

H & M Hennes & Mauritz AB

Six-month report

First half-year (1 December 2015 – 31 May 2016)

- The H&M group's sales including VAT increased by 7 percent in local currencies during the first six months of the financial year. Converted into SEK, sales including VAT increased by 5 percent to SEK 104,965 m (100,024). Sales excluding VAT amounted to SEK 90,565 m (86,143).
- Profit after financial items amounted to SEK 10,329 m (13,158). The group's profit after tax amounted to SEK 7,902 m (10,066), corresponding to SEK 4.77 (6.08) per share.

First half-year 2016
SEK 105 billion
 Sales incl VAT

Second quarter (1 March 2016 – 31 May 2016)

- The H&M group's sales including VAT increased by 5 percent in local currencies during the second quarter. Converted into SEK, sales including VAT increased by 2 percent to SEK 54,341 m (53,233). Sales excluding VAT amounted to SEK 46,874 m (45,867).
- Gross profit amounted to SEK 26,980 m (27,245). This corresponds to a gross margin of 57.6 percent (59.4).
- Profit after financial items amounted to SEK 7,002 m (8,435). The group's profit after tax amounted to SEK 5,357 m (6,453), corresponding to SEK 3.24 (3.90) per share. Profits in the second quarter were negatively affected mostly by higher purchasing costs due to the strengthened US dollar and by increased markdowns.
- Continued very satisfactory development for H&M's e-commerce. Successful launch of H&M's e-commerce in nine countries during the quarter: in Slovenia, Croatia, Estonia, Latvia, Lithuania, Luxembourg, Ireland, Japan and Greece.

4,077
 stores in 62 markets

- H&M's e-commerce will be launched in Canada and South Korea during autumn 2016. A total of 11 new H&M online markets will thus be added in 2016 which means that H&M will offer e-commerce in 34 markets by the end of the year.
- A continued fast roll-out of new H&M online markets is planned for 2017.
- The H&M group's sales including VAT in the period 1 - 21 June 2016 increased by 7 percent in local currencies compared to the same period last year.
- The H&M group plans a net addition of around 425 new stores for the 2015/2016 financial year. New markets for 2016 are Puerto Rico, which has opened this June, and New Zealand and Cyprus which will open during the autumn.
- In 2017, H&M plans to open stores in four to five new markets of which Colombia will be one.

	Q2	Q2	Six months	Six months
SEK m	2016	2015	2016	2015
Net sales	46,874	45,867	90,565	86,143
Gross profit	26,980	27,245	49,679	49,458
<i>gross margin, %</i>	<i>57.6</i>	<i>59.4</i>	<i>54.9</i>	<i>57.4</i>
Operating profit	6,952	8,352	10,222	12,989
<i>operating margin, %</i>	<i>14.8</i>	<i>18.2</i>	<i>11.3</i>	<i>15.1</i>
Net financial items	50	83	107	169
Profit after financial items	7,002	8,435	10,329	13,158
Tax	-1,645	-1,982	-2,427	-3,092
Profit for the period	5,357	6,453	7,902	10,066
Earnings per share, SEK	3.24	3.90	4.77	6.08



H&M Ladies

Q2

Comments by Karl-Johan Persson, CEO

“Sales including VAT in the second quarter amounted to SEK 54 billion and profit before tax to SEK 7 billion. In local currencies, sales increased by 5 percent. The sales increase in March and April was significantly below our plan. These two months were negatively affected by cold spring weather in many of our markets. In May, sales were much better with an increase of 9 percent, or 11 percent when adjusted for calendar effects.

Profits in the second quarter have been affected by a continued negative US dollar effect, but also by increased markdowns and the costs of our long-term investments. The fact that the sales increase in the quarter was below plan, naturally also had an impact on profits.

It has been a challenging half-year for fashion retail in many markets, but we have great confidence going forward and are continuing to develop our offering further within all our brands.

The combination of strong brands, a large body of retail stores in good locations and a successful e-commerce business puts us in a unique market position for future growth. Although e-commerce is growing fast, there is still great potential for the H&M group to continue to expand through physical stores – so for us, our continued focus is to grow both through physical stores and online, as well as to integrate these two sales channels. Our stores and online business complement each other well, and the key to the future is to continue to integrate these channels even further to make it as convenient and easy as possible for our customers.

So far this year we have opened nine new online markets, which means that we now offer H&M's e-commerce in 32 markets including Japan and Greece, where we recently successfully launched our e-commerce. A further two new online markets will open during the autumn: Canada and South Korea. And in 2017 we will continue the rapid roll-out of H&M's online shop to further markets.

