

H & M Hennes & Mauritz AB

Six-month report

First half-year (1 December 2013 – 31 May 2014)

- The H&M Group's sales including VAT increased in local currencies by 14 percent during the first six months of the financial year. Converted into SEK, sales excluding VAT amounted to SEK 69,970 m (60,027), an increase of 17 percent.
- Profit after financial items amounted to SEK 11,129 m (9,359), an increase of 19 percent. The group's profit after tax increased to SEK 8,458 m (7,113), corresponding to SEK 5.11 (4.30) per share.

Sales in Q2

+20 %

Operating profit in Q2

+26 %

Second quarter (1 March 2014 – 31 May 2014)

- Well-received spring collections resulted in strong sales and increased market share. The H&M Group's sales including VAT increased in local currencies by 16 percent during the second quarter. Converted into SEK, sales excluding VAT amounted to SEK 37,827 m (31,635), an increase of 20 percent.
- Gross profit amounted to SEK 23,010 m (19,337), an increase of 19 percent. This corresponds to a gross margin of 60.8 percent (61.1).
- Profit after financial items amounted to SEK 7,643 m (6,125), an increase of 25 percent. The group's profit after tax increased to SEK 5,809 m (4,655), corresponding to SEK 3.51 (2.81) per share, an increase of 25 percent.
- H&M's first store in Australia has had a fantastic reception since opening at the beginning of April.
- H&M's online sales in France, which were launched in March, have got off to a very good start.
- Strong sales development for the other brands in the H&M Group: COS, & Other Stories, Monki, Weekday, Cheap Monday and H&M Home.



H&M's first store in Melbourne, Australia.

- Sales in June have so far got off to a good start.
- An extended shoe range will be launched in early autumn 2014.
- Strong expansion in 2014, with approximately 375 new stores net in total.
 - The Philippines and India will become new H&M countries in autumn 2014.
 - Three large new online markets in autumn 2014: Spain, Italy and China.
- H&M plans to open 8 - 10 new online markets in 2015.

| | Q2 2014 | Q2 2013 | Six months 2014 | Six months 2013 |
|-------------------------------------|--------------|--------------|--------------------|--------------------|
| SEK m | | | | |
| Net sales | 37,827 | 31,635 | 69,970 | 60,027 |
| Gross profit | 23,010 | 19,337 | 40,651 | 35,016 |
| <i>gross margin, %</i> | <i>60.8</i> | <i>61.1</i> | <i>58.1</i> | <i>58.3</i> |
| Operating profit | 7,565 | 6,023 | 10,966 | 9,153 |
| <i>operating margin, %</i> | <i>20.0</i> | <i>19.0</i> | <i>15.7</i> | <i>15.2</i> |
| Net financial items | 78 | 102 | 163 | 206 |
| Profit after financial items | 7,643 | 6,125 | 11,129 | 9,359 |
| Tax | -1,834 | -1,470 | -2,671 | -2,246 |
| Profit for the period | 5,809 | 4,655 | 8,458 | 7,113 |
| Earnings per share, SEK | 3.51 | 2.81 | 5.11 | 4.30 |

Q2

Comments by Karl-Johan Persson, CEO

"We have had a good second quarter with a strong increase in both sales and profits and increased market share. Well-received collections and continued strong expansion led to a sales increase of 20 percent in SEK and 16 percent in local currencies. The strong sales development together with good cost control contributed to an increase in operating profits of 26 percent.

All our brands - H&M, COS, & Other Stories, Monki, Weekday, Cheap Monday and H&M Home - enjoyed good sales development during the second quarter. We are very pleased that H&M Sport, which we are broadening further, continued to gain market share within the sports segment.

We are continuing to broaden our current offering within H&M. Already this autumn, we will launch an extended and improved shoe range for women, men, teenagers and children. The new shoe concept will offer a variety of models in different price categories, all at H&M prices. The range will be launched in selected H&M stores in nine countries and in our online markets. This is a part of our long-term investments which also includes investments in online, IT and our new brands.

We are seeing some of our long-term investments starting to generate revenues such as & Other Stories and our online store in the US and in France. However, we will continue with our long-term investments in order to build an even stronger H&M and to continue with our multi-channel strategy. This autumn, for example, we will open our online store in Spain and Italy, and later on this year also in China, which will be very exciting. Next year we plan to open 8 to 10 new H&M online markets. We will come back later with more information on which markets these will be.

Our first H&M store in Australia has had a very good response since opening in April. It is a flagship store in Melbourne at the best location, in the landmark General Post Office building. It was fantastic to experience the atmosphere on the opening day along with thousands of enthusiastic customers. During the autumn the Philippines and India will become new H&M-countries, something we are very much looking forward to.

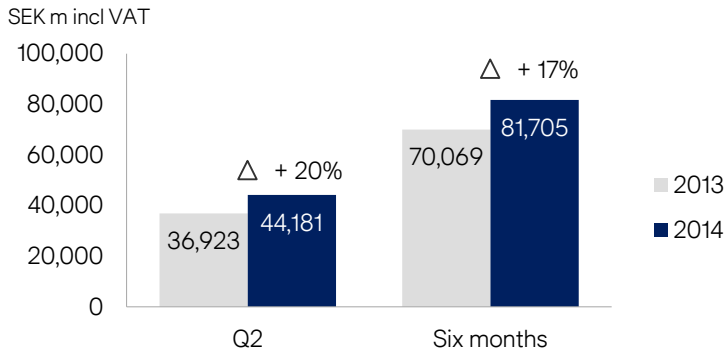
H&M is a leading company within sustainability; we feel a great responsibility for these matters and we are striving to bring about improvements for people and the environment in the countries where we operate. We are proud of what we have accomplished so far, even if there is still much to do. We believe that our work with sustainability is also becoming more and more visible to our customers and other stakeholders. To read more about this, please look into the "H&M Conscious Actions Sustainability Report 2013", which was published during the quarter at hm.com."



