

H & M Hennes & Mauritz AB

Full-year report

Full-year (1 December 2013 – 30 November 2014)

- Well-received collections for all brands in the H&M Group resulted in good sales and increased market share. The H&M Group's sales including VAT increased in local currencies by 14 percent during the financial year. Converted into SEK, sales excluding VAT amounted to SEK 151,419 m (128,562), an increase of 18 percent.
- Gross profit increased by 17 percent to SEK 89,052 m (76,025), which corresponds to a gross margin of 58.8 percent (59.1).
- Profit after financial items increased by more than SEK 3.4 billion to SEK 25,895 m (22,448), an increase of 15 percent.
- The Group's profit after tax increased to SEK 19,976 m (17,093), corresponding to SEK 12.07 (10.33) per share, an increase of 17 percent.
- The strong result for 2014 has led to SEK 303 m being allocated to the H&M Incentive Program (HIP). The allocation to HIP in 2013 amounted to SEK 31 m. HIP is for all employees regardless of role, salary and whether they work part-time or full-time. The allocation to HIP was expensed in the fourth quarter. The significant difference in HIP allocations between 2014 and 2013 make it an item affecting comparability both in the full-year results for 2014 and in the fourth quarter of 2014.
- Strong expansion during the year with a total net addition of 379 (356) new stores. The largest expansion markets were China and the US. At the end of the financial year the number of stores amounted to 3,511 stores in 55 markets.
- More than 16,000 (12,000) new jobs were created in the H&M Group in 2014. The number of employees amounted to more than 132,000 (116,000) at the end of the year.

Sales increase +18 %



SEK 303 million is allocated to H&M Incentive Program

Fourth quarter (1 September 2014 – 30 November 2014)

- The H&M Group's sales including VAT increased in local currencies by 11 percent in the fourth quarter. Converted into SEK, sales excluding VAT amounted to SEK 42,644 m (36,495), an increase of 17 percent.
- Gross profit amounted to SEK 25,774 m (22,181), an increase of 16 percent. This corresponds to a gross margin of 60.4 percent (60.8).
- Profit after financial items increased to SEK 7,799 (7,259), an increase of 7 percent. Before the allocation to HIP was expensed, profit after financial items increased by 11 percent.
- The Group's profit after tax increased to SEK 6,222 m (5,549), i.e. an improvement of 12 percent, corresponding to SEK 3.76 (3.35) per share. Before the allocation to HIP was expensed, profit after tax increased by approximately SEK 900 m, i.e. an increase of 16 percent.
- H&M's first stores in Manila, the Philippines, have been very well received since opening in October.

- The Board of Directors proposes a dividend of SEK 9.75 (9.50) per share for the financial year 2013/2014.
- Sales in December 2014 increased by 15 percent in local currencies compared to the corresponding month the previous year.
- Sales in January 2015 are expected to increase by 14 percent in local currencies compared to the same month last year.
- The H&M Group plans a net addition of around 400 new stores for the financial year 2014/2015. Most of the expansion will take place on existing markets. Taiwan, Peru, Macau, South Africa and India will become new H&M markets in 2015.
- COS and & Other Stories will open more new stores in 2015 compared with 2014.
- Belgium, Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia and Switzerland will become new H&M online markets in 2015.
- H&M Beauty - a new concept with a broad range of make-up, body care and hair care products - will initially be launched in around 900 H&M stores and online in autumn 2015.

Q4

Comments by Karl-Johan Persson, CEO

“2014 has been a very good year for H&M. Over the full year we increased our sales by 14 percent in local currencies and by 18 percent in Swedish kronor, to SEK 176.6 billion including VAT. Profit for the year after tax, before the allocation to HIP, increased by 18 percent to over SEK 20 billion. Well-received collections for all our brands and continued strong expansion both in stores and online have helped increase our market share and have further strengthened our position in the market.

We created 16,000 new jobs within the H&M Group in 2014 and now have more than 132,000 employees. Our employees and the H&M spirit – our shared values – are the key to our success, and the good financial results for the year mean that SEK 303 m has been allocated into the H&M Incentive Program (HIP). HIP is for all employees in the H&M Group and aims to acknowledge the employees’ daily and long-term commitment.

As always, we worked on continuous improvements during the year in order to be a leader in everything we do and the preferred choice for our customers. We have made many long-term investments in IT, online sales, new brands and in broadening the product range. Additionally, our extensive sustainability work is a further example of how we give customers added value. Our customers should always know that when they shop with us, the product has been produced with the greatest possible consideration for people and the environment.

While we are continuing our long-term investments, at the same time we can see our investments in areas such as online starting to bear fruit. This year we opened our online store in four new large markets: France, Italy, Spain and China. These openings, combined with further improvements in our online store, have naturally contributed to the year’s good sales development. We will therefore be rolling out H&M’s online store to nine new markets in 2015: Belgium, Bulgaria, the Czech Republic, Hungary, Poland, Portugal, Romania, Slovakia and Switzerland.

