



# H & M HENNES & MAURITZ AB

## NINE-MONTH REPORT

1 December 2011 – 31 August 2012

### NINE MONTHS

- The H&M Group's sales including VAT increased by 11 percent in local currencies and in SEK and amounted to SEK 103,018 m (92,619) in the first nine months of the financial year. Sales in comparable units increased by 2 percent. Sales excluding VAT increased by 12 percent to SEK 88,297 m (79,047).
- Profit after financial items increased by 11 percent and amounted to SEK 15,649 m (14,140). Group profit after tax was SEK 11,580 m (10,464), corresponding to SEK 7.00 (6.32) per share.

### THE THIRD QUARTER

- The H&M Group's sales including VAT increased by 10 percent in local currencies in the third quarter. Sales in comparable units were unchanged. Converted into SEK, sales excluding VAT amounted to SEK 28,806 m (26,912), an increase of 7 percent.
- Gross profit amounted to SEK 16,771 m (15,766), corresponding to a gross margin of 58.2 percent (58.6).
- Profit after financial items increased to SEK 4,895 m (4,850). Group profit after tax was SEK 3,622 m (3,589), corresponding to SEK 2.19 (2.17) per share.
- Sales and profits in the third quarter have been affected by large negative currency translation effects. This has led to a negative impact of approximately SEK 200 m on profits after financial items compared to the third quarter 2011.

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- H&M is ramping up the pace of expansion. The expansion plan for the financial year 2012 has been increased to around 300 new stores net from 275 previously planned.
  - H&M's first stores in Latvia and Malaysia were very well received at the openings in September.
  - Sales in the period 1 – 25 September 2012 increased by 14 percent in local currencies compared to the same period last year (calendar adjusted).
  - Chile will become H&M's first market south of the equator when the first H&M store opens in Santiago de Chile during the first half of 2013.
  - Lithuania will become a new H&M market in autumn 2013 when the first H&M stores open in Vilnius.

### Comments by Karl-Johan Persson, CEO

"H&M continued to gain market share and increased sales by 10 percent in local currencies in the quarter which proves that we have an attractive offering that is appreciated by customers worldwide. Conditions in the fashion retail industry continued to be challenging in many markets – both as regards the weather and the macro-economic climate. The profit increase in the third quarter was damped by large negative currency translation effects. But viewed over the nine-month period, profit after financial items increased by 11 percent to more than SEK 15.6 billion.

We are continuing our long-term work by constantly making our customer offering even stronger and at the same time building for the future with many new initiatives such as *& Other Stories*, a new fashion brand that will be launched in separate stores and online during spring 2013. The new brand is aimed at women with an interest in fashion who want to create their own personal style, and focuses on the total look. *& Other Stories* will offer a broad range of shoes, bags, jewellery, beauty products, lingerie and clothes – everything in carefully selected qualities with great attention to details.

We see significant opportunities for continued growth both in stores and online. We are ramping up the rate of expansion for full-year 2012 to 300 new stores net from the previously planned 275. We are looking forward to taking our first step into the southern hemisphere next year by opening our first store in South America, which will be a flagship store in Santiago de Chile. The online market is increasingly growing, with particularly strong growth in mobile shopping via smartphones and tablets. To accommodate this rapid development, from as early as the beginning of next year we will also offer a completely mobile adapted H&M shop online in H&M's existing eight online markets. Meantime, we have intensified preparations for the rollout of H&M shop online to other markets in the Group. These investments – and as we need more time for the launch of our online shop for the US – mean that the launch of H&M shop online in the US has been moved to summer 2013."

### Sales and store openings

In the first nine months of the financial year, sales including VAT increased by 11 percent in local currencies. Sales in comparable units increased by 2 percent. Converted into SEK, sales including VAT increased by 11 percent to SEK 103,018 m (92,619). Sales excluding VAT increased by 12 percent to SEK 88,297 m (79,047).

In the third quarter, sales including VAT increased by 10 percent in local currencies. Sales in comparable units were unchanged. Converted into SEK, sales increased by 7 percent to SEK 33,568 m (31,511). Sales excluding VAT increased by 7 percent to SEK 28,806 m (26,912).

The Group opened 181 (136) stores and closed 24 (17) stores during the nine-month period. The total number of stores in the Group as per 31 August 2012 thus amounted to 2,629 (2,325), of which 78 franchise stores, 55 COS stores, 55 Monki stores, 21 Weekday stores and 4 Cheap Monday stores.