"This autumn, our extended shoe range will be launched with a variety of models at H&M prices."

Sales

Well-received collections and continued strong expansion led to increased sales and continued market share gains for the H&M Group in a fashion retail market that in many places is still characterised by a challenging macro-economic situation.



Sales including VAT converted into SEK increased by 20 percent to SEK 44,181 m (36 923) in the second quarter. Sales including VAT increased in the half-year period by 17 percent and amounted to SEK 81,705 m (70,069).

Sales excluding VAT increased by 20 percent to SEK 37,827 m (31,635) in the second quarter and by 17 percent to SEK 69,970 m (60,027) in the half-year period.

Sales including VAT in local currencies increased by 16 percent in the second quarter and 14 percent in the half-year period.



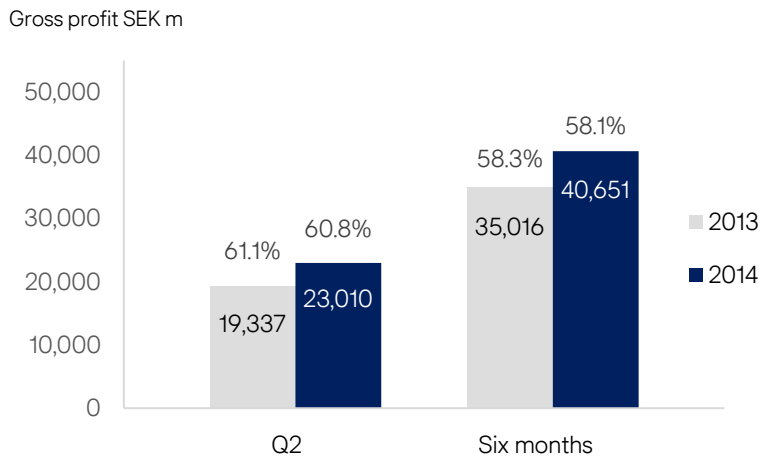
Gisele Bündchen shows H&M Summer Collection.

Sales in top ten markets, six months

| Country | 2014 | 2013 | Change in % | | 31 May - 14 | 2014 |
|----------------------------|-------------------|-------------------|-------------|-------------------|---------------------|---------------------|
| | SEK m Inc. VAT | SEK m Inc. VAT | SEK | Local currency | Number of stores | New stores (net) |
| Germany | 16,815 | 14,699 | 14 | 9 | 423 | 5 |
| USA | 7,475 | 6,311 | 18 | 19 | 313 | 8 |
| United Kingdom | 5,778 | 4,642 | 24 | 17 | 250 | 5 |
| France | 5,747 | 4,852 | 18 | 13 | 204 | 7 |
| Sweden | 4,295 | 3,989 | 8 | 8 | 178 | 1 |
| China | 3,999 | 3,058 | 31 | 30 | 242 | 37 |
| Netherlands | 3,504 | 3,177 | 10 | 6 | 131 | 1 |
| Italy | 3,270 | 2,495 | 31 | 25 | 118 | 2 |
| Spain | 3,182 | 2,805 | 13 | 9 | 157 | 1 |
| Switzerland | 2,814 | 2,621 | 7 | 3 | 90 | 3 |
| Others* | 24,826 | 21,420 | 16 | 17 | 1,179 | 83 |
| Total | 81,705 | 70,069 | 17 | 14 | 3,285 | 153 |
| <i>* Whereof franchise</i> | <i>1,304</i> | <i>1,092</i> | <i>19</i> | <i>14</i> | <i>120</i> | <i>10</i> |

Gross profit and gross margin

H&M's gross profit and gross margin are a result of many different factors, internal as well as external, and are 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 – based on the combination of fashion, quality, price and sustainability.



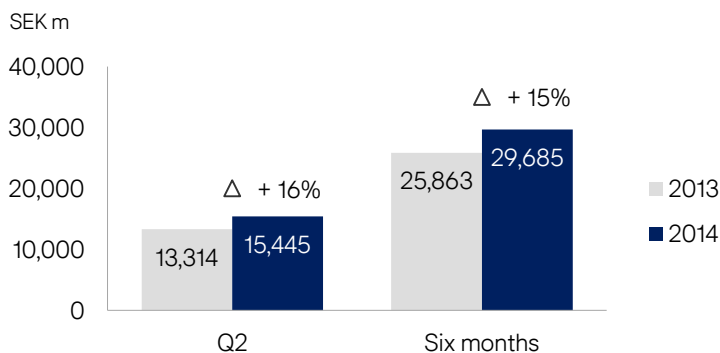
H&M Summer Collection

Gross profit increased by 19 percent to SEK 23,010 m (19,337) in the second quarter, corresponding to a gross margin of 60.8 percent (61.1). For the first half-year, gross profit increased by 16 percent to SEK 40,651 m (35,016), corresponding to a gross margin of 58.1 percent (58.3).