In 2014 we opened a net addition of 379 new stores – which is more than one store a day. And in 2015 we will be opening even more stores; in total, we plan a net addition of around 400 new stores. New markets planned for 2015 are Taiwan, Peru, Macau, South Africa and India. The greatest expansion will take place in existing markets where there is still great potential to grow further. The most new stores will open in China and the US, but also in other large markets such as Poland and Germany. COS and & Other Stories plan to open even more stores this year than in 2014.

Early in 2014 we successfully launched H&M Sport, and in the autumn our expanded shoe range was gradually launched in selected H&M stores and online. As a further step in broadening H&M’s product range, in autumn 2015 we will start the launch of H&M Beauty – a new and broad concept for make-up, body care and hair care with high quality value-for-money products in a specially produced design that we have great belief in. H&M Beauty, which will replace our current own-brand cosmetics, will be launched already this year in approximately 900 H&M stores in around 40 markets as well as in our online markets.

We have another exciting year ahead of us, with new opportunities and challenges. 2015 has got off to a good start, with strong sales in both December and January. Although the increasingly expensive US dollar will affect our sourcing costs, we will make sure that we always have the best customer offering in each individual market in terms of fashion, quality, price and sustainability, which form the basis of our business idea.”

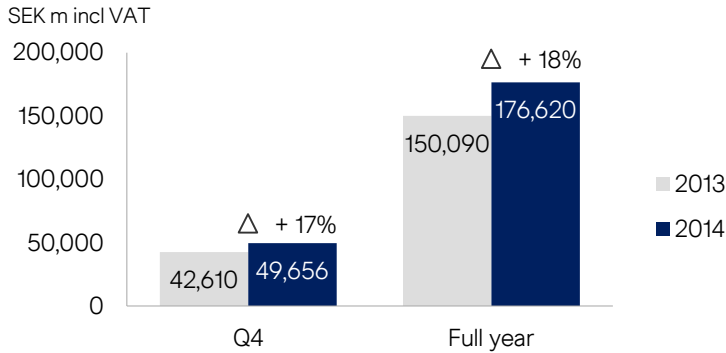


“Strong sales and profitability in 2014 led to an allocation of SEK 303 million to the H&M Incentive Program (HIP) for our employees.”

	Q4 2014	Q4 2013	Full year 2014	Full year 2013
SEK m				
Net sales	42,644	36,495	151,419	128,562
Gross profit	25,774	22,181	89,052	76,025
<i>gross margin, %</i>	<i>60.4</i>	<i>60.8</i>	<i>58.8</i>	<i>59.1</i>
Operating profit	7,731	7,182	25,583	22,090
<i>operating margin, %</i>	<i>18.1</i>	<i>19.7</i>	<i>16.9</i>	<i>17.2</i>
Net financial items	68	77	312	358
Profit after financial items	7,799	7,259	25,895	22,448
Tax	-1,577	-1,710	-5,919	-5,355
Profit for the period	6,222	5,549	19,976	17,093
Earnings per share, SEK	3.76	3.35	12.07	10.33

Sales

Well-received collections for all brands 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 markets was still characterised by a challenging macroeconomic situation and also by unusually warm autumn weather.



H&M Spring Collection

Sales including VAT converted into SEK increased by 17 percent to SEK 49,656 m (42,610) in the fourth quarter. Sales including VAT increased in the financial year by 18 percent and amounted to SEK 176,620 m (150,090).

Sales excluding VAT increased by 17 percent to SEK 42,644 m (36,495) in the fourth quarter and by 18 percent to SEK 151,419 m (128,562) during the financial year 2014.

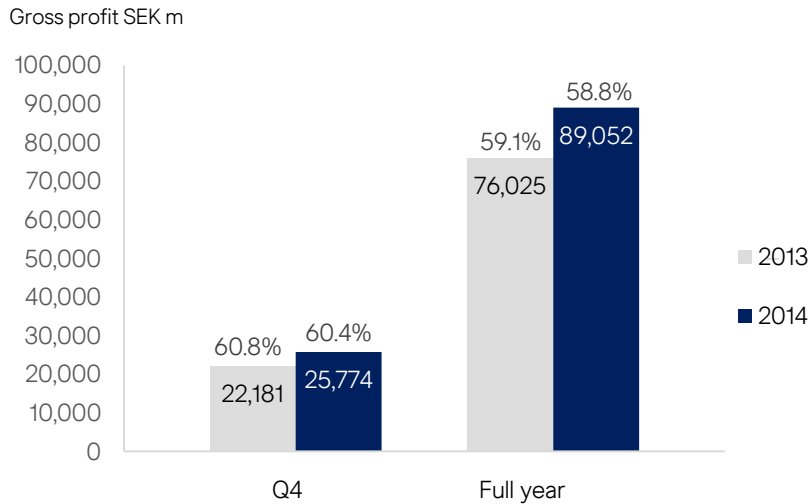
Sales including VAT in local currencies increased by 11 percent in the fourth quarter and by 14 percent during the financial year 2014.

