



H & M HENNES & MAURITZ AB

FULL-YEAR REPORT

1 December 2010 – 30 November 2011

FULL-YEAR

- The H&M Group's sales including VAT increased in local currencies by 8 percent during the financial year. Sales in comparable units decreased by 1 percent. Sales in SEK were strongly negatively affected by currency translation effects. Converted into SEK, sales excluding VAT amounted to SEK 109,999 m (108,483).
- Gross profit amounted to SEK 66,147 m (68,269), corresponding to a gross margin of 60.1 percent (62.9).
- Profit after financial items amounted to SEK 20,942 m (25,008). Of this year's profit decrease compared to the previous year, approximately SEK 1.5 billion in total is due to negative currency translation effects and the item affecting comparability relating to the H&M Incentive Program.
- Group profit after tax was SEK 15,821 m (18,681), corresponding to SEK 9.56 (11.29) per share.
- Strong expansion during the year. The Group opened 266 (218) new stores net. China, the US, the UK and Germany were the largest expansion markets.

THE FOURTH QUARTER

- The H&M Group's sales including VAT increased by 6 percent in local currencies in the fourth quarter. Sales in comparable units decreased by 3 percent. Converted into SEK, sales excluding VAT amounted to SEK 30,952 m (29,711).
- Gross profit amounted to SEK 19,150 m (18,792), corresponding to a gross margin of 61.9 percent (63.2).
- Profit after financial items amounted to SEK 6,802 m (7,178). Group profit after tax amounted to SEK 5,357 m (5,487), corresponding to SEK 3.24 (3.32) per share.

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- The Board of Directors proposes a dividend of SEK 9.50 (9.50) per share for the financial year 2010/2011.
 - Sales in December 2011 increased by 13 percent in local currencies compared to the same month the previous year. Sales in comparable units increased by 4 percent.
 - Sales in the period 1–24 January 2012 increased by 12 percent in local currencies compared to the same period last year.
 - H&M plans a net addition of around 275 stores for the financial year 2011/2012.
 - Bulgaria, Latvia, Malaysia and Thailand will become new H&M markets in 2012. In addition to these countries, H&M plans to expand into Mexico in autumn 2012.
 - The first COS stores in Hong Kong, Italy, Finland and Kuwait are planned to open in 2012.

Comments on the full-year by Karl-Johan Persson, CEO

"H&M stands strong in a challenging market. We increased sales by 8 percent in local currencies and continued to gain market share during what was one of the toughest years for a long time for the fashion retail industry in many countries. The fact that we have gained market share, proves that our customers appreciate our collections, which offer a wide range of inspiring fashion for everyone.

The situation in the sourcing markets has also been challenging. Cost inflation has been high resulting in increased purchasing costs for the fashion retail industry. Despite increased purchasing costs, we chose a strategy of strengthening our customer offering and market position even further relative to competitors. The investments have varied over time and have involved everything from even better prices to even higher quality and more sustainable materials. We are convinced that this will gradually become more evident to customers and will strengthen H&M's already strong market position even further.

Our strong expansion continued during the year. We opened 266 new stores net, five new markets were added and we created around 7,000 new jobs. Today we have a strong global presence with around 2,500 stores in 43 markets and more than 94,000 employees.

We are also planning for a strong expansion in 2012 with approximately 275 new stores net. The countries in which we will open the most stores during the year are China, the US and the UK. Bulgaria, Latvia, Malaysia and Thailand will become new H&M markets. We also plan to open in Mexico during the autumn 2012, it will be our first store in Latin America. This will make a total of 10 new H&M markets over a period of two years. Expansion will also continue within our other brands such as COS and Monki, including the opening of the first COS stores in Hong Kong, Italy, Finland and Kuwait.

The new year has started well, with strong sales development in both December and so far in January. Most indicators suggest that the macro-economic climate in many of our markets will continue to be tough during 2012, but we have a strong belief in our offering and are convinced that H&M will continue to maintain its strong position as the year goes on. We are looking forward to an exciting year full of opportunities."



Sales and store openings

Sales including VAT increased by 8 percent in local currencies for the financial year. Sales in comparable units decreased by 1 percent. Converted into SEK, sales increased to SEK 128,810 m (126,966). Sales excluding VAT increased to SEK 109,999 (108,483).

The strengthening of the Swedish krona during the year has meant that most of the sales countries' currencies have depreciated against the Swedish krona compared to the previous year. For H&M, this fact has had significant negative effects when translating sales in local currencies into the company's reporting currency of SEK. As a result, although sales increased by 8 percent in local currencies, the increase in Swedish krona was only 1 percent.

Sales including VAT for the fourth quarter increased by 6 percent in local currencies. Sales in comparable units decreased by 3 percent. Converted into SEK, sales increased by 4 percent to SEK 36,191 m (34,792). Sales excluding VAT increased to SEK 30,952 m (29,711).

