



H & M HENNES & MAURITZ AB

NINE-MONTH REPORT

1 December 2010 – 31 August 2011

NINE MONTHS

- The H&M Group's sales including VAT increased by 9 percent in local currencies in the first nine months of the financial year. Sales in comparable units were unchanged. Sales in SEK were strongly negatively affected by currency translation effects. Converted into SEK, sales excluding VAT amounted to SEK 79,047 m (78,772).
- Profit after financial items amounted to SEK 14,140 m (17,830). Group profit after tax was SEK 10,464 m (13,194), corresponding to SEK 6.32 (7.97) per share.

THE THIRD QUARTER

- The H&M Group's sales including VAT increased by 5 percent in local currencies in the third quarter. Sales decreased by 3 percent in comparable units. Converted into SEK, sales excluding VAT amounted to SEK 26,912 m (26,893).
 - Gross profit amounted to SEK 15,766 m (16,279), corresponding to a gross margin of 58.6 percent (60.5).
 - Profit after financial items amounted to SEK 4,850 m (5,735). Group profit after tax was SEK 3,589 m (4,244), corresponding to SEK 2.17 (2.56) per share.
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- H&M's first store in Singapore opened in September and was very well received.
 - Increased expansion for the financial year 2011 from 250 to approximately 265 new stores net.
 - The autumn collections have been well received even though the start of the season has been negatively affected by unseasonably warm weather in large parts of Europe. Sales in the period 1 – 27 September 2011 increased by 3 percent in local currencies compared to the same period last year.
 - COS and Monki launched online sales in 18 markets at the end of September 2011.
 - Indonesia and Thailand are scheduled to become new franchise markets for H&M during 2012.

Comments on the third quarter by Karl-Johan Persson, CEO

"H&M continues to gain market share in a challenging environment for the fashion retail industry. This shows H&M's strong market position and we see it as a proof that customers appreciate our work on the customer offering.

We have great respect for the current economic climate. In this situation, it is extra important to have a long-term perspective and to always make sure that we give customers the best combination of fashion and quality for their money in every market.

We have a strong business concept, a strong financial position and we are continuing to grow with high profitability. We are increasing our expansion for full-year 2011 to approximately 265 new stores net, from the originally planned 250."

	NINE MONTHS	NINE MONTHS	Q3	Q3
(SEK m)	2011	2010	2011	2010
Net sales	79,047	78,772	26,912	26,893
Gross profit	46,997	49,477	15,766	16,279
gross margin, %	59.5	62.8	58.6	60.5
Operating profit	13,714	17,599	4,707	5,656
operating profit, %	17.3	22.3	17.5	21.0
Net financial items	426	231	143	79
Profit after financial items	14,140	17,830	4,850	5,735
Tax	-3,676	-4,636	-1,261	-1,491
Profit for the period	10,464	13,194	3,589	4,244
Earnings per share, SEK	6.32	7.97	2.17	2.56

Sales and store openings

Sales including VAT increased by 9 percent in local currencies in the first nine months of the financial year. Sales in comparable units were unchanged. Converted into SEK, sales increased to SEK 92,619 m (92,174). Sales excluding VAT increased to SEK 79,047 m (78,772).

In the third quarter, sales including VAT increased by 5 percent in local currencies. Sales in comparable units decreased by 3 percent. Converted into SEK, sales increased to SEK 31,511 m (31,475). Sales excluding VAT increased to SEK 26,912 m (26,893).

Sales including VAT in local currencies increased by 8 percent in August compared to the same month the previous year. Sales in comparable units were unchanged.

The Group opened 136 (105) stores and closed 17 (15) stores during the first nine months. The total number of stores in the Group as per 31 August 2011 thus amounted to 2,325 (2,078), of which 61 franchise stores, 40 COS stores, 48 Monki stores, 19 Weekday stores and 2 Cheap Monday stores.

Results for nine months

Gross profit for the Group for the first nine months amounted to SEK 46,997 m (49,477), a decrease of 5 percent. This corresponds to a gross margin of 59.5 percent (62.8).

Operating profit amounted to SEK 13,714 m (17,599). This corresponds to an operating margin of 17.3 percent (22.3).

Operating profit for the nine-month period has been charged with depreciation amounting to SEK 2,465 m (2,332).

