

# H & M Hennes & Mauritz AB

## Six-month report

### First half-year (1 December 2013 – 31 May 2014)

- The H&M Group's sales including VAT increased in local currencies by 14 percent during the first six months of the financial year. Converted into SEK, sales excluding VAT amounted to SEK 69,970 m (60,027), an increase of 17 percent.
- Profit after financial items amounted to SEK 11,129 m (9,359), an increase of 19 percent. The group's profit after tax increased to SEK 8,458 m (7,113), corresponding to SEK 5.11 (4.30) per share.

Sales in Q2

**+20 %**

Operating profit in Q2

**+26 %**

### Second quarter (1 March 2014 – 31 May 2014)

- Well-received spring collections resulted in strong sales and increased market share. The H&M Group's sales including VAT increased in local currencies by 16 percent during the second quarter. Converted into SEK, sales excluding VAT amounted to SEK 37,827 m (31,635), an increase of 20 percent.
- Gross profit amounted to SEK 23,010 m (19,337), an increase of 19 percent. This corresponds to a gross margin of 60.8 percent (61.1).
- Profit after financial items amounted to SEK 7,643 m (6,125), an increase of 25 percent. The group's profit after tax increased to SEK 5,809 m (4,655), corresponding to SEK 3.51 (2.81) per share, an increase of 25 percent.
- H&M's first store in Australia has had a fantastic reception since opening at the beginning of April.
- H&M's online sales in France, which were launched in March, have got off to a very good start.
- Strong sales development for the other brands in the H&M Group: COS, & Other Stories, Monki, Weekday, Cheap Monday and H&M Home.



H&M's first store in Melbourne, Australia.

- Sales in June have so far got off to a good start.
- An extended shoe range will be launched in early autumn 2014.
- Strong expansion in 2014, with approximately 375 new stores net in total.
  - The Philippines and India will become new H&M countries in autumn 2014.
  - Three large new online markets in autumn 2014: Spain, Italy and China.
- H&M plans to open 8 - 10 new online markets in 2015.

	Q2 2014	Q2 2013	Six months 2014	Six months 2013
SEK m				
Net sales	37,827	31,635	69,970	60,027
Gross profit	23,010	19,337	40,651	35,016
<i>gross margin, %</i>	<i>60.8</i>	<i>61.1</i>	<i>58.1</i>	<i>58.3</i>
Operating profit	7,565	6,023	10,966	9,153
<i>operating margin, %</i>	<i>20.0</i>	<i>19.0</i>	<i>15.7</i>	<i>15.2</i>
Net financial items	78	102	163	206
<b>Profit after financial items</b>	<b>7,643</b>	<b>6,125</b>	<b>11,129</b>	<b>9,359</b>
Tax	-1,834	-1,470	-2,671	-2,246
<b>Profit for the period</b>	<b>5,809</b>	<b>4,655</b>	<b>8,458</b>	<b>7,113</b>
Earnings per share, SEK	3.51	2.81	5.11	4.30

Q2

## Comments by Karl-Johan Persson, CEO

"We have had a good second quarter with a strong increase in both sales and profits and increased market share. Well-received collections and continued strong expansion led to a sales increase of 20 percent in SEK and 16 percent in local currencies. The strong sales development together with good cost control contributed to an increase in operating profits of 26 percent.

All our brands - H&M, COS, & Other Stories, Monki, Weekday, Cheap Monday and H&M Home - enjoyed good sales development during the second quarter. We are very pleased that H&M Sport, which we are broadening further, continued to gain market share within the sports segment.

We are continuing to broaden our current offering within H&M. Already this autumn, we will launch an extended and improved shoe range for women, men, teenagers and children. The new shoe concept will offer a variety of models in different price categories, all at H&M prices. The range will be launched in selected H&M stores in nine countries and in our online markets. This is a part of our long-term investments which also includes investments in online, IT and our new brands.

We are seeing some of our long-term investments starting to generate revenues such as & Other Stories and our online store in the US and in France. However, we will continue with our long-term investments in order to build an even stronger H&M and to continue with our multi-channel strategy. This autumn, for example, we will open our online store in Spain and Italy, and later on this year also in China, which will be very exciting. Next year we plan to open 8 to 10 new H&M online markets. We will come back later with more information on which markets these will be.

Our first H&M store in Australia has had a very good response since opening in April. It is a flagship store in Melbourne at the best location, in the landmark General Post Office building. It was fantastic to experience the atmosphere on the opening day along with thousands of enthusiastic customers. During the autumn the Philippines and India will become new H&M-countries, something we are very much looking forward to.