Markdowns in relation to sales decreased marginally compared to the second quarter last year.

Overall, the market situation as regards external factors such as raw material prices, cost inflation, capacity at suppliers, purchasing currencies and transportation costs is considered to have been slightly negative, mostly due to increased cost inflation, during the purchasing period for the second quarter compared to the corresponding purchasing period the previous year. The market situation for external factors is also considered to be slightly negative for the purchasing period for the third quarter.

Selling and administration expenses

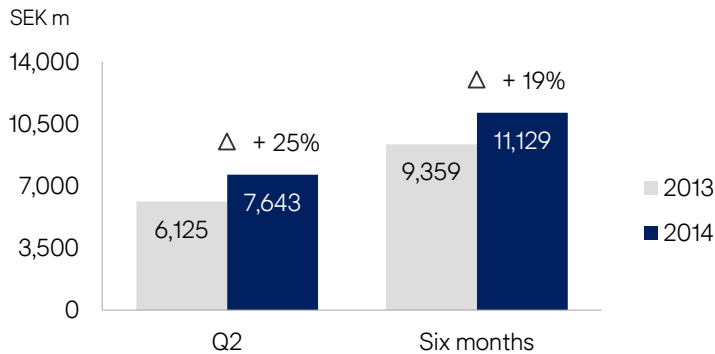


Cost control in the Group remains very good. Costs in comparable stores were unchanged in absolute terms compared to the second quarter last year, but decreased as a proportion of sales.

The increase in selling and administration expenses of 16 percent in SEK compared to the second quarter last year is mainly due to the expansion and the long-term

investments within IT and online but also to the broadening of the product range and the establishment of the new fashion brand & Other Stories. In local currencies, the increase was 13 percent.

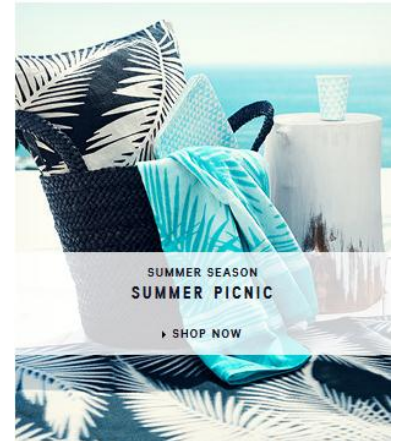
Profit after financial items



Profit after financial items increased by 25 percent to SEK 7,643 m (6,125) in the second quarter and by 19 percent to SEK 11,129 m (9,359) in the first half-year.

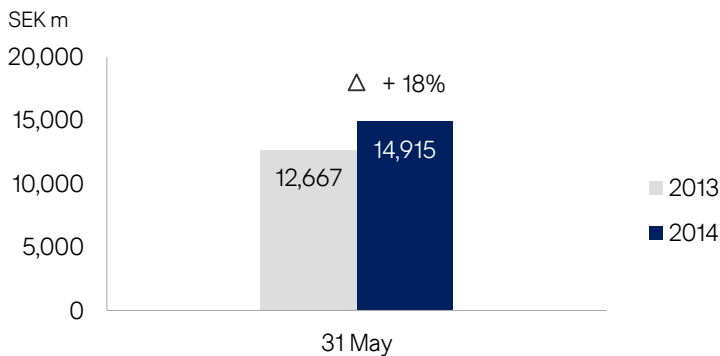
H&M is continuing to make long-term investments in order to further strengthen the H&M Group's market position and secure future expansion, and the costs in 2014 will be at a higher level than in 2013. The costs of these investments may be divided unequally between the quarters.

Long-term investments increased in the second quarter compared to the second quarter last year, but had a smaller percentage impact on profits than in Q1.



hm.com

Stock-in-trade



Stock-in-trade amounted to SEK 14,915 m (12,667), an increase of 18 percent in SEK and 16 percent in local currencies compared to the same time the previous year.

The increase in the stock-in-trade is mainly due to the store and online expansion. The level and the composition of the stock-in-trade as of 31 May 2014 are deemed to be good.

The stock-in-trade amounted to 10.8 percent (10.4) of sales excluding VAT, rolling 12 months and 25.4 percent (25.2) of total assets

Expansion

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

Store count by brand

In the first half-year, the Group opened 176 (152) stores and closed 23 (20) stores, i.e. a net increase of 153 (132) new stores. The Group had 3,285 (2,908) stores as of 31 May 2014, of which 120 were franchise stores.

| Brand | New Stores 2014 (Net) | | Total No of stores (31 May) | |
|-----------------|--------------------------|------------|--------------------------------|--------------|
| | Q2 | Six months | 2014 | 2013 |
| H&M | 84 | 132 | 3,068 | 2,743 |
| COS | 3 | 9 | 94 | 69 |
| Monki | 4 | 9 | 88 | 64 |
| Weekday | 0 | 0 | 21 | 21 |
| & Other Stories | 1 | 1 | 9 | 7 |
| Cheap Monday | 1 | 2 | 5 | 4 |
| Total | 93 | 153 | 3,285 | 2,908 |



& Other Stories in Antwerp



H&M Man in Stockholm

Store count by region

| Region | New Stores 2014 (Net) | | Total No of stores (31 May) | |
|-----------------------|--------------------------|------------|--------------------------------|--------------|
| | Q2 | Six months | 2014 | 2013 |
| Europe | 53 | 81 | 2,455 | 2,278 |
| Asia & Oceania | 34 | 63 | 446 | 298 |
| North & South America | 6 | 9 | 384 | 332 |
| Total | 93 | 153 | 3,285 | 2,908 |

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 full-year 2014 a net addition of around 375 new stores is planned. Most new stores in 2014 are planned to open in China and the US. There are also still great opportunities for expansion in other existing markets and in new markets.

