



# H & M HENNES & MAURITZ AB

## NINE-MONTH REPORT

1 December 2012 – 31 August 2013

### NINE-MONTHS

- The H&M Group's sales including VAT increased in local currencies by 8 percent in the first nine months of the financial year. Sales in comparable units decreased by 2 percent. Converted into SEK, sales excluding VAT amounted to SEK 92,067 m (88,297), an increase of 4 percent.
- Profit after financial items amounted to SEK 15,189 m (15,649). The Group's profit after tax amounted to SEK 11,544 m (11,580), corresponding to SEK 6.97 (7.00) per share.

### THIRD QUARTER

- The H&M Group's sales including VAT increased in local currencies by 12 percent in the third quarter. Converted into SEK, sales excluding VAT amounted to SEK 32,040 m (28,806). Sales in comparable units increased by 2 percent.
  - Gross profit amounted to SEK 18,828 m (16,771), corresponding to a gross margin of 58.8 percent (58.2).
  - Profit after financial items amounted to SEK 5,830 m (4,895). The Group's profit after tax amounted to SEK 4,431 m (3,622), corresponding to SEK 2.68 (2.19) per share, an increase of 22 percent.
  - H&M's online store in the US, launched in August, has got off to a good start.
  - H&M's first stores in Lithuania and Serbia were very well received on opening in August.
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- Sales increased by 8 percent in local currencies in the period 1 September – 24 September 2013 compared to the same period last year. The full month of September will have a negative calendar effect of approximately 2 percentage points for the H&M Group.

### Comments by CEO Karl-Johan Persson

"The third quarter has been very good as regards both sales and profits. Profits after financial items increased by nearly SEK 1 billion. Our well received summer collections have resulted in strong sales development in the quarter, particularly in Asia but also in a number of European markets. We have also seen the very successful launch of our online store in the US in August and can see that our offering stands up well in the world's largest online market.

Our expansion is strong. It is not long since we opened our 2,000th store in 2010, and this September – only three years later – we opened our store number 3,000 in Chengdu, one of China's major cities. China is the country where our expansion is strongest, but we are also expanding in other exciting regions. We have opened 215 new stores so far this year and have had successful openings in four new H&M countries: Chile, Lithuania, Serbia and Estonia. In October this year we will open in another country in Southeast Asia – in Indonesia via franchise – and in the first half of 2014 we will open our first store in Melbourne, Australia. In 2015 we plan to open in South Africa.

We are also continuing to work on our other brands as well as on our global roll-out of online shopping with the aim of launching our online store in more markets during 2014. Expansion continues for our other brands, especially COS and & Other Stories, which continue to do well and will expand even more rapidly next year."



## Sales and store openings

Sales including VAT increased by 8 percent, in local currencies, in the first nine months of the financial year. Sales in comparable units decreased by 2 percent. Converted into SEK, sales increased by 4 percent to SEK 107,480 m (103,018). Sales excluding VAT increased to SEK 92,067 m (88,297), an increase of 4 percent.

The nine-month period has been characterised by substantial currency translation effects as a result of the strengthening of the Swedish krona against most sales countries' currencies compared to the same period the previous year. The reported sales of SEK 107,480 m including VAT in the first nine months would have been approximately SEK 3.5 billion higher using the same exchange rates as last year.

In the third quarter, sales including VAT increased by 12 percent in local currencies. Sales in comparable units increased by 2 percent. Converted into SEK, sales including VAT amounted to SEK 37,411 m (33,568). Sales excluding VAT increased by 11 percent and amounted to SEK 32,040 m (28,806).

The Group opened 215 (181) stores and closed 27 (24) stores during the nine-month period. The total number of stores in the Group as per 31 August 2013 thus amounted to 2,964 (2,629) of which 2,787 were H&M stores, 75 COS stores, 69 Monki stores, 22 Weekday stores, 7 & Other Stories stores and 4 Cheap Monday stores. 101 of the Group's stores were franchise stores.

## Results for the first nine months

Gross profit for the Group for the first nine months amounted to SEK 53,844 m (51,854). This corresponds to a gross margin of 58.5 percent (58.7).

The operating profit amounted to SEK 14,908 m (15,221). This corresponds to an operating margin of 16.2 percent (17.2).

