

Hemtex discloses the information provided herein pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication on December 3, 2009 at 7:00 a.m.

INTERIM REPORT MAY 1, 2009 – OCTOBER 31, 2009

Operating loss of SEK 87.0 M

All figures pertain to the Group unless otherwise stated. Comparisons in the interim report refer to the corresponding period in the 2008/2009 fiscal year, unless otherwise stated.

Six months (May 2009 – October 2009)

- Net sales amounted to SEK 585.3 M (661.8), down 12% compared with the preceding year. Sales in the Group's comparable stores decreased by 13% (neg: 19).
- Loss after tax amounted to SEK 76.7 M (loss: 0.3). A loss per share before dilution of SEK 1.95 (loss: 0.01).
- Operating cash flow after investments was negative SEK 79.7 M (neg: 54.3).
- The operating result was charged with nonrecurring costs of SEK 20.5 M (0.0)

Second quarter (August 2009 – October 2009)

- Net sales amounted to SEK 268.4 M (309.1), down 13% from the preceding year. Sales in the Group's comparable stores decreased by 12% (neg: 25).
- Loss after tax amounted to SEK 41.5 M (loss: 6.7). A loss per share before dilution of SEK 1.01 (earnings: 0.23).
- Implementation of the business plan continues. The aim is that this will eventually improve the operating margin to 13-15%. The range of products has been reduced by 40% and nine stores were closed. The operating result was charged with nonrecurring costs of SEK 11.9 M (0.0)

GROUP EARNINGS TREND (CONDENSED)

	3 months Aug-Oct		6 months May-Oct		Rolling 12 Nov-Oct	Full-year May-April
	2008	2009	2008	2009	2008/09	2008/09
Operating income, SEK M	312.3	271.7	667.3	591.0	1,328.4	1,404.7
Operating profit, SEK M	- 6.1	-47.6	5.3	- 87.0	- 124.9	- 32.5
Profit before taxes, SEK M	- 9.4	- 48.7	- 0.4	- 89.4	- 134.2	- 45.1
Net profit for the period, SEK M	- 6.7	- 41.5	- 0.3	- 76.7	- 119.3	- 42.9
Operating margin, %	- 2.0	- 17.7	0.8	- 14.9	- 9.5	- 2.3
Earnings per share before dilution, SEK	- 0.23	- 1.01	- 0.01	- 1.95	- 3.47	- 1.46

Hemtex conducts retail operations based on interior decorating products sold to consumers via proprietary stores and franchisees. Hemtex's product areas are Bedroom, Bathroom, Windows and Dining & Entertaining. In December 2009, Hemtex had a total of 213 stores, including 146 in Sweden, 39 in Finland, 12 in Denmark, 12 in Norway, two in Estonia and two in Poland. Of the stores, 188 are owned by the Hemtex

Group and 25 by franchisees. The Parent Company, Hemtex AB, accounts for concept development, marketing, business management, control functions and product supply to Hemtex stores. In addition to the Parent Company Hemtex AB, the Hemtex Group includes the wholly owned subsidiaries Hemtex Oy (Finland), Hemtex A/S (Denmark), Hemtex AS (Norway), Hemtex (Shanghai) Co., Ltd. and Hemtex Finans AB.

“What is now required is forceful action and the power of initiative in order to reverse the declining trend and recapture lost sales and profitability”.

CEO'S COMMENTS

Hemtex has faced many challenges in the home-textiles market in the past year. Firstly, the purchasing appetite of consumers declined in the wake of the economic slowdown and, secondly, essential changes to our price strategy and communications had a short-term adverse impact on sales. Accordingly, sales for the second quarter (August-October) of the 2009/2010 fiscal year declined 13% and we reported an after-tax loss of SEK 41.5 M (loss: 6.7). The gross profit margin was 59.4% (59.7) and inventories at the end of the quarter were slightly more than 10% lower than a year earlier.

Naturally, work aimed at enhancing sales is our highest priority. We have reduced our product range by up to 40%, which has clarified our customer offering and made our stores more exciting. However, our new autumn collection failed to meet expectations and, in connection with the launch, we initiated a new advertising campaign under the “Fewer sales – Better prices” slogan, to communicate our changed price strategy and lower prices. The concentration of the product range will also gradually enable us to carry out more effective purchasing, simplify distribution and improve storage and store management.

In addition, we noted that the competition in the Swedish home-textiles market has intensified, while interest in home textiles has found its way to younger age groups. These trends mean two things for Hemtex: we must direct a clearer message to our consumers and we must offer a smarter product range. For this reason and in line with the new business plan, we will reveal a new image in 2010 in the form of a gradually changed product range and a new identity. In May, we will be presenting new products that will be based on three distinct styles. A completely new product line will be launched later in the autumn when Hemtex opens three new model stores in Stockholm, Gothenburg and Malmö – all designed in accordance with Hemtex's new concept.

To provide greater space for the new product range, we will be conducting a stocktaking of store inventories in December, with the aim of identifying older products with a low market value and to provide a basis for a correct assessment of the need for obsolescence. These older products will then be donated to the charitable organization Human Bridge.

Work on consolidating the store operations and reducing the number of stores is continuing. Nine stores were closed during the second quarter, of which five were proprietary stores and four owned by franchisees. Only one new store was opened, in Liljeholmen in Stockholm. Although we are capitalizing on the recession and lower rents to expand in favorable locations where such opportunities exist, we will see a net decrease in stores during the 2009/2010 fiscal year. Hemtex had 213 stores at the beginning of December, corresponding to a year-on-year decline of seven stores. The process of reviewing the store portfolio will result in a continued slight decrease in the number of stores during forthcoming quarters.

In order to enhance the store perspective and increase the efficiency of coordination efforts in the company, we will be establishing a Store Council in the New Year. In the Council, store managers from across Sweden work together with company management and will function as a quality-assurance body, ensuring that all activities in the company are commercially viable.

