



H & M HENNES & MAURITZ AB

THREE-MONTH REPORT

1 December 2011 – 29 February 2012

THE FIRST QUARTER

- The H&M Group's sales including VAT increased by 13 percent in local currencies in the first quarter. Sales in comparable units increased by 3 percent. Converted into SEK, sales excluding VAT amounted to SEK 27,832 m (24,503).
 - Gross profit amounted to SEK 15,537 m (14,174), corresponding to a gross margin of 55.8 percent (57.8). The decrease in the gross margin is due to increased purchasing costs combined with the fact that H&M has chosen not to raise its prices to customers. Increased markdowns have also contributed to the gross margin decrease.
 - Profit after financial items amounted to SEK 3,701 m (3,538). Group profit after tax amounted to SEK 2,739 m (2,618), corresponding to SEK 1.65 (1.58) per share.
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- Very strong sales in March. Sales in the period 1 – 27 March 2012 increased by 22 percent in local currencies compared to the same period last year.
 - Successful opening in Sofia, Bulgaria in March. By the end of 2012 H&M will have opened stores in five new countries: Bulgaria, Latvia, Malaysia, Mexico and, via franchise, Thailand.
 - New store chain to be launched in 2013.

Comments on the first quarter by Karl-Johan Persson, CEO

"The new year has started well with a strong sales increase in the first quarter of 13 percent and 3 percent in comparable units. The positive development has continued in March, with very strong sales. Our collections have been well received which has resulted in increased market share in a very challenging fashion retail market, and we have strengthened our position even further. H&M is now present in 44 markets and our offering is appreciated by our customers worldwide.

H&M has a long-term perspective, we are investing for the future and we always have the customers in focus. Despite increased purchasing costs, we have continued to strengthen our customer offering – for example, by not raising our prices to customers. This has contributed to strong sales even if, combined with the increased purchasing costs, it has had a negative effect on the gross margin in the quarter. The increased purchasing costs are due partly to higher cotton prices at the time for sourcing for the quarter compared to the corresponding sourcing period the previous year, but also to our long-term investments aimed at broadening our total offering.

We are making these long-term investments in order to build an even stronger H&M, so that we can give our customers an even broader offering going forward. We have many different projects in progress and already next year we will be launching a completely new store chain. Like COS, which today is very successful with good profitability, the new chain of stores will be independent and complement the other offerings from the Group. We have great faith in this new brand and we see considerable potential for further initiatives."

	Q1 2012	Q1 2011
(SEK m)		
Net sales	27,832	24,503
Gross profit	15,537	14,174
<i>gross margin, %</i>	55.8	57.8
Operating profit	3,526	3,408
<i>operating margin, %</i>	12.7	13.9
Net financial item	175	130
Profit after financial items	3,701	3,538
Tax	-962	-920
Profit for the period	2,739	2,618
Earnings per share, SEK	1.65	1.58



Sales and store openings

Sales including VAT increased by 13 percent in the first quarter in both local currencies and converted into SEK. Sales in comparable units increased by 3 percent. Converted into SEK, sales increased to SEK 32,503 m (28,708). Sales excluding VAT increased to SEK 27,832 m (24,503).

Sales including VAT increased by 13 percent in February 2012 in local currencies compared to the same month the previous year. Sales in comparable units increased by 2 percent. Sales in February were positively affected by approximately 3 percentage points due to the leap day on 29 February 2012.

The Group opened 29 (9) stores and closed 10 (3) stores during the three-month period. The total number of stores in the Group as per 29 February 2012 thus amounted to 2,491 (2,212), of which 69 franchise stores, 46 COS stores, 53 Monki stores, 19 Weekday stores and 5 Cheap Monday stores.

Results for the first quarter

Gross profit for the Group for the first three months amounted to SEK 15,537 m (14,174), an increase of 10 percent. This corresponds to a gross margin of 55.8 percent (57.8).

The operating profit amounted to SEK 3,526 m (3,408). This corresponds to an operating margin of 12.7 percent (13.9).

