



# H & M HENNES & MAURITZ AB

## SIX-MONTH REPORT

1 December 2011 – 31 May 2012

### THE FIRST HALF-YEAR

- The H&M Group's sales including VAT increased by 12 percent in local currencies in the first six months of the financial year. Sales in comparable units increased by 3 percent. Converted into SEK, sales excluding VAT amounted to SEK 59,491 m (52,135), an increase of 14 percent.
- Profit after financial items increased by 16 percent and amounted to SEK 10,754 m (9,290). Group profit after tax was SEK 7,958 m (6,875), corresponding to SEK 4.81 (4.15) per share.

### THE SECOND QUARTER

- The H&M Group's sales including VAT increased by 12 percent in local currencies in the second quarter. Sales in comparable units increased by 2 percent. Converted into SEK, sales excluding VAT amounted to SEK 31,658 m (27,632), an increase of 15 percent.
  - Gross profit amounted to SEK 19,546 m (17,057), corresponding to a gross margin of 61.7 percent (61.7).
  - Profit after financial items increased by 23 percent and amounted to SEK 7,053 m (5,752). Group profit after tax was SEK 5,219 m (4,257), corresponding to SEK 3.15 (2.57) per share.
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- In addition to the five new markets that H&M will open in 2012, H&M plans to open stores in several new markets in 2013. The markets where store contracts for 2013 have so far been signed are Estonia and Indonesia.

### Comments by Karl-Johan Persson, CEO

"The year started well and the positive trend continued in the second quarter. In the second quarter we saw strong sales and profitability development, with a profit increase of 23 percent. The spring collections have been well received by our customers as shown by our increased market share in a fashion retail market that continues to be challenging. H&M's attractive customer offering is appreciated by customers in all our 44 markets, in big cities as well as small cities – and in both countries with strong economic growth and countries with a tough macroeconomic climate.

Our expansion plan remains intact. We plan to open around 275 new stores net during the full-year. We continue to open new stores in all current markets and we will add five new markets during the year: Bulgaria, Mexico, Latvia, Malaysia and Thailand. In addition, online sales will be launched in the autumn in the US, the world's largest online market."

	SIX MONTHS	SIX MONTHS	Q2	Q2
	2012	2011	2012	2011
(SEK m)				
Net sales	59,491	52,135	31,658	27,632
Gross profit	35,083	31,231	19,546	17,057
gross margin, %	59.0	59.9	61.7	61.7
Operating profit	10,419	9,007	6,893	5,599
operating profit, %	17.5	17.3	21.8	20.3
Net financial items	335	283	160	153
Profit after financial items	10,754	9,290	7,053	5,752
Tax	-2,796	-2,415	-1,834	-1,495
Profit for the period	7,958	6,875	5,219	4,257
Earnings per share, SEK	4.81	4.15	3.15	2.57

### Sales and store openings

In the first six months of the financial year, sales including VAT increased by 12 percent in local currencies. Sales in comparable units increased by 3 percent. Converted into SEK, sales including VAT increased by 14 percent to SEK 69,450 m (61,108). Sales excluding VAT increased to SEK 59,491 m (52,135).

In the second quarter, sales including VAT increased by 12 percent in local currencies. Sales in comparable units increased by 2 percent. Converted into SEK, sales increased by 14 percent and amounted to SEK 36,947 m (32,400). Sales excluding VAT increased by 15 percent to SEK 31,658 m (27,632).

In May, sales including VAT increased by 12 percent 2012 in local currencies compared to the same month the previous year. Sales in comparable units increased by 3 percent.

The Group opened 119 (102) stores and closed 16 (11) stores during the first half-year. The total number of stores in the Group as per 31 May 2012 thus amounted to 2,575 (2,297), of which 75 franchise stores, 51 COS stores, 55 Monki stores, 19 Weekday stores and 4 Cheap Monday stores.

### Results for the first six months

Gross profit for the Group for the first six months amounted to SEK 35,083 m (31,231), an increase of 12 percent. This corresponds to a gross margin of 59.0 percent (59.9).

The operating profit amounted to SEK 10,419 m (9,007). This corresponds to an operating margin of 17.5 percent (17.3).

Operating profit for the six-month period has been charged with depreciation amounting to SEK 1,840 m (1,634).

Consolidated net interest income was SEK 335 m (283).