The downsizing and changes made to the product range, the new price and product strategy, the consolidation of the store structure and stricter cost control are all actions included in our new business plan, the aim of which is to improve the operating margin to 13-15% within three years.

Hemtex has a strong brand and is the leader in its segment. Strong leadership combined with strong owners is essential in efforts to develop the operations and implement the necessary adjustments. After only a month in my new role, it is apparent that Hemtex is facing major new challenges, although I can also see the potential inherent in the Group. Now it is time to take forceful actions and utilize our power of initiative to turn the negative trend around and recapture lost sales and profitability. In other words, our objective is clear: we must offer an attractive and well-defined product range to a broad target group. Put simply, everyone should afford to have a comfy home.

Erik Gumabon,
President and Chief Executive Officer

SIGNIFICANT EVENTS

Market

Hemtex is the market leader in the Swedish home textiles market. During the most recent 12-month period, from July 2008 – June 2009, Hemtex's market share amounted to 23.7%, compared with 27.4% during the corresponding period in the preceding year. The closest competitors had market shares of 13.0% and 10.2%, respectively, which is a slight improvement compared with the preceding measurement. During January - June 2009, the Swedish home textiles market declined by 3%, according to the most recent figures from the market research company GfK.

Rights issue completed

During the first quarter, a new rights issue was completed that contributed proceeds totaling SEK 164 M before issue expenses. All of the newly issued shares were registered with the Swedish Companies Registration Office on June 2, 2009, after which the total number of shares in the company amounts to 41,072,360.

Hakon Invest AB owns 68.5% of Hemtex

At the end of the preceding fiscal year, on April 28, 2009, Hakon Invest AB submitted a cash tender offer to shareholders of Hemtex AB (publ) in compliance with Swedish rules for mandatory takeover offers. The bid amounted to SEK 23 in cash per share together with an add-on premium of SEK 4 per share, which was to be payable if Hakon Invest AB reached a shareholding exceeding 50% of the shares and votes in Hemtex AB. On June 18, 2009, Hakon Invest AB adjusted the bid to SEK 27 per share with no possibility of an add-on premium. Through the above bid and additional market acquisitions, Hakon Invest increased its shareholding from 34.6% on April 30, 2009 to 68.5% on October 31, 2009. Hemtex AB has been a subsidiary of Hakon Invest AB since June 30, 2009.

New stores

During the second quarter, August 1, 2009 – October 31, 2009, the Group opened a new store in Liljeholmen, Sweden.

Cost savings

During the interim report period, twelve stores were closed, of which nine during the most recent quarter. The Group closed seven stores while five franchise stores were closed. In Sweden, the Group closed two stores in Stockholm and four franchise stores were closed in Vetlanda, Kalmar, Sala and Köping. In Finland stores were closed in Helsinki, Riihimäki

and Tammerfors. In Denmark a store was closed in Copenhagen and in Norway a store closed in Hamar. One franchise store was closed in Warsaw, Poland.

OPERATIONS

Product range and concept

The basis of Hemtex's offering is an attractively priced, functional range of high-quality textile products. Hemtex shall be a leader in terms of product range in home textiles and provide the best service in the market. The product range will continue to change to ensure leadership in this area. Accordingly, there will be a forceful reduction and concentration of the product range in 2010.

The product range will be characterized by a higher level of fashion than in the past. The scope of the price range will expand so that the number of premium products increases. A greater number of innovations in the form of new functions, new material and new combinations of material will be launched during 2010. Hemtex will continue to focus on existing core target groups, but will also broaden its offering to suit new target groups. Customer offerings shall comprise high-quality home textile products with an unparalleled scope and depth in core categories. Most of the products are sold under proprietary brands. These are supplemented with a limited range of market-leading brands from external suppliers. The Group's strong position in home textiles provides a firm basis for investments in a refined range, an effort that is being assigned major focus within the organization.

Developed communications and new price strategy

The aim of the communications strategy is to strengthen the Hemtex brand and thus increase its market impact. In 2010, Hemtex will present gradual changes geared toward creating a more distinct identity. The focus will be redirected from purchasing individual products to the purchase of complete combinations and to more frequently renewing the home. Hemtex has conducted a thorough review of its previous pricing strategy, which has entailed reduced retail prices for a large number of products. Reduced prices and expanded communications, combined with a broader product range, will enhance the strength of Hemtex's offering and enable the company to capture shares of a weaker market and increase its competitiveness.

Review of store structure

Taking into account the current priority on profitability in the existing network of stores, the Board of Directors has decided

to reduce the pace at which new stores are established. During the 2008/2009 fiscal year, 21 new stores were opened, of which 14 in the Group. For the fiscal year 2009/2010, four to six stores will be opened, of which half in the Group. It is estimated that the review of the store structure will result in a net reduction of the number of stores.

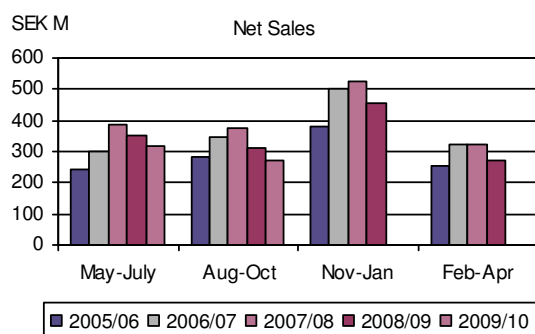
COMMENTS ON THE INCOME STATEMENT AND BALANCE SHEET

Net sales

The Group's net sales consist of consumer retail sales via proprietary stores and wholesale sales to franchise stores in the Hemtex chain.

