

H & M Hennes & Mauritz AB

Nine-month report

Nine-months (1 December 2013 – 31 August 2014)

- The H&M Group's sales including VAT increased in local currencies by 15 percent during the first nine months of the financial year. Converted into SEK, sales excluding VAT amounted to SEK 108,775 m (92,067), an increase of 18 percent.
- Profit after financial items amounted to SEK 18,096 m (15,189), an increase of 19 percent. The Group's profit after tax increased to SEK 13,754 m (11,544), corresponding to SEK 8.31 (6.97) per share.

Third quarter (1 June 2014 – 31 August 2014)

- Well-received collections resulted in strong sales and increased market share. The H&M Group's sales including VAT increased in local currencies by 16 percent during the third quarter. Converted into SEK, sales excluding VAT amounted to SEK 38,805 m (32,040), an increase of 21 percent.
- Gross profit amounted to SEK 22,627 m (18,828), an increase of 20 percent. This corresponds to a gross margin of 58.3 percent (58.8).
- Profit after financial items amounted to SEK 6,967 m (5,830), an increase of 20 percent. The Group's profit after tax increased to SEK 5,296 m (4,431), an increase of 20 percent, corresponding to SEK 3.20 (2.68) per share.
- H&M's online sales in Italy and Spain, which were launched in August, have got off to a very good start.
- Continued strong sales development for the other brands in the H&M Group: COS, & Other Stories, Monki, Weekday, Cheap Monday and H&M Home.



H&M opened another flag ship store on Fifth Avenue in New York in July.

- Sales in the period 1 September – 23 September 2014 increased by 7 percent in local currencies compared to the same period last year. Sales in September have so far been affected by the unusually warm weather in most markets.
- H&M's online store in China, which was launched already in September, has got off to a very good start.
- Strong expansion in 2014, with approximately 375 new stores net in total.
 - The Philippines will become a new H&M market in October 2014.
- H&M's opening in India, planned for autumn 2014, has been postponed until 2015. In 2015 H&M will also open in South Africa, Peru, Taiwan and Macau.
- H&M plans to open 8 - 10 new online markets in 2015.

	Q3		Nine months	
SEK m	2014	2013	2014	2013
Net sales	38,805	32,040	108,775	92,067
Gross profit	22,627	18,828	63,278	53,844
<i>gross margin, %</i>	<i>58.3</i>	<i>58.8</i>	<i>58.2</i>	<i>58.5</i>
Operating profit	6,886	5,755	17,852	14,908
<i>operating margin, %</i>	<i>17.7</i>	<i>18.0</i>	<i>16.4</i>	<i>16.2</i>
Net financial items	81	75	244	281
Profit after financial items	6,967	5,830	18,096	15,189
Tax	-1,671	-1,399	-4,342	-3,645
Profit for the period	5,296	4,431	13,754	11,544
Earnings per share, SEK	3.20	2.68	8.31	6.97

Q3

Comments by Karl-Johan Persson, CEO

"We have continued to gain market share thanks to strong sales development for all our brands. We see this as proof of well-received collections. Combined with our expansion, this led to a sales increase of 21 percent in SEK in the quarter. Also the good growth in profits continued with an increase in operating profit of 20 percent - while we at the same time are in a very intensive investment phase to build an even stronger H&M.

So far this year we have increased sales by 18 percent in SEK after nine months and increased operating profit by 20 percent, i.e. by almost SEK 3 billion to SEK 17.9 billion.

Within online shopping, we are in the midst of an exciting expansion. This year we have opened four big new H&M online markets and next year we will open another 8 to 10 new H&M online markets. Our online openings have taken place at a rapid pace this year: France in March, Italy and Spain during August and already, in September, we have launched online sales in China. We have had a very good response from customers in all these countries. We see our online store as a very important complement to our physical stores as the online store makes it possible for us to increase our level of service and availability to our customers.

Our store expansion plan for 2014 remains intact, with a planned net addition of 375 new stores. During the summer, we opened another flag ship store on Fifth Avenue in New York. In October the Philippines will become a new H&M market whereas India, which was supposed to open in the autumn, has been postponed until 2015. In 2015, we also plan to open in South Africa, Peru, Taiwan and Macau.