Operating profit for the three-month period has been charged with depreciation amounting to SEK 911 m (808).

Consolidated net interest income was SEK 175 m (130).

Profit after financial items amounted to SEK 3,701 m (3,538).

The Group's profit after an estimated tax rate of 26.0 percent (26.0) was SEK 2,739 m (2,618) for the three-month period, which represents earnings per share of SEK 1.65 (1.58).

Return on shareholders' equity, rolling twelve months, was 34.9 percent (39.3) and return on capital employed, rolling twelve months, was 45.8 percent (52.3).



Comments on the first quarter

The H&M Group's sales have made a good start to the new financial year, with a strong increase of 13 percent in local currencies and 3 percent in comparable units. Sales have been good in most markets and have been particularly strong in big markets such as the US, UK, Germany and France, while sales have been weaker in Switzerland, Japan and Greece. Many countries are still in a challenging macro-economic situation, with restrained consumption. Continued gains in market share in this challenging market provide a further proof that H&M's strong offering – fashion and quality at the best price – is appreciated by customers worldwide.

H&M has a long-term perspective, invests for the future and always has the customer offering in focus. The gross margin is affected by many different buying-related factors, as well as by how H&M chooses to handle the factors that the company is able to influence. The company has consciously chosen a long-term strategy of further strengthening the customer offering and its market position relative to competitors. This strategy, which has contributed to strong sales and increased market share, consists of a combination of even better prices, even higher quality and more sustainable fashion. In this quarter this has meant, for example, that the company has not on the whole raised its prices to customers.

The gross margin amounted to 55.8 percent (57.8) in the quarter. The decrease in the gross margin is mostly due to the company's conscious strategy for the customer offering combined with increased purchasing costs. The increased purchasing costs are partly related to higher cotton prices during the time of sourcing for the first quarter compared to the corresponding sourcing period the previous year, but also to costs related to various long-term investments aimed at broadening the Group's total offering. To make this possible, areas such as the buying organisation and the production offices are being strengthened with new colleagues and IT-investments. A number of long-term projects are under way, and a new store chain will be launched as early as next year. These planned long-term investments extend over a lengthy period and in this quarter there is a greater proportion of these kinds of investments than previously.

Increased markdowns in relation to sales have affected the gross margin negatively by 0.9 percentage points compared to the corresponding quarter the previous year and have contributed to a good level of stock-in-trade as of 29 February 2012. The increased markdowns are mainly a consequence of the historically warm autumn, which led to weaker demand for winter garments for the whole fashion retail industry.

The decrease in the gross margin has been partly offset by a positive US dollar effect at the time of sourcing for the first quarter compared to the corresponding sourcing period the previous year.

Cost control in the Group remains good. Costs in comparable stores decreased compared to the first quarter 2011 both in absolute terms and as a proportion of sales. Selling and administrative expenses in the quarter amounted to SEK 12,011 m (10,766), an increase of 12 percent. In local currencies, the increase was 11 percent. The cost increase compared to the first quarter 2011 is mainly due to the expansion and to investments within IT, online shopping and marketing in order to further strengthen H&M's market position in the long term and to secure future expansion.

The stock-in-trade increased by 15 percent compared to the same time the previous year and amounted to SEK 12,397 m (10,822). In local currencies the increase was 14 percent. The stock increase is mainly explained by the expansion and higher purchasing costs. Both the level and the balance of the stock-in-trade as of 29 February 2012 are deemed to be good, due to strong sales in the quarter in combination with the markdowns made in the quarter.



Financial position and cash flow

Consolidated total assets as per 29 February 2012 amounted to SEK 59,078 m (57,030), an increase of 4 percent compared to the same time the previous year.

The current operations generated a positive cash flow of SEK 2,218 m (761). Cash flow was among other things affected by investments in fixed assets of SEK -1,134 m (-807) and by changes in short-term investments with a duration of four to twelve months of SEK -1,411 m (-1,937). During the three-month period, the Group generated a cash flow of SEK -309 m (-1,961). Liquid funds and short-term investments amounted to SEK 22,029 m (24,355).