### Results for the nine months

Gross profit for the Group for the first nine months amounted to SEK 51,854 m (46,997), an increase of 10 percent. This corresponds to a gross margin of 58.7 percent (59.5).

The operating profit amounted to SEK 15,221 m (13,714), an increase of 11 percent. This corresponds to an operating margin of 17.2 percent (17.3).

Operating profit for the nine-month period has been charged with depreciation amounting to SEK 2,761 m (2,465).

Consolidated net interest income was SEK 428 m (426).

Profit after financial items amounted to SEK 15,649 m (14,140), an increase of 11 percent.

The Group's profit after an estimated tax rate of 26.0 percent (26.0) was SEK 11,580 m (10,464) for the nine-month period, which represents earnings per share of SEK 7.00 (6.32), an increase of 11 percent.

Return on shareholders' equity, rolling twelve months, was 44.3 percent (41.1) and return on capital employed, rolling twelve months, was 58.2 percent (54.6).

### Results for the third quarter

Gross profit for the Group for the third quarter amounted to SEK 16,771 m (15,766), an increase of 6 percent. This corresponds to a gross margin of 58.2 percent (58.6).

Operating profit for the third quarter amounted to 4,802 m (4,707). This corresponds to an operating margin of 16.7 percent (17.5).

Profit after financial items amounted to SEK 4,895 m (4,850).

Profit after tax was SEK 3,622 m (3,589), corresponding to SEK 2.19 (2.17) per share.

	NINE MONTHS 2012	NINE MONTHS 2011	Q3 2012	Q3 2011
(SEK m)				
Net sales	88,297	79,047	28,806	26,912
Gross profit	51,854	46,997	16,771	15,766
<i>gross margin, %</i>	58.7	59.5	58.2	58.6
Operating profit	15,221	13,714	4,802	4,707
<i>operating profit, %</i>	17.2	17.3	16.7	17.5
Net financial items	428	426	93	143
Profit after financial items	15,649	14,140	4,895	4,850
Tax	-4,069	-3,676	-1,273	-1,261
Profit for the period	11,580	10,464	3,622	3,589
Earnings per share, SEK	7.00	6.32	2.19	2.17



### Comments on the third quarter

In the quarter, H&M continued to gain market share in a very challenging market, which proves that H&M's strong offering is appreciated by customers worldwide. Sales increased by 10 percent in local currencies and were unchanged in comparable units. Converted into SEK, sales including VAT increased by 7 percent. Conditions for the fashion retail industry continued to be challenging in many markets in the third quarter – both as regards the weather and the macroeconomic climate, with austerity measures and restrained consumption. The quarter started with two months of strong sales development in June and July, while sales in August were lower than planned. The company considers weaker sales in August to have been primarily due to the extreme heat wave in a number of markets in Europe.

In the quarter, the gross margin amounted to 58.2 percent (58.6). H&M's gross margin is a result of many different factors, internal as well as external, and is 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. For purchases made for the third quarter, an easing of cotton prices had a neutral to positive effect on purchasing costs compared to the corresponding purchasing period the previous year. This has, however, been offset to some extent by cost inflation, primarily in Asia and by a stronger US dollar.

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

H&M's long-term investments - aimed at broadening the Group's total offering continues - including work on the new store chain & *Other Stories* which will be launched in spring 2013. These long-term investments represented a slightly higher proportion of cost in relation to sales in the third quarter compared to the second quarter 2012.

Cost control in the Group remains good. Selling and administrative expenses in the quarter amounted to SEK 11,969 m (11,059), an increase of 8 percent which is mainly explained by the expansion. In local currencies, the increase was 11 percent.

During the third quarter, the strong appreciation of the Swedish krona primarily against the euro, led to large negative currency translation effects on sales and profits in the quarter when converting local currencies into SEK, H&M's reporting currency. Profit after financial items has consequently been negatively affected by approximately SEK 200 m compared to the third quarter 2011.

The stock-in-trade increased by 1 percent compared to the same time last year and amounted to SEK 13,501 m (13,310). In local currencies, the increase was 3 percent. The level and the balance of the stock-in-trade as at 31 August 2012 are deemed to be good. The stock-in-trade represents 11.3 percent (12.2) of sales excluding VAT for rolling twelve month period. The stock-in-trade was 25.5 percent (24.9) of total assets.