We are looking forward to a busy and exciting autumn. Besides our store and online expansion, we are continuing to develop our customer offering including the broadening of H&M Sport and our extended shoe range, which will be available online as well as in selected stores during the autumn. In October, we will launch our new collection "H&M Conscious Denim" which is made of more sustainable materials. Part of the collection includes recycled cotton from our global "Garment Collecting" initiative, which is part of our work on closing the loop for textiles as we want to reduce the environmental impact of clothing during its life cycle.

Sustainability is important to both our customers and employees, and we are therefore using our size and influence to drive progress on both environmental and social issues. When our customers shop with us they need to feel sure that they are buying from a company that takes responsibility. We are convinced that our investments in sustainability are the right thing to do, even though it entails costs in the short term. We always take a long-term view, and we see sustainability as an investment in our common future."

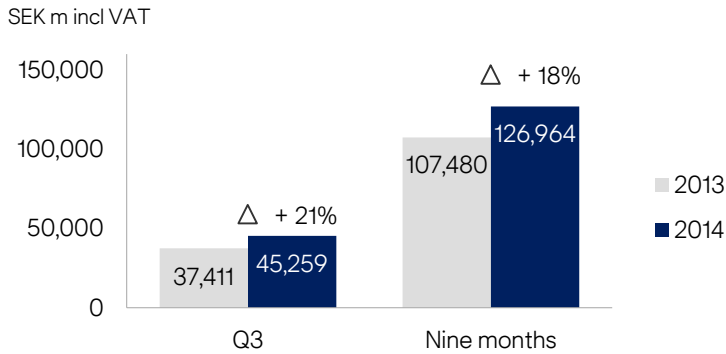


H&M Conscious Denim

"Our customers have so far handed in more than 8,000 tons of clothing to H&M's Garment Collecting initiative, which is a part of our work on closing the loop for textiles."

Sales

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



H&M Autumn Collection

Sales including VAT converted into SEK increased by 21 percent to SEK 45,259 m (37,411) in the third quarter. Sales including VAT increased in the nine-month period by 18 percent and amounted to SEK 126,964 m (107,480).

Sales excluding VAT increased by 21 percent to SEK 38,805 m (32,040) in the third quarter and by 18 percent to SEK 108,775 m (92,067) in the nine-month period.

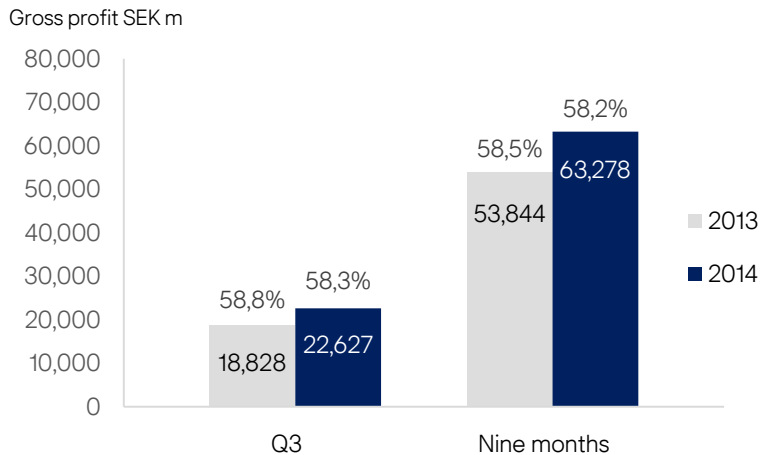
Sales including VAT in local currencies increased by 16 percent in the third quarter and by 15 percent in the nine-month period.

