



# H & M HENNES & MAURITZ AB

## NINE-MONTH REPORT

1 December 2009 – 31 August 2010

### NINE MONTHS

- The H&M Group's sales excluding VAT during the first nine months of the financial year amounted to SEK 78,772 m (73,382), an increase of 7 percent. In local currencies, the increase was 14 percent.
- Profit after financial items amounted to SEK 17,830 m (14,111), an increase of 26 percent. Group profit after tax was SEK 13,194 m (10,230), corresponding to SEK 7.97 (6.18) per share.

### THE THIRD QUARTER

- Strong sales increase and strong profit development.
- The H&M Group's sales excluding VAT during the third quarter amounted to SEK 26,893 m (23,545), an increase of 14 percent. In local currencies, the increase was 21 percent and 11 percent in comparable units.
- Gross profit amounted to SEK 16,279 m (14,514), corresponding to a gross margin of 60.5 percent (61.6).
- Operating profit increased by 20 percent to SEK 5,656 m (4,700), corresponding to an operating margin of 21.0 percent (20.0).
- Profit after financial items amounted to SEK 5,735 m (4,773). Group profit after tax increased by 23 percent to SEK 4,244 m (3,460), corresponding to SEK 2.56 (2.09) per share.
- Sales in August increased by 24 percent in local currencies compared to the same month last year. Sales in comparable units increased by 14 percent.

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- The autumn collections have been well received. Sales in the period 1 – 27 September 2010 increased by 15 percent in local currencies compared to the same period last year.
  - The completion of some shopping malls that already had been started has been halted which means that H&M will not get access to approximately 20 planned store locations for the autumn 2010. This means that the store net for the full-year is planned to be approximately 220 compared to the 240 stores previously communicated.
  - Successful launch of H&M online sales in the UK in September.

	NINE MONTHS 2010	NINE MONTHS 2009	Q3 2010	Q3 2009
(SEK m)				
Net sales	78,772	73,382	26,893	23,545
Gross profit	49,477	43,893	16,279	14,514
<i>gross margin, %</i>	62.8	59.8	60.5	61.6
Operating profit	17,599	13,735	5,656	4,700
<i>operating margin, %</i>	22.3	18.7	21.0	20.0
Net financial items	231	376	79	73
Profit after financial items	17,830	14,111	5,735	4,773
Tax	-4,636	-3,881	-1,491	-1,313
Profit for the period	13,194	10,230	4,244	3,460
Earnings per share, SEK	7.97	6.18	2.56	2.09



## Sales

Sales including VAT for the first nine months of the financial year amounted to SEK 92,174 m (85,939), an increase of 7 percent. In local currencies the increase was 14 percent and in comparable units sales increased by 4 percent. H&M Group sales excluding VAT amounted to SEK 78,772 m (73,382), an increase of 7 percent.

Sales including VAT for the third quarter amounted to SEK 31,475 m (27,587), an increase of 14 percent. In local currencies the increase was 21 percent. Sales in comparable units increased by 11 percent. Sales excluding VAT for the third quarter amounted to SEK 26,893 m (23,545), an increase of 14 percent.

In August 2010, sales including VAT in local currencies, increased by 24 percent compared to the same month the previous year. Sales in comparable units increased by 14 percent.

The Group opened 105 (116) stores and closed 15 (14) stores during the first nine months. The total number of stores in the Group as per 31 August 2010 thus amounted to 2,078 (1,840), of which 43 are franchise stores, 28 COS stores and 60 stores within the FaBric Scandinavien Group.

## Results for nine months

Gross profit for the Group for the first nine months amounted to SEK 49,477 m (43,893), an increase of 13 percent. This corresponds to a gross margin of 62.8 percent (59.8).

The operating profit amounted to SEK 17,599 m (13,735), an increase of 28 percent, which corresponds to an operating margin of 22.3 percent (18.7).

Operating profit for the nine-month period has been charged with depreciation amounting to SEK 2,332 m (2,158).

Consolidated net interest income was SEK 231 m (376).