Profit after financial items amounted to SEK 10,754 m (9,290), an increase of 16 percent.

The Group's profit after an estimated tax rate of 26.0 percent (26.0) was SEK 7,958 m (6,875) for the six-month period, which represents earnings per share of SEK 4.81 (4.15), an increase of 16 percent.

Return on shareholders' equity, rolling twelve months, was 48.0 percent (47.4) and return on capital employed, rolling twelve months, was 63.0 percent (63.0).

### Results for the second quarter

Gross profit for the Group for the second quarter amounted to SEK 19,546 m (17,057), an increase of 15 percent. This corresponds to a gross margin of 61.7 percent (61.7).

Operating profit for the second quarter amounted to SEK 6,893 m (5,599). This corresponds to an operating margin of 21.8 percent (20.3).

Profit after financial items amounted to SEK 7,053 m (5,752), an increase of 23 percent.

Profit after tax was SEK 5,219 m (4,257), corresponding to SEK 3.15 (2.57) per share.



## Comments on the second quarter

Sales increased by 12 percent in local currencies and 2 percent in comparable units which proves that the spring collections have been well received. Sales have been good in most markets during the quarter and H&M has continued to gain market share. The second quarter is normally characterised by large calendar and weather effects between the months, and this year these effects are even more significant. It is therefore important to view sales development over a full quarter or a season rather than looking at individual months.

Many countries are still in a challenging macro-economic situation with austerity measures and restrained consumption. The fact that H&M continues to gain market share even in these challenging markets is a clear sign that H&M's strong offering is appreciated by customers worldwide.

H&M's gross margin is a result of many different factors, internal as well as external, together with the decisions that H&M makes in line with its strategy to always have the best customer offering in each market.

In the quarter, the gross margin was unchanged compared to the corresponding quarter last year and amounted to 61.7 percent (61.7). Overall, the effects of the earlier significantly negative external factors, such as the cotton price, were more or less neutralised. In addition, for purchases made for the second quarter, the US dollar was relatively neutral, but will become negative for purchases for the second half-year. H&M will however, continue its long-term perspective and always offer customers the best combination of fashion and quality at the best price.

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

H&M's long-term investments - aimed at broadening the Group's total offering - continue, including work on the new store chain & *Other Stories* which will be launched in 2013. These investments represented a smaller proportion of sales in the second quarter compared to the first quarter 2012.

Cost control in the Group remains good. Costs in comparable stores as a proportion of sales decreased compared to the second quarter 2011. Selling and administrative expenses in the quarter amounted to SEK 12,653 m (11,458), an increase of 10 percent which is mainly explained by the expansion. In local currencies, the increase was 8 percent. In the corresponding quarter last year, there was a provision of SEK 248 m related to the incentive programme, H&M Incentive Program\*, the majority of which was booked as selling and administrative expenses.

The stock-in-trade increased by 8 percent compared to the same time last year and amounted to SEK 11,299 m (10,414). In local currencies, the increase was 6 percent. The increase in stock-in-trade is explained by the expansion. The level and the balance of the stock-in-trade as at 31 May 2012 are deemed to be good. The stock-in-trade represents 9.6 percent (9.6) of sales excluding VAT, rolling twelve months. The stock-in-trade was 22.1 percent (21.9) of total assets.

## Financial position and cash flow

Consolidated total assets as per 31 May 2012 amounted to SEK 51,044 m (47,626), an increase of 7 percent compared to the same time the previous year.

The current operations generated a positive cash flow of SEK 10,668 m (8,547). Cash flow was also affected by dividends by SEK -15,723 m (-15,723), investments in fixed assets of SEK -2,620 m (-2,128) and by changes in short-term investments with a duration of four to twelve months of SEK 6,958 m (6,963). During the six-month period, the Group generated a cash flow of SEK -748 m (-2,226). Liquid funds and short-term investments amounted to SEK 13,543 m (15,207).

The equity/assets ratio was 71.5 percent (71.3) and the share of risk-bearing capital was 73.5 percent (73.0).

Shareholders' equity apportioned on the outstanding 1,655,072,000 (1,655,072,000) shares as per 31 May 2012 was SEK 22.06 (20.51).

\*Since the allocation to the incentive programme is based on the increase in dividend compared to the previous year's dividend, no allocation for the financial year of 2011 will be made to the H&M Incentive Program in 2012.