Sales in top ten markets, nine months

Country	2014	2013	Change in %		31 Aug - 14	2014
	SEK m Inc. VAT	SEK m Inc. VAT	SEK	Local currency	Number of stores	New stores (net)
Germany	25,557	22,304	15	9	425	7
USA	11,975	9,755	23	22	334	29
United Kingdom	9,180	7,212	27	17	251	6
France	8,952	7,543	19	13	201	4
Sweden	6,597	6,073	9	9	176	-1
China	6,244	4,698	33	29	256	51
Netherlands	5,344	4,810	11	6	132	2
Italy	4,994	3,767	33	27	122	6
Spain	4,917	4,344	13	8	157	1
Switzerland	4,336	3,992	9	3	91	4
Others*	38,868	32,982	18	18	1,196	100
Total	126,964	107,480	18	15	3,341	209
<i>* Whereof franchise</i>	<i>2,140</i>	<i>1,752</i>	<i>22</i>	<i>17</i>	<i>123</i>	<i>13</i>

Gross profit and gross margin

H&M's gross profit and gross margin are a result of many different factors, internal as well as external, and are also affected by the decisions that H&M makes in line with its strategy to always have the best customer offering in each individual market – based on the combination of fashion, quality, price and sustainability.



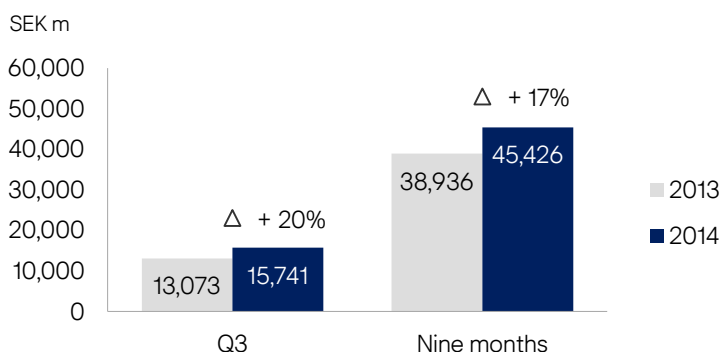
H&M Autumn Collection

Gross profit increased by 20 percent to SEK 22,627 m (18,828) in the third quarter, corresponding to a gross margin of 58.3 percent (58.8). For the nine-month period, gross profit increased by 18 percent to SEK 63,278 m (53,844), corresponding to a gross margin of 58.2 percent (58.5).

Markdowns in relation to sales increased marginally in the third quarter 2014 compared to the corresponding quarter last year.

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

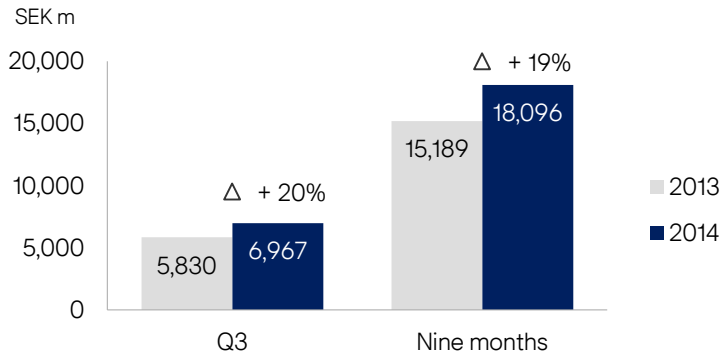
Selling and administration expenses



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

The increase in selling and administration expenses of 20 percent in SEK compared to the third quarter last year is mainly due to the expansion and the long-term investments within IT and online but also to the broadening of the product range and the establishment of the new fashion brand & Other Stories. In local currencies, the increase was 16 percent.

Profit after financial items



Profit after financial items increased by 20 percent to SEK 6,967 m (5,830) in the third quarter and by 19 percent to SEK 18,096 m (15,189) in the nine-month period.

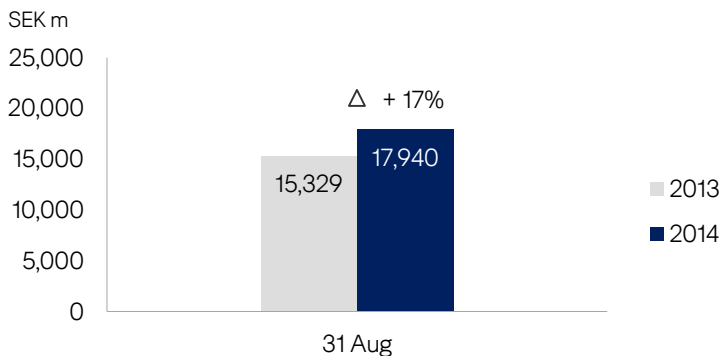
H&M is continuing to make long-term investments in order to further strengthen the H&M Group's market position and secure future expansion, and the costs in 2014 will be at a higher level than in 2013. The costs of these investments may be divided unequally between the quarters.