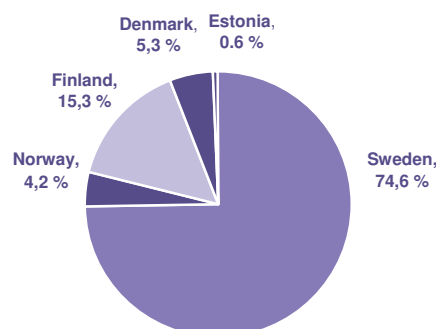
The Group's total net sales decreased during the second quarter of the fiscal year by 13.2% (decrease: 17.7) to SEK 268.4 M (309.1). Excluding acquired units, the sales decrease was 13.2%. Based on unchanged currency exchange rates, net sales declined 14.0%.

During the interim report period, the Group's net sales decreased by 11.6% (decrease:13.0) to SEK 585.3 M (661.8). The sales decrease, excluding acquired units, amounted to 11.6%. With unchanged currency rates, net sales declined by 13.3%.



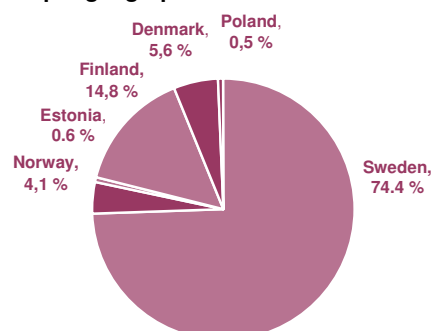
Of the Group's net sales, Swedish operations accounted for sales of SEK 437.5 M (506.0), Finnish operations accounted for SEK 87.9 M (98.1), operations in Denmark for SEK 31.3 M (31.4), operations in Norway for SEK 25.2 M (23.5) and the operation in Estonia for SEK 3.4 M (2.8). Other operating income amounted to SEK 5.6 M (5.5) and primarily comprised franchise fees and bonus payments from suppliers and business partners.

Consolidated net sales during the most recent 12-month period per geographical market



During the most recent 12-month period, net sales at the consumer level (including franchise stores) decreased in all markets by 13.4% to SEK 1,359 M (1,570).

The chain's net sales during the most recent 12-month period per geographical market



Sales trend in the Group's comparable stores

	3 months Aug-Oct 2009	6 months May-Oct 2009	Rolling 12 months Nov-Oct
Group	- 12%	- 13%	- 18%
Sweden	- 12%	- 14%	- 17%
Finland	- 31%	- 24%	- 25%
Denmark	- 14%	- 17%	- 25%
Norway	- 1%	- 7%	- 18%
Estonia	- 42%	- 31%	- 25%

Consolidated sales for comparable stores during the most recent 12-month period amounted to SEK 22.0 per square meter (27.8), calculated on the basis of average floor space of 299 square meters (283).

All countries reported negative trends in comparable stores during the second quarter and the interim report period of the 2009/2010 fiscal year. The same also applies to the trend over the most recent 12-month period. The efforts in process regarding development and broadening the product range, reviews of retail space and intensified brand building aim at supporting the future sales trend in comparable stores.

Earnings

Consolidated gross profit (net sales less cost of goods sold) declined 16.4% to SEK 307.7 M (368.2). The gross margin increased to 52.6% (55.6).

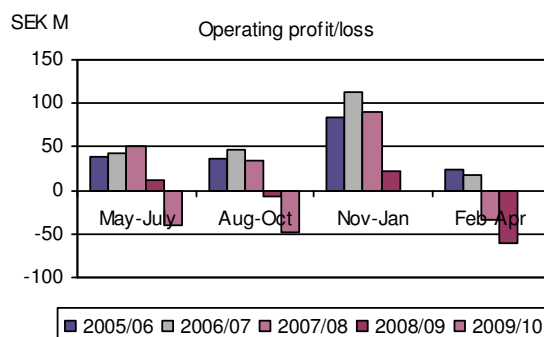
At present, the portion of direct purchases from producers slightly exceeds 82%. For the portion of purchasing from Asia the aim is 80% and the current level is 71%.

To reduce the currency risk, Hemtex hedges a substantial portion of the Group's contracted flows in foreign currency. Currency risks are monitored and exchange-rate differences are calculated as the difference between the actual price paid and the calculated price. The Group's finance policy stipulates that at least 65% of contracted flows must be hedged. In total, the exchange-rate differences that affected earnings during the period were positive, amounting to SEK 8.5 M (16.8). The change in value of outstanding forward contracts, applying IAS 39, had a negative impact of SEK 0.7 M (pos: 6.9) on gross profit during the interim report period.

The result for the quarter was charged with nonrecurring costs. The costs amounted to SEK 20.5 M and pertained to costs for changes in management personnel, consulting costs for the transformation efforts under way as part of the new business plan and consulting input required in connection with the fairness opinion on the takeover offer, as well as the phase-out of stores.

Operating expenses, excluding goods for resale and depreciation and impairment losses on tangible and intangible assets, amounted to SEK 376.6 M (345.8). As a percentage of sales, these expenses amounted to 64.3% (52.3).

Of depreciation of tangible and intangible fixed assets, rental rights accounted for SEK 3.0 M (3.1) and other depreciation for SEK 20.8 M (19.5). An operating loss of SEK 87.0 M (profit: 5.3) was reported, corresponding to an operating margin of minus 14.9% (plus 0.8).



All markets reported operating losses during the second quarter. The results for the various markets are presented in the section on segment reporting on page 11 of this report.

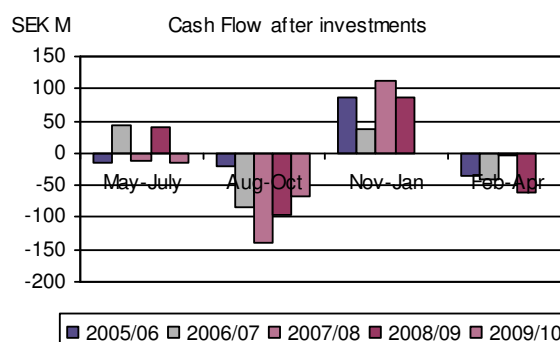
The consolidated loss before tax amounted to SEK 89.4 M (loss: 0.4), resulting in a profit margin of minus 15.3% (loss 0.1). The loss after tax amounted to SEK 76.7 M (loss: 0.3).