Operating profit for the nine-month period has been charged with depreciation amounting to SEK 3,106 m (2,761).

Consolidated net interest income was SEK 281 m (428).

Profit after financial items amounted to SEK 15,189 m (15,649).

The Group's profit for the nine-month period after an estimated tax rate of 24 percent (26) was SEK 11,544 m (11,580), which represents earnings per share of SEK 6.97 (7.00).

Return on shareholders' equity was, rolling twelve months, 43.4 percent (44.3) and return on capital employed was, rolling twelve months, 55.8 percent (58.2).

## Results for the third quarter

Gross profit for the Group for the third quarter amounted to SEK 18,828 m (16,771). This corresponds to a gross margin of 58.8 percent (58.2). Operating profit for the third quarter amounted to SEK 5,755 m (4,802). This corresponds to an operating margin of 18.0 percent (16.7). Profit after financial items amounted to SEK 5,830 m (4,895). Profit after tax was SEK 4,431 m (3,622), corresponding to SEK 2.68 (2.19) per share, an increase of 22 percent.

	NINE MONTHS 2013	NINE MONTHS 2012	Q3 2013	Q3 2012
(SEK m)				
Net sales	92,067	88,297	32,040	28,806
Gross profit	53,844	51,854	18,828	16,771
gross margin, %	58.5	58.7	58.8	58.2
Operating profit	14,908	15,221	5,755	4,802
operating margin, %	16.2	17.2	18.0	16.7
Net financial items	281	428	75	93
Profit after financial items	15,189	15,649	5,830	4,895
Tax	-3,645	-4,069	-1,399	-1,273
Profit for the period	11,544	11,580	4,431	3,622
Earnings per share, SEK	6.97	7.00	2.68	2.19



### Comments on the third quarter

Sales in the third quarter have been good with an increase of 12 percent in local currencies. Sales development has been particularly strong in Asia, in countries such as China and Japan, but also in a number of European markets such as Germany, France, Italy, Denmark, Poland and Russia.

H&M's online store in the US, launched in August, has been very well received by customers. H&M will continue its rapid store expansion in the US and sees online shopping as an important complementary sales channel in order to reach even more customers and thereby further strengthen H&M's position in the US.

The gross margin for the quarter amounted to 58.8 percent (58.2). H&M's purchasing costs and gross margin are a result of many different factors, internal as well as external. Examples of external factors include raw material prices, cost inflation, capacity, purchasing currencies and transportation costs. Overall, the market situation for these factors is considered to have been neutral during the purchasing period for the third quarter compared to the corresponding purchasing period the previous year. How these external factors ultimately affect the purchasing costs and gross margin for a quarter is dependent both on how well H&M manages these factors and also on the decisions that H&M makes in line with its strategy to always have the best customer offering in each individual market – based on the combination of fashion, quality, price and sustainability.

Markdowns in relation to sales had a negative effect on the gross margin of 0.2 percentage points compared to the third quarter 2012.

Cost control in the Group remains good. Selling and administrative expenses in the quarter amounted to SEK 13,073 m (11,969), an increase of 9 percent. In local currencies the increase was 10 percent. The cost increase compared to the third quarter 2012 is due to the expansion and to long-term investments within areas such as IT, online sales and & Other Stories. These investments aim to further strengthen H&M's market position in the long term and to secure future expansion. Costs in comparable stores decreased compared to the third quarter 2012, both as a share of sales and in absolute figures.

Operating profit increased to SEK 5,755 m (4,802), corresponding to an operating margin of 18.0 percent (16.7). Profit after financial items increased by 19 percent and amounted to SEK 5,830 m (4,895). The strong increase is due to good sales development and cost control. Profits continued to be affected by long-term investments and by negative currency translation effects. The currency translation effects arise when converting local currencies into SEK, H&M's reporting currency.

The stock-in-trade increased by 14 percent compared to the same time the previous year and amounted to SEK 15,329 m (13,501). In local currencies the increase was also 14 percent. The increase is mainly due to the expansion. The stock-in-trade amounted to 12.3 percent (11.3) of sales excluding VAT (rolling 12 months) and 27.3 percent (25.5) of total assets. Although the level of the stock-in-trade as of 31 August 2013 is slightly higher than planned, the composition of the stock-in-trade going into the autumn season is deemed to be good.