The stock-in-trade increased by 15 percent compared to the same time the previous year and amounted to SEK 12,397 m (10,822). This corresponds to 10.9 percent (10.0) of sales excluding VAT, rolling twelve months. The stock-in-trade was 21.0 percent (19.0) of total assets.

The equity/assets ratio was 77.6 percent (79.9) and the share of risk-bearing capital was 79.1 percent (81.4).

Shareholders' equity apportioned on the outstanding 1,655,072,000 (1,655,072,000) shares as per 29 February 2012 was SEK 27.70 (27.54).

Expansion

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

H&M's growth target remains intact. The growth target is to increase the number of stores by 10 – 15 percent per year with continued high profitability, while at the same time increasing sales in comparable units. For the 2011/2012 financial year a net addition of approximately 275 stores is planned. China, the US and the UK are expected to be the largest expansion markets for H&M in 2012. There are also still great opportunities for expansion in markets such as Germany, France and Italy.

In 2012 five new markets will be added: Bulgaria, Latvia, Malaysia, Mexico and, via franchise, Thailand. Bulgaria's first H&M store, which opened in March in Sofia, was very well received. Indonesia will become a new franchise market in 2013.

In autumn 2012 H&M will start online sales in the US, the world's largest online market.

Expansion continues for the Group's other brands COS, Monki, Weekday and Cheap Monday. COS, for example, will open its first stores in Italy, Poland, Hong Kong and Finland during spring/summer 2012 and in Kuwait during autumn 2012. The opening in Kuwait will be in cooperation with the franchisee Alshaya. The H&M Home concept will also continue to expand.

A completely new independent chain of stores will open in 2013 as a separate brand. The store chain will be a completely new and exciting complement to H&M and the Group's other brands.

Tax

For the financial year 2011/2012 the tax rate is expected to be in the region of 25 – 26 percent, depending on the results of the subsidiaries in each country.



Parent company

The parent company's external sales amounted to SEK 1 m (1) for the first quarter. Profit after financial items amounted to SEK 382 m (215). Investments in fixed assets amounted to SEK 180 m (22).

Comments on the current quarter

Sales have been very strong so far in March. Sales during the period 1 – 27 March 2012 increased by 22 percent in local currencies compared to the same period last year.

Annual Report 2011 published

The Annual Report and the Corporate Governance Report are published today on 29 March 2012 on www.hm.com and are sent out by post to shareholders that have so requested. The reports are also 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 2010/2011 which is described in Note 1 – Accounting principles.

The parent company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities, which essentially involves applying IFRS. In accordance with RFR 2 the parent company does not apply IAS 39.

Risks and uncertainties

A number of factors may affect H&M's results and business. Most of these can be dealt with through internal routines, while certain others are affected more by external influences. There are risks and uncertainties related to fashion, weather situations, negative macro-economic changes, changes in consumer behaviour, climate changes, trade interventions, external factors in production countries and foreign currency, but also in connection with expansion into new markets, the launch of new concepts and how the brand is managed.

For a more detailed description of risks and uncertainties, refer to the Administration Report and to Note 2 in the Annual Report and Consolidated Accounts for 2010/2011. There were no significant changes in risks and uncertainties during the period.

Key-ratio definitions

Return on equity: Profit for the year in relation to average shareholders' equity.

Return on capital employed: Profit after financial items plus interest expense in relation to average shareholders' equity plus average interest-bearing liabilities.

Share of risk-bearing capital: Shareholders' equity plus deferred tax liability in relation to the balance sheet total.

Equity/assets ratio: Shareholders' equity in relation to the balance sheet total.

Equity per share: Shareholders' equity divided by number of shares.

P/E ratio: Price per share divided by earnings per share.

Comparable units: Comparable units comprise the stores and the internet and catalogue sales countries that have been in operation for at least one financial year. H&M's financial year is from 1 December to 30 November.