Investments

The Group's cash-impacting net investments totaled SEK 2.0 M (38.2) during the interim report period, of which SEK 0.0 M (8.2) pertained to store acquisitions, SEK 0.0 M (20.2) to investments in the establishment of new and refurbishment of existing stores and SEK 2.0 M (9.8) to other investments.

Cash flow

Cash flow from operating activities decreased SEK 61.6 M to a negative SEK 77.7 M, primarily due to lower sales than expected. Cash flow after investments amounted to a negative SEK 79.7 M (neg: 54.3) during the interim report period quarter.



Risks and uncertainties

Hemtex's operations are exposed to a number of risks that are fully or partly beyond the control of the company and the Group, but that can impact sales and earnings. The Group is exposed to financial risks and operations-related risks.

Examples of financial risks include liquidity, interest-rate and exchange-rate risks. Operational risks consist of business trends, competition, fashion and weather.

Hemtex AB is responsible for the Group's financial risk management. The target for Hemtex's financial policy is to limit the short-term effects on the Group's earnings and cash flow caused by fluctuations in financial markets.

A more detailed description of these risks is presented in the 2008/2009 Annual Report and on www.hemtex.com, Investor Relations.

Seasonal fluctuations

As with other segments of the home furnishings industry, Hemtex's net sales, operating profit and cash flow from operating activities fluctuate throughout the year. This is because costs are relatively constant, while net sales vary. The Group's strongest earnings are generated during the third quarter of the fiscal year, meaning the period from November to January. However, Hemtex aims to reduce seasonal fluctuations on earnings through sales activities and by broadening the product mix and adapting staffing in the stores.

Financial position

On October 31, 2009, cash and cash equivalents amounted to SEK 29.3 M (27.8). Net debt, defined as interest-bearing debt less cash and cash equivalents, decreased by SEK 105.3 M during the most recent 12-month period and amounted to SEK 200.8 M (306.1) at October 31, 2009. The net debt/equity ratio at October 31, 2009 was 46% (78).

The equity/assets ratio amounted to 50%, compared with 43% on the corresponding date in the preceding year. During the spring, Hemtex reviewed its total financing. In order to find the optimal solution for the company, discussions were pursued with banks and principal owners. This resulted in a higher share of long-term financing and the rights issue. The proceeds from the recently completed rights issue totaled SEK 164 M, a part of which has been used to reduce interest-bearing liabilities by more than SEK 115 M and to strengthen the Group's liquidity.

Inventories

On October 31, 2009, inventories amounted to SEK 311.0 M (347.8). This reduction derived from a strictly controlled purchasing strategy, whereby inventory levels at the end of the quarter were deemed to be in balance. Of total inventories, wholesale inventories accounted for SEK 118.7 M (101.3). At the end of October 2009, inventories per store within the Group averaged SEK 1.1 M (1.3).

Goodwill

Total goodwill in the Hemtex Group, as recognized in the consolidated balance sheet on October 31, 2009, amounted to SEK 282.9 M (286.3). Swedish operations accounted for SEK 263.9 M (267.9) of the Group's goodwill and Danish operations for the remainder. The valuation takes into consideration the Group's accrued earnings values for acquired operations, the Group's market shares in Sweden and Denmark, the strength of the Hemtex brand in these markets, established supplier contacts and the expertise of the Group's employees.

Earnings per share

A loss per share of SEK 1.95 (loss: 0.01) was reported before dilution and of SEK 1.95 (loss: 0.01) after dilution. Equity per share amounted to SEK 10.60 (13.46). The number of shares in Hemtex AB on October 31, 2009 was 41,072,360. The average number of shares during the Interim report period was 39,411,234.

Average number of employees in the Group

The average number of employees in the Group during the quarter was 765 (790).

Parent Company

Hemtex AB's net sales decreased during the interim report period to SEK 499.5 M (592.0). Net sales in Hemtex AB consist of consumer retail sales via proprietary stores and wholesale sales to subsidiaries and franchise stores. Of the net sales, sales in proprietary stores accounted for SEK 409.2 M (459.8) and wholesales for SEK 90.3 M (132.2).

After financial items, a loss of SEK 48.9 M (profit: 7.4) was reported. The Parent Company's cash-impacting net investments amounted to SEK 1.4 M (26.3).

The average number of employees in Hemtex AB during the interim report period was 520, compared with 562 employees in the preceding year.

OTHER

Events after the closing date

On November 1, 2009, Erik Gumabon took office as the new CEO. In connection with this comprehensive organizational change was launched in the Group. Work on implementing the new plan continues with a view to presenting the brand identity during 2010. At an Extraordinary General Meeting on December 2, 2009, the company's fiscal year was changed from previously being the period between May 1 and April 30 to, in the future, the period corresponding to the calendar year

(Jan 1 – December 31). Accordingly, the current fiscal year will only comprise the period from May 1 to December 31, 2009. This reorganization was implemented because Hemtex AB became a subsidiary of Hakon Invest AB, which has a calendar year as its fiscal year, on June 30, 2009.

Reporting dates

The year-end report for the abbreviated fiscal year from May 2009 to December 2009 will be published at 7:00 a.m. on Tuesday, February 16, 2010.

The interim report for January 1, 2010 to March 31, 2010 will be published on May 4, 2010. CET 07.00.

The interim report for January 1, 2010 to June 30, 2010 will be published on August 17, 2010. CET 07.00.

The interim report for January 1, 2010 to September 30, 2010, will be published on November 9, 2010. CET 07.00.

For information about future reports, refer to the financial calendar in the Investor Relations section on www.hemtex.com.