Today we have more than 4,000 stores in strong retail locations in a total of 62 markets. We are signing very favourable store leases and this year we plan a net addition of approximately 425 stores. New markets this year are Puerto Rico, where we had a successful opening in San Juan in June, and also New Zealand and Cyprus, where we will open in the autumn. Next year we plan to open four or five new H&M markets, of which Colombia will be one.

Our work on sustainability is an important part of our offering. For six years in a row H&M has been named by Ethisphere as one of the most ethical companies in the world. We have now climbed to 20th place in the ranking of the world's most sustainable companies, and according to the Global 100 index we are the no. 1 company in our sector. H&M is also included in the Dow Jones Sustainability Index of the most sustainable companies in Europe and the world.”

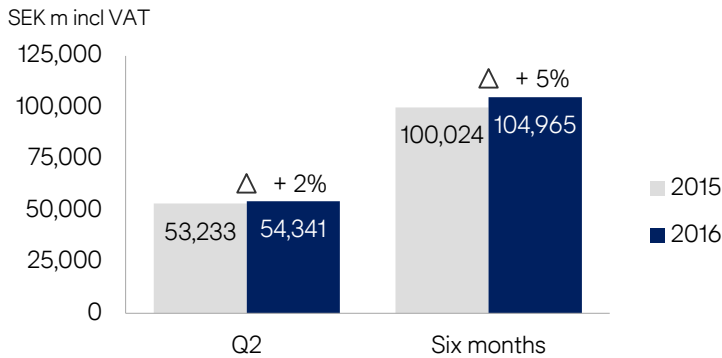


H&M Kids

“We have opened nine new online markets during the second quarter. Today our customers can shop online at H&M in 32 markets.”

Sales

With continued strong expansion, the H&M group continued to gain market share in many markets. The fashion retail industry was still characterised by a challenging macroeconomic situation in many countries. The H&M group's sales in local currencies including VAT increased by 5 percent in the second quarter and by 7 percent in the half-year period.



H&M Man

Sales including VAT converted into SEK increased by 2 percent to SEK 54,341 m (53,233) in the second quarter. Sales including VAT in the half-year period increased by 5 percent and amounted to SEK 104,965 m (100,024).

Sales excluding VAT increased by 2 percent to SEK 46,874 m (45,867) in the second quarter and by 5 percent to SEK 90,565 m (86,143) in the half-year period.

Sales in March and April were negatively affected by cold spring weather in many markets, which meant that sales in these two months were significantly below the company's plan. Sales development was significantly better in May with an increase of 9 percent, or 11 percent, when adjusted for calendar effects.

The difference between the sales increase in SEK and in local currencies is due to the fact that the Swedish krona has strengthened against most sales currencies in the group compared to the same period last year.

Currency translation effects arise when sales and profits in local currencies are translated into the company's reporting currency, which is SEK. A negative currency translation effect arises when the Swedish krona strengthens and a positive currency translation effect arises when the Swedish krona weakens.

