	20.0	14.4	19.2	19.2
Depreciation for the period, SEK m	808	772	721	578	469
Profit after financial items, SEK m	3,538	5,055	3,554	4,057	3,411
Profit after tax, SEK m	2,618	3,741	2,577	2,941	2,302
Liquid funds and short-term investments, SEK m	24,355	26,200	23,625	22,450	20,931
Stock-in-trade, SEK m	10,822	8,402	9,052	7,892	7,196
Equity, SEK m	45,587	43,746	41,043	34,803	30,401
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Earnings per share, SEK*	1.58	2.26	1.56	1.78	1.39
Shareholders' equity per share, SEK*	27.54	26.43	24.80	21.03	18.37
Cash flow from current operations per share, SEK*	0.46	3.25	0.75	1.48	1.71
Share of risk-bearing capital, %	81.4	80.8	77.9	81.0	81.1
Equity/assets ratio, %	79.9	77.2	74.6	79.5	79.7
Total number of stores	2,212	1,992	1,748	1,529	1,351
<b>Rolling twelve months</b>					
Earnings per share, SEK*	10.61	10.60	9.02	8.60	6.82
Return on shareholders' equity, %	39.3	41.4	39.4	43.6	38.9
Return on capital employed, %	52.3	55.4	54.3	60.5	56.9

\* Before and after dilution.

Definition on key figures see page 6.

## KEY RATIOS PER QUARTER

	2008				2009				2010				2011
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Sales including VAT, SEK m	23,241	25,412	24,540	30,848	27,282	31,070	27,587	32,758	29,095	31,604	31,475	34,792	<b>28,708</b>
Sales excluding VAT, SEK m	19,742	21,609	20,871	26,310	23,299	26,538	23,545	28,011	24,846	27,033	26,893	29,711	<b>24,503</b>
Change from previous year, %	18	8	12	15	18	23	13	6	7	2	14	6	<b>-1</b>
Operating profit, SEK m	3,799	5,155	4,365	6,819	3,364	5,671	4,700	7,909	4,978	6,965	5,656	7,060	<b>3,408</b>
Operating margin, %	19.2	23.9	20.9	25.9	14.4	21.4	20.0	28.2	20.0	25.8	21.0	23.8	<b>13.9</b>
Depr. for the period, SEK m	578	577	590	457	721	715	722	672	772	783	777	729	<b>808</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	7,040	5,735	7,178	<b>3,538</b>
Profit after tax, SEK m	2,941	3,939	3,325	5,089	2,577	4,193	3,460	6,154	3,741	5,209	4,244	5,487	<b>2,618</b>
Liquid assets*, SEK m	22,450	14,528	17,786	22,726	23,625	14,904	16,238	22,025	26,200	18,992	21,362	24,858	<b>24,355</b>
Stock-in-trade, SEK m	7,892	7,073	7,930	8,500	9,052	8,601	10,215	10,240	8,402	8,562	10,545	11,487	<b>10,822</b>
Equity, SEK m	34,803	27,263	30,828	36,950	41,043	31,644	34,612	40,613	43,746	36,064	39,352	44,172	<b>45,587</b>
Earnings per share, SEK**	1.78	2.38	2.01	3.07	1.56	2.53	2.09	3.72	2.26	3.15	2.56	3.32	<b>1.58</b>
Equity per share, SEK**	21.03	16.47	18.63	22.33	24.80	19.12	20.91	24.54	26.43	21.79	23.78	26.69	<b>27.54</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	4.30	2.23	3.42	<b>0.46</b>
Share of risk-bearing capital, %	81.0	76.0	75.1	75.7	77.9	74.8	76.2	78.5	80.8	75.9	75.8	76.2	<b>81.4</b>
Equity/assets ratio, %	79.5	74.2	73.5	72.1	74.6	71.0	72.8	74.7	77.2	71.8	72.3	74.6	<b>79.9</b>
Total number of stores	1,529	1,593	1,618	1,738	1,748	1,822	1,840	1,988	1,992	2,062	2,078	2,206	<b>2,212</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	11.22	11.69	11.29	<b>10.61</b>
Return on shareholders' equity, %	43.6	56.9	50.7	44.3	39.4	51.6	46.8	42.2	41.4	54.8	52.3	44.1	<b>39.3</b>
Return on capital employed, %	60.5	77.4	68.9	61.1	54.3	70.9	64.5	56.7	55.4	72.9	69.3	58.7	<b>52.3</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	8.3	9.9	10.6	<b>10.0</b>

\* Liquid funds and short-term investments

\*\* Calculation based on 1,655,072,000 shares in all periods before and after dilution.