Profit after financial items amounted to SEK 17,830 m (14,111), an increase of 26 percent.

Profit after tax for the Group after an estimated tax rate of 26.0 percent (27.5) amounted to SEK 13,194 m (10,230) for the nine-month period, corresponding to earnings per share of SEK 7.97 (6.18).

Return on shareholders' equity, rolling twelve months, was 52.3 percent (46.8) and return on capital employed, rolling twelve months, was 69.3 percent (64.5).

## Results for the third quarter

Gross profit for the third quarter amounted to SEK 16,279 m (14,514), an increase of 12 percent. This corresponds to a gross margin of 60.5 percent (61.6).

Operating profit for the third quarter amounted to SEK 5,656 m (4,700), an increase of 20 percent. This corresponds to an operating margin of 21.0 percent (20.0).

Profit after financial items was SEK 5,735 m (4,773), an increase of 20 percent.

Profit after tax was SEK 4,244 m (3,460), corresponding to SEK 2.56 (2.09) per share.



### Comments on the third quarter

H&M has continued to invest in a further improved customer offering by giving the customers even more fashion and quality for the money. This is being done in order to maintain H&M's strong market position in the long term. It is the company's view that the investment has contributed to the strong sales increase in the quarter. Sales increased by 21 percent in local currencies and by 11 percent in comparable units.

The gross margin amounted to 60.5 percent (61.6). In the corresponding quarter last year, there was a positive effect on the gross margin of 1.6 percentage units from the former currency hedging policy.\*

In the third quarter the gross margin has been positively affected by external factors such as the US dollar exchange rate, spare capacity at the suppliers, transportation costs and raw material prices. The positive effects from these factors have gradually diminished however and therefore had less impact than in the second quarter 2010.

The positive effects on the gross margin have been partly offset by the increased investments in a further improved customer offering.

The mark-downs in relation to sales have been on the same level as in the corresponding quarter last year.

Selling and administrative expenses in the quarter in relation to sales decreased by 2.2 percentage units to 39.5 percent (41.7). The decrease is due to strong sales and good cost control. In local currencies, selling and administrative expenses increased by 14 percent compared to the corresponding quarter last year.

The sales increase in combination with continued high cost consciousness have led to a strong operating profit which increased by 20 percent to SEK 5,656 m (4,700).

The stock-in-trade, which increased by 3.2 percent to SEK 10,545 m (10,215) is well composed and at a good level.

### Financial position and cash flow

Consolidated total assets as per 31 August 2010 amounted to SEK 54,397 m (47,575), an increase of 14 percent compared to the same time last year.

During the first nine months of the financial year, the Group generated a cash flow of SEK 860 m (-6,566). The current operations generated a positive cash flow of SEK 16,181 m (10,354). Cash flow was among other things affected by dividends of SEK -13,239 m (-12,825), investments in fixed assets of SEK -3 061 m (-3,688) and by short-term investments with a duration of four to twelve months of SEK 979 m (-350). Liquid funds and short-term investments amounted to SEK 21,362 m (16,238).

The stock-in-trade amounted to SEK 10,545 m (10,215), corresponding to 9.9 percent (10.2) of sales excluding VAT, rolling twelve months. The stock-in-trade was 19.4 percent (21.5) of total assets.

The equity/assets ratio was 72.3 percent (72.8) and the share of risk-bearing capital was 75.8 percent (76.2).

Shareholders' equity apportioned on the outstanding 1,655,072,000\*\* (1,655,072,000) shares as per 31 August 2010 was SEK 23.78 (20.91).

\* H&M changed its currency hedging policy as of 1 December 2009, see the Full-year report from 28 January 2010.

**\*\* Share split**

H&M has in the third quarter implemented a 2:1 share split, where each share was split into two shares of the same class. The first day of trading in the split shares was 1 June 2010. Following the implemented share split the new number of shares is 1,655,072,000, of which 194,400,000 are series A shares and 1,460,672,000 are series B shares.