Besides Australia, the Philippines and India will become new H&M countries in 2014.

H&M will open in South Africa and Peru in 2015.

The Group is continuing to work on the global roll-out of H&M's online store. France became a new H&M online market in March and Spain and Italy will become new online markets in early autumn 2014. China is planned to become a new online market at the end of 2014. H&M plans to open 8 - 10 new online markets in 2015.

Expansion continues for the Group's other brands COS, Monki, Weekday, Cheap Monday and & Other Stories. COS will open stores in four new countries in 2014 - in Australia, Switzerland, South Korea and the US as well as online in the US. & Other Stories will open stores in three new countries in 2014 - in Belgium, the Netherlands and in the US as well as online in three new countries: Ireland, Austria and the US.

H&M Home also continues to expand; for 2014 around 15 new H&M Home markets are planned.

In early autumn 2014 H&M will launch an extended and improved shoe range for women, men, teenagers and children. The new shoe concept will offer a variety of

models in different price categories, all at H&M prices. The range will be launched in H&M's existing online markets as well as in selected H&M stores in nine countries including China, the US, the UK and Sweden.

Tax

The H&M Group's tax rate is expected to be 23 – 24 percent for the financial year of 2013/2014. The final outcome of the tax rate depends on the results of the Group's various companies and the corporate tax rates in each country. An estimated tax rate of 24 percent has been used in the first half-year in 2014.

Comments on the current quarter

Sales in June have so far got off to a good start but the month of June as a whole is affected by negative calendar effects of 3 – 4 percentage points.

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 2012/2013 which are described in Note 1 – Accounting principles, except as regards IAS 19.

IAS 19, Employee Benefits, revised – this standard is being applied by H&M for the first time in the 2013/2014 financial year. Up to and including the 2012/2013 financial year the Group recognised actuarial gains and losses in the income statement. With the application of the revised IAS 19, these will be recognised in other comprehensive income. Comparison figures for the 2012/2013 financial year have been restated in accordance with the changed accounting principle.

H & M Hennes & Mauritz AB's financial instruments consist of accounts receivable, other receivables, liquid funds, accounts payable, accrued trade payables, interest-bearing securities and currency derivatives. Currency derivatives are measured at fair value based on input data corresponding to level 2 of IFRS 7. Other financial assets and liabilities have short terms. It is therefore judged that the fair values of these financial instruments are approximately equal to their book values.

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.

For definitions see the Annual Report.

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, external factors in production countries, climate changes, trade interventions and foreign currency but also in connection with expansion into new markets, the launch of new concepts, changes in consumer behaviour 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 2013.

CALENDAR

| | |
|-------------------|---|
| 25 September 2014 | Nine-month report, 1 Dec 2013 – 31 August 2014 |
| 28 January 2015 | Full-year report, 1 Dec 2013 – 30 November 2014 |
| 26 March 2015 | Three-month report, 1 Dec 2014 – 28 February |

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

Stockholm, 17 June 2014
Board of Directors

The undersigned hereby provide an assurance that the half-year report for 1 December 2013 – 31 May 2014 provides a true and fair view of the parent company's and the Group's business, positions and earnings, and also describe the significant risks and uncertainties faced by the companies making up the Group.

Stockholm 17 June, 2014

Stefan Persson
Chairman of the Board

Anders Dahlvig
Board member

Ingrid Godin
Board member

Tina Jäderberg
Deputy board member
since regular Board member
was unable to attend

Lottie Knutson
Board member

Sussi Kwart
Board member

Lena Patriksson Keller
Board member

Melker Schörling
Board member

Christian Sievert
Board member

Niklas Zennström
Board member

Karl-Johan Persson
Managing Director

The information in this Interim Report is that which H & M Hennes & Mauritz AB (publ) is required to disclose under Sweden's Securities Market Act. It will be released for publication at 8.00 (CET) on 18 June 2014. This Interim Report, and other information about H&M, is available at www.hm.com



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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, Cheap Monday, & Other Stories as well as H&M Home. The H&M Group has more than 3,200 stores in 54 markets including franchise markets. In 2013, sales including VAT were SEK 150,090 million and the number of employees was more than 116,000. For further information, visit www.hm.com.

GROUP INCOME STATEMENT (SEK m)