Long-term investments increased in the third quarter 2014 compared to the third quarter last year. The long-term investments in the third quarter 2014 had a greater percentage impact on profits than in the second quarter 2014.



H&M Kids

Stock-in-trade



Stock-in-trade amounted to SEK 17,940 m (15,329), an increase of 17 percent in SEK and 15 percent in local currencies compared to the same time the previous year.

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

The stock-in-trade amounted to 12.3 percent (12.3) of sales excluding VAT, rolling 12 months and 26.5 percent (27.3) of total assets

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, while at the same time increasing sales in comparable units.

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

New H&M markets in 2014 are Australia, which opened in April, and the Philippines where the first H&M store will open in autumn 2014. The first H&M store in India, which was scheduled to open in the autumn 2014, will instead open in 2015. In addition to India, H&M will open stores in South Africa, Peru, Taiwan and Macau in 2015.

The Group is continuing to work on the global roll-out of H&M's online store. France became a new H&M online market in March, joined in August by Italy and Spain. The online store in China opened in the second week of September. H&M plans to open 8 to 10 new online markets in 2015.

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

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

H&M is launching an extended shoe range for women, men, teenagers and children. The new shoe concept will offer a variety of models in different price categories, all at H&M prices. The range will be launched during the autumn in H&M's existing online markets as well as in selected H&M stores in nine markets including China, the US, the UK and Sweden.



H&M Home in New York.

Store count by brand

In the nine-month period, the Group opened 245 (215) stores and closed 36 (27) stores, i.e. a net increase of 209 (188) new stores. The Group had 3,341 (2,964) stores as of 31 August 2014, of which 123 were franchise stores.

Brand	New Stores 2014 (Net)		Total No of stores (31 Aug)	
	Q3	Nine months	2014	2013
H&M	50	182	3,118	2,787
COS	3	12	97	75
Monki	2	11	90	69
Weekday	0	0	21	22
& Other Stories	1	2	10	7
Cheap Monday	0	2	5	4
Total	56	209	3,341	2,964

Store count by region

Region	New Stores 2014 (Net)		Total No of stores (31 Aug)	
	Q3	Nine months	2014	2013
Europe	13	94	2,468	2,294
Asia & Oceania	22	85	468	327
North & South America	21	30	405	343
Total	56	209	3,341	2,964

Tax

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

Comments on the current quarter

Sales in the period 1 September – 23 September 2014 increased by 7 percent in local currencies compared to the same period last year. Sales in September have so far been affected by the unusually warm weather in most markets.

At the 2013 Annual General Meeting the guidelines for contributions to the H&M Incentive Program (HIP) were changed. The former link to the increase in dividend was removed, and instead the Annual General Meeting resolved to base the contribution to the incentive programme solely on 10 percent of the increase in the company's profit after tax (before the contribution to HIP) between two consecutive financial years. In the fourth quarter, therefore, a contribution to the incentive programme will be made provided that the full-year profit for 2014 has increased compared with the full-year result for the previous year.

Accounting principles

The Group applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This report has been prepared according to IAS 34 Interim Financial Reporting as well as the Swedish Annual Accounts Act.

The accounting principles and calculation methods applied in this report are unchanged from those used in the preparation of the Annual Report and Consolidated Financial Statements for 2012/2013 which are described in Note 1 – Accounting principles, except as regards IAS 19.

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

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

The parent company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities, which essentially involves applying IFRS. In accordance with RFR 2 the parent company does not apply IAS 39 to the measurement of financial instruments; nor does it capitalise development expenditure.

For definitions see the Annual Report.