All figures within parenthesis refer to the corresponding period or point of time the previous year.



CALENDAR

29 March 2012	The Annual Report 2011 to be published
3 May 2012	Annual General Meeting 2012, Victoriahallen, at the Stockholm International Fairs at 3 p.m.
20 June 2012	Six-month report, 1 December 2011 – 31 May 2012
27 September 2012	Nine-month report, 1 December 2011 – 31 August 2012
31 January 2013	Full-year report 2012, 1 December 2011 – 30 November 2012

The Three-month Report has not been audited by the company's auditors.

Stockholm, 28 March 2012
Board of Directors

The information in this Interim Report is that which H & M Hennes & Mauritz AB (publ) is required to disclose under Sweden's Securities Market Act. It will be released for publication at 8.00 (CET) on 29 March 2012.

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H & M Hennes & Mauritz AB (publ) was founded in Sweden in 1947 and is quoted on NASDAQ OMX Stockholm. The company's business concept is to offer fashion and quality at the best price. In addition to H&M, the group includes the brands COS, Monki, Weekday and Cheap Monday as well as H&M Home. The H&M Group has more than 2,500 stores in 44 markets including franchise markets. In 2011, sales including VAT were SEK 128,810 million and the number of employees was more than 94,000. For further information, visit www.hm.com.

GROUP INCOME STATEMENT (SEK m)

	1 Dec 2011- 29 Feb 2012	1 Dec 2010- 28 Feb 2011	1 Dec 2010- 30 Nov 2011
Sales including VAT	32,503	28,708	128,810
Sales excluding VAT	27,832	24,503	109,999
Cost of goods sold	-12,295	-10,329	-43,852
GROSS PROFIT	15,537	14,174	66,147
<i>Gross margin, %</i>	55.8	57.8	60.1
Selling expenses	-11,168	-9,973	-42,517
Administrative expenses	-843	-793	-3,251
OPERATING PROFIT	3,526	3,408	20,379
<i>Operating margin, %</i>	12.7	13.9	18.5
Interest income	176	131	568
Interest expense	-1	-1	-5
PROFIT AFTER FINANCIAL ITEMS	3,701	3,538	20,942
Tax	-962	-920	-5,121
PROFIT FOR THE PERIOD	2,739	2,618	15,821

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

Earnings per share, SEK*	1.65	1.58	9.56
Number of shares, thousands*	1,655,072	1,655,072	1,655,072
Depreciation, total	911	808	3,262
of which cost of goods sold	102	91	366
of which selling expenses	754	667	2,698
of which administrative expenses	55	50	198

* Before and after dilution.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK m)

	1 Dec 2011- 29 Feb 2012	1 Dec 2010- 28 Feb 2011	1 Dec 2010- 30 Nov 2011
PROFIT FOR THE PERIOD	2,739	2,618	15,821
Other comprehensive income			
Translation differences	-833	-981	-35
Change in hedging reserves	-214	-300	-113
Tax attributable to other comprehensive income	56	78	30
OTHER COMPREHENSIVE INCOME	-991	-1,203	-118
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,748	1,415	15,703

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

GROUP BALANCE SHEET IN SUMMARY (SEK m)

	29 Feb 2012	28 Feb 2011	30 Nov 2011
ASSETS			
Fixed assets			
Intangible fixed assets	1,123	1,115	1,035
Tangible fixed assets	16,972	14,889	17,393
Financial assets	1,846	1,555	1,842
	19,941	17,559	20,270
Current assets			
Stock-in-trade	12,397	10,822	13,819
Current receivables	4,711	4,294	4,822
Short-term investments, 4-12 months	8,369	10,092	6,958
Liquid funds	13,660	14,263	14,319
	39,137	39,471	39,918
TOTAL ASSETS	59,078	57,030	60,188
EQUITY AND LIABILITIES			
Equity	45,852	45,587	44,104
Long-term liabilities*	1,255	1,074	1,327
Current liabilities**	11,971	10,369	14,757
TOTAL EQUITY AND LIABILITIES	59,078	57,030	60,188

* Only provisions for pensions are interest-bearing.