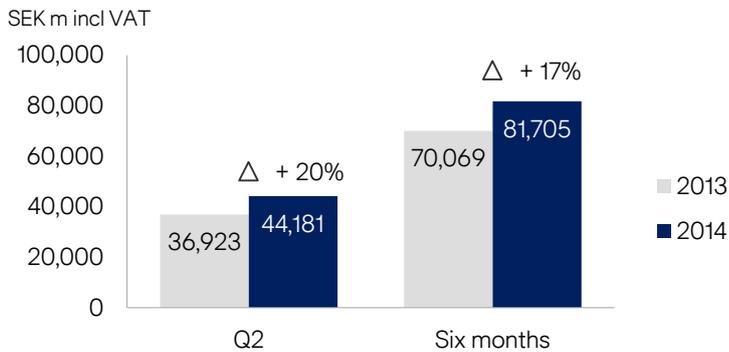
H&M is a leading company within sustainability; we feel a great responsibility for these matters and we are striving to bring about improvements for people and the environment in the countries where we operate. We are proud of what we have accomplished so far, even if there is still much to do. We believe that our work with sustainability is also becoming more and more visible to our customers and other stakeholders. To read more about this, please look into the "H&M Conscious Actions Sustainability Report 2013", which was published during the quarter at [hm.com](http://hm.com)."



"This autumn, our extended shoe range will be launched with a variety of models at H&M prices."

## Sales

Well-received collections and continued strong expansion led to increased sales and continued market share gains for the H&M Group in a fashion retail market that in many places is still characterised by a challenging macro-economic situation.



Sales including VAT converted into SEK increased by 20 percent to SEK 44,181 m (36 923) in the second quarter. Sales including VAT increased in the half-year period by 17 percent and amounted to SEK 81,705 m (70,069).

Sales excluding VAT increased by 20 percent to SEK 37,827 m (31,635) in the second quarter and by 17 percent to SEK 69,970 m (60,027) in the half-year period.

Sales including VAT in local currencies increased by 16 percent in the second quarter and 14 percent in the half-year period.



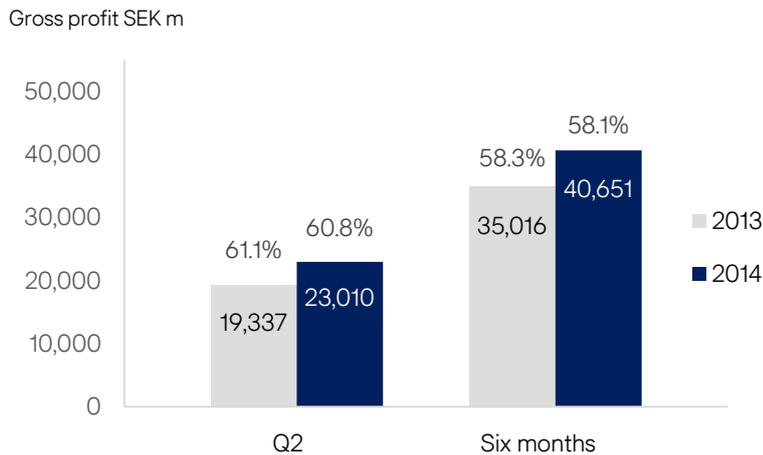
Gisele Bündchen shows H&M Summer Collection.

## Sales in top ten markets, six months

Country	2014	2013	Change in %		31 May - 14	2014
	SEK m Inc. VAT	SEK m Inc. VAT	SEK	Local currency	Number of stores	New stores (net)
Germany	16,815	14,699	14	9	423	5
USA	7,475	6,311	18	19	313	8
United Kingdom	5,778	4,642	24	17	250	5
France	5,747	4,852	18	13	204	7
Sweden	4,295	3,989	8	8	178	1
China	3,999	3,058	31	30	242	37
Netherlands	3,504	3,177	10	6	131	1
Italy	3,270	2,495	31	25	118	2
Spain	3,182	2,805	13	9	157	1
Switzerland	2,814	2,621	7	3	90	3
Others*	24,826	21,420	16	17	1,179	83
<b>Total</b>	<b>81,705</b>	<b>70,069</b>	<b>17</b>	<b>14</b>	<b>3,285</b>	<b>153</b>
* Whereof franchise	1,304	1,092	19	14	120	10

## Gross profit and gross margin

H&M's gross profit and gross margin are a result of many different factors, internal as well as external, and are also affected by the decisions that H&M makes in line with its strategy to always have the best customer offering in each individual market – based on the combination of fashion, quality, price and sustainability.