| | Q2 2014 | Q2 2013 | Six months 2014 | Six months 2013 | 1 Dec 2012- 30 Nov 2013** |
|-------------------------------------|---------------|---------------|--------------------|--------------------|------------------------------|
| Sales including VAT | 44,181 | 36,923 | 81,705 | 70,069 | 150,090 |
| Sales excluding VAT | 37,827 | 31,635 | 69,970 | 60,027 | 128,562 |
| Cost of goods sold | -14,817 | -12,298 | -29,319 | -25,011 | -52,537 |
| GROSS PROFIT | 23,010 | 19,337 | 40,651 | 35,016 | 76,025 |
| <i>Gross margin, %</i> | <i>60.8</i> | <i>61.1</i> | <i>58.1</i> | <i>58.3</i> | <i>59.1</i> |
| Selling expenses | -14,196 | -12,329 | -27,303 | -23,910 | -49,944 |
| Administrative expenses | -1,249 | -985 | -2,382 | -1,953 | -3,991 |
| OPERATING PROFIT | 7,565 | 6,023 | 10,966 | 9,153 | 22,090 |
| <i>Operating margin, %</i> | <i>20.0</i> | <i>19.0</i> | <i>15.7</i> | <i>15.2</i> | <i>17.2</i> |
| Interest income | 80 | 103 | 166 | 207 | 367 |
| Interest expense | -2 | -1 | -3 | -1 | -9 |
| PROFIT AFTER FINANCIAL ITEMS | 7,643 | 6,125 | 11,129 | 9,359 | 22,448 |
| Tax | -1,834 | -1,470 | -2,671 | -2,246 | -5,355 |
| PROFIT FOR THE PERIOD | 5,809 | 4,655 | 8,458 | 7,113 | 17,093 |

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

| | | | | | |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|
| Earnings per share, SEK* | 3.51 | 2.81 | 5.11 | 4.30 | 10.33 |
| Number of shares, thousands* | 1,655,072 | 1,655,072 | 1,655,072 | 1,655,072 | 1,655,072 |
| Depreciation, total | 1,270 | 1,020 | 2,478 | 2,050 | 4,191 |
| of which cost of goods sold | 143 | 115 | 278 | 230 | 470 |
| of which selling expenses | 1,048 | 843 | 2,046 | 1,695 | 3,463 |
| of which administrative expenses | 79 | 62 | 154 | 125 | 258 |

* Before and after dilution.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK m)

| | Q2 2014 | Q2 2013 | Six months 2014 | Six months 2013 | 1 Dec 2012- 30 Nov 2013** |
|---|--------------|--------------|--------------------|--------------------|------------------------------|
| PROFIT FOR THE PERIOD | 5,809 | 4,655 | 8,458 | 7,113 | 17,093 |
| Other comprehensive income | | | | | |
| <i>Items that have been transferred or may be transferred to net profit</i> | | | | | |
| Translation differences | 763 | 292 | 457 | -626 | 30 |
| Change in hedging reserves | 106 | -138 | 100 | 200 | -61 |
| Tax attributable to other comprehensive income | -25 | 36 | -24 | -52 | 15 |
| <i>Items not been transferred or not will be transferred to net profit</i> | | | | | |
| Revaluations relating to defined benefit pension plans | - | - | - | - | 78 |
| Income tax relating to items recognized in other comprehensive income | - | - | - | - | -19 |
| OTHER COMPREHENSIVE INCOME | 844 | 190 | 533 | -478 | 43 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 6,653 | 4,845 | 8,991 | 6,635 | 17,136 |

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

** Net income for fiscal year 2012/2013 has due to a change in accounting principles (IAS 19 Revised) been restated compared to previously published information. Net income has decreased by SEK 59 m and Other comprehensive income has increased by SEK 59 m. The change in accounting principles has had no effect on the balance sheet. For further information see the section on Accounting principles on page 7.

GROUP BALANCE SHEET IN SUMMARY (SEK m)

| ASSETS | 31 May - 2014 | 31 May - 2013 | 30 Nov - 2013 |
|-------------------------------------|---------------|---------------|---------------|
| Fixed assets | | | |
| Intangible fixed assets | 2,642 | 1,901 | 2,276 |
| Tangible fixed assets | 23,479 | 19,678 | 22,186 |
| Financial assets | 2,353 | 2,245 | 2,026 |
| | 28,474 | 23,824 | 26,488 |
| Current assets | | | |
| Stock-in-trade | 14,915 | 12,667 | 16,695 |
| Current receivables | 5,846 | 4,626 | 5,269 |
| Short-term investments, 4-12 months | - | 1,861 | 3,306 |
| Liquid funds | 9,592 | 7,200 | 13,918 |
| | 30,353 | 26,354 | 39,188 |
| TOTAL ASSETS | 58,827 | 50,178 | 65,676 |
| EQUITY AND LIABILITIES | | | |
| Equity | 38,516 | 34,747 | 45,248 |
| Long-term liabilities* | 3,048 | 2,379 | 3,031 |
| Current liabilities** | 17,263 | 13,052 | 17,397 |
| TOTAL EQUITY AND LIABILITIES | 58,827 | 50,178 | 65,676 |

* Only provisions for pensions are interest-bearing.

** No current liabilities are interest-bearing.

CHANGE IN GROUP EQUITY IN SUMMARY (SEK m)

| | 31 May - 2014 | 31 May - 2013 | 30 Nov - 2013 |
|---|---------------|---------------|---------------|
| Shareholders' equity at the beginning of the period | 45,248 | 43,835 | 43,835 |
| Total comprehensive income for the period | 8,991 | 6,635 | 17,136 |
| Dividend | -15,723 | -15,723 | -15,723 |
| Shareholders' equity at the end of the period | 38,516 | 34,747 | 45,248 |