Definitions on key figures see page 6.

**SEGMENT REPORTING (SEK m)**

	<b>1 Dec 2010- 28 Feb 2011</b>	<b>1 Dec 2009- 28 Feb 2010</b>
<b>Nordic region</b>		
External net sales	3,801	4,022
Operating profit	-66	-11
Operating margin, %	-1.7	-0.3
<b>Eurozone excluding Finland</b>		
External net sales	12,917	13,835
Operating profit	-418	-423
Operating margin, %	-3.2	-3.1
<b>Rest of the World</b>		
External net sales	7,785	6,989
Operating profit	-88	-210
Operating margin, %	-1.1	-3.0
<b>Group Functions</b>		
Net sales to other segments	14,304	14,299
Operating profit	3,980	5,622
<b>Eliminations</b>		
Net sales to other segments	-14,304	-14,299
<b>Total</b>		
External net sales	24,503	24,846
Operating profit	3,408	4,978
Operating margin, %	13.9	20.0

**PARENT COMPANY INCOME STATEMENT (SEK m)**

	1 Dec 2010- 28 Feb 2011	1 Dec 2009- 28 Feb 2010	1 Dec 2009- 30 Nov 2010
External sales excluding VAT	1	-	6
Internal sales excluding VAT*	1,135	1,121	6,900
<b>GROSS PROFIT</b>	<b>1,136</b>	<b>1,121</b>	<b>6,906</b>
Selling expenses	-480	-424	-2,240
Administrative expenses	-585	-427	-2,024
<b>OPERATING PROFIT</b>	<b>71</b>	<b>270</b>	<b>2,642</b>
Dividend from subsidiaries	108	-	12,153
Interest income	36	12	73
Interest expense	-	-	-
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>215</b>	<b>282</b>	<b>14,868</b>
Year-end appropriations	-	-	705
Tax	-57	-74	-912
<b>PROFIT FOR THE PERIOD</b>	<b>158</b>	<b>208</b>	<b>14,661</b>

\* Includes royalty received from Group companies

**PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK m)**

	1 Dec 2010- 28 Feb 2011	1 Dec 2009- 28 Feb 2010	1 Dec 2009- 30 Nov 2010
<b>PROFIT FOR THE PERIOD</b>	<b>158</b>	<b>208</b>	<b>14,661</b>
Other comprehensive income	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>158</b>	<b>208</b>	<b>14,661</b>

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

<b>ASSETS</b>	<b>28 Feb 2011</b>	<b>28 Feb 2010</b>	<b>30 Nov 2010</b>
<b>Fixed assets</b>			
Tangible fixed assets	414	404	417
Financial fixed assets	1,726	1,545	1,861
	<b>2,140</b>	<b>1,949</b>	<b>2,278</b>
<b>Current assets</b>			
Current receivables	7,045	7,377	7,787
Short-term investments, 4-12 months	6,880	6,880	8,167
Liquid funds	1,979	969	223
	<b>15,904</b>	<b>15,226</b>	<b>16,177</b>
<b>TOTAL ASSETS</b>	<b>18,044</b>	<b>17,175</b>	<b>18,455</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	17,079	15,802	16,921
Untaxed reserves	119	825	119
Long-term liabilities*	223	211	223
Current liabilities**	623	337	1,192
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,044</b>	<b>17,175</b>	<b>18,455</b>

\* Relates to provisions for pensions.

\*\* No current liabilities are interest-bearing.