Consolidated net financial items were SEK 426 m (231).

Profit after financial items amounted to SEK 14,140 m (17,830).

The Group's profit for the nine-month period after applying an estimated tax rate of 26.0 percent (26.0) was SEK 10,464 m (13,194), which represents earnings per share of SEK 6.32 (7.97), a decrease of 21 percent.

Return on shareholders' equity, rolling twelve months, was 41.1 percent (52.3) and return on capital employed, rolling twelve months, was 54.6 percent (69.3).

Results for the third quarter

Gross profit for the Group for the third quarter amounted to SEK 15,766 m (16,279), a decrease of 3 percent. This corresponds to a gross margin of 58.6 percent (60.5).

Operating profit for the third quarter amounted to SEK 4,707 m (5,656). This corresponds to an operating margin of 17.5 percent (21.0).

Profit after financial items amounted to SEK 4,850 m (5,735), a decrease of 15 percent.

Profit after tax was SEK 3,589 m (4,244), corresponding to SEK 2.17 (2.56) per share.



Comments on the third quarter

Sales including VAT increased by 5 percent in local currencies. Converted into SEK, sales amounted to SEK 31,511 m (31,475). Sales are considered satisfactory as these should be seen in the light of high comparables and unfavourable weather in several markets in Europe during the quarter. H&M has continued to gain market share during a period in which the fashion retail industry was negatively affected by economic uncertainty in a number of countries. H&M has strengthened its position vis-à-vis its competitors and the increased market share is a result of H&M's long-term work on its customer offering. The long-term strategy is to always give customers the best offering in each market; i.e. the best combination of fashion and quality for their money.

There is intense competition for consumer spending and H&M's view is that the trend of multiple price activities and special offers in the fashion retail industry continued into the third quarter and was greater than in the corresponding quarter last year.

The gross margin amounted to 58.6 percent (60.5). Unfavourable external factors during the buying period for the third quarter led to higher purchasing costs which affected the gross margin negatively in the quarter. These factors were primarily cost inflation in the sourcing markets, including high cotton prices, but also a negative US dollar effect.

Markdowns in relation to sales were at the same level as in the corresponding quarter last year.

Selling and administrative expenses amounted to SEK 11,059 m (10,623), an increase of 4 percent. In local currencies the increase was 9 percent. The cost increase is mainly due to the expansion, but also to the long-term 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. Cost control in the Group remains good. Costs in comparable stores decreased compared to the corresponding period last year.

Profitability remained strong with an operating margin of 17.5 percent (21.0). The strengthening of the Swedish krona compared to the corresponding period last year continued to have a negative impact on reported profits in SEK, which after financial items amounted to SEK 4,850 m (5,735).

The stock-in-trade increased by 26 percent compared to the same date the previous year and amounted to SEK 13,310 m (10,545). In local currencies, the increase was 28 percent. The stock increase is due partly to expansion and higher purchasing costs and partly to a lower than planned increase in sales during the quarter. Stock-in-trade relative to sales excluding VAT, for the rolling twelve months, was 12.2 percent (9.9). Even though the level of the stock-in-trade was somewhat higher than planned, the composition is considered to be well balanced. The higher level of stock combined with the fact that September sales have been negatively affected by the unseasonably warm weather means that sales in October and November will be decisive for the markdown level in the fourth quarter.

Financial position and cash flow

Consolidated total assets as per 31 August 2011 amounted to SEK 53,532 m (54,397), a decrease of 2 percent compared to the same time the previous year.

During the nine-month period, the Group generated a cash flow of SEK -3,024 m (860). The current operations generated a positive cash flow of SEK 11,226 m (16,181). Cash flow was among other things affected by dividends of SEK -15,723 m (-13,239), investments in fixed assets of SEK -3,288 m (-3,061) and by changes in short-term investments with a duration of four to twelve months of SEK 4,791 m (979). Liquid funds and short-term investments amounted to SEK 16,895 m (21,362).

The stock-in-trade increased by 26 percent compared to the same time the previous year and amounted to SEK 13,310 m (10,545). This corresponds to 12.2 percent (9.9) of sales excluding VAT, rolling twelve months. The stock-in-trade was 24.9 percent (19.4) of total assets.

The equity/assets ratio was 71.4 percent (72.3) and the share of risk-bearing capital was 72.9 percent (75.8).