Accounting principles

The interim report for the Group has been compiled in accordance with IAS 34 Interim Reporting. The Annual Accounts Act and the Securities Markets Act have also been applied. In the interim report, standard, IFRS 8: Operating Segments, is applied. For segment information, see page 11. A revised version of IAS 1: Presentation of Financial Statements is applied as of the 2009/2010 fiscal year. This entails new designations for financial statements and that translation differences are reported in comprehensive income. Other changes in the standards and new interpretations have had no impact on the Group. In other respects, the same accounting and calculation principles were applied as in the most recent Annual Report.

For the Parent Company, the Annual Accounts Act and the Securities Markets Act have been applied, in accordance with the stipulations of the Swedish Financial Reporting Board's RFR 2.2 recommendation, Interim Reporting for Legal Entities. The accounting and calculation principles used for the interim report are unchanged compared with those applied in the most recent Annual Report.

Borås, December 3, 2009

Hemtex AB

Per Wiberg
Chairman of the Board

Ingemar Charleson
Member of the Board

Mats Holgerson
Member of the Board

Kia Orback Pettersson
Member of the Board

Meta Persdotter
Member of the Board

Stein Petter Ski
Member of the Board

Erik Gumabon
President and CEO

This interim report is unaudited.

Further information

For further information, contact Erik Gumabon, President and CEO.

Tommy Svensson, CFO: +46 (0) 702-10 80 69.

Hemtex Press Officer: 0702-66 02 59

Hemtex AB
Druveforsvägen 8
PO Box 495
SE-503 13 Borås, Sweden
www.hemtex.com
Email: ir@hemtex.se

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(SEK 000s)

	3 months Aug-Oct		6 months May-Oct		Rolling 12 Nov-Oct	Full-year May-April
	2008	2009	2008	2009	2008/09	2008/09
Net sales	309,075	268,367	661,758	585,312	1,314,151	1,390,597
Other operating income	<u>3,231</u>	<u>3,338</u>	<u>5,549</u>	<u>5,649</u>	<u>14,245</u>	<u>14,145</u>
Total operating income	312,306	271,705	667,307	590,961	1,328,396	1,404,742
<i>Operating expenses</i>						
Goods for resale	- 124,542	- 109,036	- 293,551	- 277,619	- 631,290	- 647,222
Other external costs	- 103,894	- 104,867	- 188,498	- 204,549	- 415,046	- 398,995
Personnel expenses	- 78,351	- 93,722	- 157,333	- 172,021	- 355,506	- 340,818
Depreciation/impairment losses on tangible and intangible assets	<u>- 11,598</u>	<u>- 11,662</u>	<u>- 22,582</u>	<u>- 23,799</u>	<u>- 51,449</u>	<u>- 50,232</u>
Operating profit	- 6,079	- 47,582	5,343	- 87,027	- 124,895	- 32,525
<i>Result from financial items</i>						
Other interest income and similar items	164	6	277	75	79	281
Interest expenses and similar items	<u>- 3,439</u>	<u>- 1,087</u>	<u>- 5,979</u>	<u>- 2,494</u>	<u>- 9,414</u>	<u>- 12,899</u>
Total result from financial items	- 3,275	- 1,081	- 5,702	- 2,419	- 9,335	- 12,618
Profit before tax	- 9,354	- 48,663	- 359	- 89,446	- 134,230	- 45,143
Tax on profit for the period	<u>2,608</u>	<u>7,129</u>	<u>81</u>	<u>12,782</u>	<u>14,904</u>	<u>2,203</u>
Net profit/loss for the period	- 6,746	- 41,534	- 278	- 76,664	- 119,326	- 42,940
<i>Other comprehensive income</i>						
Translation differences	355	10	394	- 453	296	1,143
Other comprehensive income for the period	<u>355</u>	<u>10</u>	<u>394</u>	<u>- 453</u>	<u>296</u>	<u>1,143</u>
Total comprehensive income for the period	- 6,391	- 41,524	116	- 77,117	- 119,030	- 41,797
Earnings per share before dilution, SEK	- 0.23	- 1.01	- 0.01	- 1.95	- 3.47	- 1.46
Earnings per share after dilution, SEK	- 0.23	- 1.01	- 0.01	- 1.95	- 3.47	- 1.46
Number of shares outstanding on the closing date	29,337,400	41,072,360	29,337,400	41,072,360	41,072,360	29,337,400
Average number of shares outstanding						
before dilution	29,337,400	41,072,360	29,337,400	39,411,234	34,415,716	29,337,400
after dilution	29,337,400	41,072,360	29,337,400	39,411,234	34,415,716	29,337,400

GROUP KEY RATIOS

	3 months Aug-Oct		6 months May-Oct		Rolling 12 Nov-Oct	Full-year May-April
	2008	2009	2008	2009	2008/09	2008/09
Sales growth, %	- 17.7	- 13.2	- 13.0	- 11.6	- 12.9	- 13.5
Sales growth, comparable stores, %	- 25.1	- 12.3	- 18.8	- 13.4	- 17.8	- 20.1
Gross profit margin, %	59.7	59.4	55.6	52.6	52.0	53.5
Operating margin, %	-2.0	- 17.7	0.8	- 14.9	- 9.5	- 2.3
Profit margin, %	-3.0	- 18.1	-0.1	- 15.3	- 10.2	- 3.2
Return on equity, %	-6.2	- 36.4	-0.1	- 33.8	- 28.7	- 10.4
Return on capital employed, %	-3.4	- 28.6	1.6	- 25.9	- 17.9	- 4.8
Return on operating capital, %	-3.7	- 30.5	1.6	- 27.1	- 18.7	- 5.1
Equity/asset ratio, %	42.6	49.6	42.6	49.6	49.6	40.1
Cash flow after investments, SEK M	- 95.4	- 65.7	- 54.3	- 79.7	- 54.3	- 28.9
Number of warrants outstanding, 000s	240.0	240.0	240.0	240.0	240.0	240.0
Cash flow after investments per share, SEK	- 3.25	- 1.60	- 1.85	- 2.02	- 1.58	- 0.98
Shareholders' equity per share, SEK	13.46	10.6	13.46	10.6	10.6	12.03
Number of full-year employees	790	765	790	765	765	773