GROUP CASH FLOW STATEMENT (SEK m)

| | Six months 2014 | Six months 2013 |
|--|-----------------|-----------------|
| Current operations | | |
| Profit after financial items* | 11,129 | 9,359 |
| Provisions for pensions | 25 | 29 |
| Depreciation | 2,478 | 2,050 |
| Tax paid | -2,936 | -2,070 |
| Cash flow from current operations before changes in working capital | 10,696 | 9,368 |
| Cash flow from changes in working capital | | |
| Current receivables | -406 | 294 |
| Stock-in-trade | 1,886 | 2,398 |
| Current liabilities | -257 | -842 |
| CASH FLOW FROM CURRENT OPERATIONS | 11,919 | 11,218 |
| Investment activities | | |
| Investment in intangible fixed assets | -470 | -449 |
| Investment in tangible fixed assets | -3,461 | -2,926 |
| Change in short-term investments, 4 - 12 months | 3,306 | 1,091 |
| Other investments | -10 | 25 |
| CASH FLOW FROM INVESTMENT ACTIVITIES | -635 | -2,259 |
| Financial activities | | |
| Dividend | -15,723 | -15,723 |
| CASH FLOW FROM FINANCIAL ACTIVITIES | -15,723 | -15,723 |
| CASH FLOW FOR THE PERIOD | -4,439 | -6,764 |
| Liquid funds at beginning of the financial year | 13,918 | 14,148 |
| Cash flow for the period | -4,439 | -6,764 |
| Exchange rate effect | 113 | -184 |
| Liquid funds at end of the period** | 9,592 | 7,200 |

* Interest paid for the Group amounts to SEK 3 m (1).

** Liquid funds and short-term investments 4-12 months at the end of the period amounted to SEK 9,592 m (9,061).

SALES INCLUDING VAT BY COUNTRY AND NUMBER OF STORES**Q2, 1 March – 31 May**

| Country | Q2 - 2014 | Q2 - 2013 | Change in % | | 31 May - 14 | Q2 - 2014 | |
|----------------|---------------|---------------|-------------|-------------------|---------------|---------------|------------------|
| | SEK m | SEK m | SEK | Local currency | No. of stores | New stores | Closed stores |
| Sweden | 2,275 | 2,051 | 11 | 11 | 178 | 2 | 1 |
| Norway | 1,368 | 1,306 | 5 | 8 | 114 | | |
| Denmark | 1,348 | 1,152 | 17 | 11 | 98 | 1 | |
| United Kingdom | 3,176 | 2,416 | 31 | 22 | 250 | 5 | |
| Switzerland | 1,505 | 1,352 | 11 | 5 | 90 | 2 | |
| Germany | 9,070 | 7,689 | 18 | 12 | 423 | 3 | 1 |
| Netherlands | 1,942 | 1,691 | 15 | 9 | 131 | 1 | |
| Belgium | 986 | 826 | 19 | 13 | 76 | 2 | |
| Austria | 1,315 | 1,202 | 9 | 4 | 73 | 2 | 1 |
| Luxembourg | 105 | 95 | 11 | 6 | 10 | | |
| Finland | 667 | 617 | 8 | 3 | 58 | 1 | |
| France | 3,053 | 2,509 | 22 | 16 | 204 | 9 | 2 |
| USA | 4,028 | 3,301 | 22 | 23 | 313 | 8 | 3 |
| Spain | 1,658 | 1,432 | 16 | 10 | 157 | 1 | 1 |
| Poland | 951 | 777 | 22 | 16 | 134 | 7 | |
| Czech Republic | 238 | 200 | 19 | 21 | 41 | 3 | |
| Portugal | 260 | 211 | 23 | 17 | 28 | | |
| Italy | 1,795 | 1,378 | 30 | 24 | 118 | 1 | |
| Canada | 704 | 758 | -7 | 1 | 67 | 1 | |
| Slovenia | 122 | 114 | 7 | 1 | 12 | | |
| Ireland | 203 | 145 | 40 | 33 | 20 | 1 | |
| Hungary | 262 | 195 | 34 | 32 | 35 | 1 | 1 |
| Slovakia | 104 | 91 | 14 | 9 | 13 | | |
| Greece | 333 | 242 | 38 | 30 | 29 | 2 | 1 |
| China | 2,237 | 1,739 | 29 | 29 | 242 | 14 | |
| Japan | 962 | 891 | 8 | 18 | 46 | 4 | |
| Russia | 845 | 708 | 19 | 36 | 62 | 5 | |
| South Korea | 261 | 235 | 11 | 7 | 19 | 2 | |
| Turkey | 294 | 184 | 60 | 89 | 24 | 1 | |
| Romania | 301 | 222 | 36 | 32 | 35 | 5 | |
| Croatia | 190 | 176 | 8 | 4 | 14 | 1 | |
| Singapore | 185 | 135 | 37 | 40 | 8 | 1 | |
| Bulgaria | 88 | 65 | 35 | 30 | 12 | 1 | |
| Latvia | 61 | 31 | 97 | 84 | 5 | 2 | |
| Malaysia | 140 | 83 | 69 | 82 | 10 | 2 | |
| Mexico | 122 | 75 | 63 | 74 | 3 | | |
| Chile | 88 | 113 | -22 | -10 | 1 | | |
| Lithuania | 55 | | | | 5 | 3 | |
| Serbia | 58 | | | | 3 | | |
| Estonia | 50 | | | | 3 | | |
| Australien | 136 | | | | 1 | 1 | |
| Franchise | 640 | 516 | 24 | 13 | 120 | 9 | |
| Total | 44,181 | 36,923 | 20 | 16 | 3,285 | 104 | 11 |