### Financial position and cash flow

Consolidated total assets as per 31 August 2012 amounted to SEK 52,974 m (53,532), a decrease of 1 percent compared to the same time the previous year.

The current operations generated a positive cash flow of SEK 13,044 m (11,226). Cash flow for the period was also affected by dividends by SEK -15,723 m (-15,723), investments in fixed assets of SEK -4,313 m (-3,288) and by changes in short-term investments with a duration of four to twelve months of SEK 5,525 m (4,791). During the nine-month period, the Group generated a cash flow of SEK -1,454 m (-3,024). Liquid funds and short-term investments thus amounted to SEK 13,552 m (16,895).

The equity/assets ratio was 72.3 percent (71.4) and the share of risk-bearing capital was 74.0 percent (72.9).

Shareholders' equity apportioned on the outstanding 1,655,072,000 (1,655,072,000) shares as per 31 August 2012 was SEK 23.13 (23.09).



## 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 the expansion plan is being ramped up to 300 new stores net from the previously planned 275. China and the US 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 Russia, Italy, Poland and the UK.

In 2012 five new markets will be added. H&M opened its first H&M store in Bulgaria in March and in Latvia and Malaysia in September. Thailand will open its first H&M store via franchise by the end of September. The first H&M store in Mexico will open towards the end of the financial year.

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. In the third quarter the first COS stores opened in Poland, Hong Kong and Austria, while Weekday opened its first store in the Netherlands. During the autumn COS and Monki will open their first stores on the Chinese mainland and Kuwait will also get its first COS store (via franchise). During the spring 2013, COS will open its first store in Norway, Monki and Weekday will open its first stores in Japan and Monki will open its first store in France. In addition to this, Weekday will launch online shopping in 18 countries in 2013. H&M Home will also continue to expand.

In spring 2013 the Group will launch *& Other Stories*, a new fashion brand that will be launched in separate stores and online in selected markets in Europe. The new brand focuses on the total look and is aimed at women with an interest in fashion who want to create their own personal style. *& Other Stories* will offer a broad range of shoes, bags, jewellery, beauty products, lingerie and clothes in a wide range of prices in a higher price segment with carefully selected qualities and great attention to details. As with the rest of the H&M Group, *& Other Stories* will continue to offer the best price for comparable items. The various collections are being created by a group of in-house designers from studios in Paris and Stockholm.

The online market is increasingly growing, with particularly strong growth in mobile shopping via smartphones and tablets. To accommodate this rapid development, from as early as the beginning of next year the Group will also offer a completely mobile adapted H&M shop online in H&M's existing eight online markets. Meantime, H&M has intensified work on the rollout of H&M shop online to other markets in the Group. As a result of these investments – and as more time is needed to adapt H&M shop online for the US market – the launch of H&M shop online in the US has been moved from autumn 2012 to summer 2013.

As previously communicated, the first H&M store in South America will open in Santiago de Chile during the first half of 2013. The store will be a flagship store in the best location in the Costanera Center shopping mall.

The first three H&M stores in Tallinn, Estonia will open in autumn 2013. During autumn 2013 the first three H&M stores will also open in Vilnius in Lithuania. 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 5 m (4) for the first nine months of the financial year. Profit after financial items amounted to SEK 2,824 m (3,741). Investments in fixed assets amounted to SEK 87 m (77).

## Comments on the current quarter

Sales in the period 1 – 25 September 2012 increased by 14 percent in local currencies compared to the same period last year (calendar adjusted).

## 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 2011. There were no significant changes in risks and uncertainties during the period.

## Key-ratio definitions

**Return on equity:** Profit for the period 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**

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
23	April, at 3 p.m	Annual General Meeting 2013, Victoriahallen, Stockholm International Fairs, Stockholm, Sweden
19	June 2013	Six-month report, 1 December 2012 – 31 May 2013

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

Stockholm, 26 September 2012  
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 2012 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 International Standards on Auditing 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, 26 September 2012