Sales in top ten markets, full-year

Country	2014	2013	Change in %		30 Nov - 14	2014
	SEK m Inc. VAT	SEK m Inc. VAT	SEK	Local currency	Number of stores	New stores (net)
Germany	34,950	31,140	12	7	440	22
USA	17,278	13,675	26	22	356	51
United Kingdom	12,993	10,256	27	16	253	8
France	12,321	10,636	16	11	205	8
China	9,043	6,655	36	30	291	86
Sweden	8,923	8,257	8	8	176	-1
Netherlands	7,320	6,750	8	4	135	5
Italy	7,140	5,490	30	24	132	16
Spain	6,748	6,011	12	7	159	3
Switzerland	5,951	5,516	8	2	93	6
Others*	53,953	45,704	18	17	1,271	175
Total	176,620	150,090	18	14	3,511	379
<i>* Whereof franchise</i>	<i>2,947</i>	<i>2,394</i>	<i>23</i>	<i>16</i>	<i>130</i>	<i>20</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.



Modern Essentials selected by David Beckham

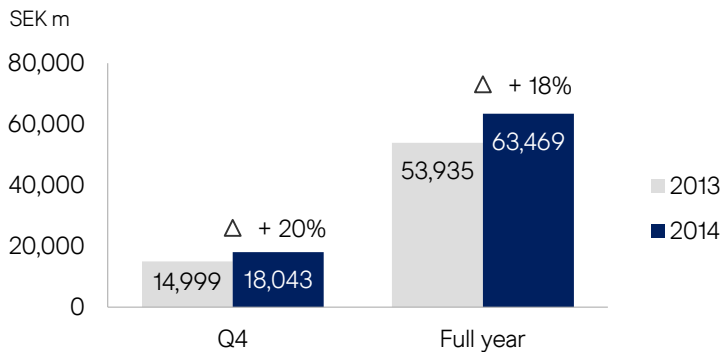
Gross profit increased by 16 percent to SEK 25,774 m (22,181) in the fourth quarter, corresponding to a gross margin of 60.4 percent (60.8). For the full-year, gross profit increased by 17 percent to SEK 89,052 m (76,025), corresponding to a gross margin of 58.8 percent (59.1).

Markdowns in relation to sales decreased somewhat in the fourth quarter 2014 compared to the corresponding quarter last year. For the financial year 2014, the markdowns in relation to sales decreased marginally compared to the previous 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 fourth quarter compared to the corresponding purchasing period the previous year. The market situation for external factors for the purchasing period for the first quarter in 2015 is also considered to be slightly negative.

Since the autumn 2014, the USD exchange rate has been strengthened strongly against most currencies, e.g. the euro. Even though the increasingly stronger USD-exchange rate will result in gradually increased purchasing costs for the purchases for Q2, Q3 and Q4 2015 - H&M will still make sure to have the best customer offering in each single market.

Selling and administration expenses



Cost control in the Group remains good. For the full-year 2014, the selling and administrative expenses increased by 18 percent in SEK and 14 percent in local currencies.

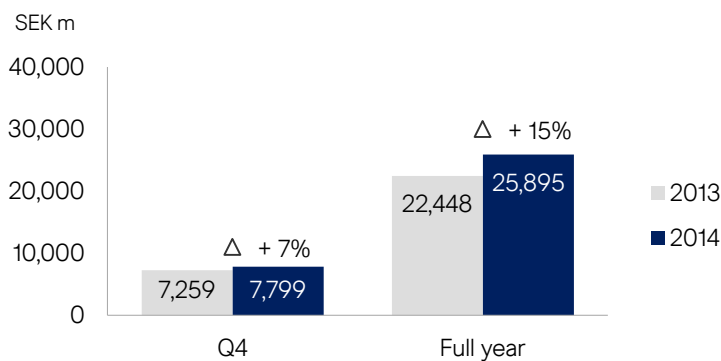
In the fourth quarter, the selling and administrative expenses increased by 20 percent and by 15 percent in local currencies compared to the fourth quarter 2013. The increase is mainly due to the expansion and the long-term investments within IT and online, and to the broadening of the product range and the establishment of the new fashion brand & Other Stories, but also to the allocation to HIP. Before the allocation of SEK 303 m to HIP, the cost increase was 19 percent in SEK and 13 percent in local currencies.

Costs in comparable stores increased slightly both in absolute terms and as a proportion of sales compared to the fourth quarter 2013.



H&M Spring Collection

Profit after financial items



Profit after financial items in the fourth quarter increased by 7 percent to SEK 7,799 m (7,259). Before the allocation of SEK 303 m to HIP the increase in profits was 11 percent.

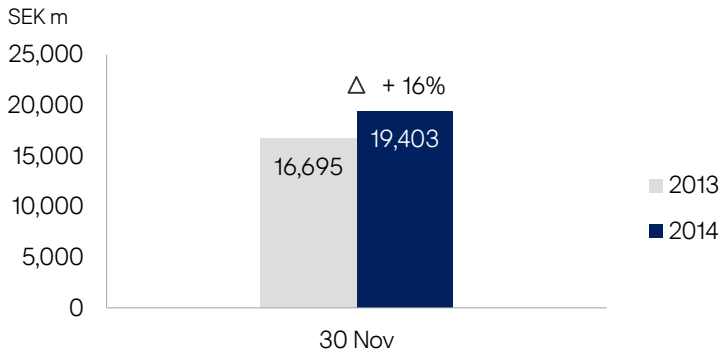
For the financial year, profit after financial items increased to SEK 25,895 m (22,448), an increase of 15 percent.