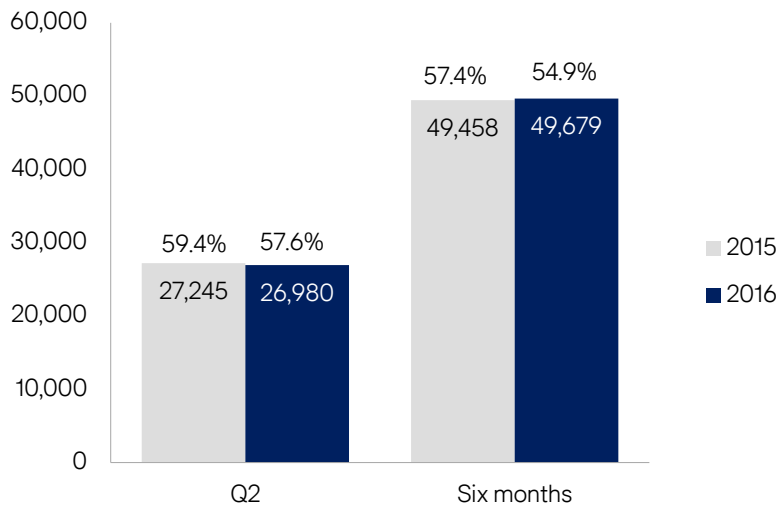
Sales in top ten markets, six months

	2016	2015	Change in %		31 May - 16	2016
	SEK m inc. VAT	SEK m inc. VAT	SEK	Local currency	Number of stores	New stores (net)
Germany	18,093	18,148	0	0	450	1
USA	12,800	11,793	9	7	433	18
UK	7,271	7,491	-3	1	268	4
France	6,325	6,477	-2	-2	230	8
China	5,110	5,150	-1	3	385	32
Sweden	4,837	4,505	7	7	177	1
Italy	4,264	4,099	4	5	154	4
Netherlands	3,771	3,642	4	4	140	1
Spain	3,676	3,740	-2	-1	167	2
Switzerland	3,014	3,332	-10	-8	97	1
Others*	35,804	31,647	13	18	1,576	81
Total	104,965	100,024	5	7	4,077	153
<i>* Of which franchises</i>	<i>2,393</i>	<i>2,030</i>	<i>18</i>	<i>10</i>	<i>171</i>	<i>15</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 mostly affected by the decisions that H&M takes 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.

Gross profit SEK m



H&M Home

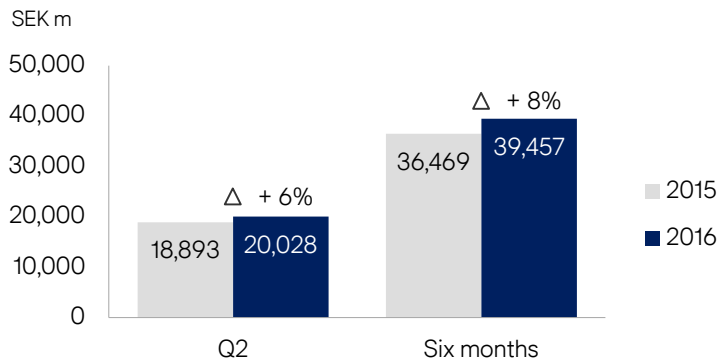
Gross profit amounted to SEK 26,980 m (27,245) in the second quarter, corresponding to a gross margin of 57.6 percent (59.4). For the first half-year, gross profit increased to SEK 49,679 m (49,458), corresponding to a gross margin of 54.9 percent (57.4).

Markdowns in relation to sales increased by 0.9 percentage points in the second quarter 2016 compared to the corresponding quarter in 2015. The increase is mostly explained by the fact that the spring garments did not sell as well as planned due to unfavourable weather in many of the group's important sales markets, particularly during March and April.

Overall, the market situation as regards external factors such as cost inflation and purchasing currencies continued to be negative during the purchasing period for the second quarter compared to the corresponding purchasing period in the previous year, mostly due to the impact of the stronger US dollar on purchasing costs.

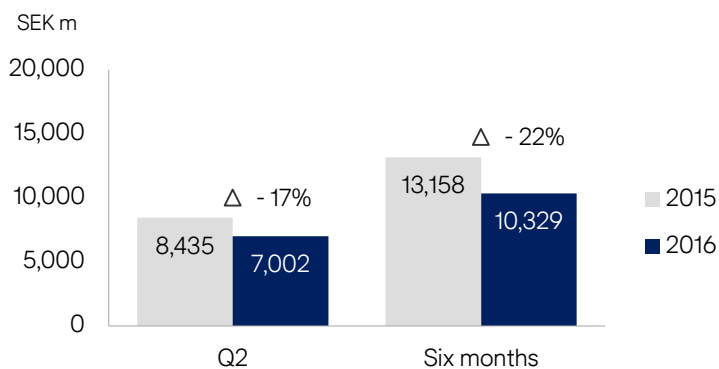
The negative US dollar effect, which has affected purchasing costs unfavourably for a long time, will also negatively impact purchasing costs for the third quarter. If today's exchange rates remain, the dollar effect could have a neutral effect on purchasing costs for the fourth quarter compared to the corresponding quarter the previous year.

Selling and administrative expenses



Cost control in the group remains good. For the second quarter of 2016, selling and administrative expenses increased by 6 percent in SEK and by 8 percent in local currencies compared to the second quarter last year. The increase is mainly due to the expansion and the long-term investments within IT and online.

Profit after financial items



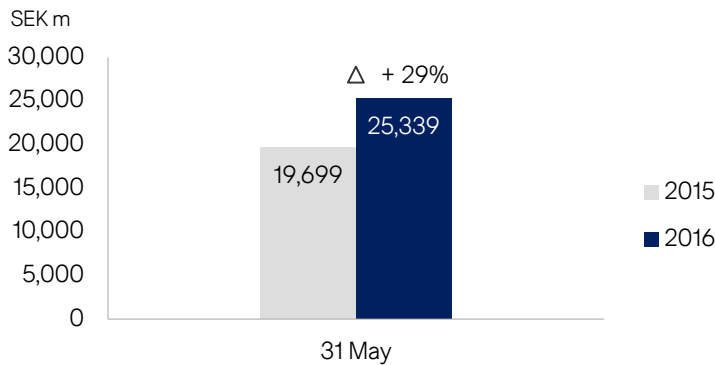
Profit after financial items in the first half-year amounted to SEK 10,329 m (13,158). Profit after financial items in the second quarter amounted to SEK 7,002 m (8,435), a decrease of 17 percent.