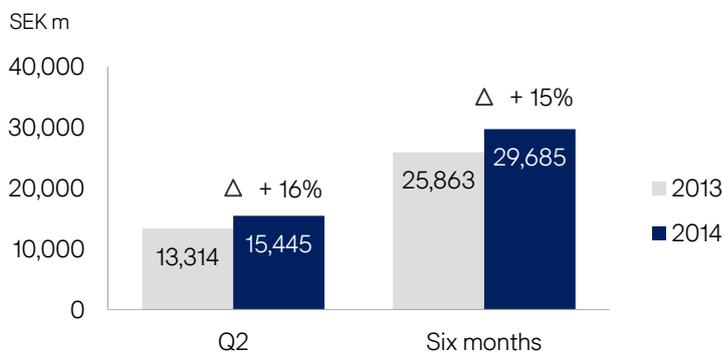
H&M Summer Collection

Gross profit increased by 19 percent to SEK 23,010 m (19,337) in the second quarter, corresponding to a gross margin of 60.8 percent (61.1). For the first half-year, gross profit increased by 16 percent to SEK 40,651 m (35,016), corresponding to a gross margin of 58.1 percent (58.3).

Markdowns in relation to sales decreased marginally compared to the second quarter last year.

Overall, the market situation as regards external factors such as raw material prices, cost inflation, capacity at suppliers, purchasing currencies and transportation costs is considered to have been slightly negative, mostly due to increased cost inflation, during the purchasing period for the second quarter compared to the corresponding purchasing period the previous year. The market situation for external factors is also considered to be slightly negative for the purchasing period for the third quarter.

## Selling and administration expenses

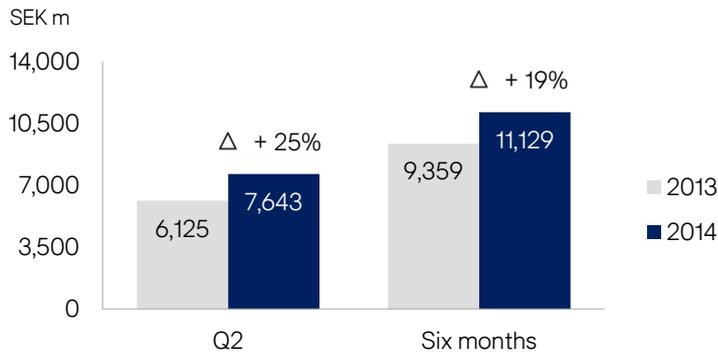


Cost control in the Group remains very good. Costs in comparable stores were unchanged in absolute terms compared to the second quarter last year, but decreased as a proportion of sales.

The increase in selling and administration expenses of 16 percent in SEK compared to the second quarter last year is mainly due to the expansion and the long-term

investments within IT and online but also to the broadening of the product range and the establishment of the new fashion brand & Other Stories. In local currencies, the increase was 13 percent.

### Profit after financial items



Profit after financial items increased by 25 percent to SEK 7,643 m (6,125) in the second quarter and by 19 percent to SEK 11,129 m (9,359) in the first half-year.

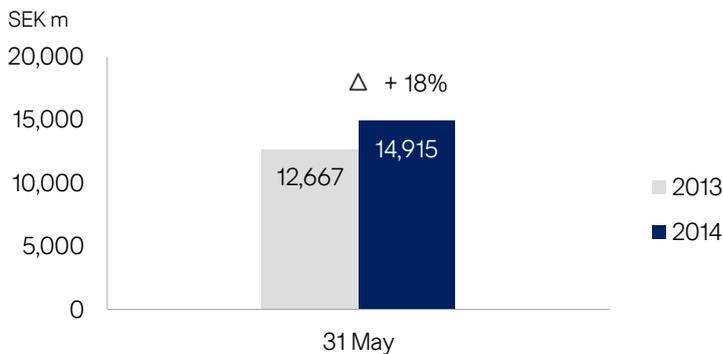
H&M is continuing to make long-term investments in order to further strengthen the H&M Group's market position and secure future expansion, and the costs in 2014 will be at a higher level than in 2013. The costs of these investments may be divided unequally between the quarters.

Long-term investments increased in the second quarter compared to the second quarter last year, but had a smaller percentage impact on profits than in Q1.