Shareholders' equity apportioned on the outstanding 1,655,072,000 (1,655,072,000) shares as per 31 August 2011 was SEK 23.09 (23.78).



Expansion

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

The expansion plan for the financial year 2010/2011 has been revised upward from 250 to approximately 265 new stores net. This is because H&M is opening more stores primarily in China, Romania and Croatia than was planned at the beginning of the year.

China, the UK, USA and Germany will be the largest expansion markets for H&M in 2011.

The Group plans to open 156 stores (138) and close 10 (10) stores during the fourth quarter.

H&M's first store in Singapore on Orchard Road was very well received when it opened on 3 September 2011. Sales in the country's first store have surpassed the company's high expectations.

Morocco and Jordan are scheduled to become new franchise markets at the end of autumn 2011.

COS and Monki launched online sales in 18 markets at the end of September 2011.

H&M will be opening its first store in Bulgaria in March 2012. The store will be located at the best business location in The Mall, a fashion-conscious shopping centre, in the capital city Sofia.

Indonesia and Thailand will be new franchise markets in cooperation with the franchisee J.S. Gill. The first stores are planned to open in 2012 in Jakarta and in Bangkok.

The start of online sales in the US, the world's largest online market, will now take place in autumn 2012 rather than spring 2012 as more time is needed to ensure the best possible reception at the launch.

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 4 m (-) for the first nine months. Profit after financial items amounted to SEK 3,741 m (3,606). Investments in fixed assets amounted to SEK 77 m (50).

Comments on the current quarter

The autumn collections have been well received even though the start of the season has been negatively affected by unseasonably warm weather in large parts of Europe. Sales in the period 1 – 27 September 2011 increased by 3 percent in local currencies compared to the same period last year.

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 which is 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.

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

26 January 2012	Full-year report, 1 December 2010 – 30 November 2011
29 March 2012	Three-Month report, 1 December 2011 – 29 February 2012
3 May 2012, at 3 p.m.	Annual General Meeting 2012, Victoriahallen, Stockholm International Fairs, Stockholm, Sweden
20 June 2012	Six-Month report, 1 December 2011 – 31 May 2012

Stockholm, 28 September 2011
Board of Directors



REVIEW REPORT

H & M Hennes & Mauritz AB (publ), corporate identity number 556042-7220

Introduction

We have reviewed the interim report for H & M Hennes & Mauritz AB (publ) as of 31 August 2011 and for the nine-month period which ended on this date. It is the responsibility of the Board of Directors and the Managing Director to prepare and present this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

Focus and scope of review

We conducted our review in accordance with the Swedish Standard on Review Engagements SÖG 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope compared with the focus and scope of an audit conducted in accordance with the Standards on Auditing in Sweden (RS) and the generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the opinion expressed based on a review does not provide the same level of assurance as an opinion expressed on the basis of an audit.

Conclusion

On the basis of our review, nothing has come to our attention that causes us to believe that the interim report, in all material aspects, was not prepared in accordance with IAS 34 and the Swedish Annual Accounts Act in the case of the Group and in accordance with the Annual Accounts Act in the case of the parent company.

Stockholm, 28 September 2011

Ernst & Young AB

Erik Åström
Authorised Public Accountant

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 29 September 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 2,300 stores in 41 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.

GROUP INCOME STATEMENT (SEK m)

	1 Dec 2010- 31 Aug 2011	1 Dec 2009- 31 Aug 2010	1 June 2011- 31 Aug 2011	1 June 2010- 31 Aug 2010	1 Dec 2009- 30 Nov 2010
Sales including VAT	92,619	92,174	31,511	31,475	126,966
Sales excluding VAT	79,047	78,772	26,912	26,893	108,483
Cost of goods sold	-32,050	-29,295	-11,146	-10,614	-40,214
GROSS PROFIT	46,997	49,477	15,766	16,279	68,269
<i>Gross margin, %</i>	59.5	62.8	58.6	60.5	62.9
Selling expenses	-30,888	-29,809	-10,292	-9,938	-40,751
Administrative expenses	-2,395	-2,069	-767	-685	-2,859
OPERATING PROFIT	13,714	17,599	4,707	5,656	24,659
<i>Operating margin, %</i>	17.3	22.3	17.5	21.0	22.7
Interest income	430	234	145	80	356
Interest expense	-4	-3	-2	-1	-7
PROFIT AFTER FINANCIAL ITEMS	14,140	17,830	4,850	5,735	25,008
Tax	-3,676	-4,636	-1,261	-1,491	-6,327
PROFIT FOR THE PERIOD	10,464	13,194	3,589	4,244	18,681
Earnings per share, SEK*	6.32	7.97	2.17	2.56	11.29
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Depreciation, total	2,465	2,332	831	777	3,061
of which cost of goods sold	277	257	93	86	336
of which selling expenses	2,037	1,932	687	643	2,540
of which administrative expenses	151	143	51	48	185