Long-term investments increased in the fourth quarter 2014 compared to the fourth quarter 2013, but were less than in the third quarter 2014.

H&M will continue 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 2015 will be at a higher level than in 2014. The costs of these investments may be divided unequally between the quarters.

The allocation to the H&M Incentive Program (HIP) is based on 10 percent of the increase in the company's profit after tax between two consecutive financial years (before the contribution to HIP). The allocation must be invested in H&M shares. The amount allocated for the year was SEK 303 m (31). The allocation was expensed in the fourth quarter 2014 and thus affected profit before tax by SEK 303 m (31) and profit after tax by SEK 230 m (24).

Stock-in-trade



Stock-in-trade amounted to SEK 19,403 m (16,695), an increase of 16 percent in SEK and 14 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 30 November 2014 are deemed to be good.

The stock-in-trade amounted to 12.8 percent (13.0) of sales excluding VAT and 25.7 percent (25.4) of total assets



In October H&M opened its first stores in Manila, the Philippines.

Expansion

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

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.

For full-year 2015 a net addition of around 400 new stores is planned. Most new stores in 2015 are planned to open in China and the US. There are also still great opportunities for expansion in other existing markets as well as in new markets.

Taiwan, Peru, Macau, South Africa and India will become new H&M markets in 2015.

The Group is continuing to work on the global roll-out of H&M's online store. In 2015 H&M plans to open nine new online markets: Belgium, Bulgaria, the Czech Republic, Hungary, Poland, Portugal, Romania, Slovakia and Switzerland.

The expansion continues for the Group's other brands COS, Monki, Weekday, Cheap Monday and & Other Stories. The main focus for expansion will be on COS and & Other Stories, which will open more stores in 2015 compared with 2014. This expansion will mainly take place in existing markets.

H&M Home is also continuing its rapid expansion in 2015, with around a hundred new H&M Home departments and around 10 new H&M Home markets planned for the year.

H&M Sport, H&M Beauty and the extended shoe range are examples of ongoing long-term investments in the broadening of H&M's product range.

In autumn 2015 H&M Beauty will be launched – H&M's new and broad concept for make-up, body care and hair care with high quality value-for-money products in a specially produced design. H&M Beauty, which will replace H&M's current own-brand cosmetics, will be launched already this year in around 900 H&M stores in around 40 markets as well as online.

Store count by brand

In the financial year 2014, the Group opened 426 (399) stores and closed 47 (43) stores, i.e. a net increase of 379 (356) new stores. The Group had 3,511 (3,132) stores as of 30 November 2014, of which 130 were franchise stores.

Brand	New Stores 2014 (Net)		Total No of stores (30 Nov)	
	Q4	Full year	2014	2013
H&M	143	325	3,261	2,936
COS	17	29	114	85
Monki	2	13	92	79
Weekday	1	1	22	21
& Other Stories	7	9	17	8
Cheap Monday	0	2	5	3
Total	170	379	3,511	3,132

Store count by region

Region	New Stores 2014 (Net)		Total No of stores (30 Nov)	
	Q4	Full year	2014	2013
Europe	80	174	2,548	2,374
Asia & Oceania	60	145	528	383
North & South America	30	60	435	375
Total	170	379	3,511	3,132

Tax

The H&M Group's final tax rate for the financial year 2013/2014 was 22.9 percent (23.9). 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. The H&M Group's tax rate is expected to be approximately 22.5 - 23.5 percent for the financial year of 2014/2015. However, in the first three quarters of 2015 an estimated tax rate of 23.5 percent will be used.

Employees

The average number of employees in the Group, converted into full-time positions, was 93,351 (81,099), of which 7,489 (6,868) are employed in Sweden.

Parent company

The parent company's external sales amounted to SEK 47 m (35) in the financial year. Profit after financial items amounted to SEK 16,248 m (16,998). Investments in fixed assets amounted to SEK 274 m (161).

Comments on the current quarter

As previously communicated, sales in December 2014 increased by 15 percent in local currencies compared to the corresponding month the previous year.

Sales in January 2015 are expected to increase by 14 percent in local currencies compared to the same month last year.

Dividend policy and dividend proposal

H&M's financial goal is to enable the company to continue enjoying good growth and to be prepared to exploit business opportunities. It is essential that the expansion, as in the past, proceeds with continued high degree of financial strength and continued freedom of action. Based on this policy, the Board of Directors has decided that the total dividend should equal about half of the profit after tax. In addition, the Board may propose that any surplus liquidity is also distributed.

The Board of Directors has decided to propose a dividend of SEK 9.75 per share (9.50) to the 2015 Annual General Meeting corresponding to 81 percent (92) of the profit after tax.

The Board of Directors is of the opinion that the proposed distribution of earnings is justifiable taking into consideration the financial position and continued freedom of action of the Group and the parent company and observing the requirements that the nature and extent of the business, its risks and future expansion plans impose on the Group's and the parent company's equity and liquidity.

Annual General Meeting 2015

The Annual General Meeting 2015 will be held on Wednesday 29 April, at 3 p.m. in Victoriahallen, at the Stockholm International Fairs.