Risks and uncertainties

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

For a more detailed description of risks and uncertainties, refer to the Administration Report and to Note 2 in the Annual Report and Consolidated Accounts for 2013.

Calendar

28 January 2015	Full-year report, 1 Dec 2013 – 30 November 2014
26 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.

Stockholm, 24 September 2014
Board of Directors

Review report

H & M Hennes & Mauritz AB (publ), corporate identity number 556042-7220

Introduction

We have reviewed the interim report for H & M Hennes & Mauritz AB (publ) as of 31 August 2014 and for the nine-month period which ended on this date. It is the responsibility of the Board of Directors and the Managing Director to prepare and present this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express an opinion on this interim report based on our review.

Focus and scope of review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE 2410), *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope compared with the focus and scope of an audit conducted in accordance with the International Standards on Auditing and the generally accepted auditing practices.

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the opinion expressed based on a review does not provide the same level of assurance as an opinion expressed on the basis of an audit.

Conclusion

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

Stockholm, 24 September 2014

Ernst & Young AB

Åsa Lundvall
Authorised Public Accountant

The information in this Interim Report is that which H & M Hennes & Mauritz AB (publ) is required to disclose under Sweden's Securities Market Act. It will be released for publication at 8.00 (CET) on 25 September 2014. This Interim Report, and other information about H&M, is available at www.hm.com



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GROUP INCOME STATEMENT (SEK m)

	Q3 2014	Q3 2013	Nine months 2014	Nine months 2013	1 Dec 2012- 30 Nov 2013**
Sales including VAT	45,259	37,411	126,964	107,480	150,090
Sales excluding VAT	38,805	32,040	108,775	92,067	128,562
Cost of goods sold	-16,178	-13,212	-45,497	-38,223	-52,537
GROSS PROFIT	22,627	18,828	63,278	53,844	76,025
<i>Gross margin, %</i>	58.3	58.8	58.2	58.5	59.1
Selling expenses	-14,568	-12,174	-41,871	-36,084	-49,944
Administrative expenses	-1,173	-899	-3,555	-2,852	-3,991
OPERATING PROFIT	6,886	5,755	17,852	14,908	22,090
<i>Operating margin, %</i>	17.7	18.0	16.4	16.2	17.2
Interest income	84	76	250	283	367
Interest expense	-3	-1	-6	-2	-9
PROFIT AFTER FINANCIAL ITEMS	6,967	5,830	18,096	15,189	22,448
Tax	-1,671	-1,399	-4,342	-3,645	-5,355
PROFIT FOR THE PERIOD	5,296	4,431	13,754	11,544	17,093

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

Earnings per share, SEK*	3.20	2.68	8.31	6.97	10.33
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Depreciation, total	1,231	1,056	3,709	3,106	4,191
of which cost of goods sold	139	117	417	347	470
of which selling expenses	1,015	875	3,061	2,570	3,463
of which administrative expenses	77	64	231	189	258

* Before and after dilution.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK m)

	Q3 2014	Q3 2013	Nine months 2014	Nine months 2013	1 Dec 2012- 30 Nov 2013**
PROFIT FOR THE PERIOD	5,296	4,431	13,754	11,544	17,093
Other comprehensive income					
<i>Items that have been transferred or may be transferred to net profit</i>					
Translation differences	866	226	1,323	-396	30
Change in hedging reserves	-134	-277	-34	-77	-61
Tax attributable to change in hedging reserves	32	72	8	20	15
<i>Items that have not been and will not be reclassified to net profit</i>					
Revaluations relating to defined benefit pension plans	-	-	-	-	78
Tax attributable to the above revaluation	-	-	-	-	-19
OTHER COMPREHENSIVE INCOME	764	21	1,297	-453	43
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6,060	4,452	15,051	11,091	17,136

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

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

GROUP BALANCE SHEET IN SUMMARY (SEK m)