Earnings per share has been calculated based on the new number of shares. According to *IAS 33 Earnings Per Share*, the earnings per share is adjusted retroactively for all reported periods.

**Expansion**

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

During the fourth quarter, the Group plans to open approximately 140 (159) stores and close 10 (11).

The supply of attractive store locations in the end of 2010 has diminished slightly as the completion of mainly some shopping malls has been halted as a consequence of the weak economy. This primarily concerns shopping malls in Southern Europe. As a consequence, the planned store net for the full-year will be approximately 220 compared to the 240 stores previously communicated.

**Tax**

The tax rate is estimated to amount to approximately 26.0 (25.9) percent for the full year of 2009/2010.

**Parent company**

The parent company had no external sales (-) for the first nine months of the financial year 2010. Profit after financial items amounted to SEK 3,606 m (2,895). Investments in fixed assets amounted to SEK 50 m (69).

**Comments on the current quarter**

The autumn collections have been well received. Sales during the period 1 – 27 September 2010 increased by 15 percent in local currencies compared to the same period last year.

The launch of H&M online sales in the UK in September was successful. This launch means H&M now offers online and catalogue sales in eight countries.

As previously communicated in a press release on 7 September 2010, H&M's Board of Directors has proposed that a long-term incentive programme should be established for all employees throughout the H&M Group. The programme will commence in 2011 provided it is approved by an Extraordinary General Meeting to be held at 10 a.m. on 20 October 2010 in the Grünwald Hall at the Stockholm Concert Hall, Kungsgatan 43, Stockholm.

**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 used in the preparation of this report are described in the annual accounts and consolidated accounts for 2008/2009 in Note 1 Accounting Principles.

Starting in 2009/10 the Group is applying IFRS 8 Operating Segments for its segment reporting. According to this standard, segment information is to be presented based on the internal segments determined by executive management. The new standard has not required any changes to be made to the way segments were reported previously. The Group's business consists primarily of the sale of clothes and cosmetics to consumers. Internal reporting is broken down by country.



In its segment reporting the Group has grouped countries together into three geographical areas: the Nordic Region, Euro Zone excluding Finland and the Rest of the World. The financial characteristics are similar in each segment. The parent company and other subsidiaries without external sales are reported in a separate, Group function segment.

A statement of consolidated comprehensive income is also presented containing items previously reported in the statement of shareholders' equity that do not constitute shareholder transactions.

The parent company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.3 Accounting for Legal Entities, which essentially involves applying IFRS. In accordance with RFR 2.3 the parent company does not apply IAS 39.

Earnings per share has been calculated based on the new number of shares. According to *IAS 33 Earnings Per Share*, the earnings per share is adjusted retroactively for all reported periods.

### 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 fashions, weather situations, climate changes, trade interventions and exchange rates, but also in connection with expansion into new markets, the launch of new concepts, changes in consumer behaviour and handling of the brand.

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 2008/2009. 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

20 October 2010	Extraordinary General Meeting, Stockholm Concert Hall's Grünwald Hall, Kungsgatan 43, Stockholm, at 10 a.m.
27 January 2011	Full-year report, 1 December 2009 – 30 November 2010
In the end of March	The Annual Report 2010 to be published
31 March 2011	Three-month report, 1 December 2010 – 28 February 2011
22 June 2011	Six-month report, 1 December 2010 – 31 May 2011

Stockholm, 28 September 2010  
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 2010 and for the nine-month period which ended on this date. It is the responsibility of the Board of Directors and the Managing Director to prepare and present this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

### Focus and scope of review

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

### Conclusion

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

Stockholm, 28 September 2010  
Ernst & Young AB

Erik Åström  
Authorised Public Accountant

*The information in this Interim Report is that which H & M Hennes & Mauritz AB (publ) is required to disclose under Sweden's Securities Market Act. It will be released for publication at 8.00 (CET) on 29 September 2010.*

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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 2,000 stores in 37 markets. In 2009, sales including VAT were SEK 118,697 million and the number of employees was around 76,000. For further information, visit [www.hm.com](http://www.hm.com).*