** No current liabilities are interest-bearing.

CHANGE IN GROUP EQUITY IN SUMMARY (SEK m)

	29 Feb 2012	28 Feb 2011	30 Nov 2011
Shareholders' equity at the beginning of the period	44,104	44,172	44,172
Adjustment of opening balance*	-	-	-48
Total comprehensive income for the period	1,748	1,415	15,703
Dividend	-	-	-15,723
Shareholders' equity at the end of the period	45,852	45,587	44,104

* Adjustment of pension obligations related to prior years.

GROUP CASH FLOW STATEMENT (SEK m)

	1 Dec 2011- 29 Feb 2012	1 Dec 2010- 28 Feb 2011
Current operations		
Profit after financial items*	3,701	3,538
Provisions for pensions	12	4
Depreciation	911	808
Tax paid	-2,784	-2,472
Cash flow from current operations before changes in working capital	1,840	1,878
Cash flow from changes in working capital		
Current receivables	-88	215
Stock-in-trade	1,255	487
Current liabilities	-789	-1,819
CASH FLOW FROM CURRENT OPERATIONS	2,218	761
Investment activities		
Investment in intangible fixed assets	-168	0
Investment in tangible fixed assets	-966	-807
Change in short-term investments, 4 - 12 months	-1,411	-1,937
Other investments	18	22
CASH FLOW FROM INVESTMENT ACTIVITIES	-2,527	-2,722
CASH FLOW FOR THE PERIOD	-309	-1,961
Liquid funds at beginning of the financial year	14,319	16,691
Cash flow for the period	-309	-1,961
Exchange rate effect	-350	-467
Liquid funds at end of the period**	13,660	14,263

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

** Liquid funds and short-term investments 4-12 months at the end of the period amounted to SEK 22,029 m (24,355).

SALES INCLUDING VAT BY COUNTRY AND NUMBER OF STORES

First quarter, 1 December - 29 February

COUNTRY	SEK m	SEK m	Change in %		No. of stores	New	Closed
	Q1-2012	Q1-2011	SEK	Local currency	29 Feb 2012	stores	stores
Sweden	2,010	1,987	1	1	173		
Norway	1,359	1,243	9	6	104		
Denmark	1,021	952	7	7	90		
United Kingdom	2,366	1,941	22	21	215	3	1
Switzerland	1,403	1,383	1	-4	81	1	
Germany	7,289	6,723	8	9	393	1	2
Netherlands	1,567	1,540	2	2	119	1	
Belgium	801	746	7	8	65		1
Austria	1,137	1,122	1	1	65		1
Luxembourg	93	90	3	2	10		
Finland	572	538	6	7	46		1
France	2,383	2,085	14	14	168		
USA	2,797	2,133	31	29	234	3	2
Spain	1,462	1,396	5	5	133	2	1
Poland	666	597	12	21	91	2	
Czech Republic	172	153	12	15	25	1	
Portugal	221	217	2	2	23		
Italy	1,057	1,000	6	6	88	1	
Canada	656	580	13	13	59	1	
Slovenia	111	112	-1	-1	12		
Ireland	139	115	21	21	15		
Hungary	128	101	27	39	21	1	
Slovakia	75	56	34	36	11	1	
Greece	202	177	14	14	23	1	
China	1,075	692	55	50	89	7	
Japan	409	351	17	9	15		
Russia	372	283	31	32	21	2	
South Korea	109	73	49	47	7	1	
Turkey	83	54	54	77	8		
Romania	127				11		
Croatia	98				6		
Singapore	98				1		
Franchise	445	268	66	78	69		1
Total	32,503	28,708	13	13	2,491	29	10