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 27 September 2012.*

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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 2,600 stores in 46 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 Aug 2012	1 Dec 2010- 31 Aug 2011	1 June 2012- 31 Aug 2012	1 June 2011- 31 Aug 2011	1 Dec 2010- 30 Nov 2011
Sales including VAT	103,018	92,619	33,568	31,511	128,810
Sales excluding VAT	88,297	79,047	28,806	26,912	109,999
Cost of goods sold	-36,443	-32,050	-12,035	-11,146	-43,852
<b>GROSS PROFIT</b>	<b>51,854</b>	<b>46,997</b>	<b>16,771</b>	<b>15,766</b>	<b>66,147</b>
<i>Gross margin, %</i>	58.7	59.5	58.2	58.6	60.1
Selling expenses	-34,097	-30,888	-11,158	-10,292	-42,517
Administrative expenses	-2,536	-2,395	-811	-767	-3,251
<b>OPERATING PROFIT</b>	<b>15,221</b>	<b>13,714</b>	<b>4,802</b>	<b>4,707</b>	<b>20,379</b>
<i>Operating margin, %</i>	17.2	17.3	16.7	17.5	18.5
Interest income	430	430	93	145	568
Interest expense	-2	-4	0	-2	-5
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>15,649</b>	<b>14,140</b>	<b>4,895</b>	<b>4,850</b>	<b>20,942</b>
Tax	-4,069	-3,676	-1,273	-1,261	-5,121
<b>PROFIT FOR THE PERIOD</b>	<b>11,580</b>	<b>10,464</b>	<b>3,622</b>	<b>3,589</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*	7.00	6.32	2.19	2.17	9.56
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Depreciation, total	2,761	2,465	921	831	3,262
of which cost of goods sold	310	277	103	93	366
of which selling expenses	2,284	2,037	763	687	2,698
of which administrative expenses	167	151	55	51	198

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

	1 Dec 2011- 31 Aug 2012	1 Dec 2010- 31 Aug 2011	1 June 2012- 31 Aug 2012	1 June 2011- 31 Aug 2011	1 Dec 2010- 30 Nov 2011
<b>PROFIT FOR THE PERIOD</b>	<b>11,580</b>	<b>10,464</b>	<b>3,622</b>	<b>3,589</b>	<b>15,821</b>
<b>Other comprehensive income</b>					
Translation differences	-1,791	-307	-1,828	689	-35
Change in hedging reserves	142	-530	-47	-14	-113
Tax attributable to other comprehensive income	-37	138	12	4	30
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-1,686</b>	<b>-699</b>	<b>-1,863</b>	<b>679</b>	<b>-118</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>9,894</b>	<b>9,765</b>	<b>1,759</b>	<b>4,268</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 Aug 2012	31 Aug 2011	30 Nov 2011
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible fixed assets	1,272	1,125	1,035
Tangible fixed assets	17,503	16,083	17,393
Financial assets	2,036	1,750	1,842
	20,811	18,958	20,270
<b>Current assets</b>			
Stock-in-trade	13,501	13,310	13,819
Current receivables	5,110	4,369	4,822
Short-term investments, 4-12 months	1,408	3,372	6,958
Liquid funds	12,144	13,523	14,319
	32,163	34,574	39,918
<b>TOTAL ASSETS</b>	<b>52,974</b>	<b>53,532</b>	<b>60,188</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	38,275	38,214	44,104
Long-term liabilities*	1,333	1,075	1,327
Current liabilities**	13,366	14,243	14,757
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>52,974</b>	<b>53,532</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 Aug 2012	31 Aug 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	9,894	9,765	15,703
Dividend	-15,723	-15,723	-15,723
Shareholders' equity at the end of the period	38,275	38,214	44,104

\* Adjustment of pension obligations related to prior years.

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

	1 Dec 2011- 31 Aug 2012	1 Dec 2010- 31 Aug 2011
<b>Current operations</b>		
Profit after financial items*	15,649	14,140
Provisions for pensions	49	15
Depreciation	2,761	2,465
Tax paid	-4,917	-3,819
<b>Cash flow from current operations before changes in working capital</b>	<b>13,542</b>	<b>12,801</b>
<b>Cash flow from changes in working capital</b>		
Current receivables	-191	-146
Stock-in-trade	-54	-1,867
Current liabilities	-253	438
<b>CASH FLOW FROM CURRENT OPERATIONS</b>	<b>13,044</b>	<b>11,226</b>
<b>Investment activities</b>		
Investment in intangible fixed assets	-481	-74
Investment in tangible fixed assets	-3,832	-3,214
Change in short-term investments, 4 - 12 months	5,525	4,791
Other investments	13	-30
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>1,225</b>	<b>1,473</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>-1,454</b>	<b>-3,024</b>
Liquid funds at beginning of the financial year	14,319	16,691
Cash flow for the period	-1,454	-3,024
Exchange rate effect	-721	-144
Liquid funds at end of the period**	12,144	13,523

\* Interest paid for the Group amounts to SEK 2 m (4).