### Financial position and cash flow

Consolidated total assets as per 31 August 2013 amounted to SEK 56,065 m (52,974).

The current operations generated a positive cash flow of SEK 14,974 m (13,044). Cash flow was among other things affected by dividends of -15,723 (-15,723), investments in fixed assets of SEK -5,340 m (-4,313) and by changes in short-term investments with a duration of four to twelve months of SEK 2,995 m (5,525). During the nine-month period, the Group generated a cash flow of SEK -3,073 m (-1,454). Liquid funds and short-term investments amounted to SEK 10,953 m (13,552).

The equity/assets ratio was 69.9 percent (72.3) and the share of risk-bearing capital was 73.4 percent (74.0).

Shareholders' equity apportioned on the outstanding 1,655,072,000 (1,655,072,000) shares as per 31 August 2013 was SEK 23.69 (23.13).

### Expansion

H&M remains positive as regards 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.

Approximately 350 new stores net are planned for full-year 2013. Most new stores in 2013 are planned to open in China and the US. There are also still great opportunities for expansion in markets such as Russia, Germany, the UK, Italy, Poland and France. In 2013 H&M is expanding into the following five new countries: Chile, Lithuania, Serbia and Estonia – all of which have already opened - and also in October, via franchise, Indonesia.

In September, H&M opened its store number 3,000. The store is located in the new Fun Square shopping centre in Chengdu, which is one of China's major cities.

The first H&M stores in Lithuania – one in Vilnius and one in Klaipeda – got a fantastic reception at their openings in August and September, respectively. The same was true of the first H&M store in Tallinn, Estonia, which opened in September. A further two stores will open in Tallinn later this autumn. The first two H&M stores in Belgrade, Serbia were also very well received by customers on opening in August and September.

The first H&M store in Jakarta, Indonesia will open at the beginning of October via franchise in cooperation with the franchisee J.S. Gill.

H&M's online store in the US, which was launched on 1 August 2013, has got off to a very good start. Online shopping is an important complement to the stores and provides increased opportunities to reach an even broader customer group in the US, which will further strengthen H&M's position in the US market. The Group is continuing to work on the global roll-out of H&M's online store and plans to launch online shopping in more markets during 2014.

Expansion continues for the Group's other brands COS, Monki, Weekday, Cheap Monday and & Other Stories.

During the autumn COS will open its first stores in Istanbul, Turkey, in Singapore and in Geneva, Switzerland. COS will also open its first US store in spring 2014 in New York's SoHo district.

Monki's first store in Tokyo was very well received at its opening at the beginning of September. During autumn 2013 and at the beginning of 2014 Monki will open its first stores in Russia in Moscow, Ufa, Yaroslavl and Samara.



Cheap Monday will open two stores in China, one in Beijing at the end of 2013, and one in Shenyang at the beginning of 2014. Cheap Monday will launch its own online store in 18 countries in late autumn 2013.

& Other Stories, which got a fantastic reception at the launch of its first seven stores in major European cities as well as online shopping in ten markets, will open an additional store in Berlin during autumn 2013.

H&M Home will also continue to expand. During the year H&M Home will open in around ten countries including the US, Poland, the Czech Republic and Spain.

In early 2014 H&M will launch an updated and expanded sports concept for women, men and children. The range will be significantly broader than today and will consist of sportswear and accessories in specially developed functional materials suited to various kinds of sporting activities. The concept will initially be launched in H&M's existing online markets as well as in selected H&M stores in 15 countries.

H&M will open in Melbourne, Australia during the first half of 2014. H&M also plans to open in South Africa from 2015 at the earliest.

## **Tax**

The Swedish corporate tax rate was reduced from 26.3 percent to 22 percent as of 1 January 2013. The Group's final tax rate depends on the results of its various companies and the corporate tax rates in each country. The H&M Group's tax rate for the financial year 2012/2013 is expected to be 23 – 24 percent and a tax rate of 24 percent has been used in the nine-month period 2013.

## **Parent company**

The parent company's external sales amounted to SEK 5 m (5) in the first nine months of the financial year 2013. Profit after financial items amounted to SEK 2,086 m (2,824). Investments in fixed assets amounted to SEK 87 m (87).