* Before and after dilution. The number of shares has been adjusted for all periods because of the two-for-one share split carried out by H&M in 2010.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK m)

	1 Dec 2010- 31 Aug 2011	1 Dec 2009- 31 Aug 2010	1 June 2011- 31 Aug 2011	1 June 2010- 31 Aug 2010	1 Dec 2009- 30 Nov 2010
PROFIT FOR THE PERIOD	10,464	13,194	3,589	4,244	18,681
Other comprehensive income					
Translation differences	-307	-1,290	689	-483	-2,169
Change in hedging reserves	-530	100	-14	-642	386
Tax attributable to other comprehensive income	138	-26	4	169	-100
OTHER COMPREHENSIVE INCOME	-699	-1,216	679	-956	-1,883
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	9,765	11,978	4,268	3,288	16,798

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

GROUP BALANCE SHEET IN SUMMARY (SEK m)

	31 Aug 2011	31 Aug 2010	30 Nov 2010
ASSETS			
Fixed assets			
Intangible fixed assets	1,125	1,568	1,198
Tangible fixed assets	16,083	14,960	15,469
Financial assets	1,750	1,653	1,583
	18,958	18,181	18,250
Current assets			
Stock-in-trade	13,310	10,545	11,487
Current receivables	4,369	4,309	4,587
Short-term investments, 4-12 months	3,372	2,022	8,167
Liquid funds	13,523	19,340	16,691
	34,574	36,216	40,932
TOTAL ASSETS	53,532	54,397	59,182
EQUITY AND LIABILITIES			
Equity	38,214	39,352	44,172
Long-term liabilities*	1,075	2,543	1,163
Current liabilities**	14,243	12,502	13,847
TOTAL EQUITY AND LIABILITIES	53,532	54,397	59,182

* Only provisions for pensions are interest-bearing.

** No current liabilities are interest-bearing.

CHANGE IN GROUP EQUITY IN SUMMARY (SEK m)

	31 Aug 2011	31 Aug 2010	30 Nov 2010
Shareholders' equity at the beginning of the period	44,172	40,613	40,613
Dividend	-15,723	-13,239	-13,239
Total comprehensive income for the period	9,765	11,978	16,798
Shareholders' equity at the end of the period	38,214	39,352	44,172

GROUP CASH FLOW STATEMENT (SEK m)

	1 Dec 2010- 31 Aug 2011	1 Dec 2009- 31 Aug 2010
Current operations		
Profit after financial items*	14,140	17,830
Provisions for pensions	15	17
Depreciation	2,465	2,332
Tax paid	-3,819	-3,278
Cash flow from current operations before changes in working capital	12,801	16,901
Cash flow from changes in working capital		
Current receivables	-146	-543
Stock-in-trade	-1,867	-505
Current liabilities	438	328
CASH FLOW FROM CURRENT OPERATIONS	11,226	16,181
Investment activities		
Investment in intangible fixed assets	-74	-131
Investment in tangible fixed assets	-3,214	-2,930
Change in short-term investments, 4 - 12 months	4,791	979
Other investments	-30	0
CASH FLOW FROM INVESTMENT ACTIVITIES	1,473	-2,082
Financing activities		
Dividend	-15,723	-13,239
CASH FLOW FROM FINANCING ACTIVITIES	-15,723	-13,239
CASH FLOW FOR THE PERIOD	-3,024	860
Liquid funds at beginning of the financial year	16,691	19,024
Cash flow for the period	-3,024	860
Exchange rate effect	-144	-544
Liquid funds at end of the period**	13,523	19,340

* Interest paid for the Group amounts to SEK 4 m (3).