## Expansion

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

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 the 2011/2012 financial year a net addition of approximately 275 stores is planned. China, the US and the UK are expected to be the largest expansion markets for H&M in 2012. There are also still great opportunities for expansion in markets such as Germany, France and Italy.

In 2012 five new markets will be added: Bulgaria (opened in March), Mexico, Latvia, Malaysia and, via franchise, Thailand.

In autumn 2012 H&M will start online sales in the US, the world's largest online market.

Expansion continues for the Group's other brands COS, Monki, Weekday and Cheap Monday. COS, for example, will open stores in six new markets in 2012. The first COS stores in Helsinki and Milan opened in May, while Warsaw's first store opened in June. All the stores were well received. COS will also open in Hong Kong and Austria during the summer and Kuwait in autumn 2012. The opening in Kuwait will be in cooperation with the franchisee Alshaya. The H&M Home concept will also continue to expand.

A completely new independent chain of stores will open in 2013 under the name *& Other Stories*. The store chain will be a completely new and exciting complement to H&M and the Group's other brands.

The first three H&M stores in Tallinn, Estonia will open in autumn 2013. As communicated previously, Indonesia will become a new franchise market in 2013.

## Tax

For the financial year 2011/2012 the tax rate is expected to be in the range of 25 – 26 percent, depending on the results of the subsidiaries in each country.

## Parent company

The parent company's external sales amounted to SEK 4 m (3) for the first six months of the financial year. Profit after financial items amounted to SEK 2,085 m (2,437).

Investments in fixed assets amounted to SEK 65 m (49).

## 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 2010/2011 which is described in Note 1 – Accounting principles.

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 or IAS 38.57.

### 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, 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 2010/2011. 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

27	September 2012	Nine-month report, 1 December 2011 – 31 August 2012
30	January 2013*	Full-year report 2012, 1 December 2011 – 30 November 2012
21	March 2013	Three-month report, 1 December 2012 – 28 February 2013

\* Please note that the date of the full-year report has been changed from 31 January 2013 to 30 January 2013.

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

Stockholm, 19 June 2012  
Board of Directors



The undersigned hereby provide an assurance that the half-year report for 1 December 2011 – 31 May 2012 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 19 June, 2012

Stefan Persson  
Chairman of the Board

Marie Björstedt  
Board member

Mia Brunell Livfors  
Board member

Anders Dahlvig  
Board member

Lottie Knutson  
Board member

Sussi Kvarn  
Board member

Bo Lundquist  
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 20 June 2012.*

## 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 2,500 stores in 44 markets including franchise markets. In 2011, sales including VAT were SEK 128,810 million and the number of employees was more than 94,000. For further information, visit [www.hm.com](http://www.hm.com).*

**GROUP INCOME STATEMENT (SEK m)**

	1 Dec 2011- 31 May 2012	1 Dec 2010- 31 May 2011	1 March 2012- 31 May 2012	1 March 2011- 31 May 2011	1 Dec 2010- 30 Nov 2011
Sales including VAT	69,450	61,108	36,947	32,400	128,810
Sales excluding VAT	59,491	52,135	31,658	27,632	109,999
Cost of goods sold	-24,408	-20,904	-12,112	-10,575	-43,852
<b>GROSS PROFIT</b>	<b>35,083</b>	<b>31,231</b>	<b>19,546</b>	<b>17,057</b>	<b>66,147</b>
<i>Gross margin, %</i>	59.0	59.9	61.7	61.7	60.1
Selling expenses	-22,939	-20,596	-11,808	-10,623	-42,517
Administrative expenses	-1,725	-1,628	-845	-835	-3,251
<b>OPERATING PROFIT</b>	<b>10,419</b>	<b>9,007</b>	<b>6,893</b>	<b>5,599</b>	<b>20,379</b>
<i>Operating margin, %</i>	17.5	17.3	21.8	20.3	18.5
Interest income	337	285	161	154	568
Interest expense	-2	-2	-1	-1	-5
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>10,754</b>	<b>9,290</b>	<b>7,053</b>	<b>5,752</b>	<b>20,942</b>
Tax	-2,796	-2,415	-1,834	-1,495	-5,121
<b>PROFIT FOR THE PERIOD</b>	<b>7,958</b>	<b>6,875</b>	<b>5,219</b>	<b>4,257</b>	<b>15,821</b>

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

Earnings per share, SEK*	4.81	4.15	3.15	2.57	9.56
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Depreciation, total	1,840	1,634	929	826	3,262
of which cost of goods sold	207	184	105	93	366
of which selling expenses	1,521	1,350	767	683	2,698
of which administrative expenses	112	100	57	50	198

\* Before and after dilution.