Profits in the quarter were affected by a continued negative dollar effect on purchasing costs, but also by increased markdowns and the costs of long-term investments which increased by SEK 100 m in the quarter compared to the same quarter last year. The fact that sales did not reach the company's sales target for the quarter naturally also had a negative impact on profits.



H&M Ladies

Stock-in-trade



Stock-in-trade amounted to SEK 25,339 m (19,699), an increase of 29 percent in SEK and 31 percent in local currencies compared to the same time the previous year.

The increase in the stock-in-trade is explained by the group's expansion through stores and online, and also by the strengthening of the US dollar which affected purchasing costs and thus the value of the stock. The increase is also related to a bookkeeping effect of more than SEK 1 billion associated with the previously communicated change in the administrative process for invoices relating to goods purchasing for the H&M group. In addition, the increase is explained by the fact that sales in the quarter were below plan and this has led to higher stock-in-trade than planned at the end of the quarter.

The **stock-in-trade** amounted to 13.7 percent (11.8) of sales excluding VAT rolling twelve months and 30.2 percent (26.9) of total assets.



COS

Expansion

The H&M group remains positive as regards future expansion and the group's business opportunities. The strong expansion continues both through stores and online. The group's growth target remains intact. The aim is to increase the number of stores by 10–15 percent per year with continued high profitability.

For full-year 2016 the group plans a net addition of around 425 new stores, with most of the expansion taking place in existing markets. China and the US will once again be the markets with the most new stores.

H&M stores represent the largest part of the group's planned net addition of 425 new stores. Of the group's other brands – COS, Monki, Weekday, & Other Stories and Cheap Monday – the main focus of expansion in 2016 will be on COS. H&M Home will also continue its rapid expansion, with around 80 new H&M Home departments. H&M Home is now available in a total of 224 H&M stores in 42 markets.

Brand	Number of markets 22 Jun - 2016		Expansion 2016
	Store	Online	New markets
H&M	62	32	Store: Puerto Rico*, New Zealand, Cyprus Online: Slovenia*, Croatia*, Estonia*, Latvia*, Lithuania*, Luxembourg*, Ireland*, Japan*, Greece*, Canada, South Korea
COS	32	19	Store: Czech Republic*, Romania*, Latvia, Malaysia, Saudi Arabia
Monki	13	19	Store: Austria
Weekday	6	18	Store: Austria*, Belgium
& Other Stories	10	13	Store: Ireland, Poland
Cheap Monday	4	18	-

* Opened

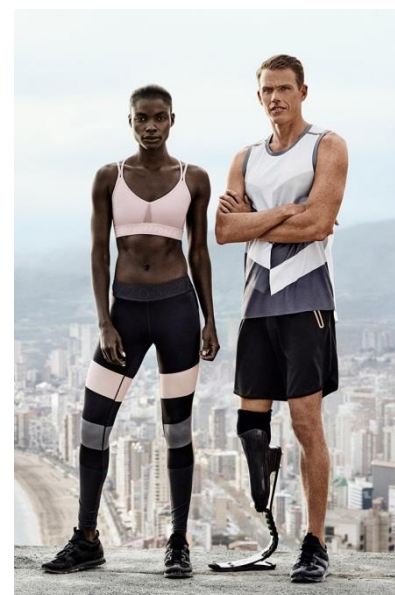
Store count by brand

In the first-half year, the group opened 184 (149) stores and closed 31 (21) stores, i.e. a net increase of 153 (128) new stores. The group had 4,077 (3,639) stores as of 31 May 2016, of which 171 were franchise stores.

Brand	New Stores 2016 (net)		Total No of stores	
	Q2	Six months	31 May - 2016	31 May - 2015
H&M	80	120	3,730	3,370
COS	15	21	174	123
Monki	7	7	113	96
Weekday	3	2	22	21
& Other Stories	2	3	33	24
Cheap Monday	0	0	5	5
Total	107	153	4,077	3,639

Store count by region

Region	New Stores 2016 (net)		Total No of stores	
	Q2	Six months	31 May - 2016	31 May - 2015
Europe & Africa	50	60	2,774	2,612
Asia & Oceania	49	74	769	570
North & South America	8	19	534	457
Total	107	153	4,077	3,639



H&M Sport

Tax

The H&M group's tax rate is expected to be approximately 22.5 – 23.5 percent for the 2015/2016 financial year. In the first and second quarter of 2016 an estimated tax rate of 23.5 percent has been used which will also be used for the third quarter. 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.