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### Stock-in-trade



Stock-in-trade amounted to SEK 14,915 m (12,667), an increase of 18 percent in SEK and 16 percent in local currencies compared to the same time the previous year.

The increase in the stock-in-trade is mainly due to the store and online expansion. The level and the composition of the stock-in-trade as of 31 May 2014 are deemed to be good.

The stock-in-trade amounted to 10.8 percent (10.4) of sales excluding VAT, rolling 12 months and 25.4 percent (25.2) of total assets

## Expansion

H&M remains positive as regards future expansion and the Group's business opportunities. The strong expansion continues.

### Store count by brand

In the first half-year, the Group opened 176 (152) stores and closed 23 (20) stores, i.e. a net increase of 153 (132) new stores. The Group had 3,285 (2,908) stores as of 31 May 2014, of which 120 were franchise stores.

Brand	New Stores 2014 (Net)		Total No of stores (31 May)	
	Q2	Six months	2014	2013
H&M	84	132	3,068	2,743
COS	3	9	94	69
Monki	4	9	88	64
Weekday	0	0	21	21
& Other Stories	1	1	9	7
Cheap Monday	1	2	5	4
<b>Total</b>	<b>93</b>	<b>153</b>	<b>3,285</b>	<b>2,908</b>



& Other Stories in Antwerp



H&M Man in Stockholm

### Store count by region

Region	New Stores 2014 (Net)		Total No of stores (31 May)	
	Q2	Six months	2014	2013
Europe	53	81	2,455	2,278
Asia & Oceania	34	63	446	298
North & South America	6	9	384	332
<b>Total</b>	<b>93</b>	<b>153</b>	<b>3,285</b>	<b>2,908</b>

H&M's growth target remains intact. The growth target is to increase the number of stores by 10-15 percent per year with continued high profitability, while at the same time increasing sales in comparable units.

For full-year 2014 a net addition of around 375 new stores is planned. Most new stores in 2014 are planned to open in China and the US. There are also still great opportunities for expansion in other existing markets and in new markets.

Besides Australia, the Philippines and India will become new H&M countries in 2014.

H&M will open in South Africa and Peru in 2015.

The Group is continuing to work on the global roll-out of H&M's online store. France became a new H&M online market in March and Spain and Italy will become new online markets in early autumn 2014. China is planned to become a new online market at the end of 2014. H&M plans to open 8 - 10 new online markets in 2015.

Expansion continues for the Group's other brands COS, Monki, Weekday, Cheap Monday and & Other Stories. COS will open stores in four new countries in 2014 - in Australia, Switzerland, South Korea and the US as well as online in the US. & Other Stories will open stores in three new countries in 2014 - in Belgium, the Netherlands and in the US as well as online in three new countries: Ireland, Austria and the US.

H&M Home also continues to expand; for 2014 around 15 new H&M Home markets are planned.

In early autumn 2014 H&M will launch an extended and improved shoe range for women, men, teenagers and children. The new shoe concept will offer a variety of

models in different price categories, all at H&M prices. The range will be launched in H&M's existing online markets as well as in selected H&M stores in nine countries including China, the US, the UK and Sweden.

## Tax

The H&M Group's tax rate is expected to be 23 – 24 percent for the financial year of 2013/2014. The final outcome of the tax rate depends on the results of the Group's various companies and the corporate tax rates in each country. An estimated tax rate of 24 percent has been used in the first half-year in 2014.

## Comments on the current quarter

Sales in June have so far got off to a good start but the month of June as a whole is affected by negative calendar effects of 3 – 4 percentage points.

## 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 2012/2013 which are described in Note 1 – Accounting principles, except as regards IAS 19.

IAS 19, Employee Benefits, revised – this standard is being applied by H&M for the first time in the 2013/2014 financial year. Up to and including the 2012/2013 financial year the Group recognised actuarial gains and losses in the income statement. With the application of the revised IAS 19, these will be recognised in other comprehensive income. Comparison figures for the 2012/2013 financial year have been restated in accordance with the changed accounting principle.

H & M Hennes & Mauritz AB's financial instruments consist of accounts receivable, other receivables, liquid funds, accounts payable, accrued trade payables, interest-bearing securities and currency derivatives. Currency derivatives are measured at fair value based on input data corresponding to level 2 of IFRS 7. Other financial assets and liabilities have short terms. It is therefore judged that the fair values of these financial instruments are approximately equal to their book values.

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 to the measurement of financial instruments; nor does it capitalise development expenditure.

For definitions see the Annual Report.