## GROUP INCOME STATEMENT (SEK m)

	1 Dec 09- 31 Aug 10	1 Dec 08- 31 Aug 09	1 Jun 10- 31 Aug 10	1 Jun 09- 31 Aug 09	1 Dec 08- 30 Nov 09
Sales including VAT	92,174	85,939	31,475	27,587	118,697
Sales excluding VAT	78,772	73,382	26,893	23,545	101,393
Cost of goods sold	-29,295	-29,489	-10,614	-9,031	-38,919
<b>GROSS PROFIT</b>	<b>49,477</b>	<b>43,893</b>	<b>16,279</b>	<b>14,514</b>	<b>62,474</b>
<i>Gross margin, %</i>	62.8	59.8	60.5	61.6	61.6
Selling expenses	-29,809	-28,263	-9,938	-9,204	-38,224
Administrative expenses	-2,069	-1,895	-685	-610	-2,606
<b>OPERATING PROFIT</b>	<b>17,599</b>	<b>13,735</b>	<b>5,656</b>	<b>4,700</b>	<b>21,644</b>
<i>Operating margin, %</i>	22.3	18.7	21.0	20.0	21.3
Interest income	234	381	80	75	467
Interest expense	-3	-5	-1	-2	-8
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>17,830</b>	<b>14,111</b>	<b>5,735</b>	<b>4,773</b>	<b>22,103</b>
Tax	-4,636	-3,881	-1,491	-1,313	-5,719
<b>PROFIT FOR THE PERIOD</b>	<b>13,194</b>	<b>10,230</b>	<b>4,244</b>	<b>3,460</b>	<b>16,384</b>
Earnings per share, SEK*	7.97	6.18	2.56	2.09	9.90
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
* Before and after dilution. See page 4, Share split.					
Depreciation, total	2,332	2,158	777	722	2,830
of which cost of goods sold	257	215	86	72	310
of which selling expenses	1,932	1,843	643	617	2,350
of which administrative expenses	143	100	48	33	170

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK m)

	1 Dec 09- 31 Aug 10	1 Dec 08- 31 Aug 09	1 Jun 10- 31 Aug 10	1 Jun 09- 31 Aug 09	1 Dec 08- 30 Nov 09
<b>Profit for the period</b>	<b>13,194</b>	<b>10,230</b>	<b>4,244</b>	<b>3,460</b>	<b>16,384</b>
<b>Other comprehensive income</b>					
Translations effects etc. regarding equity	-1,290	-781	-483	-1,140	294
Change in hedging reserves	100	1,311	-642	769	-264
Tax attributable to other comprehensive income	-26	-273	169	-121	74
<b>OTHER COMPREHENSIVE INCOME</b>	<b>-1,216</b>	<b>257</b>	<b>-956</b>	<b>-492</b>	<b>104</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>11,978</b>	<b>10,487</b>	<b>3,288</b>	<b>2,968</b>	<b>16,488</b>

## GROUP BALANCE SHEET IN SUMMARY (SEK m)

	31 Aug 2010	31 Aug 2009	30 Nov 2009
<b>ASSETS</b>			
<b>Fixed assets</b>			
Intangible fixed assets	1,568	1,618	1,674
Tangible fixed assets	14,960	13,404	14,811
Financial assets	1,653	1,664	1,797
	18,181	16,686	18,282
<b>Current assets</b>			
Stock-in-trade	10,545	10,215	10,240
Current receivables	4,309	4,436	3,816
Short-term investments, 4-12 months	2,022	350	3,001
Liquid funds	19,340	15,888	19,024
	36,216	30,889	36,081
<b>TOTAL ASSETS</b>	<b>54,397</b>	<b>47,575</b>	<b>54,363</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	39,352	34,612	40,613
Long-term liabilities*	2,543	2,637	2,660
Short-term liabilities**	12,502	10,326	11,090
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>54,397</b>	<b>47,575</b>	<b>54,363</b>

\* Only pension liabilities are interest-bearing.