Current quarter

The H&M group's sales including VAT in the period 1 - 21 June 2016 increased by 7 percent in local currencies compared to the same period last year. Sales so far in June should be seen in the light of the fact that June 2015 was a strong month with a sales increase of 14 percent in local currencies.

Accounting principles

The group applies 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 2014/2015 which are described in Note 1 – Accounting principles.

H & M Hennes & Mauritz AB's financial instruments consist of accounts receivable, other receivables, cash and cash equivalents, 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 13. 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 conditions, negative macroeconomic changes, geopolitical risks, sustainability and external factors in production countries, trade interventions, foreign currency and tax but also in connection with expansion into new markets, the launch of new concepts, changes in consumer behaviour and how the brand is managed. There are also some risks related to the group's reputation, so called "reputational risks".

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 2015.

Calendar

30 September, 2016	Nine-month report, 1 Dec 2015 - 31 August 2016
31 January, 2017	Full-year report, 1 Dec 2015 - 30 November 2016

This six-month report has not been audited by the company's auditors.

Stockholm, 21 June 2016
Board of Directors

The undersigned hereby provide an assurance that the half-year report for 1 December 2015 – 31 May 2016 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 21 June, 2016

Stefan Persson
Chairman of the Board

Stina Bergfors
Board member

Anders Dahlvig
Board member

Ingrid Godin
Board member

Lena Patriksson Keller
Board member

Melker Schörling
Board member

Christian Sievert
Board member

Margareta Welinder
Board member

Erica Wiking Häger
Board member

Niklas Zennström
Board member

Karl-Johan Persson
Chief Executive Officer

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 22 June 2016. This interim report and other information about H&M, is available at www.hm.com

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Invitation to press and telephone conference in conjunction to the six-month report is available on hm.com.

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GROUP INCOME STATEMENT (SEK m)

	Q2 2016	Q2 2015	Six months 2016	Six months 2015	1 Dec 2014- 30 Nov 2015
Sales including VAT	54,341	53,233	104,965	100,024	209,921
Sales excluding VAT	46,874	45,867	90,565	86,143	180,861
Cost of goods sold	-19,894	-18,622	-40,886	-36,685	-77,694
GROSS PROFIT	26,980	27,245	49,679	49,458	103,167
<i>Gross margin, %</i>	57.6	59.4	54.9	57.4	57.0
Selling expenses	-18,362	-17,457	-36,133	-33,582	-70,292
Administrative expenses	-1,666	-1,436	-3,324	-2,887	-5,933
OPERATING PROFIT	6,952	8,352	10,222	12,989	26,942
<i>Operating margin, %</i>	14.8	18.2	11.3	15.1	14.9
Interest income	52	84	110	171	310
Interest expense	-2	-1	-3	-2	-10
PROFIT AFTER FINANCIAL ITEMS	7,002	8,435	10,329	13,158	27,242
Tax	-1,645	-1,982	-2,427	-3,092	-6,344
PROFIT FOR THE PERIOD	5,357	6,453	7,902	10,066	20,898

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

Earnings per share, SEK*	3.24	3.90	4.77	6.08	12.63
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Depreciation, total	1,845	1,564	3,664	3,120	6,399
of which cost of goods sold	210	180	416	357	725
of which selling expenses	1,515	1,283	3,005	2,562	5,262
of which administrative expenses	120	101	243	201	412

* Before and after dilution.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK m)

	Q2 2016	Q2 2015	Six months 2016	Six months 2015	1 Dec 2014- 30 Nov 2015
PROFIT FOR THE PERIOD	5,357	6,453	7,902	10,066	20,898
Other comprehensive income					
<i>Items that are or may be reclassified to profit or loss</i>					
Translation differences	176	-14	-800	1,864	1,514
Change in hedging reserves	144	5	-141	-145	245
Tax attributable to change in hedging reserves	-34	-1	34	35	-59
<i>Items that will not be classified to profit or loss</i>					
Remeasurement of defined benefit pension plans	-	-	-	-	43
Tax related to the above remeasurement	-	-	-	-	-11
OTHER COMPREHENSIVE INCOME	286	-10	-907	1,754	1,732
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	5,643	6,443	6,995	11,820	22,630

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

GROUP BALANCE SHEET IN SUMMARY (SEK m)