## **Comments on the current quarter**

Sales increased by 8 percent in local currencies in the period 1 September – 24 September 2013 compared to the same period last year. H&M estimates that the full month of September will have a negative calendar effect of approximately 2 percentage points for the Group. The sales increase should be seen in the light of very strong sales development of 15 percent in September 2012.

## **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 2011/2012 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 to the measurement of financial instruments; nor does it capitalise development expenditure.

## **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 2012.

#### 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

30 January 2014	Full-year report, 1 December 2012 – 30 November 2013
27 March 2014	Three-month report, 1 December 2013 – 28 February 2014
29 April 2014	Annual General Meeting 2014, Victoriahallen, Stockholm International Fairs at 3 p.m.

Stockholm, 25 September 2013  
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 2013 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, 25 September 2013

Ernst & Young AB

Åsa Lundvall  
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 26 September 2013. This Interim Report, and other information about H&M, is available at [www.hm.com](http://www.hm.com).*

### CONTACT PERSONS

Nils Vinge, IR	+46-8-796 52 50
Karl-Johan Persson, CEO	+46-8-796 55 00 (switchboard)
Jyrki Tervonen, CFO	+46-8-796 55 00 (switchboard)

H & M Hennes & Mauritz AB (publ)

SE-106 38 Stockholm

Phone: +46-8-796 55 00, Fax: +46-8-24 80 78, E-mail: [info@hm.com](mailto:info@hm.com)

Registered office: Stockholm, Reg. No. 556042-722

*H & M Hennes & Mauritz AB (publ) was founded in Sweden in 1947 and is quoted on NASDAQ OMX Stockholm. The company's business concept is to offer fashion and quality at the best price. In addition to H&M, the group includes the brands COS, Monki, Weekday, Cheap Monday, & Other Stories as well as H&M Home. The H&M Group has more than 3,000 stores in 52 markets including franchise markets. In 2012, sales including VAT were SEK 140,948 million and the number of employees was more than 104,000. For further information, visit [www.hm.com](http://www.hm.com).*

**GROUP INCOME STATEMENT (SEK m)**

	1 Dec 2012- 31 Aug 2013	1 Dec 2011- 31 Aug 2012	1 Jun 2013- 31 Aug 2013	1 Jun 2012- 31 Aug 2012	1 Dec 2011- 30 Nov 2012
Sales including VAT	107,480	103,018	37,411	33,568	140,948
Sales excluding VAT	92,067	88,297	32,040	28,806	120,799
Cost of goods sold	-38,223	-36,443	-13,212	-12,035	-48,928
<b>GROSS PROFIT</b>	<b>53,844</b>	<b>51,854</b>	<b>18,828</b>	<b>16,771</b>	<b>71,871</b>
<i>Gross margin, %</i>	58.5	58.7	58.8	58.2	59.5
Selling expenses	-36,084	-34,097	-12,174	-11,158	-46,608
Administrative expenses	-2,852	-2,536	-899	-811	-3,509
<b>OPERATING PROFIT</b>	<b>14,908</b>	<b>15,221</b>	<b>5,755</b>	<b>4,802</b>	<b>21,754</b>
<i>Operating margin, %</i>	16.2	17.2	18.0	16.7	18.0
Interest income	283	430	76	93	536
Interest expense	-2	-2	-1	0	-5
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>15,189</b>	<b>15,649</b>	<b>5,830</b>	<b>4,895</b>	<b>22,285</b>
Tax	-3,645	-4,069	-1,399	-1,273	-5,418
<b>PROFIT FOR THE PERIOD</b>	<b>11,544</b>	<b>11,580</b>	<b>4,431</b>	<b>3,622</b>	<b>16,867</b>

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

Earnings per share, SEK*	6.97	7.00	2.68	2.19	10.19
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Depreciation, total	3,106	2,761	1,056	921	3,705
of which cost of goods sold	347	310	117	103	415
of which selling expenses	2,570	2,284	875	763	3,065
of which administrative expenses	189	167	64	55	225

\* Before and after dilution.