Annual Report 2014

The Annual Report and the Corporate Governance Report are expected to be published on 27 March 2015 on hm.com and will be sent out by post to shareholders that have so requested and will also be available at the company's head office.

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. Many 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

24 March 2015*	Three-month report, 1 Dec 2014 – 28 February 2015
29 April 2015	Annual General Meeting 2015, Victoriahallen, Stockholm International fairs at 3 p.m.
25 June 2015	Half-year report, 1 Dec 2014 – 31 May 2015

* Please note that a new date, 24 March 2015, has been set for the Three-month Report covering the period 1 December 2014 – 28 February 2015 instead of the previously communicated date of 26 March 2015.

Stockholm, 27 January 2015
Board of Directors

The information in this full-year 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 28 January 2015. This full-year report, and other information about H&M, is available at www.hm.com

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GROUP INCOME STATEMENT (SEK m)

	Q4 2014	Q4** 2013	Full year 2014	Full year** 2013
Sales including VAT	49,656	42,610	176,620	150,090
Sales excluding VAT	42,644	36,495	151,419	128,562
Cost of goods sold	-16,870	-14,314	-62,367	-52,537
GROSS PROFIT	25,774	22,181	89,052	76,025
<i>Gross margin, %</i>	60.4	60.8	58.8	59.1
Selling expenses	-16,654	-13,860	-58,525	-49,944
Administrative expenses	-1,389	-1,139	-4,944	-3,991
OPERATING PROFIT	7,731	7,182	25,583	22,090
<i>Operating margin, %</i>	18.1	19.7	16.9	17.2
Interest income	78	84	328	367
Interest expense	-10	-7	-16	-9
PROFIT AFTER FINANCIAL ITEMS	7,799	7,259	25,895	22,448
Tax	-1,577	-1,710	-5,919	-5,355
PROFIT FOR THE PERIOD	6,222	5,549	19,976	17,093

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

Earnings per share, SEK*	3.76	3.35	12.07	10.33
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072
Depreciation, total	1,336	1,079	5,045	4,191
of which cost of goods sold	151	121	568	470
of which selling expenses	1,098	890	4,159	3,463
of which administrative expenses	87	68	318	258

* Before and after dilution.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK m)

	Q4 2014	Q4** 2013	Full year 2014	Full year** 2013
PROFIT FOR THE PERIOD	6,222	5,549	19,976	17,093
Other comprehensive income				
<i>Items that have been transferred or may be transferred to net profit</i>				
Translation differences	656	426	1,979	30
Change in hedging reserves	219	16	185	-61
Tax attributable to change in hedging reserves	-52	-5	-44	15
<i>Items that have not been and will not be reclassified to net profit</i>				
Revaluations relating to defined benefit pension plans	-148	78	-148	78
Tax attributable to the above revaluation	35	-19	35	-19
OTHER COMPREHENSIVE INCOME	710	496	2,007	43
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6,932	6,045	21,983	17,136

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

** Net income for the fiscal year 2012/2013 and for the fourth quarter 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 after tax and Other comprehensive income has increased by SEK 59 m after tax. The change in accounting principles has had no effect on the balance sheet. For further information see the section on Accounting principles on page 8.

GROUP BALANCE SHEET (SEK m)

ASSETS	30 Nov - 2014	30 Nov - 2013
FIXED ASSETS		
Intangible fixed assets		
Brands	161	208
Customer relations	45	58
Leasehold rights	509	591
Capitalised expenditures	2,183	1,355
Goodwill	64	64
	2,962	2,276
Tangible fixed assets		
Buildings and land	804	814
Equipment, tools, fixture and fittings	26,144	21,372
	26,948	22,186
Long-term receivables	709	659
Deferred tax receivables	2,237	1,367
TOTAL FIXED ASSETS	32,856	26,488
CURRENT ASSETS		
Stock-in-trade	19,403	16,695
Current receivables		
Accounts receivables	3,659	3,107
Other receivables	1,470	907
Prepaid expenses	1,516	1,255
	6,645	5,269
Short-term Investments	2,602	3,306
Liquid funds	14,091	13,918
TOTAL CURRENT ASSETS	42,741	39,188
TOTAL ASSETS	75,597	65,676

GROUP BALANCE SHEET (SEK m)

EQUITY AND LIABILITIES	30 Nov - 2014	30 Nov - 2013
EQUITY		
Share capital	207	207
Reserves	204	-1,916
Retained earnings	51,145	46,957
EQUITY	51,556	45,248
LIABILITIES		
Long-term liabilities*		
Provisions for pensions	451	309
Deferred tax liabilities	3,287	2,722
	3,738	3,031
Current liabilities**		
Accounts payable	5,520	4,870
Tax liabilities	1,154	797
Other liabilities	2,947	3,360
Accrued expenses and prepaid income	10,682	8,370
	20,303	17,397
TOTAL LIABILITIES	24,041	20,428
TOTAL EQUITY AND LIABILITIES	75,597	65,676

* Only provisions for pensions are interest-bearing.

** No current liabilities are interest-bearing.

GROUP CHANGES IN EQUITY (SEK m)

Since there are no minority interests, all shareholders' equity is attributable to the shareholders of the shareholders of the parent company, H & M Hennes & Mauritz AB.