ASSETS	31 May - 2016	31 May - 2015	30 Nov 2015
Fixed assets			
Intangible fixed assets	4,699	3,640	4,115
Property, plant and equipment	33,246	29,344	32,962
Financial assets	3,233	3,207	3,200
	41,178	36,191	40,277
Current assets			
Stock-in-trade	25,339	19,699	24,833
Current receivables	8,946	7,155	7,753
Short-term investments, 4-12 months	-	1,111	-
Cash and cash equivalents	8,387	9,182	12,950
	42,672	37,147	45,536
TOTAL ASSETS	83,850	73,338	85,813
EQUITY AND LIABILITIES			
Equity	48,907	47,239	58,049
Long-term liabilities*	4,424	3,847	4,827
Current liabilities**	30,519	22,252	22,937
TOTAL EQUITY AND LIABILITIES	83,850	73,338	85,813

* Only provisions for pensions are interest-bearing.

** Interest-bearing current liabilities amounts to SEK 4,915 m (0).

CHANGE IN GROUP EQUITY IN SUMMARY (SEK m)

	31 May - 2016	31 May - 2015	30 Nov 2015
Shareholders' equity at the beginning of the period	58,049	51,556	51,556
Total comprehensive income for the period	6,995	11,820	22,630
Dividend	-16,137	-16,137	-16,137
Shareholders' equity at the end of the period	48,907	47,239	58,049

GROUP CASH FLOW STATEMENT (SEK m)

	Six months 2016	Six months 2015
Current operations		
Profit after financial items*	10,329	13,158
Provisions for pensions	45	44
Depreciation	3,664	3,120
Tax paid	-1,207	-3,415
Cash flow from current operations before changes in working capital	12,831	12,907
Cash flow from changes in working capital		
Current receivables	-1,932	-302
Stock-in-trade	-760	145
Current liabilities	2,427	846
CASH FLOW FROM CURRENT OPERATIONS	12,566	13,596
Investment activities		
Investment in intangible fixed assets	-796	-827
Investment in tangible fixed assets	-4,837	-3,883
Change in short-term investments, 4 - 12 months	-	1,585
Other investments	-21	-55
CASH FLOW FROM INVESTMENT ACTIVITIES	-5,654	-3,180
Financing activities		
Short-term loans	4,915	-
Dividend	-16,137	-16,137
CASH FLOW FROM FINANCIAL ACTIVITIES	-11,222	-16,137
CASH FLOW FOR THE PERIOD	-4,310	-5,721
Cash and cash equivalents at beginning of the financial year	12,950	14,091
Cash flow for the period	-4,310	-5,721
Exchange rate effect	-253	812
Cash and cash equivalents at end of the period**	8,387	9,182

* Interest paid for the group amounts to SEK 3 m (2).

** Cash and cash equivalents and short-term investments 4-12 months at the end of the period amounted to SEK 8,387 m (10,293).

SALES INCLUDING VAT BY MARKET AND NUMBER OF STORES**Q2, 1 March - 31 May**

Market	Q2 - 2016	Q2 - 2015	Change in %		31 May - 16	Q2 - 2016	
	SEK m	SEK m	SEK	Local currency	No. of stores	New stores	Closed stores
Sweden	2,513	2,358	7	7	177	5	3
Norway	1,357	1,379	-2	8	123	3	
Denmark	1,395	1,334	5	5	102		
UK	3,725	4,005	-7	0	268	4	1
Switzerland	1,522	1,747	-13	-9	97	1	
Germany	9,432	9,477	0	0	450	6	3
Netherlands	2,034	1,950	4	5	140	1	
Belgium	1,041	1,029	1	1	88	1	
Austria	1,370	1,337	2	3	80	3	
Luxembourg	111	104	7	7	10		
Finland	691	677	2	2	60	2	2
France	3,119	3,295	-5	-5	230	8	1
USA	6,423	6,371	1	4	433	10	3
Spain	1,845	1,924	-4	-4	167	2	1
Poland	1,143	1,117	2	10	158	2	1
Czech Republic	343	296	16	15	45		
Portugal	281	303	-7	-7	30		
Italy	2,202	2,212	0	0	154	3	
Canada	1,010	974	4	13	78		
Slovenia	126	129	-2	-2	12		
Ireland	271	251	8	8	23		
Hungary	376	336	12	15	40	1	1
Slovakia	159	138	15	16	18		
Greece	457	430	6	7	33	1	
China	2,809	3,002	-6	0	385	20	
Hong Kong	486	494	-2	2	27	1	
Japan	1,230	1,112	11	5	65	6	
Russia	1,128	1,031	9	39	105	5	
South Korea	443	369	20	30	34	2	
Turkey	676	553	22	39	51	4	
Romania	494	442	12	13	46	4	
Croatia	193	199	-3	-4	15		
Singapore	241	235	3	7	13		
Bulgaria	144	122	18	18	19	1	
Latvia	75	72	4	5	6		
Malaysia	255	227	12	28	31	2	
Mexico	327	244	34	62	17	1	
Chile	270	137	97	119	4		
Lithuania	73	70	4	6	7		
Serbia	84	83	1	4	8	2	
Estonia	85	73	16	16	7	1	
Australia	449	298	51	61	13	2	
Philippines	202	129	57	70	14	1	
Taiwan	150	84	79	90	8	1	
Peru	103	45	129	150	2		
Macau	38				2		
India	125				6	4	
South Africa	150				5	3	
Franchise	1,165	1,039	12	9	171	12	2
Total	54,341	53,233	2	5	4,077	125	18