ASSETS	31 Aug - 2014	31 Aug - 2013	30 Nov - 2013
Fixed assets			
Intangible fixed assets	2,819	2,111	2,276
Tangible fixed assets	25,002	20,626	22,186
Financial assets	2,483	2,290	2,026
	30,304	25,027	26,488
Current assets			
Stock-in-trade	17,940	15,329	16,695
Current receivables	6,031	4,756	5,269
Short-term investments, 4-12 months	-	-	3,306
Liquid funds	13,451	10,953	13,918
	37,422	31,038	39,188
TOTAL ASSETS	67,726	56,065	65,676
EQUITY AND LIABILITIES			
Equity	44,576	39,203	45,248
Long-term liabilities*	3,324	2,362	3,031
Current liabilities**	19,826	14,500	17,397
TOTAL EQUITY AND LIABILITIES	67,726	56,065	65,676

* Only provisions for pensions are interest-bearing.

** No current liabilities are interest-bearing.

CHANGE IN GROUP EQUITY IN SUMMARY (SEK m)

	31 Aug - 2014	31 Aug - 2013	30 Nov - 2013
Shareholders' equity at the beginning of the period	45,248	43,835	43,835
Total comprehensive income for the period	15,051	11,091	17,136
Dividend	-15,723	-15,723	-15,723
Shareholders' equity at the end of the period	44,576	39,203	45,248

GROUP CASH FLOW STATEMENT (SEK m)

	Nine months 2014	Nine months 2013
Current operations		
Profit after financial items*	18,096	15,189
Provisions for pensions	35	45
Depreciation	3,709	3,106
Tax paid	-4,199	-2,921
Cash flow from current operations before changes in working capital	17,641	15,419
Cash flow from changes in working capital		
Current receivables	-418	20
Stock-in-trade	-965	-211
Current liabilities	1,749	-254
CASH FLOW FROM CURRENT OPERATIONS	18,007	14,974
Investment activities		
Investment in intangible fixed assets	-687	-665
Investment in tangible fixed assets	-5,661	-4,675
Change in short-term investments, 4 - 12 months	3,306	2,995
Other investments	-47	21
CASH FLOW FROM INVESTMENT ACTIVITIES	-3,089	-2,324
Financial activities		
Dividend	-15,723	-15,723
CASH FLOW FROM FINANCIAL ACTIVITIES	-15,723	-15,723
CASH FLOW FOR THE PERIOD	-805	-3,073
Liquid funds at beginning of the financial year	13,918	14,148
Cash flow for the period	-805	-3,073
Exchange rate effect	338	-122
Liquid funds at end of the period**	13,451	10,953

* Interest paid for the Group amounts to SEK 6 m (2).

** Liquid funds and short-term investments 4-12 months at the end of the period amounted to SEK 13,451 m (10,953).

SALES INCLUDING VAT BY COUNTRY AND NUMBER OF STORES

Q3, 1 Jun - 31 Aug

Country	Q3 - 2014	Q3 - 2013	Change in %		31 Aug - 14	Q3 - 2014	
	SEK m	SEK m	SEK	Local currency	No. of stores	New stores	Closed stores
Sweden	2,302	2,084	10	10	176		2
Norway	1,532	1,472	4	4	113		1
Denmark	1,269	1,144	11	5	98		
United Kingdom	3,402	2,570	32	17	251	2	1
Switzerland	1,522	1,371	11	4	91	1	
Germany	8,742	7,603	15	9	425	3	1
Netherlands	1,840	1,633	13	7	132	1	
Belgium	1,033	901	15	9	77	1	
Austria	1,295	1,164	11	6	73		
Luxembourg	109	98	11	5	10		
Finland	710	676	5	0	58		
France	3,205	2,691	19	13	201	1	4
USA	4,500	3,444	31	27	334	22	1
Spain	1,735	1,539	13	7	157		
Poland	991	796	24	17	135	1	
Czech Republic	257	207	24	26	42	1	
Portugal	289	247	17	11	29	1	
Italy	1,724	1,272	36	29	122	4	
Canada	854	774	10	13	67		
Slovenia	129	117	10	5	12		
Ireland	207	153	35	28	20		
Hungary	268	186	44	42	35		
Slovakia	113	89	27	19	13		
Greece	319	237	35	28	28	1	2
China	2,245	1,640	37	28	256	15	1
Japan	736	617	19	21	47	1	
Russia	881	707	25	31	65	3	
South Korea	241	188	28	13	19		
Turkey	325	184	77	92	24		
Romania	315	210	50	43	35		
Croatia	199	181	10	6	14		
Singapore	209	179	17	12	9	1	
Bulgaria	104	75	39	33	13	1	
Latvia	78	36	117	84	5		
Malaysia	185	95	95	92	13	3	
Mexico	134	70	91	84	3		
Chile	91	89	2	14	1		
Lithuania	69	7	886	790	6	1	
Serbia	57	5	1,040	1,078	4	1	
Estonia	61				4	1	
Australia	146				1		
Franchise	836	660	27	23	123	3	
Total	45,259	37,411	21	16	3,341	69	13