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

	1 Dec 2012- 31 Aug 2013	1 Dec 2011- 31 Aug 2012	1 Jun 2013- 31 Aug 2013	1 Jun 2012- 31 Aug 2012	1 Dec 2011- 30 Nov 2012
<b>PROFIT FOR THE PERIOD</b>	<b>11,544</b>	<b>11,580</b>	<b>4,431</b>	<b>3,622</b>	<b>16,867</b>
<b>Other comprehensive income</b>					
<i>Items that have been recognised or may be recognised in net profit for the period</i>					
Translation differences	-396	-1,791	226	-1,828	-1,212
Change in hedging reserves	-77	142	-277	-47	-272
Tax attributable to other comprehensive income	20	-37	72	12	71
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-453</b>	<b>-1,686</b>	<b>21</b>	<b>-1,863</b>	<b>-1,413</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>11,091</b>	<b>9,894</b>	<b>4,452</b>	<b>1,759</b>	<b>15,454</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 2013	31 Aug 2012	30 Nov 2012
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible fixed assets	2,111	1,272	1,558
Tangible fixed assets	20,626	17,503	19,131
Financial assets	2,290	2,036	2,252
	25,027	20,811	22,941
<b>Current assets</b>			
Stock-in-trade	15,329	13,501	15,213
Current receivables	4,756	5,110	4,876
Short-term investments, 4-12 months	-	1,408	2,995
Liquid funds	10,953	12,144	14,148
	31,038	32,163	37,232
<b>TOTAL ASSETS</b>	<b>56,065</b>	<b>52,974</b>	<b>60,173</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	39,203	38,275	43,835
Long-term liabilities*	2,362	1,333	2,328
Current liabilities**	14,500	13,366	14,010
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>56,065</b>	<b>52,974</b>	<b>60,173</b>

\* Only provisions for pensions are interest-bearing.

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

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

	31 Aug 2013	31 Aug 2012	30 Nov 2012
Shareholders' equity at the beginning of the period	43,835	44,104	44,104
Total comprehensive income for the period	11,091	9,894	15,454
Dividend	-15,723	-15,723	-15,723
Shareholders' equity at the end of the period	39,203	38,275	43,835

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

	1 Dec 2012- 31 Aug 2013	1 Dec 2011- 31 Aug 2012
<b>Current operations</b>		
Profit after financial items*	15,189	15,649
Provisions for pensions	45	49
Depreciation	3,106	2,761
Tax paid	-2,921	-4,917
<b>Cash flow from current operations before changes in working capital</b>	<b>15,419</b>	<b>13,542</b>
<b>Cash flow from changes in working capital</b>		
Current receivables	20	-191
Stock-in-trade	-211	-54
Current liabilities	-254	-253
<b>CASH FLOW FROM CURRENT OPERATIONS</b>	<b>14,974</b>	<b>13,044</b>
<b>Investment activities</b>		
Investment in intangible fixed assets	-665	-481
Investment in tangible fixed assets	-4,675	-3,832
Change in short-term investments, 4 - 12 months	2,995	5,525
Other investments	21	13
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>-2,324</b>	<b>1,225</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>-3,073</b>	<b>-1,454</b>
Liquid funds at beginning of the financial year	<b>14,148</b>	<b>14,319</b>
Cash flow for the period	-3,073	-1,454
Exchange rate effect	-122	-721
Liquid funds at end of the period**	<b>10,953</b>	<b>12,144</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 10,953 m (13,552).