## 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, negative macro-economic changes, external factors in production countries, climate changes, trade interventions and foreign currency but also in connection with expansion into new markets, the launch of new concepts, changes in consumer behaviour 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 2013.

## CALENDAR

25 September 2014	Nine-month report, 1 Dec 2013 – 31 August 2014
28 January 2015	Full-year report, 1 Dec 2013 – 30 November 2014
26 March 2015	Three-month report, 1 Dec 2014 – 28 February

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

Stockholm, 17 June 2014  
Board of Directors

The undersigned hereby provide an assurance that the half-year report for 1 December 2013 – 31 May 2014 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 17 June, 2014

Stefan Persson  
Chairman of the Board

Anders Dahlvig  
Board member

Ingrid Godin  
Board member

Tina Jäderberg  
Deputy board member  
since regular Board member  
was unable to attend

Lottie Knutson  
Board member

Sussi Kwart  
Board member

Lena Patriksson Keller  
Board member

Melker Schörling  
Board member

Christian Sievert  
Board member

Niklas Zennström  
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 18 June 2014. This Interim Report, and other information about H&M, is available at [www.hm.com](http://www.hm.com)



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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, Cheap Monday, & Other Stories as well as H&M Home. The H&M Group has more than 3,200 stores in 54 markets including franchise markets. In 2013, sales including VAT were SEK 150,090 million and the number of employees was more than 116,000. For further information, visit [www.hm.com](http://www.hm.com).*

**GROUP INCOME STATEMENT (SEK m)**

	Q2 2014	Q2 2013	Six months 2014	Six months 2013	1 Dec 2012- 30 Nov 2013**
Sales including VAT	44,181	36,923	81,705	70,069	150,090
Sales excluding VAT	37,827	31,635	69,970	60,027	128,562
Cost of goods sold	-14,817	-12,298	-29,319	-25,011	-52,537
<b>GROSS PROFIT</b>	<b>23,010</b>	<b>19,337</b>	<b>40,651</b>	<b>35,016</b>	<b>76,025</b>
<i>Gross margin, %</i>	<i>60.8</i>	<i>61.1</i>	<i>58.1</i>	<i>58.3</i>	<i>59.1</i>
Selling expenses	-14,196	-12,329	-27,303	-23,910	-49,944
Administrative expenses	-1,249	-985	-2,382	-1,953	-3,991
<b>OPERATING PROFIT</b>	<b>7,565</b>	<b>6,023</b>	<b>10,966</b>	<b>9,153</b>	<b>22,090</b>
<i>Operating margin, %</i>	<i>20.0</i>	<i>19.0</i>	<i>15.7</i>	<i>15.2</i>	<i>17.2</i>
Interest income	80	103	166	207	367
Interest expense	-2	-1	-3	-1	-9
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>7,643</b>	<b>6,125</b>	<b>11,129</b>	<b>9,359</b>	<b>22,448</b>
Tax	-1,834	-1,470	-2,671	-2,246	-5,355
<b>PROFIT FOR THE PERIOD</b>	<b>5,809</b>	<b>4,655</b>	<b>8,458</b>	<b>7,113</b>	<b>17,093</b>

All profit is attributable to the shareholders of the parent company H & M Hennes & Mauritz AB.

Earnings per share, SEK*	3.51	2.81	5.11	4.30	10.33
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Depreciation, total	1,270	1,020	2,478	2,050	4,191
of which cost of goods sold	143	115	278	230	470
of which selling expenses	1,048	843	2,046	1,695	3,463
of which administrative expenses	79	62	154	125	258

\* Before and after dilution.

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

	Q2 2014	Q2 2013	Six months 2014	Six months 2013	1 Dec 2012- 30 Nov 2013**
PROFIT FOR THE PERIOD	5,809	4,655	8,458	7,113	17,093
Other comprehensive income					
<i>Items that have been transferred or may be transferred to net profit</i>					
Translation differences	763	292	457	-626	30
Change in hedging reserves	106	-138	100	200	-61
Tax attributable to other comprehensive income	-25	36	-24	-52	15
<i>Items not been transferred or not will be transferred to net profit</i>					
Revaluations relating to defined benefit pension plans	-	-	-	-	78
Income tax relating to items recognized in other comprehensive income	-	-	-	-	-19
<b>OTHER COMPREHENSIVE INCOME</b>	<b>844</b>	<b>190</b>	<b>533</b>	<b>-478</b>	<b>43</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>6,653</b>	<b>4,845</b>	<b>8,991</b>	<b>6,635</b>	<b>17,136</b>

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

\*\* Net income for fiscal year 2012/2013 has due to a change in accounting principles (IAS 19 Revised) been restated compared to previously published information. Net income has decreased by SEK 59 m and Other comprehensive income has increased by SEK 59 m. The change in accounting principles has had no effect on the balance sheet. For further information see the section on Accounting principles on page 7.