** Liquid funds and short-term investments 4-12 months at the end of the period amounted to SEK 16,895 m (21,362).

SALES INCLUDING VAT BY COUNTRY AND NUMBER OF STORES

Nine months, 1 December - 31 August

COUNTRY	SEK m	SEK m	Change in %		No. of stores	New	Closed
	2011	2010	SEK	Local currency	31 Aug 2011	stores	stores
Sweden	6,198	6,186	0	0	170	5	3
Norway	3,933	4,325	-9	-4	102	2	1
Denmark	3,039	3,180	-4	4	88	2	1
United Kingdom	6,496	5,954	9	20	199	12	5
Switzerland	4,394	4,461	-2	-6	76	1	
Germany	21,589	22,418	-4	5	386	11	2
Netherlands	5,074	5,355	-5	3	115	3	
Belgium	2,318	2,463	-6	3	64	3	3
Austria	3,439	3,836	-10	-2	66		
Luxembourg	280	298	-6	2	10		
Finland	1,767	1,926	-8	0	44	1	
France	6,677	6,574	2	11	158	7	
USA	6,812	6,388	7	22	219	12	1
Spain	4,290	4,511	-5	4	126	5	1
Poland	1,986	1,946	2	10	82	6	
Czech Republic	515	508	1	5	24	2	
Portugal	674	698	-3	5	23	2	
Italy	3,123	3,019	3	13	77	5	
Canada	1,990	1,952	2	9	56	1	
Slovenia	357	410	-13	-5	12	1	
Ireland	368	376	-2	7	14	2	
Hungary	350	264	33	42	16	1	
Slovakia	176	158	11	22	7		
Greece	555	465	19	30	22	4	
China	2,441	1,757	39	55	61	14	
Japan	1,013	1,298	-22	-19	12	2	
Russia	1,097	629	74	91	16	5	
South Korea	276	162	70	84	5	3	
Turkey	201				5	4	
Romania	193				6	6	
Croatia	125				3	3	
Franchise	873	657	33	56	61	11	
Total	92,619	92,174	0	9	2,325	136	17

SALES INCLUDING VAT BY COUNTRY AND NUMBER OF STORES

Third quarter, 1 June - 31 August

COUNTRY	SEK m	SEK m	Change in %		No. of stores	New	Closed
	Q3-2011	Q3-2010	SEK	Local currency	31 Aug 2011	stores	stores
Sweden	2,120	2,190	-3	-3	170	2	2
Norway	1,403	1,541	-9	-7	102		1
Denmark	1,021	1,069	-4	0	88		
United Kingdom	2,260	2,075	9	21	199	3	1
Switzerland	1,453	1,522	-5	-12	76		
Germany	7,265	7,644	-5	-1	386	2	1
Netherlands	1,674	1,744	-4	0	115		
Belgium	772	845	-9	-5	64	1	1
Austria	1,117	1,254	-11	-7	66		
Luxembourg	91	105	-13	-9	10		
Finland	649	707	-8	-4	44	1	
France	2,207	2,130	4	8	158	3	
USA	2,382	2,294	4	22	219	6	
Spain	1,404	1,434	-2	2	126		
Poland	688	687	0	5	82	2	
Czech Republic	177	179	-1	-1	24		
Portugal	230	222	4	8	23		
Italy	974	958	2	6	77	1	
Canada	741	711	4	13	56		
Slovenia	117	139	-16	-12	12		
Ireland	125	121	3	7	14		
Hungary	119	87	37	34	16		
Slovakia	58	55	5	11	7		
Greece	190	135	41	46	22	3	
China	861	636	35	55	61	2	
Japan	312	405	-23	-18	12		
Russia	416	270	54	67	16	1	
South Korea	104	63	65	77	5	1	
Turkey	71				5		
Romania	90				6		
Croatia	63				3	1	
Franchise	357	253	41	64	61	5	
Total	31,511	31,475	0	5	2,325	34	6