FIVE YEAR SUMMARY

First quarter, 1 December - 29 February

	2012	2011	2010	2009	2008
Sales including VAT, SEK m	32,503	28,708	29,095	27,282	23,241
Sales excluding VAT, SEK m	27,832	24,503	24,846	23,299	19,742
Change from previous year, %	14	-1	7	18	18
Operating profit, SEK m	3,526	3,408	4,978	3,364	3,799
Operating margin, %	12.7	13.9	20.0	14.4	19.2
Depreciation for the period, SEK m	911	808	772	721	578
Profit after financial items, SEK m	3,701	3,538	5,055	3,554	4,057
Profit after tax, SEK m	2,739	2,618	3,741	2,577	2,941
Liquid funds and short-term investments, SEK m	22,029	24,355	26,200	23,625	22,450
Stock-in-trade, SEK m	12,397	10,822	8,402	9,052	7,892
Equity, SEK m	45,852	45,587	43,746	41,043	34,803
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Earnings per share, SEK*	1.65	1.58	2.26	1.56	1.78
Shareholders' equity per share, SEK*	27.70	27.54	26.43	24.80	21.03
Cash flow from current operations per share, SEK*	1.34	0.46	3.25	0.75	1.48
Share of risk-bearing capital, %	79.1	81.4	80.8	77.9	81.0
Equity/assets ratio, %	77.6	79.9	77.2	74.6	79.5
Total number of stores	2,491	2,212	1,992	1,748	1,529
Rolling twelve months					
Earnings per share, SEK*	9.63	10.61	10.60	9.02	8.60
Return on shareholders' equity, %	34.9	39.3	41.4	39.4	43.6
Return on capital employed, %	45.8	52.3	55.4	54.3	60.5

* Before and after dilution.

Definition on key figures see page 5.

KEY RATIOS PER QUARTER

	2009				2010				2011				2012
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Sales including VAT, SEK m	27,282	31,070	27,587	32,758	29,095	31,604	31,475	34,792	28,708	32,400	31,511	36,191	32,503
Sales excluding VAT, SEK m	23,299	26,538	23,545	28,011	24,846	27,033	26,893	29,711	24,503	27,632	26,912	30,952	27,832
Change from previous year, %	18	23	13	6	7	2	14	6	-1	2	0	4	14
Operating profit, SEK m	3,364	5,671	4,700	7,909	4,978	6,965	5,656	7,060	3,408	5,599	4,707	6,665	3,526
Operating margin, %	14.4	21.4	20.0	28.2	20.0	25.8	21.0	23.8	13.9	20.3	17.5	21.5	12.7
Depr. for the period, SEK m	721	715	722	672	772	783	777	729	808	826	831	797	911
Profit after financial items, SEK m	3,554	5,784	4,773	7,992	5,055	7,040	5,735	7,178	3,538	5,752	4,850	6,802	3,701
Profit after tax, SEK m	2,577	4,193	3,460	6,154	3,741	5,209	4,244	5,487	2,618	4,257	3,589	5,357	2,739
Liquid assets*, SEK m	23,625	14,904	16,238	22,025	26,200	18,992	21,362	24,858	24,355	15,207	16,895	21,277	22,029
Stock-in-trade, SEK m	9,052	8,601	10,215	10,240	8,402	8,562	10,545	11,487	10,822	10,414	13,310	13,819	12,397
Equity, SEK m	41,043	31,644	34,612	40,613	43,746	36,064	39,352	44,172	45,587	33,946	38,214	44,104	45,852
Earnings per share, SEK**	1.56	2.53	2.09	3.72	2.26	3.15	2.56	3.32	1.58	2.57	2.17	3.24	1.65
Equity per share, SEK**	24.80	19.12	20.91	24.54	26.43	21.79	23.78	26.69	27.54	20.51	23.09	26.65	27.70
Cash flow from current operations per share, SEK**	0.74	3.60	1.91	4.60	3.25	4.30	2.23	3.42	0.46	4.70	1.62	3.75	1.34
Share of risk-bearing capital, %	77.9	74.8	76.2	78.5	80.8	75.9	75.8	76.2	81.4	73.0	72.9	74.9	79.1
Equity/assets ratio, %	74.6	71.0	72.8	74.7	77.2	71.8	72.3	74.6	79.9	71.3	71.4	73.3	77.6
Total number of stores	1,748	1,822	1,840	1,988	1,992	2,062	2,078	2,206	2,212	2,297	2,325	2,472	2,491
Rolling 12 months													
Earnings per share, SEK**	9.02	9.18	9.26	9.90	10.61	11.22	11.69	11.29	10.61	10.03	9.64	9.56	9.63
Return on shareholders' equity, %	39.4	51.6	46.8	42.2	41.4	54.8	52.3	44.1	39.3	47.4	41.1	35.8	34.9
Return on capital employed, %	54.3	70.9	64.5	56.7	55.4	72.9	69.3	58.7	52.3	63.0	54.6	47.1	45.8
Stock-in-trade in % of turnover	9.8	8.9	10.2	10.1	8.2	8.3	9.9	10.6	10.0	9.6	12.2	12.6	10.9