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

<b>ASSETS</b>	<b>31 May - 2014</b>	<b>31 May - 2013</b>	<b>30 Nov - 2013</b>
<b>Fixed assets</b>			
Intangible fixed assets	2,642	1,901	2,276
Tangible fixed assets	23,479	19,678	22,186
Financial assets	2,353	2,245	2,026
	28,474	23,824	26,488
<b>Current assets</b>			
Stock-in-trade	14,915	12,667	16,695
Current receivables	5,846	4,626	5,269
Short-term investments, 4-12 months	-	1,861	3,306
Liquid funds	9,592	7,200	13,918
	30,353	26,354	39,188
<b>TOTAL ASSETS</b>	<b>58,827</b>	<b>50,178</b>	<b>65,676</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	38,516	34,747	45,248
Long-term liabilities*	3,048	2,379	3,031
Current liabilities**	17,263	13,052	17,397
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>58,827</b>	<b>50,178</b>	<b>65,676</b>

\* Only provisions for pensions are interest-bearing.

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

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

	<b>31 May - 2014</b>	<b>31 May - 2013</b>	<b>30 Nov - 2013</b>
Shareholders' equity at the beginning of the period	45,248	43,835	43,835
Total comprehensive income for the period	8,991	6,635	17,136
Dividend	-15,723	-15,723	-15,723
Shareholders' equity at the end of the period	38,516	34,747	45,248

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

	Six months 2014	Six months 2013
<b>Current operations</b>		
Profit after financial items*	11,129	9,359
Provisions for pensions	25	29
Depreciation	2,478	2,050
Tax paid	-2,936	-2,070
<b>Cash flow from current operations before changes in working capital</b>	<b>10,696</b>	<b>9,368</b>
<b>Cash flow from changes in working capital</b>		
Current receivables	-406	294
Stock-in-trade	1,886	2,398
Current liabilities	-257	-842
<b>CASH FLOW FROM CURRENT OPERATIONS</b>	<b>11,919</b>	<b>11,218</b>
<b>Investment activities</b>		
Investment in intangible fixed assets	-470	-449
Investment in tangible fixed assets	-3,461	-2,926
Change in short-term investments, 4 - 12 months	3,306	1,091
Other investments	-10	25
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>-635</b>	<b>-2,259</b>
<b>Financial activities</b>		
Dividend	-15,723	-15,723
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>-15,723</b>	<b>-15,723</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-4,439</b>	<b>-6,764</b>
Liquid funds at beginning of the financial year	13,918	14,148
Cash flow for the period	-4,439	-6,764
Exchange rate effect	113	-184
Liquid funds at end of the period**	<b>9,592</b>	<b>7,200</b>

\* Interest paid for the Group amounts to SEK 3 m (1).

\*\* Liquid funds and short-term investments 4-12 months at the end of the period amounted to SEK 9,592 m (9,061).