SALES INCLUDING VAT BY MARKET AND NUMBER OF STORES

Six months, 1 December - 31 May

Market	2016	2015	Change in %		31 May - 16	Six months	
	SEK m	SEK m	SEK	Local currency	No. of stores	New stores	Closed stores
Sweden	4,837	4,505	7	7	177	5	4
Norway	2,673	2,765	-3	6	123	3	
Denmark	2,678	2,590	3	4	102		1
UK	7,271	7,491	-3	1	268	6	2
Switzerland	3,014	3,332	-10	-8	97	1	
Germany	18,093	18,148	0	0	450	6	5
Netherlands	3,771	3,642	4	4	140	2	1
Belgium	2,084	2,017	3	4	88	4	1
Austria	2,649	2,595	2	3	80	3	1
Luxembourg	224	204	10	11	10		
Finland	1,372	1,338	3	3	60	2	2
France	6,325	6,477	-2	-2	230	9	1
USA	12,800	11,793	9	7	433	24	6
Spain	3,676	3,740	-2	-1	167	3	1
Poland	2,190	2,047	7	14	158	5	1
Czech Republic	657	546	20	19	45	2	1
Portugal	576	607	-5	-4	30		
Italy	4,264	4,099	4	5	154	5	1
Canada	1,873	1,764	6	15	78		
Slovenia	246	250	-2	0	12		
Ireland	533	494	8	9	23		
Hungary	716	612	17	20	40	1	1
Slovakia	315	262	20	21	18		
Greece	865	809	7	8	33	1	
China	5,110	5,150	-1	3	385	32	
Hong Kong	988	972	2	0	27	2	
Japan	2,033	1,874	8	3	65	8	
Russia	1,840	1,611	14	39	105	9	
South Korea	738	624	18	25	34	3	
Turkey	1,251	957	31	51	51	5	
Romania	962	826	16	19	46	4	
Croatia	367	368	0	-1	15		
Singapore	508	500	2	4	13	1	
Bulgaria	279	223	25	26	19	1	
Latvia	142	137	4	4	6		
Malaysia	552	505	9	24	31	2	
Mexico	716	492	46	71	17	1	
Chile	514	252	104	123	4		
Lithuania	139	132	5	6	7		
Serbia	155	157	-1	1	8	2	
Estonia	154	137	12	13	7	1	
Australia	845	500	69	80	13	3	
Philippines	439	281	56	63	14	2	
Taiwan	324	124	161	170	8	2	
Peru	226	45	402	446	2		
Macau	86				2		
India	208				6	4	
South Africa	294				5	3	
Franchise	2,393	2,030	18	10	171	17	2
Total	104,965	100,024	5	7	4,077	184	31

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

	2012	2013	2014	2015	2016
Sales including VAT, SEK m	69,450	70,069	81,705	100,024	104,965
Sales excluding VAT, SEK m	59,491	60,027	69,970	86,143	90,565
Change from previous year in SEK, %	14	1	17	23	5
Change from previous year in local currencies, %	12	5	14	12	7
Operating profit, SEK m	10,419	9,153	10,966	12,989	10,222
Operating margin, %	17.5	15.2	15.7	15.1	11.3
Depreciation for the period, SEK m	1,840	2,050	2,478	3,120	3,664
Profit after financial items, SEK m	10,754	9,359	11,129	13,158	10,329
Profit after tax, SEK m	7,958	7,113	8,458	10,066	7,902
Cash and cash equivalents and short-term investments, SEK m	13,543	9,061	9,592	10,293	8,387
Stock-in-trade, SEK m	11,299	12,667	14,915	19,699	25,339
Equity, SEK m	36,516	34,747	38,516	47,239	48,907
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Earnings per share, SEK*	4.81	4.30	5.11	6.08	4.77
Equity per share, SEK*	22.06	20.99	23.27	28.54	29.55
Cash flow from current operations per share, SEK*	6.45	6.78	7.20	8.21	7.59
Share of risk-bearing capital, %	73.5	73.2	70.1	69.0	63.0
Equity/assets ratio, %	71.5	69.2	65.5	64.4	58.3
Total number of stores	2,575	2,908	3,285	3,639	4,077
Rolling twelve months					
Earnings per share, SEK*	10.21	9.68	11.18	13.04	11.32
Return on equity, %	48.0	45.0	50.5	50.3	39.0
Return on capital employed, %	63.0	58.0	65.7	64.5	47.9