SALES INCLUDING VAT BY COUNTRY AND NUMBER OF STORES

Six months, 1 December - 31 May

| Country | 2014 | 2013 | Change in % | | 31 May - 14 | Six months | |
|----------------|---------------|---------------|-------------|----------------|---------------|------------|---------------|
| | SEK m | SEK m | SEK | Local currency | No. of stores | New stores | Closed stores |
| Sweden | 4,295 | 3,989 | 8 | 8 | 178 | 3 | 2 |
| Norway | 2,651 | 2,658 | 0 | 6 | 114 | | |
| Denmark | 2,489 | 2,196 | 13 | 9 | 98 | 1 | |
| United Kingdom | 5,778 | 4,642 | 24 | 17 | 250 | 8 | 3 |
| Switzerland | 2,814 | 2,621 | 7 | 3 | 90 | 3 | |
| Germany | 16,815 | 14,699 | 14 | 9 | 423 | 7 | 2 |
| Netherlands | 3,504 | 3,177 | 10 | 6 | 131 | 2 | 1 |
| Belgium | 1,855 | 1,603 | 16 | 11 | 76 | 3 | |
| Austria | 2,489 | 2,301 | 8 | 3 | 73 | 2 | 1 |
| Luxembourg | 200 | 181 | 10 | 6 | 10 | | |
| Finland | 1,288 | 1,209 | 7 | 2 | 58 | 1 | 1 |
| France | 5,747 | 4,852 | 18 | 13 | 204 | 10 | 3 |
| USA | 7,475 | 6,311 | 18 | 19 | 313 | 13 | 5 |
| Spain | 3,182 | 2,805 | 13 | 9 | 157 | 2 | 1 |
| Poland | 1,750 | 1,503 | 16 | 12 | 134 | 12 | |
| Czech Republic | 436 | 390 | 12 | 15 | 41 | 3 | |
| Portugal | 513 | 416 | 23 | 18 | 28 | 1 | |
| Italy | 3,270 | 2,495 | 31 | 25 | 118 | 3 | 1 |
| Canada | 1,302 | 1,426 | -9 | -1 | 67 | 1 | |
| Slovenia | 229 | 217 | 6 | 1 | 12 | | |
| Ireland | 375 | 281 | 33 | 28 | 20 | 1 | |
| Hungary | 482 | 357 | 35 | 35 | 35 | 3 | 1 |
| Slovakia | 196 | 179 | 9 | 5 | 13 | | |
| Greece | 620 | 458 | 35 | 30 | 29 | 3 | 1 |
| China | 3,999 | 3,058 | 31 | 30 | 242 | 38 | 1 |
| Japan | 1,628 | 1,462 | 11 | 25 | 46 | 7 | |
| Russia | 1,402 | 1,210 | 16 | 31 | 62 | 11 | |
| South Korea | 441 | 379 | 16 | 13 | 19 | 3 | |
| Turkey | 518 | 289 | 79 | 114 | 24 | 4 | |
| Romania | 549 | 410 | 34 | 30 | 35 | 7 | |
| Croatia | 349 | 316 | 10 | 7 | 14 | 1 | |
| Singapore | 380 | 279 | 36 | 39 | 8 | 2 | |
| Bulgaria | 161 | 111 | 45 | 39 | 12 | 1 | |
| Latvia | 95 | 58 | 64 | 57 | 5 | 2 | |
| Malaysia | 290 | 172 | 69 | 80 | 10 | 3 | |
| Mexico | 271 | 154 | 76 | 83 | 3 | | |
| Chile | 156 | 113 | 38 | 59 | 1 | | |
| Lithuania | 81 | | | | 5 | 3 | |
| Serbia | 99 | | | | 3 | 1 | |
| Estonia | 91 | | | | 3 | | |
| Australien | 136 | | | | 1 | 1 | |
| Franchise | 1,304 | 1,092 | 19 | 14 | 120 | 10 | |
| Total | 81,705 | 70,069 | 17 | 14 | 3,285 | 176 | 23 |

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

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|-----------|-----------|-----------|-----------|-----------|
| Sales including VAT, SEK m | 60,699 | 61,108 | 69,450 | 70,069 | 81,705 |
| Sales excluding VAT, SEK m | 51,879 | 52,135 | 59,491 | 60,027 | 69,970 |
| Change from previous year in SEK, % | 4 | 0 | 14 | 1 | 17 |
| Change from previous year in local currencies, % | 11 | 10 | 12 | 5 | 14 |
| Operating profit, SEK m | 11,943 | 9,007 | 10,419 | 9,153 | 10,966 |
| Operating margin, % | 23.0 | 17.3 | 17.5 | 15.2 | 15.7 |
| Depreciation for the period, SEK m | 1,555 | 1,634 | 1,840 | 2,050 | 2,478 |
| Profit after financial items, SEK m | 12,095 | 9,290 | 10,754 | 9,359 | 11,129 |
| Profit after tax, SEK m | 8,950 | 6,875 | 7,958 | 7,113 | 8,458 |
| Liquid funds and short-term investments, SEK m | 18,992 | 15,207 | 13,543 | 9,061 | 9,592 |
| Stock-in-trade, SEK m | 8,562 | 10,414 | 11,299 | 12,667 | 14,915 |
| Equity, SEK m | 36,064 | 33,946 | 36,516 | 34,747 | 38,516 |
| Number of shares, thousands* | 1,655,072 | 1,655,072 | 1,655,072 | 1,655,072 | 1,655,072 |
| Earnings per share, SEK* | 5.41 | 4.15 | 4.81 | 4.30 | 5.11 |
| Shareholders' equity per share, SEK* | 21.79 | 20.51 | 22.06 | 20.99 | 23.27 |
| Cash flow from current operations per share, SEK* | 7.55 | 5.16 | 6.45 | 6.78 | 7.20 |
| Share of risk-bearing capital, % | 75.9 | 73.0 | 73.5 | 73.2 | 70.1 |
| Equity/assets ratio, % | 71.8 | 71.3 | 71.5 | 69.2 | 65.5 |
| Total number of stores | 2,062 | 2,297 | 2,575 | 2,908 | 3,285 |
| Rolling twelve months | | | | | |
| Earnings per share, SEK* | 11.22 | 10.03 | 10.21 | 9.68 | 11.18 |
| Return on shareholders' equity, % | 54.8 | 47.4 | 48.0 | 45.0 | 50.5 |
| Return on capital employed, % | 72.9 | 63.0 | 63.0 | 58.0 | 65.7 |