\*\* Liquid funds and short-term investments 4-12 months at the end of the period amounted to SEK 13,552 m (16,895).

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

Nine months, 1 December - 31 August

COUNTRY	SEK m	SEK m	Change in %		No. of stores	New	Closed
	2012	2011	SEK	Local currency	31 Aug 2012	stores	stores
Sweden	6,158	6,198	-1	-1	174	1	
Norway	4,163	3,933	6	5	105	1	
Denmark	3,152	3,039	4	6	91	1	
United Kingdom	7,608	6,496	17	13	217	8	4
Switzerland	4,303	4,394	-2	-3	82	3	1
Germany	22,291	21,589	3	5	400	13	7
Netherlands	4,889	5,074	-4	-1	122	4	
Belgium	2,443	2,318	5	8	70	5	1
Austria	3,507	3,439	2	4	67	2	1
Luxembourg	277	280	-1	1	10		
Finland	1,829	1,767	4	6	50	5	2
France	7,249	6,677	9	11	175	8	1
USA	9,204	6,812	35	27	250	19	2
Spain	4,357	4,290	2	4	137	7	2
Poland	2,147	1,986	8	18	97	8	
Czech Republic	552	515	7	13	27	3	
Portugal	655	674	-3	-1	23		
Italy	3,476	3,123	11	14	97	10	
Canada	2,264	1,990	14	10	60	2	
Slovenia	352	357	-1	1	12		
Ireland	425	368	15	18	15		
Hungary	438	350	25	39	24	4	
Slovakia	241	176	37	40	12	2	
Greece	631	555	14	16	24	2	
China	3,803	2,441	56	33	109	27	
Japan	1,692	1,013	67	54	19	4	
Russia	1,537	1,097	40	42	34	15	
South Korea	402	276	46	42	9	3	
Turkey	321	201	60	71	8		
Romania	440	193	128	144	16	5	
Croatia	415	125	232	244	10	4	
Singapore	302				1		
Bulgaria	79				4	4	
Franchise	1,416	873	62	59	78	11	3
<b>Total</b>	<b>103,018</b>	<b>92,619</b>	<b>11</b>	<b>11</b>	<b>2,629</b>	<b>181</b>	<b>24</b>

**SALES INCLUDING VAT AND NUMBER OF STORES BY COUNTRY****Third quarter, 1 June - 31 August**

COUNTRY	SEK m	SEK m	Change in %		No. of stores	New	Closed
	Q3-2012	Q3-2011	SEK	Local currency	31 Aug 2012	stores	stores
Sweden	2,080	2,120	-2	-2	174		
Norway	1,437	1,403	2	4	105		
Denmark	987	1,021	-3	4	91	1	
United Kingdom	2,490	2,260	10	7	217	3	1
Switzerland	1,350	1,453	-7	1	82	1	
Germany	6,933	7,265	-5	1	400	7	4
Netherlands	1,473	1,674	-12	-5	122	2	
Belgium	782	772	1	9	70		
Austria	1,099	1,117	-2	6	67	1	
Luxembourg	84	91	-8	-1	10		
Finland	646	649	0	7	50	2	1
France	2,321	2,207	5	13	175	2	
USA	3,183	2,382	34	25	250	11	
Spain	1,368	1,404	-3	4	137	1	1
Poland	700	688	2	13	97	2	
Czech Republic	180	177	2	13	27		
Portugal	215	230	-7	0	23		
Italy	1,088	974	12	20	97	3	
Canada	808	741	9	6	60	1	
Slovenia	114	117	-3	4	12		
Ireland	137	125	10	18	15		
Hungary	148	119	24	42	24	1	
Slovakia	81	58	40	47	12		
Greece	200	190	5	12	24	1	
China	1,277	861	48	26	109	8	
Japan	543	312	74	63	19		
Russia	592	416	42	50	34	7	
South Korea	133	104	28	27	9	2	
Turkey	116	71	63	68	8		
Romania	152	90	69	90	16	1	
Croatia	155	63	146	161	10		
Singapore	100				1		
Bulgaria	44				4	1	
Franchise	552	357	55	42	78	4	1
<b>Total</b>	<b>33,568</b>	<b>31,511</b>	<b>7</b>	<b>10</b>	<b>2,629</b>	<b>62</b>	<b>8</b>