* Before and after dilution.

Definition on key figures see annual report.

SEGMENT REPORTING (SEK m)

	Six months 2016	Six months 2015
Asia and Oceania		
External net sales	12,831	11,392
Operating profit	192	762
Operating margin, %	1.5	6.7
Europe and Africa		
External net sales	62,669	61,300
Operating profit	253	1,578
Operating margin, %	0.4	2.6
North and South America		
External net sales	15,065	13,451
Operating profit	312	514
Operating margin, %	2.1	3.8
Group Functions		
Net sales to other segments	38,284	37,264
Operating profit	9,465	10,135
Eliminations		
Net sales to other segments	-38,284	-37,264
Total		
External net sales	90,565	86,143
Operating profit	10,222	12,989
Operating margin, %	11.3	15.1

PARENT COMPANY INCOME STATEMENT (SEK m)

	Q2 2016	Q2 2015	Six months 2016	Six months 2015	1 Dec 2014- 30 Nov 2015
External sales excluding VAT	-	1	-	2	15
Internal sales excluding VAT*	959	880	1,857	1,646	3,605
GROSS PROFIT	959	881	1,857	1,648	3,620
Selling expenses	-	-	-	-	0
Administrative expenses	-54	-106	-104	-57	-126
OPERATING PROFIT	905	775	1,753	1,591	3,494
Dividend from subsidiaries	1,425	827	1,425	1,310	13,288
Interest income and similar items**	-16	8	47	17	154
Interest expense	0	-1	0	-2	-7
PROFIT AFTER FINANCIAL ITEMS	2,314	1,609	3,225	2,916	16,929
Year-end appropriations	-	-	-	-	17
Tax	-196	-172	-396	-353	-806
PROFIT FOR THE PERIOD	2,118	1,437	2,829	2,563	16,140

* Internal sales in the quarter consists of royalty of SEK 958 m (880) and other SEK 1 m (0) received from group companies and for the six-month period of royalty of SEK 1,854 m (1,646) and other SEK 3 m (0).

** Interest income and similar items in the quarter consists of SEK 3 m (8) in interest income and SEK -19 m (0) in translation effects from group companies and in the six-month period of SEK 5 m (17) in interest income and SEK 42 m (0) in translation effects from group companies.

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK m)

	Q2 2016	Q2 2015	Six months 2016	Six months 2015	1 Dec 2014- 30 Nov 2015
PROFIT FOR THE PERIOD	2,118	1,437	2,829	2,563	16,140
Other comprehensive income					
<i>Items that have not been and will not be reclassified to profit or loss</i>					
Remeasurement of defined benefit pension plans	-	-	-	-	37
Tax related to the above remeasurement	-	-	-	-	-8
OTHER COMPREHENSIVE INCOME	-	-	-	-	29
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	2,118	1,437	2,829	2,563	16,169

PARENT COMPANY BALANCE SHEET IN SUMMARY (SEK m)

	31 May - 2016	31 May - 2015	30 Nov 2015
ASSETS			
Fixed assets			
Property, plant and equipment	448	577	506
Financial fixed assets	1,702	1,685	1,727
	2,150	2,262	2,233
Current assets			
Current receivables	2,960	2,519	8,473
Short-term investments, 4-12 months	-	-	-
Cash and cash equivalents	-	-	8,095
	2,960	2,519	16,568
TOTAL ASSETS	5,110	4,781	18,801
EQUITY AND LIABILITIES			
Equity	3,985	3,687	17,293
Untaxed reserves	447	464	447
Long-term liabilities*	195	223	195
Current liabilities**	483	407	866
TOTAL EQUITY AND LIABILITIES	5,110	4,781	18,801

* Relates to provisions for pensions.

** No current liabilities are interest-bearing.