**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
	2013	2012	SEK	Local curr.	31 Aug 2013	stores	stores
Sweden	6,073	6,158	-1	-1	180	4	1
Norway	4,130	4,163	-1	2	112	2	1
Denmark	3,340	3,152	6	9	96	2	
United Kingdom	7,212	7,608	-5	0	235	9	
Switzerland	3,992	4,303	-7	-4	85	3	
Germany	22,304	22,291	0	3	412	11	5
Netherlands	4,810	4,889	-2	1	129	6	1
Belgium	2,504	2,443	2	5	72	2	
Austria	3,465	3,507	-1	1	70	2	
Luxembourg	279	277	1	3	10	1	1
Finland	1,885	1,829	3	5	55	2	
France	7,543	7,249	4	6	190	11	3
USA	9,755	9,204	6	10	278	16	7
Spain	4,344	4,357	0	2	153	9	2
Poland	2,298	2,147	7	8	114	11	
Czech Republic	597	552	8	12	36	5	
Portugal	663	655	1	4	26	3	
Italy	3,767	3,476	8	11	110	7	1
Canada	2,200	2,264	-3	2	63	2	
Slovenia	334	352	-5	-3	12		
Ireland	434	425	2	4	17	1	
Hungary	543	438	24	28	29	3	
Slovakia	268	241	11	14	13		
Greece	695	631	10	13	27	3	1
China	4,698	3,803	24	34	170	39	3
Japan	2,079	1,692	23	52	31	10	1
Russia	1,917	1,537	25	31	43	6	
South Korea	567	402	41	43	16	5	
Turkey	473	321	47	56	16	5	
Romania	620	440	41	45	25	6	
Croatia	497	415	20	24	13	2	
Singapore	458	302	52	56	5	3	
Bulgaria	186	79	135	142	10	6	
Latvia	94				2		
Malaysia	267				4	2	
Mexico	224				1		
Chile	201				1	1	
Lithuania	7				1	1	
Serbia	5				1	1	
Franchise	1,752	1,416	24	23	101	13	
<b>Total</b>	<b>107,480</b>	<b>103,018</b>	<b>4</b>	<b>8</b>	<b>2,964</b>	<b>215</b>	<b>27</b>

**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
	Q3-2013	Q3-2012	SEK	Local curr.	31 Aug 2013	stores	stores
Sweden	2,084	2,080	0	0	180	1	
Norway	1,472	1,437	2	6	112		
Denmark	1,144	987	16	13	96	1	
United Kingdom	2,570	2,490	3	8	235	2	
Switzerland	1,371	1,350	2	2	85	1	
Germany	7,603	6,933	10	8	412	2	
Netherlands	1,633	1,473	11	8	129	2	1
Belgium	901	782	15	13	72		
Austria	1,164	1,099	6	3	70	1	
Luxembourg	98	84	17	14	10		
Finland	676	646	5	2	55	1	
France	2,691	2,321	16	13	190		2
USA	3,444	3,183	8	12	278	10	
Spain	1,539	1,368	13	10	153		1
Poland	796	700	14	13	114	2	
Czech Republic	207	180	15	15	36	1	
Portugal	247	215	15	13	26		
Italy	1,272	1,088	17	14	110	2	
Canada	774	808	-4	2	63	1	
Slovenia	117	114	3	0	12		
Ireland	153	137	12	9	17		
Hungary	186	148	26	29	29		
Slovakia	89	81	10	9	13		
Greece	237	200	19	16	27	2	1
China	1,640	1,277	28	37	170	22	2
Japan	617	543	14	46	31	2	
Russia	707	592	19	25	43		
South Korea	188	133	41	48	16		
Turkey	184	116	59	72	16		
Romania	210	152	38	35	25		
Croatia	181	155	17	16	13	1	
Singapore	179	100	79	87	5	3	
Bulgaria	75	44	70	71	10		
Latvia	36				2		
Malaysia	95				4	1	
Mexico	70				1		
Chile	89				1		
Lithuania	7				1	1	
Serbia	5				1	1	
Franchise	660	552	20	18	101	3	
<b>Total</b>	<b>37,411</b>	<b>33,568</b>	<b>11</b>	<b>12</b>	<b>2,964</b>	<b>63</b>	<b>7</b>

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

	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Sales including VAT, SEK m	107,480	103,018	92,619	92,174	85,939
Sales excluding VAT, SEK m	92,067	88,297	79,047	78,772	73,382
Change from previous year, %	4	12	0	7	18
Change from previous year in local currencies, %	8	12	8	15	5
Operating profit, SEK m	14,908	15,221	13,714	17,599	13,735
Operating margin, %	16.2	17.2	17.3	22.3	18.7
Depreciation for the period, SEK m	3,106	2,761	2,465	2,332	2,158
Profit after financial items, SEK m	15,189	15,649	14,140	17,830	14,111
Profit after tax, SEK m	11,544	11,580	10,464	13,194	10,230
Liquid funds and short-term investments, SEK m	10,953	13,552	16,895	21,362	16,238
Stock-in-trade, SEK m	15,329	13,501	13,310	10,545	10,215
Equity, SEK m	39,203	38,275	38,214	39,352	34,612
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Earnings per share, SEK*	6.97	7.00	6.32	7.97	6.18
Shareholders' equity per share, SEK*	23.69	23.13	23.09	23.78	20.91
Cash flow from current operations per share, SEK*	9.05	7.88	6.78	9.78	6.26
Share of risk-bearing capital, %	73.4	74.0	72.9	75.8	76.2
Equity/assets ratio, %	69.9	72.3	71.4	72.3	72.8
Total number of stores	2,964	2,629	2,325	2,078	1,840
<b>Rolling twelve months</b>					
Earnings per share, SEK*	10.17	10.23	9.64	11.69	9.26
Return on shareholders' equity, %	43.4	44.3	41.1	52.3	46.8
Return on capital employed, %	55.8	58.2	54.6	69.3	64.5