SALES INCLUDING VAT BY COUNTRY AND NUMBER OF STORES

Nine months, 1 December - 31 Aug

Country	2014	2013	Change in %		31 Aug - 14	Nine months	
	SEK m	SEK m	SEK	Local currency	No. of stores	New stores	Closed stores
Sweden	6,597	6,073	9	9	176	3	4
Norway	4,183	4,130	1	5	113		1
Denmark	3,758	3,340	13	7	98	1	
United Kingdom	9,180	7,212	27	17	251	10	4
Switzerland	4,336	3,992	9	3	91	4	
Germany	25,557	22,304	15	9	425	10	3
Netherlands	5,344	4,810	11	6	132	3	1
Belgium	2,888	2,504	15	10	77	4	
Austria	3,784	3,465	9	4	73	2	1
Luxembourg	309	279	11	6	10		
Finland	1,998	1,885	6	1	58	1	1
France	8,952	7,543	19	13	201	11	7
USA	11,975	9,755	23	22	334	35	6
Spain	4,917	4,344	13	8	157	2	1
Poland	2,741	2,298	19	13	135	13	
Czech Republic	693	597	16	19	42	4	
Portugal	802	663	21	16	29	2	
Italy	4,994	3,767	33	27	122	7	1
Canada	2,156	2,200	-2	4	67	1	
Slovenia	358	334	7	2	12		
Ireland	582	434	34	28	20	1	
Hungary	750	543	38	37	35	3	1
Slovakia	309	268	15	10	13		
Greece	939	695	35	29	28	4	3
China	6,244	4,698	33	29	256	53	2
Japan	2,364	2,079	14	24	47	8	
Russia	2,283	1,917	19	31	65	14	
South Korea	682	567	20	13	19	3	
Turkey	843	473	78	105	24	4	
Romania	864	620	39	35	35	7	
Croatia	548	497	10	6	14	1	
Singapore	589	458	29	29	9	3	
Bulgaria	265	186	42	36	13	2	
Latvia	173	94	84	76	5	2	
Malaysia	475	267	78	85	13	6	
Mexico	405	224	81	83	3		
Chile	247	201	23	39	1		
Lithuania	150	7	2,043	1,851	6	4	
Serbia	156	5	3,020	3,177	4	2	
Estonia	152				4	1	
Australia	282				1	1	
Franchise	2,140	1,752	22	17	123	13	
Total	126,964	107,480	18	15	3,341	245	36