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

	1 Dec 2011- 31 May 2012	1 Dec 2010- 31 May 2011	1 March 2012- 31 May 2012	1 March 2011- 31 May 2011	1 Dec 2010- 30 Nov 2011
<b>PROFIT FOR THE PERIOD</b>	<b>7,958</b>	<b>6,875</b>	<b>5,219</b>	<b>4,257</b>	<b>15,821</b>
<b>Other comprehensive income</b>					
Translation differences	37	-996	870	-15	-35
Change in hedging reserves	189	-516	403	-216	-113
Tax attributable to other comprehensive income	-49	134	-105	56	30
<b>OTHER COMPREHENSIVE INCOME</b>	<b>177</b>	<b>-1,378</b>	<b>1,168</b>	<b>-175</b>	<b>-118</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>8,135</b>	<b>5,497</b>	<b>6,387</b>	<b>4,082</b>	<b>15,703</b>

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

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

	31 May 2012	31 May 2011	30 Nov 2011
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible fixed assets	1,222	1,119	1,035
Tangible fixed assets	18,049	15,348	17,393
Financial assets	2,035	1,638	1,842
	21,306	18,105	20,270
<b>Current assets</b>			
Stock-in-trade	11,299	10,414	13,819
Current receivables	4,896	3,900	4,822
Short-term investments, 4-12 months	-	1,204	6,958
Liquid funds	13,543	14,003	14,319
	29,738	29,521	39,918
<b>TOTAL ASSETS</b>	<b>51,044</b>	<b>47,626</b>	<b>60,188</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	36,516	33,946	44,104
Long-term liabilities*	1,390	1,169	1,327
Current liabilities**	13,138	12,511	14,757
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>51,044</b>	<b>47,626</b>	<b>60,188</b>

\* Only provisions for pensions are interest-bearing.

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

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

	31 May 2012	31 May 2011	30 Nov 2011
Shareholders' equity at the beginning of the period	44,104	44,172	44,172
Adjustment of opening balance*	-	-	-48
Total comprehensive income for the period	8,135	5,497	15,703
Dividend	-15,723	-15,723	-15,723
Shareholders' equity at the end of the period	36,516	33,946	44,104

\* Adjustment of pension obligations related to prior years.



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

	<b>1 Dec 2011- 31 May 2012</b>	<b>1 Dec 2010- 31 May 2011</b>
<b>Current operations</b>		
Profit after financial items*	10,754	9,290
Provisions for pensions	30	9
Depreciation	1,840	1,634
Tax paid	-3,830	-3,106
<b>Cash flow from current operations before changes in working capital</b>	<b>8,794</b>	<b>7,827</b>
<b>Cash flow from changes in working capital</b>		
Current receivables	222	383
Stock-in-trade	2,525	901
Current liabilities	-873	-564
<b>CASH FLOW FROM CURRENT OPERATIONS</b>	<b>10,668</b>	<b>8,547</b>
<b>Investment activities</b>		
Investment in intangible fixed assets	-328	-47
Investment in tangible fixed assets	-2,292	-2,081
Change in short-term investments, 4 - 12 months	6,958	6,963
Other investments	-31	115
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>4,307</b>	<b>4,950</b>
<b>Financing activities</b>		
Dividend	-15,723	-15,723
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-15,723</b>	<b>-15,723</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>-748</b>	<b>-2,226</b>
<b>Liquid funds at beginning of the financial year</b>	<b>14,319</b>	<b>16,691</b>
Cash flow for the period	-748	-2,226
Exchange rate effect	-28	-462
<b>Liquid funds at end of the period**</b>	<b>13,543</b>	<b>14,003</b>

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

\*\* Liquid funds and short-term investments 4-12 months at the end of the period amounted to SEK 13,543 m (15,207).