* Before and after dilution.

Definition on key figures see annual report.

SEGMENT REPORTING (SEK m)

| | Six months 2014 | Six months 2013 |
|--------------------------------|-----------------|-----------------|
| Asia and Oceania | | |
| External net sales | 7,566 | 6,013 |
| Operating profit | 1,037 | 845 |
| Operating margin, % | 13.7 | 14.1 |
| Europe | | |
| External net sales | 53,763 | 46,512 |
| Operating profit | 4,364 | 642 |
| Operating margin, % | 8.1 | 1.4 |
| North and South America | | |
| External net sales | 8,641 | 7,502 |
| Operating profit | -35 | -287 |
| Operating margin, % | -0.4 | -3.8 |
| Group Functions | | |
| Net sales to other segments | 30,968 | 32,479 |
| Operating profit | 5,600 | 7,953 |
| Eliminations | | |
| Net sales to other segments | -30,968 | -32,479 |
| Total | | |
| External net sales | 69,970 | 60,027 |
| Operating profit | 10,966 | 9,153 |
| Operating margin, % | 15.7 | 15.2 |

PARENT COMPANY INCOME STATEMENT (SEK m)

| | Q2 2014 | Q2 2013 | Six months 2014 | Six months 2013 | 1 Dec 2012- 30 Nov 2013 |
|-------------------------------------|--------------|--------------|--------------------|--------------------|----------------------------|
| External sales excluding VAT | 2 | 2 | 4 | 3 | 35 |
| Internal sales excluding VAT* | 2,199 | 1,959 | 4,098 | 3,685 | 7,845 |
| GROSS PROFIT | 2,201 | 1,961 | 4,102 | 3,688 | 7,880 |
| Selling expenses | -951 | -842 | -1,475 | -1,435 | -2,699 |
| Administrative expenses | -1,217 | -983 | -2,493 | -1,951 | -4,259 |
| OPERATING PROFIT | 33 | 136 | 134 | 302 | 922 |
| Dividend from subsidiaries | 1,051 | 962 | 1,051 | 962 | 16,039 |
| Interest income | 17 | 17 | 36 | 38 | 63 |
| Interest expense | -5 | -1 | -8 | -1 | -9 |
| PROFIT AFTER FINANCIAL ITEMS | 1,096 | 1,114 | 1,213 | 1,301 | 17,015 |
| Year-end appropriations | - | - | - | - | -1,020 |
| Tax | -10 | -40 | -36 | -89 | -50 |
| PROFIT FOR THE PERIOD | 1,086 | 1,074 | 1,177 | 1,212 | 15,945 |

* Includes royalty received from Group companies

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK m)

| | Q2 2014 | Q2 2013 | Six months 2014 | Six months 2013 | 1 Dec 2012- 30 Nov 2013 |
|--|--------------|--------------|--------------------|--------------------|----------------------------|
| PROFIT FOR THE PERIOD | 1,086 | 1,074 | 1,177 | 1,212 | 15,945 |
| Other comprehensive income | - | - | - | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 1,086 | 1,074 | 1,177 | 1,212 | 15,945 |

PARENT COMPANY BALANCE SHEET IN SUMMARY (SEK m)

| | 31 May - 2014 | 31 May - 2013 | 30 Nov - 2013 |
|-------------------------------------|---------------|---------------|---------------|
| ASSETS | | | |
| Fixed assets | | | |
| Tangible fixed assets | 507 | 459 | 502 |
| Financial fixed assets | 1,467 | 1,521 | 1,381 |
| | 1,974 | 1,980 | 1,883 |
| Current assets | | | |
| Current receivables | 2,177 | 1,558 | 12,163 |
| Short-term investments, 4-12 months | - | - | 3,304 |
| Liquid funds | - | - | 1,324 |
| | 2,177 | 1,558 | 16,791 |
| TOTAL ASSETS | 4,151 | 3,538 | 18,674 |
| EQUITY AND LIABILITIES | | | |
| Equity | 2,301 | 2,115 | 16,847 |
| Untaxed reserves | 454 | 456 | 454 |
| Long-term liabilities* | 213 | 229 | 213 |
| Current liabilities** | 1,183 | 738 | 1,160 |
| TOTAL EQUITY AND LIABILITIES | 4,151 | 3,538 | 18,674 |

* Relates to provisions for pensions.

** No current liabilities are interest-bearing.