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

	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Sales including VAT, SEK m	103,018	92,619	92,174	85,939	73,193
Sales excluding VAT, SEK m	88,297	79,047	78,772	73,382	62,222
Change from previous year, %	11.7	0.3	7.3	17.9	12.1
Operating profit, SEK m	15,221	13,714	17,599	13,735	13,319
Operating margin, %	17.2	17.3	22.3	18.7	21.4
Depreciation for the period, SEK m	2,761	2,465	2,332	2,158	1,745
Profit after financial items, SEK m	15,649	14,140	17,830	14,111	14,076
Profit after tax, SEK m	11,580	10,464	13,194	10,230	10,205
Liquid funds and short-term investments, SEK m	13,552	16,895	21,362	16,238	17,786
Stock-in-trade, SEK m	13,501	13,310	10,545	10,215	7,930
Equity, SEK m	38,275	38,214	39,352	34,612	30,828
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Earnings per share, SEK*	7.00	6.32	7.97	6.18	6.17
Shareholders' equity per share, SEK*	23.13	23.09	23.78	20.91	18.63
Cash flow from current operations per share, SEK*	7.88	6.78	9.78	6.26	7.23
Share of risk-bearing capital, %	74.0	72.9	75.8	76.2	75.1
Equity/assets ratio, %	72.3	71.4	72.3	72.8	73.5
Total number of stores	2,629	2,325	2,078	1,840	1,618
<b>Rolling twelve months</b>					
Earnings per share, SEK*	10.23	9.64	11.69	9.26	8.98
Return on shareholders' equity, %	44.3	41.1	52.3	46.8	50.7
Return on capital employed, %	58.2	54.6	69.3	64.5	68.9

\* 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		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Sales including VAT, SEK m	27,587	32,758	29,095	31,604	31,475	34,792	28,708	32,400	31,511	36,191	32,503	36,947	33,568
Sales excluding VAT, SEK m	23,545	28,011	24,846	27,033	26,893	29,711	24,503	27,632	26,912	30,952	27,832	31,658	28,806
Change from previous year, %	13	6	7	2	14	6	-1	2	0	4	14	15	7
Operating profit, SEK m	4,700	7,909	4,978	6,965	5,656	7,060	3,408	5,599	4,707	6,665	3,526	6,893	4,802
Operating margin, %	20.0	28.2	20.0	25.8	21.0	23.8	13.9	20.3	17.5	21.5	12.7	21.8	16.7
Depreciation for the period, SEK m	722	672	772	783	777	729	808	826	831	797	911	929	921
Profit after financial items, SEK m	4,773	7,992	5,055	7,040	5,735	7,178	3,538	5,752	4,850	6,802	3,701	7,053	4,895
Profit after tax, SEK m	3,460	6,154	3,741	5,209	4,244	5,487	2,618	4,257	3,589	5,357	2,739	5,219	3,622
Liquid assets*, SEK m	16,238	22,025	26,200	18,992	21,362	24,858	24,355	15,207	16,895	21,277	22,029	13,543	13,552
Stock-in-trade, SEK m	10,215	10,240	8,402	8,562	10,545	11,487	10,822	10,414	13,310	13,819	12,397	11,299	13,501
Equity, SEK m	34,612	40,613	43,746	36,064	39,352	44,172	45,587	33,946	38,214	44,104	45,852	36,516	38,275
Earnings per share, SEK**	2.09	3.72	2.26	3.15	2.56	3.32	1.58	2.57	2.17	3.24	1.65	3.15	2.19
Equity per share, SEK**	20.91	24.54	26.43	21.79	23.78	26.69	27.54	20.51	23.09	26.65	27.70	22.06	23.13
Cash flow from current operations per share, SEK**	1.91	4.60	3.25	4.30	2.23	3.42	0.46	4.70	1.62	3.75	1.34	5.11	1.43
Share of risk-bearing capital, %	76.2	78.5	80.8	75.9	75.8	76.2	81.4	73.0	72.9	74.9	79.1	73.5	74.0
Equity/assets ratio, %	72.8	74.7	77.2	71.8	72.3	74.6	79.9	71.3	71.4	73.3	77.6	71.5	72.3
Total number of stores	1,840	1,988	1,992	2,062	2,078	2,206	2,212	2,297	2,325	2,472	2,491	2,575	2,629
<b>Rolling 12 months</b>													
Earnings per share, SEK**	9.26	9.90	10.61	11.22	11.69	11.29	10.61	10.03	9.64	9.56	9.63	10.21	10.23
Return on shareholders' equity, %	46.8	42.2	41.4	54.8	52.3	44.1	39.3	47.4	41.1	35.8	34.9	48.0	44.3
Return on capital employed, %	64.5	56.7	55.4	72.9	69.3	58.7	52.3	63.0	54.6	47.1	45.8	63.0	58.2
Stock-in-trade in % of turnover	10.2	10.1	8.2	8.3	9.9	10.6	10.0	9.6	12.2	12.6	10.9	9.6	11.3