\*\* No short-term liabilities are interest-bearing.

## CHANGE IN GROUP EQUITY (SEK m)

	31 Aug 2010	31 Aug 2009	30 Nov 2009
Shareholders' equity at the beginning of the period	40,613	36,950	36,950
Dividend	-13,239	-12,825	-12,825
Total comprehensive income for the period	11,978	10,487	16,488
Shareholders' equity at the end of the period	39,352	34,612	40,613



## GROUP CASH FLOW STATEMENT (SEK m)

	1 Dec 09- 31 Aug 10	1 Dec 08- 31 Aug 09
<b>Current operations</b>		
Profit after financial items*	17,830	14,111
Provisions for pensions	17	31
Depreciation	2,332	2,158
Tax paid	-3,278	-4,345
<b>Cash flow from current operations before changes in working capital</b>	<b>16,901</b>	<b>11,955</b>
<b>Cash flow from changes in working capital</b>		
Current receivables	-543	-30
Stock-in-trade	-505	-1,797
Current liabilities	328	226
<b>CASH FLOW FROM CURRENT OPERATIONS</b>	<b>16,181</b>	<b>10,354</b>
<b>Investment activities</b>		
Investments in intangible fixed assets	-131	-120
Investments in tangible fixed assets	-2,930	-3,568
Change in short-term investments, 4-12 months	979	-350
Other investments	-	-57
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>-2,082</b>	<b>-4,095</b>
<b>Financing activities</b>		
Dividend	-13,239	-12,825
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-13,239</b>	<b>-12,825</b>
<b>CASH FLOW FOR THE PERIOD</b>	<b>860</b>	<b>-6,566</b>
Liquid funds at the beginning of the financial year	19,024	22,726
Cash flow for the period	860	-6,566
Exchange rate effect	-544	-272
Liquid funds at the end of the period**	19,340	15,888

\* Interest paid amounts for the Group to SEK 3 m (5).

\*\* Liquid funds and short-term investments 4-12 months amounted to SEK 21,362 m (16,238) at the end of the period.

## 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
	2010	2009	SEK	Local currency	31 Aug 2010	stores	stores
Sweden	6,186	5,673	9	9	165	6	2
Norway	4,325	4,062	6	5	98	6	
Denmark	3,180	3,111	2	12	83	6	
United Kingdom	5,954	5,433	10	16	178	12	1
Switzerland	4,461	4,353	2	5	73		
Germany	22,418	21,810	3	12	369	13	6
Netherlands	5,355	5,353	0	9	104	2	1
Belgium	2,463	2,601	-5	3	63	4	2
Austria	3,836	3,957	-3	6	64	2	1
Luxembourg	298	302	-1	8	10	1	
Finland	1,926	1,907	1	10	42	4	
France	6,574	6,188	6	16	138	4	1
USA	6,388	5,503	16	25	196	7	
Spain	4,511	4,645	-3	6	116	3	1
Poland	1,946	1,764	10	12	69	4	
Czech Republic	508	479	6	12	20	1	
Portugal	698	693	1	10	21	1	
Italy	3,019	2,523	20	31	67	3	
Canada	1,952	1,583	23	17	53	1	
Slovenia	410	446	-8	0	11	1	
Ireland	376	413	-9	-1	11		
Hungary	264	217	22	30	10		
Slovakia	158	128	23	35	5	1	
Greece	465	317	47	60	15		
China	1,757	1,122	57	69	37	10	
Japan	1,298	634	105	108	9	3	
Russia	629	243	159	164	7	2	
South Korea	162				1	1	
Franchise	657	479	37	37	43	7	
<b>Total</b>	<b>92,174</b>	<b>85,939</b>	<b>7</b>	<b>14</b>	<b>2,078</b>	<b>105</b>	<b>15</b>