The Group opened 296 (243) stores and closed 30 (25) stores during the financial year, i.e. a net addition of 266 new stores. In the fourth quarter, 160 (138) stores opened and 13 (10) stores closed. The total number of stores in the Group as per 30 November 2011 thus amounted to 2,472 (2,206), of which 70 franchise stores, 45 COS stores, 52 Monki stores, 19 Weekday stores and 4 Cheap Monday stores.

Results for the financial year

Gross profit for the Group for the financial year amounted to SEK 66,147 m (68,269), a decrease of 3 percent. This corresponds to a gross margin of 60.1 percent (62.9).

The operating profit amounted to SEK 20,379 m (24,659). This corresponds to an operating margin of 18.5 percent (22.7).

Operating profit for the financial year has been charged with depreciation amounting to SEK 3,262 m (3,061).

Consolidated net interest income was SEK 563 m (349).

Profit after financial items amounted to SEK 20,942 m (25,008).

The Group's profit for the financial year after applying a tax rate of 24.5 percent (25.3) was SEK 15,821 m (18,681), which represents earnings per share of SEK 9.56 (11.29), a decrease of 15 percent.

Return on shareholders' equity was 35.8 percent (44.1) and return on capital employed was 47.1 percent (58.7).

	FULL-YEAR 2011	FULL-YEAR 2010	Q4 2011	Q4 2010
(SEK m)				
Net sales	109,999	108,483	30,952	29,711
Gross profit	66,147	68,269	19,150	18,792
<i>gross margin, %</i>	<i>60.1</i>	<i>62.9</i>	<i>61.9</i>	<i>63.2</i>
Operating profit	20,379	24,659	6,665	7,060
<i>operating margin, %</i>	<i>18.5</i>	<i>22.7</i>	<i>21.5</i>	<i>23.8</i>
Net financial items	563	349	137	118
Profit after financial items	20,942	25,008	6,802	7,178
Tax	-5,121	-6,327	-1,445	-1,691
Profit for the period	15,821	18,681	5,357	5,487
Earnings per share, SEK	9.56	11.29	3.24	3.32



Comments on the full year

H&M has continued to gain market share in a year that has been very challenging for the fashion retail industry in many countries. Economic uncertainty in a number of markets has had a negative effect on consumption resulting in fiercer competition for consumer spending. For fashion retailers, this has resulted in multiple price activities and markdowns which were intensified during the second half-year.

In these circumstances, sales have been good showing that H&M's strong offering has been well received by customers. The fact that sales in comparable units decreased by 1 percent for the full-year should also be viewed in the light of last year's strong comparables of a 5 percent increase in comparable units. Sales development has been very positive in countries such as the US, China, Russia and the UK.

The Group's other brands COS, Monki, Weekday and Cheap Monday have also had a positive sales development during the year. It has been a very good year for COS in particular, which has developed beyond the company's high expectations both regarding sales and profits. There are now nearly 50 COS stores in nine countries and the expansion continues.

It has also been a challenging year in the sourcing markets, where high cost inflation, mainly as a result of very high cotton prices, has led to increased purchasing costs.

To maintain a long-term perspective and always be able to offer customers the best combination of fashion and quality at the best price in each market, H&M has deliberately invested to further strengthen its customer offering and thereby its position in the market. The investments have varied over time and have involved everything from even better prices to even higher quality and more sustainable materials.

A total of 266 new stores net were opened in 2011, which was more than the originally planned 250 stores. The fact that more stores than planned were added was mainly due to greater expansion opportunities in China and the very positive reception in H&M's new markets of Romania and Croatia. China, the US, the UK and Germany were the largest expansion markets during the year.

The reception in H&M's new market of Singapore in South East Asia has been very good. The new franchise markets Jordan and Morocco, which opened at the end of November, have also made a good start.

E-commerce is becoming increasingly important for the fashion retail industry as well as for H&M. The new H&M Shop Online, which was launched at the beginning of 2011, offers an inspiring, innovative and interactive shopping experience. H&M's website including the new H&M Shop Online is today one of the world's most visited websites in the fashion retail industry. The newly launched shop online for COS and Monki in 18 markets have been well received.

During the year H&M increased its investments within marketing, IT and online and catalogue sales. The purpose of these investments is to further strengthen H&M's market position in the long term and to secure future expansion. The company has also introduced a long-term incentive programme for all employees, the H&M Incentive Program, which aims to encourage long-term commitment and support future recruitment. Even if these investments have led to cost increases, the cost control remains good. Costs in comparable stores have decreased compared to the previous year.

The profit decrease compared to the previous year is mainly related to the increased purchasing costs combined with the fact that H&M chose a strategy of further strengthening its customer offering and its market position relative to competitors. In addition, more than SEK 1.2 billion of the decrease in profit after financial items compared to the previous year is related to negative currency translation effects, as most of the sales countries' currencies have depreciated relative to the Swedish krona during the year. The item affecting comparability, SEK 248 m to the H&M Incentive Program, has also affected the year's profits.