* Liquid funds and short-term investments

** Calculation based on 1,655,072,000 shares in all periods before and after dilution.

Definitions on key figures see page 5.

SEGMENT REPORTING (SEK m)

	1 Dec 2011- 29 Feb 2012	1 Dec 2010- 28 Feb 2011
Nordic region		
External net sales	4,000	3,801
Operating profit	-18	-66
Operating margin, %	-0.5	-1.7
Eurozone excluding Finland		
External net sales	13,877	12,917
Operating profit	-502	-418
Operating margin, %	-3.6	-3.2
Rest of the World		
External net sales	9,955	7,785
Operating profit	180	-88
Operating margin, %	1.8	-1.1
Group Functions		
Net sales to other segments	14,457	14,304
Operating profit	3,866	3,980
Eliminations		
Net sales to other segments	-14,457	-14,304
Total		
External net sales	27,832	24,503
Operating profit	3,526	3,408
Operating margin, %	12.7	13.9

PARENT COMPANY INCOME STATEMENT (SEK m)

	1 Dec 2011- 29 Feb 2012	1 Dec 2010- 28 Feb 2011	1 Dec 2010- 30 Nov 2011
External sales excluding VAT	1	1	24
Internal sales excluding VAT*	1,647	1,135	6,958
GROSS PROFIT	1,648	1,136	6,982
Selling expenses	-658	-480	-2,235
Administrative expenses	-660	-585	-2,671
OPERATING PROFIT	330	71	2,076
Dividend from subsidiaries	-	108	14,224
Interest income	52	36	151
Interest expense	-	-	0
PROFIT AFTER FINANCIAL ITEMS	382	215	16,451
Year-end appropriations	-	-	-9
Tax	-100	-57	-596
PROFIT FOR THE PERIOD	282	158	15,846

* Includes royalty received from Group companies

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK m)

	1 Dec 2011- 29 Feb 2012	1 Dec 2010- 28 Feb 2011	1 Dec 2010- 30 Nov 2011
PROFIT FOR THE PERIOD	282	158	15,846
Other comprehensive income	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	282	158	15,846

PARENT COMPANY BALANCE SHEET IN SUMMARY (SEK m)

ASSETS	29 Feb 2012	28 Feb 2011	30 Nov 2011
Fixed assets			
Intangible fixed assets	150	-	-
Tangible fixed assets	445	414	441
Financial fixed assets	1,761	1,726	1,843
	2,356	2,140	2,284
Current assets			
Current receivables	10,112	7,045	10,675
Short-term investments, 4-12 months	5,535	6,880	5,038
Liquid funds	400	1,979	678
	16,047	15,904	16,391
TOTAL ASSETS	18,403	18,044	18,675
EQUITY AND LIABILITIES			
Equity	17,326	17,079	17,044
Untaxed reserves	128	119	128
Long-term liabilities*	240	223	240
Current liabilities**	709	623	1,263
TOTAL EQUITY AND LIABILITIES	18,403	18,044	18,675

* Relates to provisions for pensions.

** No current liabilities are interest-bearing.