FIVE YEAR SUMMARY**Nine months, 1 December - 31 August**

	2011	2010	2009	2008	2007
Sales including VAT, SEK m	92,619	92,174	85,939	73,193	65,287
Sales excluding VAT, SEK m	79,047	78,772	73,382	62,222	55,529
Change from previous year, %	0.3	7.3	17.9	12.1	13.6
Operating profit, SEK m	13,714	17,599	13,735	13,319	12,386
Operating margin, %	17.3	22.3	18.7	21.4	22.3
Profit after financial items, SEK m	14,140	17,830	14,111	14,076	12,949
Profit after tax, SEK m	10,464	13,194	10,230	10,205	8,935
Depreciation for the period, SEK m	2,465	2,332	2,158	1,745	1,450
Liquid funds and short-term investments, SEK m	16,895	21,362	16,238	17,786	16,846
Stock-in-trade, SEK m	13,310	10,545	10,215	7,930	8,304
Equity, SEK m	38,214	39,352	34,612	30,828	27,779
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Earnings per share, SEK*	6.32	7.97	6.18	6.17	5.40
Shareholders' equity per share, SEK*	23.09	23.78	20.91	18.63	16.78
Cash flow from current operations per share, SEK*	6.78	9.78	6.26	7.23	6.02
Share of risk-bearing capital, %	72.9	75.8	76.2	75.1	78.1
Equity/assets ratio, %	71.4	72.3	72.8	73.5	76.5
Total number of stores	2,325	2,078	1,840	1,618	1,432
Rolling twelve months					
Earnings per share, SEK*	9.64	11.69	9.26	8.98	7.69
Return on shareholders' equity, %	41.1	52.3	46.8	50.7	48.8
Return on capital employed, %	54.6	69.3	64.5	68.9	70.3

* Before and after dilution. The number of shares has been adjusted for all periods because of the two-for-one share split carried out by H&M in 2010.

Definition on key figures see page 5.

KEY RATIOS PER QUARTER

	2008		2009				2010				2011		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Sales including VAT, SEK m	24,540	30,848	27,282	31,070	27,587	32,758	29,095	31,604	31,475	34,792	28,708	32,400	31,511
Sales excluding VAT, SEK m	20,871	26,310	23,299	26,538	23,545	28,011	24,846	27,033	26,893	29,711	24,503	27,632	26,912
Change from previous year, %	12	15	18	23	13	6	7	2	14	6	-1	2	0
Operating profit, SEK m	4,365	6,819	3,364	5,671	4,700	7,909	4,978	6,965	5,656	7,060	3,408	5,599	4,707
Operating margin, %	20.9	25.9	14.4	21.4	20.0	28.2	20.0	25.8	21.0	23.8	13.9	20.3	17.5
Profit after financial items, SEK m	4,586	7,114	3,554	5,784	4,773	7,992	5,055	7,040	5,735	7,178	3,538	5,752	4,850
Profit after tax, SEK m	3,325	5,089	2,577	4,193	3,460	6,154	3,741	5,209	4,244	5,487	2,618	4,257	3,589
Depreciation for the period, SEK m	590	457	721	715	722	672	772	783	777	729	808	826	831
Liquid assets*, SEK m	17,786	22,726	23,625	14,904	16,238	22,025	26,200	18,992	21,362	24,858	24,355	15,207	16,895
Stock-in-trade, SEK m	7,930	8,500	9,052	8,601	10,215	10,240	8,402	8,562	10,545	11,487	10,822	10,414	13,310
Equity, SEK m	30,828	36,950	41,043	31,644	34,612	40,613	43,746	36,064	39,352	44,172	45,587	33,946	38,214
Earnings per share, SEK**	2.01	3.07	1.56	2.53	2.09	3.72	2.26	3.15	2.56	3.32	1.58	2.57	2.17
Equity per share, SEK**	18.63	22.33	24.80	19.12	20.91	24.54	26.43	21.79	23.78	26.69	27.54	20.51	23.09
Cash flow from current operations per share, SEK**	2.57	3.63	0.74	3.60	1.91	4.60	3.25	4.30	2.23	3.42	0.46	4.70	1.62
Share of risk-bearing capital, %	75.1	75.7	77.9	74.8	76.2	78.5	80.8	75.9	75.8	76.2	81.4	73.0	72.9
Equity/assets ratio, %	73.5	72.1	74.6	71.0	72.8	74.7	77.2	71.8	72.3	74.6	79.9	71.3	71.4
Total number of stores	1,618	1,738	1,748	1,822	1,840	1,988	1,992	2,062	2,078	2,206	2,212	2,297	2,325
Rolling 12 months													
Earnings per share, SEK**	8.98	9.24	9.02	9.18	9.26	9.90	10.61	11.22	11.69	11.29	10.61	10.03	9.64
Return on shareholders' equity, %	50.7	44.3	39.4	51.6	46.8	42.2	41.4	54.8	52.3	44.1	39.3	47.4	41.1
Return on capital employed, %	68.9	61.1	54.3	70.9	64.5	56.7	55.4	72.9	69.3	58.7	52.3	63.0	54.6
Stock-in-trade in % of turnover	9.3	9.6	9.8	8.9	10.2	10.1	8.2	8.3	9.9	10.6	10.0	9.6	12.2