## SALES INCLUDING VAT BY COUNTRY AND NUMBER OF STORES

Third quarter 1 June - 31 Aug

COUNTRY	SEK m	SEK m	Change in %		No. of stores	New	Closed
	2010	2009	SEK	Local currency	31 Aug 2010	stores	stores
Sweden	2,190	1,983	10	10	165	2	2
Norway	1,541	1,447	6	6	98		
Denmark	1,069	1,024	4	15	83		
United Kingdom	2,075	1,842	13	20	178	2	
Switzerland	1,522	1,353	12	9	73		
Germany	7,644	6,866	11	23	369	2	
Netherlands	1,744	1,626	7	18	104	1	
Belgium	845	801	5	16	63		
Austria	1,254	1,200	5	15	64	1	1
Luxembourg	105	94	12	23	10		
Finland	707	675	5	16	42		
France	2,130	1,902	12	24	138	1	
USA	2,294	1,751	31	32	196	2	
Spain	1,434	1,443	-1	10	116	1	
Poland	687	602	14	19	69		
Czech Republic	179	159	13	21	20		
Portugal	222	217	2	13	21		
Italy	958	737	30	44	67	1	
Canada	711	564	26	18	53		
Slovenia	139	132	5	16	11		
Ireland	121	127	-5	6	11		
Hungary	87	69	26	46	10		
Slovakia	55	41	34	52	5		
Greece	135	100	35	50	15		
China	636	399	59	60	37	4	
Japan	405	167	143	117	9		
Russia	270	114	137	136	7	1	
South Korea	63				1		
Franchise	253	152	66	66	43	1	
<b>Total</b>	<b>31,475</b>	<b>27,587</b>	<b>14</b>	<b>21</b>	<b>2,078</b>	<b>19</b>	<b>3</b>

## KEY RATIOS PER QUARTER

	2008				2009				2010		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Sales including VAT, SEK m	23,241	25,412	24,540	30,848	27,282	31,070	27,587	32,758	29,095	31,604	31,475
Sales excluding VAT, SEK m	19,742	21,609	20,871	26,310	23,299	26,538	23,545	28,011	24,846	27,033	26,893
Change from previous year, %	18	8	12	15	18	23	13	6	7	2	14
Operating profit, SEK m	3,799	5,155	4,365	6,819	3,364	5,671	4,700	7,909	4,978	6,965	5,656
Operating margin, %	19.2	23.9	20.9	25.9	14.4	21.4	20.0	28.2	20.0	25.8	21.0
Depreciation for the period, SEK m	578	577	590	457	721	715	722	672	772	783	777
Profit after financial items, SEK m	4,057	5,433	4,586	7,114	3,554	5,784	4,773	7,992	5,055	7,040	5,735
Profit after tax, SEK m	2,941	3,939	3,325	5,089	2,577	4,193	3,460	6,154	3,741	5,209	4,244
Liquid funds and short-term investments, SEK m	22,450	14,528	17,786	22,726	23,625	14,904	16,238	22,025	26,200	18,992	21,362
Stock-in-trade, SEK m	7,892	7,073	7,930	8,500	9,052	8,601	10,215	10,240	8,402	8,562	10,545
Equity, SEK m	34,803	27,263	30,828	36,950	41,043	31,644	34,612	40,613	43,746	36,064	39,352
Earnings per share, SEK*	1.78	2.38	2.01	3.07	1.56	2.53	2.09	3.72	2.26	3.15	2.56
Equity per share, SEK*	21.03	16.47	18.63	22.33	24.80	19.12	20.91	24.54	26.43	21.79	23.78
Cash flow from current operations per share, SEK*	1.48	3.17	2.57	3.63	0.74	3.60	1.91	4.60	3.25	4.30	2.23
Share of risk-bearing capital, %	81.0	76.0	75.1	75.7	77.9	74.8	76.2	78.5	80.8	75.9	75.8
Equity/assets ratio, %	79.5	74.2	73.5	72.1	74.6	71.0	72.8	74.7	77.2	71.8	72.3
Total number of stores	1,529	1,593	1,618	1,738	1,748	1,822	1,840	1,988	1,992	2,062	2,078
<b>Rolling 12 months</b>											
Earnings per share, SEK*	8.60	8.88	8.98	9.24	9.02	9.18	9.26	9.90	10.61	11.22	11.69
Return on shareholders' equity, %	43.6	56.9	50.7	44.3	39.4	51.6	46.8	42.2	41.4	54.8	52.3
Return on capital employed, %	60.5	77.4	68.9	61.1	54.3	70.9	64.5	56.7	55.4	72.9	69.3
Stock-in-trade in % of turnover	9.7	8.5	9.3	9.6	9.8	8.9	10.2	10.1	8.2	8.3	9.9

\* Number of shares adjusted according to share split. See page 4, Share split.