CONSOLIDATED CASH-FLOW STATEMENT (CONDENSED)

	6 months May 1–October 31		Full-year May-April
(SEK 000s)	2008	2009	2008/09
Cash flow from operating activities before changes in working capital	- 4,740	- 74,227	- 42,805
Cash flow from changes in working capital			
Inventories	- 4,830	- 435	37,994
Operating receivables	- 7,411	9,474	- 10,919
Non-interest bearing liabilities	896	- 12,482	39,745
Cash flow from operating activities	- 16,085	- 77,670	24,015
Cash flow from investing activities	- 38,200	- 2,000	- 52,907
Cash flow for the period after investments	- 54,285	- 79,670	- 28,892
Cash flow from financing activities	50,471	84,088	21,645
Cash flow for the period	- 3,814	4,418	- 7,247
Net debt at the end of the period	306,086	200,805	280,440

CONSOLIDATED BALANCE SHEET (CONDENSED)

(SEK 000s)	October 31		April 30
	2008	2009	2009
Intangible fixed assets ¹⁾	341,289	330,617	334,651
Tangible fixed assets	129,084	108,022	126,878
Financial assets	26,132	29,597	17,131
Inventories	347,838	311,026	312,291
Current receivables	55,532	70,354	68,740
Cash and cash equivalents	27,845	29,251	25,370
Total assets	927,720	878,867	885,061
Shareholders' equity	394,828	435,504	352,915
Long-term liabilities ²⁾	95,588	115,027	115,033
Short-term liabilities ²⁾	437,304	328,336	417,113
Total equity and liabilities	927,720	878,867	885,061
¹⁾ Of which, goodwill	286,331	282,933	283,213
²⁾ Of which, interest-bearing liabilities	333,931	230,056	305,810

STATEMENT OF CHANGES IN EQUITY

(SEK 000s)	6 months May 1–Oct 31		Full-year May–April
	2008	2009	2008/09
Total shareholders' equity at the beginning of the period	472,456	352,915	472,456
New share issue	-	159,706	-
Dividend	- 77,744	-	- 77,744
Net profit/loss	116	- 77,117	- 41,797
Total shareholders' equity at the end of the period	394,828	435,504	352,915

SEGMENT REPORTING

Net sales per geographical market (SEK 000s)/tkr	3 months Aug-Oct		6 months May-Oct		Rolling 12 Nov-Oct	Helåret May-April
	2008	2009	2008	2009	2008/09	2008/09
Sweden	240,723	209,401	505,934	437,539	980,290	1,048,685
Finland	43,144	32,564	98,088	87,911	200,412	210,589
Denmark	13,479	14,474	31,364	31,270	69,175	69,269
Norway	10,210	10,564	23,545	25,152	55,774	54,167
Estonia	1,519	1,364	2,827	3,440	8,500	7,887
Total	309,075	268,367	661,758	585,312	1,314,151	1,390,597

Operating profit per geographical market (SEK 000s)/tkr	3 months Aug-Oct		6 months May-Oct		Rolling 12 Nov-Oct	Helåret May-April
	2008	2009	2008	2009	2008/09	2008/09
Sweden	13,361	- 21,162	30,513	- 38,399	- 46,281	22,631
Finland	- 7,638	- 12,433	- 8,647	- 23,357	- 36,662	- 21,952
Denmark	- 2,519	- 5,480	- 4,929	- 9,162	- 11,968	- 7,735
Norway	- 8,817	- 8,006	- 10,768	- 15,272	- 29,376	- 24,872
Estonia	- 466	- 501	- 826	- 837	- 608	- 597
Total	- 6,079	-47,582	5,343	- 87,027	- 124,895	- 32,525

Operating margin per geographical market (SEK 000s)/tkr	3 months Aug-Oct		6 months May-Oct		Rolling 12 Nov-Oct	Helåret May-April
	2008	2009	2008	2009	2008/09	2008/09
Sweden	5.6	- 10.1	6.0	- 8.8	- 4.7	2.2
Finland	- 17.7	- 38.2	- 8.8	- 26.6	- 18.3	- 10.4
Denmark	- 18.7	- 37.9	- 15.7	- 29.3	- 17.3	- 11.2
Norway	- 86.4	- 75.8	- 45.7	- 60.7	- 52.7	- 45.9
Estonia	- 30.7	- 36.7	- 29.2	- 24.3	- 7.2	- 7.6
Total	- 2.0	- 17.7	0.8	- 14.9	- 9.5	- 2.3

The segments' operating profit/loss includes earnings from retail operations in each market and the earnings of Swedish wholesale operations from sales to each market. Profit from sales to franchisees is reported under the Swedish segment.