	Share capital	Translation effects	Hedgings reserves	Retained earnings	Total shareholders equity
Shareholder's equity, 1 December 2013	207	-1,830	-86	46,957	45,248
Profit for the year	-	-	-	19,976	19,976
Other comprehensive income					
Translation differences	-	1,979	-	-	1,979
Change in hedging reserves					
Reported in other comprehensive income	-	-	944	-	944
Transfer to income statement	-	-	-759	-	-759
Tax attributable to hedging reserves	-	-	-44	-	-44
Revaluations relating to defined benefit pension plans	-	-	-	-148	-148
Tax attributable to the above revaluation	-	-	-	35	35
Other comprehensive income	-	1,979	141	-113	2,007
Total comprehensive income	-	1,979	141	19,863	21,983
Overdue bonus share rights	-	-	-	48	48
Dividend	-	-	-	-15,723	-15,723
Shareholder's equity, 30 November 2014	207	149	55	51,145	51,556

	Share capital	Translation effects	Hedgings reserves	Retained earnings	Total shareholders equity
Shareholder's equity, 1 December 2012	207	-1,860	-40	45,528	43,835
Profit for the year	-	-	-	17,093	17,093
Other comprehensive income					
Translation differences	-	30	-	-	30
Change in hedging reserves					
Reported in other comprehensive income	-	-	-153	-	-153
Transfer to income statement	-	-	92	-	92
Tax attributable to hedging reserves	-	-	15	-	15
Revaluation of defined benefit pension plans	-	-	-	78	78
Tax attributable to the above revaluation	-	-	-	-19	-19
Other comprehensive income	-	30	-46	59	43
Total comprehensive income	-	30	-46	17,152	17,136
Dividend	-	-	-	-15,723	-15,723
Shareholder's equity, 30 November 2013	207	-1,830	-86	46,957	45,248

GROUP CASH FLOW STATEMENT (SEK m)

	Full year 2014	Full year 2013
Current operations		
Profit after financial items*	25,895	22,448
Provisions for pensions	-20	10
Depreciation	5,045	4,191
Tax paid	-5,971	-3,059
Cash flow from current operations before changes in working capital	24,949	23,590
Cash flow from changes in working capital		
Current receivables	-888	-839
Stock-in-trade	-2,327	-1,439
Current liabilities	2,422	2,528
CASH FLOW FROM CURRENT OPERATIONS	24,156	23,840
Investment activities		
Investment in leasehold rights	-35	-179
Investments in other immaterial assets	-868	-738
Investment in buildings and land	-21	-23
Investment in fixed assets	-8,467	-7,087
Change in short-term investments, 4 - 12 months	704	-311
Other investments	-21	-31
CASH FLOW FROM INVESTMENT ACTIVITIES	-8,708	-8,369
Financial activities		
Dividend	-15,723	-15,723
CASH FLOW FROM FINANCIAL ACTIVITIES	-15,723	-15,723
CASH FLOW FOR THE YEAR	-275	-252
Liquid funds at beginning of the financial year	13,918	14,148
Cash flow for the year	-275	-252
Exchange rate effect	448	22
Liquid funds at end of the financial year**	14,091	13,918

* Interest paid for the Group amounts to SEK 16 m (9).

Received interest for the Group amounts to SEK 328 m (367).

** Liquid funds and short-term investments 4-12 months at the end of the period amounted to SEK 16,693 m (17,224).

SALES INCLUDING VAT BY COUNTRY AND NUMBER OF STORES

Q4, 1 September - 30 November

Country	Q4 - 2014	Q4 - 2013	Change in %		30 Nov - 14	Q4 - 2014	
	SEK m	SEK m	SEK	Local currency	No. of stores	New stores	Closed stores
Sweden	2,326	2,184	7	7	176	2	2
Norway	1,467	1,405	4	2	118	6	1
Denmark	1,347	1,272	6	1	99	1	
United Kingdom	3,813	3,044	25	13	253	2	
Switzerland	1,615	1,524	6	-1	93	2	
Germany	9,393	8,836	6	1	440	16	1
Netherlands	1,976	1,940	2	-3	135	3	
Belgium	1,015	941	8	3	78	1	
Austria	1,381	1,356	2	-3	73		
Luxembourg	109	107	2	-3	10		
Finland	690	644	7	2	60	3	1
France	3,369	3,093	9	4	205	7	3
USA	5,303	3,920	35	22	356	23	1
Spain	1,831	1,667	10	5	159	2	
Poland	994	895	11	6	140	5	
Czech Republic	276	237	16	18	43	1	
Portugal	303	255	19	13	30	1	
Italy	2,146	1,723	25	19	132	10	
Canada	960	824	17	13	72	5	
Slovenia	138	134	3	-2	12		
Ireland	229	182	26	20	20		
Hungary	305	249	22	22	35		
Slovakia	127	105	21	16	15	2	
Greece	388	286	36	29	30	3	1
China	2,799	1,957	43	34	291	35	
Japan	992	866	15	16	51	4	
Russia	775	649	19	36	71	6	
South Korea	308	243	27	13	22	3	
Turkey	482	248	94	102	30	6	
Romania	417	273	53	44	38	3	
Croatia	225	207	9	4	14		
Singapore	205	155	32	20	10	1	
Bulgaria	124	78	59	49	16	3	
Latvia	72	36	100	84	6	1	
Malaysia	202	112	80	63	18	5	
Mexico	193	101	91	79	6	3	
Chile	103	75	37	40	1		
Lithuania	66	37	78	70	6		
Serbia	89	65	37	34	5	1	
Estonia	71	43	65	57	6	2	
Australia	176				3	2	
Philippines	49				3	3	
Franchise	807	642	26	12	130	9	2
Total	49,656	42,610	17	11	3,511	182	12