Definitions on key figures see page 5.

## SEGMENT REPORTING (SEK m)

	1 Dec 09- 31 Aug 10	1 Dec 08- 31 Aug 09
<b>Nordic region</b>		
External net sales	13,112	11,873
Operating profit	643	510
Operating margin, %	4.9	4.3
<b>Euro Zone excluding Finland</b>		
External net sales	41,995	41,551
Operating profit	1,150	522
Operating margin, %	2.7	1.3
<b>Rest of the World</b>		
External net sales	23,665	19,958
Operating profit	1,006	704
Operating margin, %	4.3	3.5
<b>Group Functions</b>		
Internal net sales	43,222	38,264
Operating profit	14,800	11,999
<b>Eliminations</b>		
Internal net sales	-43,222	-38,264
<b>Total</b>		
External net sales	78,772	73,382
Operating profit	17,599	13,735
Operating margin, %	22.3	18.7

## PARENT COMPANY INCOME STATEMENT (SEK m)

	1 Dec 09- 31 Aug 10	1 Dec 08- 31 Aug 09	1 June 10- 31 Aug 10	1 June 09- 31 Aug 09	1 Dec 08- 30 Nov 09
External sales	-	-	-	-	-
Internal sales excluding VAT*	4,383	3,546	1,719	1,364	5,521
Cost of goods sold	-	-	-	-	-
<b>GROSS PROFIT</b>	<b>4,383</b>	<b>3,546</b>	<b>1,719</b>	<b>1,364</b>	<b>5,521</b>
Selling expenses	-1,378	-1,253	-343	-209	-1,898
Administrative expenses	-1,319	-1,120	-413	-351	-1,561
<b>OPERATING PROFIT</b>	<b>1,686</b>	<b>1,173</b>	<b>963</b>	<b>804</b>	<b>2,062</b>
Dividend from subsidiaries	1,890	1,635	551	167	13,092
Interest income	30	87	7	2	113
<b>PROFIT AFTER FINANCIAL ITEMS</b>	<b>3,606</b>	<b>2,895</b>	<b>1,521</b>	<b>973</b>	<b>15,267</b>
Year-end appropriations	-	-	-	-	-41
Tax	-451	-353	-255	-226	-608
<b>PROFIT FOR THE PERIOD</b>	<b>3,155</b>	<b>2,542</b>	<b>1,266</b>	<b>747</b>	<b>14,618</b>

\* Includes received royalty from group companies.

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

	31 Aug 2010	31 Aug 2009	30 Nov 2009
<b>ASSETS</b>			
<b>Fixed assets</b>			
Tangible fixed assets	389	406	414
Financial assets	1,717	1,212	1,363
	<b>2,106</b>	<b>1,618</b>	<b>1,777</b>
<b>Current assets</b>			
Current receivables	1,016	4,296	8,726
Short-term investments	2,012	350	3,001
Liquid funds	2,254	362	3,644
	<b>5,282</b>	<b>5,008</b>	<b>15,371</b>
<b>TOTAL ASSETS</b>	<b>7,388</b>	<b>6,626</b>	<b>17,148</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	5,510	4,993	15,594
Untaxed reserves	825	782	825
Long-term liabilities*	211	193	211
Short-term liabilities**	842	658	518
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,388</b>	<b>6,626</b>	<b>17,148</b>

\* Relates to provisions for pensions.

\*\* No short-term liabilities are interest-bearing.