NUMBER OF STORES

	April 30					October 31	
	2005	2006	2007	2008	2009	2008	2009
Sweden	44	70	113	121	125	122	124
Finland	12	22	34	38	42	40	39
Denmark	6	8	8	10	11	11	10
Norway	-	1	8	11	13	13	12
Estonia	-	-	-	1	2	3	2
Total stores in the Group	62	101	163	181	193	189	187
Franchise stores in Sweden	67	52	23	24	25	23	21
Franchise stores in Poland	-	-	-	2	3	1	2
Franchise stores in Denmark	-	-	-	-	2	3	2
Total stores in the chain	129	153	186	207	223	216	212

QUARTERLY EARNINGS – GROUP

	2007/08	2007/08	2008/09	2008/09	2008/09	2008/09	2009/10	2009/10
SEK M	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Net sales	523.2	324.2	352.7	309.1	456.4	272.4	316.9	268.4
Other operating income	<u>5.4</u>	<u>5.1</u>	<u>2.3</u>	<u>3.2</u>	<u>3.2</u>	<u>5.4</u>	<u>2.3</u>	<u>3.3</u>
Total operating income	528.6	329.3	355.0	312.3	459.6	277.8	319.3	271.7
<i>Operating expenses</i>								
Goods for resale	- 232.8	- 173.6	- 169.0	- 124.5	- 216.9	- 136.7	- 168.6	-109.0
Other external costs	- 103.6	- 102.3	- 84.6	- 103.9	- 108.9	- 101.6	- 99.7	-104.9
Personnel expenses	- 91.7	- 74.6	- 79.0	- 78.4	- 100.5	- 83.0	- 78.3	-93.7
Depreciation/amortization of tangible and intangible assets	<u>- 10.2</u>	<u>- 12.0</u>	<u>- 11.0</u>	<u>- 11.6</u>	<u>- 11.1</u>	<u>- 16.6</u>	<u>- 12.1</u>	<u>- 11.7</u>
Operating profit/loss	90.3	33.2	11.4	- 6.1	22.2	- 60.1	- 39.4	- 47.6
<i>Operating margin, %</i>	<i>17.3</i>	<i>- 10.2</i>	<i>3.2</i>	<i>- 2.0</i>	<i>4.9</i>	<i>- 22.1</i>	<i>- 12.4</i>	<i>- 17.7</i>
Result from financial items	<u>- 3.4</u>	<u>- 2.4</u>	<u>- 2.4</u>	<u>- 3.3</u>	<u>- 3.3</u>	<u>- 3.6</u>	<u>- 1.3</u>	<u>- 1.1</u>
Profit/loss after financial items	86.9	- 35.6	9.0	- 9.4	18.9	- 63.7	- 40.8	- 48.7
Tax on profit for the period	<u>- 25.4</u>	<u>12.0</u>	<u>- 2.5</u>	<u>2.5</u>	<u>- 5.3</u>	<u>7.4</u>	<u>5.7</u>	<u>7.1</u>
Net profit/loss for the period	61.5	- 23.6	6.5	- 6.7	13.6	- 56.2	- 35.1	-41.5

MULTI-YEAR REVIEW

	2004/05	2005/06	2006/07	2007/08	2008/09	Rolling 12 Nov-Oct 2008/09
Net sales, SEK M	804.6	1,159.7	1,470.5	1,608.3	1,390.6	1,314.1
Net sales growth, %	36.4	44.1	26.8	9.4	- 13.5	- 12.9
Gross profit margin, %	39.1	47.2	52.2	52.7	53.5	52.0
Operating profit/loss, SEK M	93.0	180.9	221.5	141.1	- 32.5	- 124.9
Operating margin, %	11.6	15.6	15.1	8.8	- 2.3	- 9.5
Net profit/loss, SEK M	69.2	130.5	159.5	96.5	- 42.9	- 119.3
Cash flow after investments, SEK M	79.3	13.2	- 43.3	- 42.2	- 28.9	- 54.3
Return on equity, %	40.9	42.6	35.9	20.0	- 10.4	- 28.7
Return on capital employed, %	45.9	55.7	45.5	22.8	- 4.8	- 17.9
Return on operating capital, %	55.0	75.2	54.7	24.5	- 5.1	- 18.7
Return on total capital, %	31.0	38.6	32.3	16.9	- 3.7	- 13.8
Equity/assets ratio, %	60.3	68.0	61.6	53.4	40.1	49.6
Net debt/EBITDA, times	- 0.3	- 0.5	0.1	1.0	15.8	- 2.7
Capital turnover ratio, times	4.8	4.8	3.6	2.8	2.2	2.0
Earnings/ loss per share before dilution, SEK	2.77	4.76	5.69	3.31	- 1.46	- 3.47
Earnings/ loss per share after dilution, SEK	2.76	4.60	5.47	3.31	- 1.46	- 3.47
Cash flow after investments per share, SEK	3.18	0.48	- 1.54	- 1.45	- 0.98	- 1.58
Equity per share, SEK	8.09	14.21	17.53	16.10	12.03	10.60
Number of full-year employees	284	433	602	757	773	765

PARENT COMPANY'S INCOME STATEMENT

(SEK 000s)	3 months Aug-Oct		6 months May-Oct		Full-year May-April
	2008	2009	2008	2009	2008/09
Net sales	284,041	245,270	592,008	499,470	1,196,363
Other operating income	<u>2,907</u>	<u>1,015</u>	<u>4,990</u>	<u>4,828</u>	<u>19,592</u>
Total operating income	286,948	246,285	596,998	504,298	1,215,955
<i>Operating expenses</i>					
Goods for resale	- 151,030	- 121,396	- 311,303	- 262,978	- 648,076
Other external costs	- 81,133	- 71,956	- 140,246	- 139,532	- 308,031
Personnel expenses	- 56,243	- 73,024	- 115,846	- 128,933	- 253,400
Depreciation/impairment losses on tangible and intangible assets	<u>- 10,933</u>	<u>- 11,388</u>	<u>- 21,439</u>	<u>- 22,957</u>	<u>- 44,580</u>
Operating profit/loss	- 12,391	- 31,479	8,164	- 50,102	- 38,132
<i>Result from financial items</i>					
Other interest income and similar items	2,527	1,793	5,034	3,576	9,919
Interest expenses and similar items	<u>- 3,354</u>	<u>- 1,055</u>	<u>- 5,847</u>	<u>- 2,366</u>	<u>- 12,297</u>
Total result from financial items	- 827	738	- 813	1,210	- 2,378
Profit/loss after financial items	- 13,218	- 30,741	7,351	- 48,892	- 40,510
Appropriations	-	-	-	-	-
Profit/loss before tax	- 13,218	- 30,741	7,351	- 48,892	- 40,510
Tax	<u>3,690</u>	<u>8,009</u>	<u>- 2,078</u>	<u>12,782</u>	<u>8,227</u>
Net profit/loss for the period	- 9,528	- 22,732	5,273	- 36,110	- 32,283