* Liquid funds and short-term investments

** Before and after dilution. The number of shares has been adjusted for all periods because of the two-for-one share split carried out by H&M in 2010.

Definitions on key figures see page 5.

SEGMENT REPORTING (SEK m)

	1 Dec 2010- 31 Aug 2011	1 Dec 2009- 31 Aug 2010
Nordic region		
External net sales	12,037	13,112
Operating profit	301	643
Operating margin, %	2.5	4.9
Eurozone excluding Finland		
External net sales	41,073	41,995
Operating profit	42	1,150
Operating margin, %	0.1	2.7
Rest of the World		
External net sales	25,937	23,665
Operating profit	1,166	1,006
Operating margin, %	4.5	4.3
Group Functions		
Net sales to other segments	43,465	43,222
Operating profit	12,205	14,800
Eliminations		
Net sales to other segments	-43,465	-43,222
Total		
External net sales	79,047	78,772
Operating profit	13,714	17,599
Operating margin, %	17.3	22.3

PARENT COMPANY INCOME STATEMENT (SEK m)

	1 Dec 2010- 31 Aug 2011	1 Dec 2009- 31 Aug 2010	1 June 2011- 31 Aug 2011	1 June 2010- 31 Aug 2010	1 Dec 2009- 30 Nov 2010
External sales excluding VAT	4	-	1	-	6
Internal sales excluding VAT*	4,456	4,383	1,709	1,719	6,900
GROSS PROFIT	4,460	4,383	1,710	1,719	6,906
Selling expenses	-1,473	-1,378	-315	-343	-2,240
Administrative expenses	-1,899	-1,319	-641	-413	-2,024
OPERATING PROFIT	1,088	1,686	754	963	2,642
Dividend from subsidiaries	2,554	1,890	532	551	12,153
Interest income	99	30	18	7	73
Interest expense	0	0	0	0	0
PROFIT AFTER FINANCIAL ITEMS	3,741	3,606	1,304	1,521	14,868
Year-end appropriations	-	-	-	-	705
Tax	-312	-451	-203	-255	-912
PROFIT FOR THE PERIOD	3,429	3,155	1,101	1,266	14,661

* Includes royalty received from Group companies

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK m)

	1 Dec 2010- 31 Aug 2011	1 Dec 2009- 31 Aug 2010	1 June 2011- 31 Aug 2011	1 June 2010- 31 Aug 2010	1 Dec 2009- 30 Nov 2010
PROFIT FOR THE PERIOD	3,429	3,155	1,101	1,266	14,661
Other comprehensive income	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,429	3,155	1,101	1,266	14,661

PARENT COMPANY BALANCE SHEET IN SUMMARY (SEK m)

ASSETS	31 Aug 2011	31 Aug 2010	30 Nov 2010
Fixed assets			
Tangible fixed assets	418	389	417
Financial fixed assets	1,797	1,717	1,861
	2,215	2,106	2,278
Current assets			
Current receivables	709	1,016	7,787
Short-term investments, 4-12 months	2,264	2,012	8,167
Liquid funds	453	2,254	223
	3,426	5,282	16,177
TOTAL ASSETS	5,641	7,388	18,455
EQUITY AND LIABILITIES			
Equity	4,627	5,510	16,921
Untaxed reserves	119	825	119
Long-term liabilities*	223	211	223
Current liabilities**	672	842	1,192
TOTAL EQUITY AND LIABILITIES	5,641	7,388	18,455

* Relates to provisions for pensions.

** No current liabilities are interest-bearing.