SALES INCLUDING VAT BY COUNTRY AND NUMBER OF STORES

Full year, 1 December - 30 November

Country	2014	2013	Change in %		30 Nov - 14	Full year	
	SEK m	SEK m	SEK	Local currency	No. of stores	New stores	Closed stores
Sweden	8,923	8,257	8	8	176	5	6
Norway	5,650	5,535	2	5	118	6	2
Denmark	5,105	4,612	11	6	99	2	
United Kingdom	12,993	10,256	27	16	253	12	4
Switzerland	5,951	5,516	8	2	93	6	
Germany	34,950	31,140	12	7	440	26	4
Netherlands	7,320	6,750	8	4	135	6	1
Belgium	3,903	3,445	13	8	78	5	
Austria	5,165	4,821	7	2	73	2	1
Luxembourg	418	386	8	3	10		
Finland	2,688	2,529	6	1	60	4	2
France	12,321	10,636	16	11	205	18	10
USA	17,278	13,675	26	22	356	58	7
Spain	6,748	6,011	12	7	159	4	1
Poland	3,735	3,193	17	12	140	18	
Czech Republic	969	834	16	18	43	5	
Portugal	1,105	918	20	15	30	3	
Italy	7,140	5,490	30	24	132	16	
Canada	3,116	3,024	3	6	72	6	
Slovenia	496	468	6	1	12		
Ireland	811	616	32	26	20	1	
Hungary	1,055	792	33	32	35	3	1
Slovakia	436	373	17	12	15	2	
Greece	1,327	981	35	29	30	7	4
China	9,043	6,655	36	30	291	88	2
Japan	3,356	2,945	14	21	51	12	
Russia	3,058	2,566	19	32	71	20	
South Korea	990	810	22	13	22	6	
Turkey	1,325	721	84	104	30	10	
Romania	1,281	893	43	37	38	10	
Croatia	773	704	10	6	14	1	
Singapore	794	613	30	27	10	4	
Bulgaria	389	264	47	40	16	5	
Latvia	245	130	88	80	6	3	
Malaysia	677	379	79	78	18	11	
Mexico	598	325	84	82	6	3	
Chile	350	276	27	39	1		
Lithuania	216	44	391	374	6	4	
Serbia	245	70	250	243	5	3	
Estonia	223	43	419	400	6	3	
Australia	458				3	3	
Philippines	49				3	3	
Franchise	2,947	2,394	23	16	130	22	2
Total	176,620	150,090	18	14	3,511	426	47

FIVE YEAR SUMMARY**Full year, 1 December - 30 Nov**

	2010	2011	2012	2013	2014
Sales including VAT, SEK m	126,966	128,810	140,948	150,090	176,620
Sales excluding VAT, SEK m	108,483	109,999	120,799	128,562	151,419
Change from previous year in SEK, %	7	1	10	6	18
Change from previous year in local currencies, %	15	8	11	9	14
Operating profit, SEK m	24,659	20,379	21,754	22,090	25,583
Operating margin, %	22.7	18.5	18.0	17.2	16.9
Depreciation for the year, SEK m	3,061	3,262	3,705	4,191	5,045
Profit after financial items, SEK m	25,008	20,942	22,285	22,448	25,895
Profit after tax, SEK m	18,681	15,821	16,867	17,093	19,976
Liquid funds and short-term investments, SEK m	24,858	21,277	17,143	17,224	16,693
Stock-in-trade, SEK m	11,487	13,819	15,213	16,695	19,403
Equity, SEK m	44,172	44,104	43,835	45,248	51,556
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Earnings per share, SEK*	11.29	9.56	10.19	10.33	12.07
Shareholders' equity per share, SEK*	26.69	26.65	26.49	27.34	31.15
Cash flow from current operations per share, SEK*	13.19	10.53	11.42	14.40	14.60
Dividend per share, SEK	9.50	9.50	9.50	9.50	9.75**
Return on shareholders' equity, %	44.1	35.8	38.4	38.4	41.3
Return on capital employed, %	58.7	47.1	50.3	50.0	53.1
Share of risk-bearing capital, %	76.2	74.9	76.1	73.0	72.5
Equity/assets ratio, %	74.6	73.3	72.8	68.9	68.2
Total number of stores	2,206	2,472	2,776	3,132	3,511
Average number of employees	59,440	64,874	72,276	81,099	93,351

* Before and after dilution.

** Proposed by the Board of Directors

Definition on key figures see annual report.