FIVE YEAR SUMMARY**Nine months, 1 December - 31 Aug**

	2010	2011	2012	2013	2014
Sales including VAT, SEK m	92,174	92,619	103,018	107,480	126,964
Sales excluding VAT, SEK m	78,772	79,047	88,297	92,067	108,775
Change from previous year in SEK, %	7	0	12	4	18
Change from previous year in local currencies, %	15	8	12	8	15
Operating profit, SEK m	17,599	13,714	15,221	14,908	17,852
Operating margin, %	22.3	17.3	17.2	16.2	16.4
Depreciation for the period, SEK m	2,332	2,465	2,761	3,106	3,709
Profit after financial items, SEK m	17,830	14,140	15,649	15,189	18,096
Profit after tax, SEK m	13,194	10,464	11,580	11,544	13,754
Liquid funds and short-term investments, SEK m	21,362	16,895	13,552	10,953	13,451
Stock-in-trade, SEK m	10,545	13,310	13,501	15,329	17,940
Equity, SEK m	39,352	38,214	38,275	39,203	44,576
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Earnings per share, SEK*	7.97	6.32	7.00	6.97	8.31
Shareholders' equity per share, SEK*	23.78	23.09	23.13	23.69	26.93
Cash flow from current operations per share, SEK*	9.78	6.78	7.88	9.05	10.88
Share of risk-bearing capital, %	75.8	72.9	74.0	73.4	70.2
Equity/assets ratio, %	72.3	71.4	72.3	69.9	65.8
Total number of stores	2,078	2,325	2,629	2,964	3,341
Rolling twelve months					
Earnings per share, SEK*	11.69	9.64	10.23	10.17	11.66
Return on shareholders' equity, %	52.3	41.1	44.3	43.4	46.1
Return on capital employed, %	69.3	54.6	58.2	55.8	60.0

* Before and after dilution.

Definition on key figures see annual report.

SEGMENT REPORTING (SEK m)

	Nine months 2014	Nine months 2013
Asia and Oceania		
External net sales	11,802	9,159
Operating profit	1,516	1,228
Operating margin, %	12.8	13.4
Europe		
External net sales	83,088	71,302
Operating profit	6,140	1,877
Operating margin, %	7.4	2.6
North and South America		
External net sales	13,885	11,606
Operating profit	91	-180
Operating margin, %	0.7	-1.6
Group Functions		
Net sales to other segments	48,111	43,818
Operating profit	10,105	11,983
Eliminations		
Net sales to other segments	-48,111	-43,818
Total		
External net sales	108,775	92,067
Operating profit	17,852	14,908
Operating margin, %	16.4	16.2

PARENT COMPANY INCOME STATEMENT (SEK m)

	Q3 2014	Q3 2013	Nine months 2014	Nine months 2013	1 Dec 2012- 30 Nov 2013
External sales excluding VAT	6	2	10	5	35
Internal sales excluding VAT*	2,241	1,948	6,339	5,633	7,845
GROSS PROFIT	2,247	1,950	6,349	5,638	7,880
Selling expenses	-390	-361	-1,865	-1,796	-2,699
Administrative expenses	-1,331	-869	-3,824	-2,820	-4,259
OPERATING PROFIT	526	720	660	1,022	922
Dividend from subsidiaries	591	63	1,642	1,025	16,039
Interest income	6	3	42	41	63
Interest expense	-15	-1	-23	-2	-9
PROFIT AFTER FINANCIAL ITEMS	1,108	785	2,321	2,086	17,015
Year-end appropriations	-	-	-	-	-1,020
Tax	-113	-190	-149	-279	-50
PROFIT FOR THE PERIOD	995	595	2,172	1,807	15,945

* Includes royalty received from Group companies

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK m)

	Q3 2014	Q3 2013	Nine months 2014	Nine months 2013	1 Dec 2012- 30 Nov 2013
PROFIT FOR THE PERIOD	995	595	2,172	1,807	15,945
Other comprehensive income	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	995	595	2,172	1,807	15,945

PARENT COMPANY BALANCE SHEET IN SUMMARY (SEK m)

	31 Aug - 2014	31 Aug - 2013	30 Nov - 2013
ASSETS			
Fixed assets			
Tangible fixed assets	540	461	502
Financial fixed assets	1,511	1,455	1,381
	2,051	1,916	1,883
Current assets			
Current receivables	1,707	2,078	12,163
Short-term investments, 4-12 months	-	-	3,304
Liquid funds	1,147	273	1,324
	2,854	2,351	16,791
TOTAL ASSETS	4,905	4,267	18,674
EQUITY AND LIABILITIES			
Equity	3,344	2,710	16,847
Untaxed reserves	454	456	454
Long-term liabilities*	213	229	213
Current liabilities**	894	872	1,160
TOTAL EQUITY AND LIABILITIES	4,905	4,267	18,674

* Relates to provisions for pensions.

** No current liabilities are interest-bearing.