**SALES INCLUDING VAT BY COUNTRY AND NUMBER OF STORES****Q2, 1 March – 31 May**

Country	Q2 - 2014	Q2 - 2013	Change in %		31 May - 14	Q2 - 2014	
	SEK m	SEK m	SEK	Local currency	No. of stores	New stores	Closed stores
Sweden	2,275	2,051	11	11	178	2	1
Norway	1,368	1,306	5	8	114		
Denmark	1,348	1,152	17	11	98	1	
United Kingdom	3,176	2,416	31	22	250	5	
Switzerland	1,505	1,352	11	5	90	2	
Germany	9,070	7,689	18	12	423	3	1
Netherlands	1,942	1,691	15	9	131	1	
Belgium	986	826	19	13	76	2	
Austria	1,315	1,202	9	4	73	2	1
Luxembourg	105	95	11	6	10		
Finland	667	617	8	3	58	1	
France	3,053	2,509	22	16	204	9	2
USA	4,028	3,301	22	23	313	8	3
Spain	1,658	1,432	16	10	157	1	1
Poland	951	777	22	16	134	7	
Czech Republic	238	200	19	21	41	3	
Portugal	260	211	23	17	28		
Italy	1,795	1,378	30	24	118	1	
Canada	704	758	-7	1	67	1	
Slovenia	122	114	7	1	12		
Ireland	203	145	40	33	20	1	
Hungary	262	195	34	32	35	1	1
Slovakia	104	91	14	9	13		
Greece	333	242	38	30	29	2	1
China	2,237	1,739	29	29	242	14	
Japan	962	891	8	18	46	4	
Russia	845	708	19	36	62	5	
South Korea	261	235	11	7	19	2	
Turkey	294	184	60	89	24	1	
Romania	301	222	36	32	35	5	
Croatia	190	176	8	4	14	1	
Singapore	185	135	37	40	8	1	
Bulgaria	88	65	35	30	12	1	
Latvia	61	31	97	84	5	2	
Malaysia	140	83	69	82	10	2	
Mexico	122	75	63	74	3		
Chile	88	113	-22	-10	1		
Lithuania	55				5	3	
Serbia	58				3		
Estonia	50				3		
Australien	136				1	1	
Franchise	640	516	24	13	120	9	
<b>Total</b>	<b>44,181</b>	<b>36,923</b>	<b>20</b>	<b>16</b>	<b>3,285</b>	<b>104</b>	<b>11</b>

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

Six months, 1 December - 31 May

Country	2014	2013	Change in %		31 May - 14	Six months	
	SEK m	SEK m	SEK	Local currency	No. of stores	New stores	Closed stores
Sweden	4,295	3,989	8	8	178	3	2
Norway	2,651	2,658	0	6	114		
Denmark	2,489	2,196	13	9	98	1	
United Kingdom	5,778	4,642	24	17	250	8	3
Switzerland	2,814	2,621	7	3	90	3	
Germany	16,815	14,699	14	9	423	7	2
Netherlands	3,504	3,177	10	6	131	2	1
Belgium	1,855	1,603	16	11	76	3	
Austria	2,489	2,301	8	3	73	2	1
Luxembourg	200	181	10	6	10		
Finland	1,288	1,209	7	2	58	1	1
France	5,747	4,852	18	13	204	10	3
USA	7,475	6,311	18	19	313	13	5
Spain	3,182	2,805	13	9	157	2	1
Poland	1,750	1,503	16	12	134	12	
Czech Republic	436	390	12	15	41	3	
Portugal	513	416	23	18	28	1	
Italy	3,270	2,495	31	25	118	3	1
Canada	1,302	1,426	-9	-1	67	1	
Slovenia	229	217	6	1	12		
Ireland	375	281	33	28	20	1	
Hungary	482	357	35	35	35	3	1
Slovakia	196	179	9	5	13		
Greece	620	458	35	30	29	3	1
China	3,999	3,058	31	30	242	38	1
Japan	1,628	1,462	11	25	46	7	
Russia	1,402	1,210	16	31	62	11	
South Korea	441	379	16	13	19	3	
Turkey	518	289	79	114	24	4	
Romania	549	410	34	30	35	7	
Croatia	349	316	10	7	14	1	
Singapore	380	279	36	39	8	2	
Bulgaria	161	111	45	39	12	1	
Latvia	95	58	64	57	5	2	
Malaysia	290	172	69	80	10	3	
Mexico	271	154	76	83	3		
Chile	156	113	38	59	1		
Lithuania	81				5	3	
Serbia	99				3	1	
Estonia	91				3		
Australien	136				1	1	
Franchise	1,304	1,092	19	14	120	10	
<b>Total</b>	<b>81,705</b>	<b>70,069</b>	<b>17</b>	<b>14</b>	<b>3,285</b>	<b>176</b>	<b>23</b>