\* 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 6.

## KEY RATIOS PER QUARTER

	2010		2011				2012				2013		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Sales including VAT, SEK m	31,475	34,792	28,708	32,400	31,511	36,191	32,503	36,947	33,568	37,930	33,146	36,923	<b>37,411</b>
Sales excluding VAT, SEK m	26,893	29,711	24,503	27,632	26,912	30,952	27,832	31,658	28,806	32,502	28,392	31,635	<b>32,040</b>
Change from previous year, %	14	6	-1	2	0	4	14	15	7	5	2	0	<b>11</b>
Operating profit, SEK m	5,656	7,060	3,408	5,599	4,707	6,665	3,526	6,893	4,802	6,533	3,130	6,023	<b>5,755</b>
Operating margin, %	21.0	23.8	13.9	20.3	17.5	21.5	12.7	21.8	16.7	20.1	11.0	19.0	<b>18.0</b>
Depr. for the period, SEK m	777	729	808	826	831	797	911	929	921	944	1,030	1,020	<b>1,056</b>
Profit after financial items, SEK m	5,735	7,178	3,538	5,752	4,850	6,802	3,701	7,053	4,895	6,636	3,234	6,125	<b>5,830</b>
Profit after tax, SEK m	4,244	5,487	2,618	4,257	3,589	5,357	2,739	5,219	3,622	5,287	2,458	4,655	<b>4,431</b>
Liquid assets*, SEK m	21,362	24,858	24,355	15,207	16,895	21,277	22,029	13,543	13,552	17,143	18,959	9,061	<b>10,953</b>
Stock-in-trade, SEK m	10,545	11,487	10,822	10,414	13,310	13,819	12,397	11,299	13,501	15,213	13,825	12,667	<b>15,329</b>
Equity, SEK m	39,352	44,172	45,587	33,946	38,214	44,104	45,852	36,516	38,275	43,835	45,625	34,747	<b>39,203</b>
Earnings per share, SEK**	2.56	3.32	1.58	2.57	2.17	3.24	1.65	3.15	2.19	3.19	1.49	2.81	<b>2.68</b>
Equity per share, SEK**	23.78	26.69	27.54	20.51	23.09	26.65	27.70	22.06	23.13	26.49	27.57	20.99	<b>23.69</b>
Cash flow from current operations per share, SEK**	2.23	3.42	0.46	4.70	1.62	3.75	1.34	5.11	1.43	3.54	2.28	4.50	<b>2.27</b>
Share of risk-bearing capital, %	75.8	76.2	81.4	73.0	72.9	74.9	79.1	73.5	74.0	76.1	78.4	73.2	<b>73.4</b>
Equity/assets ratio, %	72.3	74.6	79.9	71.3	71.4	73.3	77.6	71.5	72.3	72.8	75.1	69.2	<b>69.9</b>
Total number of stores	2,078	2,206	2,212	2,297	2,325	2,472	2,491	2,575	2,629	2,776	2,818	2,908	<b>2,964</b>
<b>Rolling 12 months</b>													
Earnings per share, SEK**	11.69	11.29	10.61	10.03	9.64	9.56	9.63	10.21	10.23	10.19	10.02	9.68	<b>10.17</b>
Return on shareholders' equity, %	52.3	44.1	39.3	47.4	41.1	35.8	34.9	48.0	44.3	38.4	36.3	45.0	<b>43.4</b>
Return on capital employed, %	69.3	58.7	52.3	63.0	54.6	47.1	45.8	63.0	58.2	50.3	47.3	58.0	<b>55.8</b>
Stock-in-trade in % of turnover	9.9	10.6	10.0	9.6	12.2	12.6	10.9	9.6	11.3	12.6	11.4	10.4	<b>12.3</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 6.