SEGMENT REPORTING (SEK m)

	2014	2013
Asia and Oceania		
External net sales	16,878	12,844
Operating profit	1,999	1,916
Operating margin, %	11.8	14.9
Assets excluding tax receivables	8,876	5,221
Liabilities excluding tax liabilities	1,234	626
Investments	1,630	1,163
Depreciation	522	348
Europe		
External net sales	114,506	99,492
Operating profit	8,720	5,868
Operating margin, %	7.6	5.9
Assets excluding tax receivables	36,865	33,965
Liabilities excluding tax liabilities	9,719	8,404
Investments	3,624	4,034
Depreciation	3,157	2,828
North and South America		
External net sales	20,035	16,226
Operating profit	433	407
Operating margin, %	2.2	2.5
Assets excluding tax receivables	10,897	7,006
Liabilities excluding tax liabilities	3,112	2,202
Investments	2,918	1,829
Depreciation	958	724
Group Functions		
Net sales to other segments	67,870	60,448
Operating profit	14,431	13,899
Operating margin, %	21.3	23.0
Assets excluding tax receivables	18,959	18,117
Liabilities excluding tax liabilities	5,535	5,677
Investments	1,219	1,001
Depreciation	408	291
Eliminations		
Net sales to other segments	-67,870	-60,448
Total		
External net sales	151,419	128,562
Operating profit	25,583	22,090
Operating margin, %	16.9	17.2
Assets excluding tax receivables	75,597	64,309
Liabilities excluding tax liabilities	19,600	16,909
Investments	9,391	8,027
Depreciation	5,045	4,191

PARENT COMPANY INCOME STATEMENT (SEK m)

	Q4 2014	Q4** 2013	Full year 2014	Full year** 2013
External sales excluding VAT	37	30	47	35
Internal sales excluding VAT*	2,425	2,212	8,764	7,845
GROSS PROFIT	2,462	2,242	8,811	7,880
Selling expenses	-1,117	-903	-2,982	-2,699
Administrative expenses	-1,492	-1,456	-5,316	-4,276
OPERATING PROFIT	-147	-117	513	905
Dividend from subsidiaries	14,059	15,014	15,701	16,039
Interest income	17	22	59	63
Interest expense	-2	-7	-25	-9
PROFIT AFTER FINANCIAL ITEMS	13,927	14,912	16,248	16,998
Year-end appropriations	-10	-1,020	-10	-1,020
Tax	19	233	-130	-46
PROFIT FOR THE PERIOD	13,936	14,125	16,108	15,932

* Includes royalty of SEK 5,735 m (7,845) and service income 3,029 m (0) received from Group companies.

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK m)

	Q4 2014	Q4** 2013	Full year 2014	Full year** 2013
PROFIT FOR THE PERIOD	13,936	14,125	16,108	15,932
Other comprehensive income				
<i>Items that have not been and will not be reclassified to net profit</i>				
Revaluations relating to defined benefit pension plans	-24	17	-24	17
Tax attributable to the above revaluation	5	-4	5	-4
OTHER COMPREHENSIVE INCOME	-19	13	-19	13
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	13,917	14,138	16,089	15,945

** Net income for the fiscal year 2012/2013 and for the fourth quarter 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 13 m after tax and Other comprehensive income has increased by SEK 13 m after tax. The change in accounting principles has had no effect on the balance sheet. For further information see the section on Accounting principles on page 8.

PARENT COMPANY BALANCE SHEET (SEK m)

	30 Nov - 2014	30 Nov - 2013
ASSETS		
FIXED ASSETS		
Tangible fixed assets		
Buildings and land	73	56
Equipment, tools, fixture and fittings	575	446
	648	502
Financial fixed assets		
Shares and participation rights	588	588
Receivables from subsidiaries	905	733
Long-term receivables	11	13
Deferred tax receivables	49	47
	1,553	1,381
TOTAL FIXED ASSETS	2,201	1,883
CURRENT ASSETS		
Current receivables		
Receivables from subsidiaries	11,851	12,107
Tax receivables	82	-
Other receivables	44	33
Prepaid expenses	20	23
	11,997	12,163
Short-term investments	2,602	3,304
Liquid funds	2,314	1,324
TOTAL CURRENT ASSETS	16,913	16,791
TOTAL ASSETS	19,114	18,674

PARENT COMPANY BALANCE SHEET (SEK m)

	30 Nov - 2014	30 Nov - 2013
EQUITY AND LIABILITIES		
EQUITY		
Restricted equity		
Share capital	207	207
Restricted reserves	88	88
	295	295
Non-restricted equity		
Retained earnings	877	607
Profit for the year	16,089	15,945
	16,966	16,552
TOTAL EQUITY	17,261	16,847
UNTAXED RESERVES	464	454
LIABILITIES		
Long-term liabilities		
Provisions for pensions	223	213
Short-term liabilities*		
Accounts payable	462	424
Tax liabilities	-	27
Other liabilities	325	350
Accrued expenses and prepaid income	379	359
	1,166	1,160
TOTAL LIABILITIES	1,389	1,373
TOTAL EQUITY AND LIABILITIES	19,114	18,674
Pledged assets	-	-
Contingent liabilities	13,186	12,034

* No current liabilities are interest-bearing.