**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
	2012	2011	SEK	Local curr.	31 May 2012	stores	stores
Sweden	4,079	4,078	0	0	174	1	
Norway	2,726	2,530	8	5	105	1	
Denmark	2,165	2,018	7	7	90		
United Kingdom	5,118	4,236	21	16	215	5	3
Switzerland	2,953	2,941	0	-5	81	2	1
Germany	15,357	14,324	7	7	397	6	3
Netherlands	3,416	3,400	0	0	120	2	
Belgium	1,662	1,546	7	7	70	5	1
Austria	2,408	2,322	4	4	66	1	1
Luxembourg	192	189	2	2	10		
Finland	1,183	1,118	6	6	49	3	1
France	4,928	4,470	10	10	173	6	1
USA	6,021	4,430	36	29	239	8	2
Spain	2,989	2,886	4	4	137	6	1
Poland	1,447	1,298	11	20	95	6	
Czech Republic	372	338	10	13	27	3	
Portugal	440	444	-1	-1	23		
Italy	2,388	2,149	11	11	94	7	
Canada	1,456	1,249	17	13	59	1	
Slovenia	238	240	-1	-1	12		
Ireland	288	243	19	18	15		
Hungary	290	231	26	37	23	3	
Slovakia	160	118	36	36	12	2	
Greece	431	365	18	18	23	1	
China	2,526	1,580	60	47	101	19	
Japan	1,149	701	64	49	19	4	
Russia	945	681	39	38	27	8	
South Korea	269	172	56	51	7	1	
Turkey	205	130	58	73	8		
Romania	288	103	180	191	15	4	
Croatia	260	62	319	328	10	4	
Singapore	202				1		
Bulgaria	35				3	3	
Franchise	864	516	67	71	75	7	2
<b>Total</b>	<b>69,450</b>	<b>61,108</b>	<b>14</b>	<b>12</b>	<b>2,575</b>	<b>119</b>	<b>16</b>

**SALES INCLUDING VAT BY COUNTRY AND NUMBER OF STORES****Second quarter, 1 March - 31 May**

COUNTRY	SEK m	SEK m	Change in %		No. of stores	New	Closed
	Q2-2012	Q2-2011	SEK	Local curr.	31 May 2012	stores	stores
Sweden	2,069	2,091	-1	-1	174	1	
Norway	1,367	1,287	6	3	105	1	
Denmark	1,144	1,066	7	7	90		
United Kingdom	2,752	2,295	20	12	215	2	2
Switzerland	1,550	1,558	-1	-6	81	1	1
Germany	8,069	7,601	6	6	397	5	1
Netherlands	1,849	1,860	-1	-1	120	1	
Belgium	861	800	8	7	70	5	
Austria	1,271	1,200	6	6	66	1	
Luxembourg	99	99	1	3	10		
Finland	611	580	5	5	49	3	
France	2,545	2,385	7	7	173	6	1
USA	3,224	2,297	40	28	239	5	
Spain	1,527	1,490	2	2	137	4	
Poland	781	701	11	19	95	4	
Czech Republic	200	185	8	11	27	2	
Portugal	219	227	-4	-4	23		
Italy	1,331	1,149	16	16	94	6	
Canada	800	669	20	13	59		
Slovenia	127	128	-1	-1	12		
Ireland	149	128	16	15	15		
Hungary	162	130	25	36	23	2	
Slovakia	85	62	37	37	12	1	
Greece	229	188	22	22	23		
China	1,451	888	63	46	101	12	
Japan	740	350	111	87	19	4	
Russia	573	398	44	42	27	6	
South Korea	160	99	62	54	7		
Turkey	121	76	59	70	8		
Romania	161	103	56	64	15	4	
Croatia	162	62	161	167	10	4	
Singapore	104				1		
Bulgaria	35				3	3	
Franchise	419	248	69	64	75	7	1
<b>Total</b>	<b>36,947</b>	<b>32,400</b>	<b>14</b>	<b>12</b>	<b>2,575</b>	<b>90</b>	<b>6</b>