**FIVE YEAR SUMMARY****Six months, 1 December - 31 May**

	2010	2011	2012	2013	2014
Sales including VAT, SEK m	60,699	61,108	69,450	70,069	81,705
Sales excluding VAT, SEK m	51,879	52,135	59,491	60,027	69,970
Change from previous year in SEK, %	4	0	14	1	17
Change from previous year in local currencies, %	11	10	12	5	14
Operating profit, SEK m	11,943	9,007	10,419	9,153	10,966
Operating margin, %	23.0	17.3	17.5	15.2	15.7
Depreciation for the period, SEK m	1,555	1,634	1,840	2,050	2,478
Profit after financial items, SEK m	12,095	9,290	10,754	9,359	11,129
Profit after tax, SEK m	8,950	6,875	7,958	7,113	8,458
Liquid funds and short-term investments, SEK m	18,992	15,207	13,543	9,061	9,592
Stock-in-trade, SEK m	8,562	10,414	11,299	12,667	14,915
Equity, SEK m	36,064	33,946	36,516	34,747	38,516
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Earnings per share, SEK*	5.41	4.15	4.81	4.30	5.11
Shareholders' equity per share, SEK*	21.79	20.51	22.06	20.99	23.27
Cash flow from current operations per share, SEK*	7.55	5.16	6.45	6.78	7.20
Share of risk-bearing capital, %	75.9	73.0	73.5	73.2	70.1
Equity/assets ratio, %	71.8	71.3	71.5	69.2	65.5
Total number of stores	2,062	2,297	2,575	2,908	3,285
<b>Rolling twelve months</b>					
Earnings per share, SEK*	11.22	10.03	10.21	9.68	11.18
Return on shareholders' equity, %	54.8	47.4	48.0	45.0	50.5
Return on capital employed, %	72.9	63.0	63.0	58.0	65.7

\* Before and after dilution.

Definition on key figures see annual report.

**SEGMENT REPORTING (SEK m)**

	Six months 2014	Six months 2013
<b>Asia and Oceania</b>		
External net sales	7,566	6,013
Operating profit	1,037	845
Operating margin, %	13.7	14.1
<b>Europe</b>		
External net sales	53,763	46,512
Operating profit	4,364	642
Operating margin, %	8.1	1.4
<b>North and South America</b>		
External net sales	8,641	7,502
Operating profit	-35	-287
Operating margin, %	-0.4	-3.8
<b>Group Functions</b>		
Net sales to other segments	30,968	32,479
Operating profit	5,600	7,953
<b>Eliminations</b>		
Net sales to other segments	-30,968	-32,479
<b>Total</b>		
External net sales	69,970	60,027
Operating profit	10,966	9,153
Operating margin, %	15.7	15.2

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

	Q2 2014	Q2 2013	Six months 2014	Six months 2013	1 Dec 2012- 30 Nov 2013
External sales excluding VAT	2	2	4	3	35
Internal sales excluding VAT*	2,199	1,959	4,098	3,685	7,845
<b>GROSS PROFIT</b>	<b>2,201</b>	<b>1,961</b>	<b>4,102</b>	<b>3,688</b>	<b>7,880</b>
Selling expenses	-951	-842	-1,475	-1,435	-2,699
Administrative expenses	-1,217	-983	-2,493	-1,951	-4,259
<b>OPERATING PROFIT</b>	<b>33</b>	<b>136</b>	<b>134</b>	<b>302</b>	<b>922</b>
Dividend from subsidiaries	1,051	962	1,051	962	16,039
Interest income	17	17	36	38	63
Interest expense	-5	-1	-8	-1	-9
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>1,096</b>	<b>1,114</b>	<b>1,213</b>	<b>1,301</b>	<b>17,015</b>
Year-end appropriations	-	-	-	-	-1,020
Tax	-10	-40	-36	-89	-50
<b>PROFIT FOR THE PERIOD</b>	<b>1,086</b>	<b>1,074</b>	<b>1,177</b>	<b>1,212</b>	<b>15,945</b>

\* Includes royalty received from Group companies

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

	Q2 2014	Q2 2013	Six months 2014	Six months 2013	1 Dec 2012- 30 Nov 2013
<b>PROFIT FOR THE PERIOD</b>	<b>1,086</b>	<b>1,074</b>	<b>1,177</b>	<b>1,212</b>	<b>15,945</b>
Other comprehensive income	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,086</b>	<b>1,074</b>	<b>1,177</b>	<b>1,212</b>	<b>15,945</b>

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

	31 May - 2014	31 May - 2013	30 Nov - 2013
<b>ASSETS</b>			
<b>Fixed assets</b>			
Tangible fixed assets	507	459	502
Financial fixed assets	1,467	1,521	1,381
	1,974	1,980	1,883
<b>Current assets</b>			
Current receivables	2,177	1,558	12,163
Short-term investments, 4-12 months	-	-	3,304
Liquid funds	-	-	1,324
	2,177	1,558	16,791
<b>TOTAL ASSETS</b>	<b>4,151</b>	<b>3,538</b>	<b>18,674</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	2,301	2,115	16,847
Untaxed reserves	454	456	454
Long-term liabilities*	213	229	213
Current liabilities**	1,183	738	1,160
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,151</b>	<b>3,538</b>	<b>18,674</b>

\* Relates to provisions for pensions.

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