**SEGMENT REPORTING (SEK m)**

	<b>1 Dec 2012- 31 Aug 2013</b>	<b>1 Dec 2011- 31 Aug 2012</b>
<b>Asia</b>		
External net sales	9,159	7,115
Operating profit	1,228	1,237
Operating margin, %	13.4	17.4
<b>Europe</b>		
External net sales	71,302	70,387
Operating profit	1,877	1,255
Operating margin, %	2.6	1.8
<b>North- and South America</b>		
External net sales	11,606	10,795
Operating profit	-180	414
Operating margin, %	-1.6	3.8
<b>Group Functions</b>		
Net sales to other segments	43,818	45,720
Operating profit	11,983	12,315
<b>Eliminations</b>		
Net sales to other segments	-43,818	-45,720
<b>Total</b>		
External net sales	92,067	88,297
Operating profit	14,908	15,221
Operating margin, %	16.2	17.2

In order to better reflect the company's current geographical spread, as of 2013 the segment reporting has been divided into the following three segments: Europa, Asia and North- and South America. The parent company and other subsidiaries with no external sales are reported in a separate Group-wide segment.

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

	1 Dec 2012- 31 Aug 2013	1 Dec 2011- 31 Aug 2012	1 Jun 2013- 31 Aug 2013	1 Jun 2012- 31 Aug 2012	1 Dec 2011- 30 Nov 2012
External sales excluding VAT	5	5	2	1	30
Internal sales excluding VAT*	5,633	5,295	1,948	1,762	7,271
<b>GROSS PROFIT</b>	<b>5,638</b>	<b>5,300</b>	<b>1,950</b>	<b>1,763</b>	<b>7,301</b>
Selling expenses	-1,796	-1,822	-361	-355	-2,788
Administrative expenses	-2,820	-2,419	-869	-790	-3,281
<b>OPERATING PROFIT</b>	<b>1,022</b>	<b>1,059</b>	<b>720</b>	<b>618</b>	<b>1,232</b>
Dividend from subsidiaries	1,025	1,660	63	113	14,518
Interest income	41	105	3	8	139
Interest expense	-2	0	-1	0	-1
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>2,086</b>	<b>2,824</b>	<b>785</b>	<b>739</b>	<b>15,888</b>
Year-end appropriations	-	-	-	-	-328
Tax	-279	-306	-190	-165	-255
<b>PROFIT FOR THE PERIOD</b>	<b>1,807</b>	<b>2,518</b>	<b>595</b>	<b>574</b>	<b>15,305</b>

\* Includes royalty received from Group companies

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

	1 Dec 2012- 31 Aug 2013	1 Dec 2011- 31 Aug 2012	1 Jun 2013- 31 Aug 2013	1 Jun 2012- 31 Aug 2012	1 Dec 2011- 30 Nov 2012
<b>PROFIT FOR THE PERIOD</b>	<b>1,807</b>	<b>2,518</b>	<b>595</b>	<b>574</b>	<b>15,305</b>
Other comprehensive income	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,807</b>	<b>2,518</b>	<b>595</b>	<b>574</b>	<b>15,305</b>



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

	31 Aug 2013	31 Aug 2012	30 Nov 2012
<b>ASSETS</b>			
<b>Fixed assets</b>			
Tangible fixed assets	461	446	459
Financial fixed assets	1,455	1,374	1,602
	1,916	1,820	2,061
<b>Current assets</b>			
Current receivables	2,078	1,410	12,780
Short-term investments, 4-12 months	-	904	2,993
Liquid funds	273	427	305
	2,351	2,741	16,078
<b>TOTAL ASSETS</b>	<b>4,267</b>	<b>4,561</b>	<b>18,139</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	2,710	3,839	16,626
Untaxed reserves	456	128	456
Long-term liabilities*	229	240	229
Current liabilities**	872	354	828
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,267</b>	<b>4,561</b>	<b>18,139</b>

\* Relates to provisions for pensions.

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