PARENT COMPANY'S BALANCE SHEET (CONDENSED)

(SEK 000s)	October 31		April 30
	2008	2009	2009
Intangible fixed assets ¹⁾	282,164	261,602	271,923
Tangible fixed assets	76,803	66,787	75,705
Financial assets	28,793	40,446	35,533
Inventories	255,728	241,633	229,908
Current receivables	213,543	254,076	205,071
Cash and cash equivalents	<u>13,355</u>	<u>16,575</u>	<u>13,449</u>
Total assets	870,386	881,119	831,589
Shareholders' equity	340,493	426,052	302,389
Untaxed reserves	58,867	58,867	58,867
Provisions	5,328	4,379	4,379
Long-term liabilities ²⁾	57,500	90,000	90,000
Short-term liabilities ²⁾	<u>408,198</u>	<u>301,821</u>	<u>375,954</u>
Total equity and liabilities	870,386	881,119	831,589
¹⁾ Of which, goodwill	228,824	215,282	222,053
²⁾ Of which, interest-bearing liabilities	319,281	217,837	289,760

THE HEMTEX SHARE

On October 31, 2009, Hemtex AB's share capital amounts to SEK 102.7 M, represented by 41,072,360 shares each with a quotient value of SEK 2.50. Each share entitles the holder to one vote at General Meetings and all shares carry equal rights to participation in the Company's assets and profits. The Hemtex share has been listed on Nasdaq OMX Stockholm, Mid Cap, since October 6, 2005. The introduction price for the share was SEK 56. During the second quarter of the company's fiscal year, the price of the Hemtex share decreased from SEK 26.50 on August 1, 2009 to SEK 25.30 on October 31, 2009. For up-to-date information on the Hemtex share, reference is made to Investor Relations at www.hemtex.com.

Shareholders

At October 31, 2009, Hemtex AB had 3,109 shareholders. The information in the table below pertains to the circumstances at that date according to the share register maintained by Euroclear Sweden AB.

Owner	Total no. of shares	Share of voting rights and capital
Hakon Invest AB	28,135,798	68.5 %
AB Industrivärden	5,131,146	12.5 %
Bomax AS	2,052,400	5.0 %
Trollhassel AB m.fl.	608,945	1.5 %
SIX SIS AG, W8IMY	520,675	1.3 %
EFG Private Bank S.A., W8IMY	326,512	0.8 %
SEB Private Bank S.A., NQI	224,784	0.5 %
AB Pernini m. fl.	200,450	0.5 %
Löfman, Michael	135,905	0.3 %
Pernvik & Pernvik AB m.fl.	135,300	0.3 %
Övriga ägare	3,600,445	8.8 %
Total	41,072,360	100.0%

Ownership structure					
Number of shares	Number of owners	% of all owners	Number of shares	% of capital	
1 - 200	1,356	43.6%	129,028	0.3%	
201 - 1,000	1,309	42.1%	582,159	1.4%	
1,001 - 10,000	376	12.1%	989,455	2.4%	
10,001 - 100,000	59	1.9%	2,047,372	5.0%	
100,001 -	9	0.3%	37,324,346	90.9%	
Total	3,109	100.0%	41,072,360	100.0%	

Distribution of owners	Share of voting rights and capital
Foreign owners	8.9%
Swedish owners	91.1%
of whom,	
Legal entities	93.6%
Private individuals	6.4%

Updated information concerning owners, ownership structure and distribution of owners is available at Investor Relations, www.hemtex.com

DEFINITIONS

Capital employed – The balance-sheet total less non-interest bearing liabilities including deferred tax liabilities.

Cash flow after investments – Profit before depreciation/amortization plus/minus financial items less tax paid plus/minus changes in operating capital minus investments.

Cash flow after investments per share – Cash flow after investments divided by the average number of shares outstanding during the period.

Comparable stores – Stores that have been operational for more than 12 months.

Earnings per share – Profit after tax divided by the average number of shares outstanding during the period.

Earnings per share after dilution – Profit after tax divided by the average number of shares outstanding on the closing date as well as warrants outstanding adjusted for possible dilution effects.

EBITDA – Operating profit excluding depreciation/amortization and impairment losses.

Equity/assets ratio – Shareholders' equity as a percentage of total assets.

Gross profit margin – Net sales for the period less the cost of goods sold as a percentage of net sales.

Hemtex – "Hemtex" refers to the Hemtex brand or to the entire retail chain including the stores operated by franchisees.

Hemtex AB – Refers to the legal entity Hemtex AB that is the Parent Company of the Group and the franchisor in the Hemtex franchise system.

Net debt – Interest-bearing liabilities less cash and bank balances.

Net debt/equity ratio – Interest-bearing liabilities less cash and bank balances as a percentage of shareholders' equity.

Net debt/EBITDA – Interest-bearing liabilities divided by EBITDA.

Number of annual employees – The total number of hours of attendance divided by the normal working hours for the particular country.

Operating capital – Total assets less cash and cash equivalents. Other interest-bearing assets and non-interest bearing liabilities.

Operating margin – Operating profit as a percentage of net sales for the period.

Profit margin – Profit before tax as a percentage of net sales for the period.

Rate on capital turnover – Sales divided by average operating capital.

Return on capital employed – Return before tax plus financial expenses as a percentage of average capital employed.

Return on equity – Profit after tax as a percentage of average shareholders' equity.

Return on operating capital – Operating profit as a percentage of average operating capital.

Shareholders' equity per share – Shareholders' equity divided by the number of shares on the closing date.