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

	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Sales including VAT, SEK m	69,450	61,108	60,699	58,352	48,653
Sales excluding VAT, SEK m	59,491	52,135	51,879	49,837	41,351
Change from previous year, %	14.1	0.5	4.1	20.5	12.3
Operating profit, SEK m	10,419	9,007	11,943	9,035	8,954
Operating margin, %	17.5	17.3	23.0	18.1	21.7
Depreciation for the period, SEK m	1,840	1,634	1,555	1,436	1,155
Profit after financial items, SEK m	10,754	9,290	12,095	9,338	9,490
Profit after tax, SEK m	7,958	6,875	8,950	6,770	6,880
Liquid funds and short-term investments, SEK m	13,543	15,207	18,992	14,904	14,528
Stock-in-trade, SEK m	11,299	10,414	8,562	8,601	7,073
Equity, SEK m	36,516	33,946	36,064	31,644	27,263
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Earnings per share, SEK*	4.81	4.15	5.41	4.09	4.16
Shareholders' equity per share, SEK*	22.06	20.51	21.79	19.12	16.47
Cash flow from current operations per share, SEK*	6.45	5.16	7.55	4.35	4.65
Share of risk-bearing capital, %	73.5	73.0	75.9	74.8	76.0
Equity/assets ratio, %	71.5	71.3	71.8	71.0	74.2
Total number of stores	2,575	2,297	2,062	1,822	1,593
<b>Rolling twelve months</b>					
Earnings per share, SEK*	10.21	10.03	11.22	9.17	8.88
Return on shareholders' equity, %	48.0	47.4	54.8	51.6	56.9
Return on capital employed, %	63.0	63.0	72.9	70.9	77.4

\* 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

	2009			2010				2011				2012	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Sales including VAT, SEK m	31,070	27,587	32,758	29,095	31,604	31,475	34,792	28,708	32,400	31,511	36,191	32,503	<b>36,947</b>
Sales excluding VAT, SEK m	26,538	23,545	28,011	24,846	27,033	26,893	29,711	24,503	27,632	26,912	30,952	27,832	<b>31,658</b>
Change from previous year, %	23	13	6	7	2	14	6	-1	2	0	4	14	<b>15</b>
Operating profit, SEK m	5,671	4,700	7,909	4,978	6,965	5,656	7,060	3,408	5,599	4,707	6,665	3,526	<b>6,893</b>
Operating margin, %	21.4	20.0	28.2	20.0	25.8	21.0	23.8	13.9	20.3	17.5	21.5	12.7	<b>21.8</b>
Depreciation for the period, SEK m	715	722	672	772	783	777	729	808	826	831	797	911	<b>929</b>
Profit after financial items, SEK m	5,784	4,773	7,992	5,055	7,040	5,735	7,178	3,538	5,752	4,850	6,802	3,701	<b>7,053</b>
Profit after tax, SEK m	4,193	3,460	6,154	3,741	5,209	4,244	5,487	2,618	4,257	3,589	5,357	2,739	<b>5,219</b>
Liquid assets*, SEK m	14,904	16,238	22,025	26,200	18,992	21,362	24,858	24,355	15,207	16,895	21,277	22,029	<b>13,543</b>
Stock-in-trade, SEK m	8,601	10,215	10,240	8,402	8,562	10,545	11,487	10,822	10,414	13,310	13,819	12,397	<b>11,299</b>
Equity, SEK m	31,644	34,612	40,613	43,746	36,064	39,352	44,172	45,587	33,946	38,214	44,104	45,852	<b>36,516</b>
Earnings per share, SEK**	2.53	2.09	3.72	2.26	3.15	2.56	3.32	1.58	2.57	2.17	3.24	1.65	<b>3.15</b>
Equity per share, SEK**	19.12	20.91	24.54	26.43	21.79	23.78	26.69	27.54	20.51	23.09	26.65	27.70	<b>22.06</b>
Cash flow from current operations per share, SEK**	3.60	1.91	4.60	3.25	4.30	2.23	3.42	0.46	4.70	1.62	3.75	1.34	<b>5.11</b>
Share of risk-bearing capital, %	74.8	76.2	78.5	80.8	75.9	75.8	76.2	81.4	73.0	72.9	74.9	79.1	<b>73.5</b>
Equity/assets ratio, %	71.0	72.8	74.7	77.2	71.8	72.3	74.6	79.9	71.3	71.4	73.3	77.6	<b>71.5</b>
Total number of stores	1,822	1,840	1,988	1,992	2,062	2,078	2,206	2,212	2,297	2,325	2,472	2,491	<b>2,575</b>
<b>Rolling 12 months</b>													
Earnings per share, SEK**	9.18	9.26	9.90	10.61	11.22	11.69	11.29	10.61	10.03	9.64	9.56	9.63	<b>10.21</b>
Return on shareholders' equity, %	51.6	46.8	42.2	41.4	54.8	52.3	44.1	39.3	47.4	41.1	35.8	34.9	<b>48.0</b>
Return on capital employed, %	70.9	64.5	56.7	55.4	72.9	69.3	58.7	52.3	63.0	54.6	47.1	45.8	<b>63.0</b>
Stock-in-trade in % of turnover	8.9	10.2	10.1	8.2	8.3	9.9	10.6	10.0	9.6	12.2	12.6	10.9	<b>9.6</b>