\* 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 Aug 2012</b>	<b>1 Dec 2010- 31 Aug 2011</b>
<b>Nordic region</b>		
External net sales	12,202	12,037
Operating profit	350	301
Operating margin, %	2.9	2.5
<b>Eurozone excluding Finland</b>		
External net sales	42,747	41,073
Operating profit	469	42
Operating margin, %	1.1	0.1
<b>Rest of the World</b>		
External net sales	33,348	25,937
Operating profit	2,087	1,166
Operating margin, %	6.3	4.5
<b>Group Functions</b>		
Net sales to other segments	45,720	43,465
Operating profit	12,315	12,205
<b>Eliminations</b>		
Net sales to other segments	-45,720	-43,465
<b>Total</b>		
External net sales	88,297	79,047
Operating profit	15,221	13,714
Operating margin, %	17.2	17.3

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

	1 Dec 2011- 31 Aug 2012	1 Dec 2010- 31 Aug 2011	1 June 2012- 31 Aug 2012	1 June 2011- 31 Aug 2011	1 Dec 2010- 30 Nov 2011
External sales excluding VAT	5	4	1	1	24
Internal sales excluding VAT*	5,295	4,456	1,762	1,709	6,958
<b>GROSS PROFIT</b>	<b>5,300</b>	<b>4,460</b>	<b>1,763</b>	<b>1,710</b>	<b>6,982</b>
Selling expenses	-1,822	-1,473	-355	-315	-2,235
Administrative expenses	-2,419	-1,899	-790	-641	-2,671
<b>OPERATING PROFIT</b>	<b>1,059</b>	<b>1,088</b>	<b>618</b>	<b>754</b>	<b>2,076</b>
Dividend from subsidiaries	1,660	2,554	113	532	14,224
Interest income	105	99	8	18	151
Interest expense	0	0	0	0	0
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>2,824</b>	<b>3,741</b>	<b>739</b>	<b>1,304</b>	<b>16,451</b>
Year-end appropriations	-	-	-	-	-9
Tax	-306	-312	-165	-203	-596
<b>PROFIT FOR THE PERIOD</b>	<b>2,518</b>	<b>3,429</b>	<b>574</b>	<b>1,101</b>	<b>15,846</b>

\* Includes royalty received from Group companies

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

	1 Dec 2011- 31 Aug 2012	1 Dec 2010- 31 Aug 2011	1 June 2012- 31 Aug 2012	1 June 2011- 31 Aug 2011	1 Dec 2010- 30 Nov 2011
<b>PROFIT FOR THE PERIOD</b>	<b>2,518</b>	<b>3,429</b>	<b>574</b>	<b>1,101</b>	<b>15,846</b>
Other comprehensive income	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>2,518</b>	<b>3,429</b>	<b>574</b>	<b>1,101</b>	<b>15,846</b>



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

<b>ASSETS</b>	<b>31 Aug 2012</b>	<b>31 Aug 2011</b>	<b>30 Nov 2011</b>
<b>Fixed assets</b>			
Tangible fixed assets	446	418	441
Financial fixed assets	1,374	1,797	1,843
	<b>1,820</b>	<b>2,215</b>	<b>2,284</b>
<b>Current assets</b>			
Current receivables	1,410	709	10,675
Short-term investments, 4-12 months	904	2,264	5,038
Liquid funds	427	453	678
	<b>2,741</b>	<b>3,426</b>	<b>16,391</b>
<b>TOTAL ASSETS</b>	<b>4,561</b>	<b>5,641</b>	<b>18,675</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	3,839	4,627	17,044
Untaxed reserves	128	119	128
Long-term liabilities*	240	223	240
Current liabilities**	354	672	1,263
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,561</b>	<b>5,641</b>	<b>18,675</b>

\* Relates to provisions for pensions.

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