\* 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)**

	<b>1 Dec 2011- 31 May 2012</b>	<b>1 Dec 2010- 31 May 2011</b>
<b>Nordic region</b>		
External net sales	8,171	7,848
Operating profit	213	89
Operating margin, %	2.6	1.1
<b>Eurozone excluding Finland</b>		
External net sales	29,277	27,454
Operating profit	764	385
Operating margin, %	2.6	1.4
<b>Rest of the World</b>		
External net sales	22,043	16,833
Operating profit	1,586	715
Operating margin, %	7.2	4.2
<b>Group Functions</b>		
Net sales to other segments	30,017	29,062
Operating profit	7,856	7,818
<b>Eliminations</b>		
Net sales to other segments	-30,017	-29,062
<b>Total</b>		
External net sales	59,491	52,135
Operating profit	10,419	9,007
Operating margin, %	17.5	17.3

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

	1 Dec 2011- 31 May 2012	1 Dec 2010- 31 May 2011	1 March 2012- 31 May 2012	1 March 2011- 31 May 2011	1 Dec 2010- 30 Nov 2011
External sales excluding VAT	4	3	3	2	24
Internal sales excluding VAT*	3,533	2,747	1,886	1,612	6,958
<b>GROSS PROFIT</b>	<b>3,537</b>	<b>2,750</b>	<b>1,889</b>	<b>1,614</b>	<b>6,982</b>
Selling expenses	-1,467	-1,158	-809	-678	-2,235
Administrative expenses	-1,629	-1,258	-969	-673	-2,671
<b>OPERATING PROFIT</b>	<b>441</b>	<b>334</b>	<b>111</b>	<b>263</b>	<b>2,076</b>
Dividend from subsidiaries	1,547	2,022	1,547	1,914	14,224
Interest income	97	81	45	45	151
Interest expense	0	0	0	0	0
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>2,085</b>	<b>2,437</b>	<b>1,703</b>	<b>2,222</b>	<b>16,451</b>
Year-end appropriations	-	-	-	-	-9
Tax	-141	-109	-41	-52	-596
<b>PROFIT FOR THE PERIOD</b>	<b>1,944</b>	<b>2,328</b>	<b>1,662</b>	<b>2,170</b>	<b>15,846</b>

\* Includes royalty received from Group companies

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

	1 Dec 2011- 31 May 2012	1 Dec 2010- 31 May 2011	1 March 2012- 31 May 2012	1 March 2011- 31 May 2011	1 Dec 2010- 30 Nov 2011
<b>PROFIT FOR THE PERIOD</b>	<b>1,944</b>	<b>2,328</b>	<b>1,662</b>	<b>2,170</b>	<b>15,846</b>
Other comprehensive income	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,944</b>	<b>2,328</b>	<b>1,662</b>	<b>2,170</b>	<b>15,846</b>

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

<b>ASSETS</b>	<b>31 May 2012</b>	<b>31 May 2011</b>	<b>30 Nov 2011</b>
<b>Fixed assets</b>			
Tangible fixed assets	451	415	441
Financial fixed assets	1,504	1,762	1,843
	<b>1,955</b>	<b>2,177</b>	<b>2,284</b>
<b>Current assets</b>			
Current receivables	2,003	85	10,675
Short-term investments, 4-12 months	-	1,202	5,038
Liquid funds	369	556	678
	<b>2,372</b>	<b>1,843</b>	<b>16,391</b>
<b>TOTAL ASSETS</b>	<b>4,327</b>	<b>4,020</b>	<b>18,675</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	3,265	3,526	17,044
Untaxed reserves	128	119	128
Long-term liabilities*	240	223	240
Current liabilities**	694	152	1,263
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,327</b>	<b>4,020</b>	<b>18,675</b>

\* Relates to provisions for pensions.

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