The number of refurbished stores remained at the same high level as in the 2010 financial year while investments for new and refurbished stores were lower per unit than in 2010.

Results for the fourth quarter

Gross profit for the fourth quarter amounted to SEK 19,150 m (18,792), an increase of 2 percent. This corresponds to a gross margin of 61.9 percent (63.2).

Operating profit for the fourth quarter amounted to SEK 6,665 m (7,060). This corresponds to an operating margin of 21.5 percent (23.8).

Profit after financial items was SEK 6,802 m (7,178).

Profit after tax was SEK 5,357 m (5,487), corresponding to SEK 3.24 (3.32) per share, a decrease of 2 percent.

Comments on the fourth quarter

H&M's sales including VAT increased by 6 percent in local currencies in the quarter. Converted into SEK, sales amounted to SEK 36,191 m (34,792). Sales are considered to be satisfactory considering that consumption in many of H&M's markets was affected by unseasonably warm weather and was also restrained due to concerns regarding the effects of the debt crisis in Europe.

The gross margin was 61.9 percent (63.2). The decrease in the gross margin was mostly due to increased purchasing costs during the time of sourcing for the fourth quarter 2011 compared to the corresponding period the previous year, combined with the chosen strategy of further strengthening the customer offering and the market position relative to competitors. The increased purchasing costs are mainly related to the continued sharp increase in the cotton price during 2011 compared to the already high levels in 2010. The cotton price peaked in spring 2011, but remained at higher levels than in 2010 right up until the autumn.

The gross margin has also been negatively affected by 0.6 percentage units as a result of increased markdowns in relation to sales compared to the corresponding quarter the previous year.

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

Selling and administrative expenses in the quarter amounted to SEK 12,485 m (11,732), an increase of 6 percent. In local currencies, the increase was 8 percent. The cost increase compared to the fourth quarter 2010 is mainly due to the expansion and to investments within IT and online in order to further strengthen H&M's market position in the long term and to secure future expansion. Cost control in the Group remains good. Costs in comparable stores decreased compared to the fourth quarter 2010.

Profitability remained strong with an operating margin of 21.5 percent (23.8). Profit after financial items amounted to SEK 6,802 (7,178), a decrease of 5 percent.

The stock-in-trade increased by 20 percent compared to the same time the previous year and amounted to SEK 13,819 m (11,487). In local currencies the increase was also 20 percent. The stock increase is mainly explained by the expansion and higher purchasing costs, but also by the warm autumn's effect on sales of winter garments. The stock-in-trade as of 30 November 2011 consists of more winter garments compared to the same time the previous year and is therefore slightly higher than planned. Apart from this, the level and composition of the stock-in-trade are deemed satisfactory.



Financial position and cash flow

Consolidated total assets as per 30 November 2011 amounted to SEK 60,188 m (59,182), an increase of 2 percent compared to the same time the previous year.

The current operations generated a positive cash flow of SEK 17,420 m (21,838). Cash flow was among other things affected by dividends of SEK -15,723 m (-13,239), investments in fixed assets of SEK -5,174 m (-4,959) and by changes in short-term investments with a duration of four to twelve months of SEK 1,209 m (-5,166). During the financial year, the Group generated a cash flow of SEK -2,359 m (-1,530). Liquid funds and short-term investments amounted to SEK 21,277 m (24,858).

The stock-in-trade increased by 20 percent compared to the same time the previous year and amounted to SEK 13,819 m (11,487). This corresponds to 12.6 percent (10.6) of sales excluding VAT. The stock-in-trade was 23.0 percent (19.4) of total assets.

The equity/assets ratio was 73.3 percent (74.6) and the share of risk-bearing capital was 74.9 percent (76.2).

Shareholders' equity apportioned on the outstanding 1,655,072,000 (1,655,072,000) shares as per 30 November 2011 was SEK 26.65 (26.69).

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 France, Italy and Germany.

The proportion of refurbishments of existing stores is expected to remain at the same high level as during 2010/2011.

H&M will open its first store in Sofia, Bulgaria in March 2012. H&M is continuing to expand in South East Asia with a store opening in Kuala Lumpur in Malaysia during the autumn 2012. In autumn, H&M will also open its first stores in Riga in Latvia. In addition to these new H&M countries, H&M plans to open in Mexico in autumn 2012. It will be the company's first store in Latin America. Thailand will become a new franchise market in cooperation with the franchisee J.S.Gill. The first store is scheduled to open in autumn 2012 in Bangkok. The franchise opening in Jakarta in Indonesia has been postponed until spring 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 Hong Kong, Italy and Finland during spring 2012 and in Kuwait during autumn 2012. The opening in Kuwait will be in cooperation with the franchisee Alshaya. H&M Home will also continue to expand.



Tax

The tax rate for the financial year 2010/2011 was 24.5 percent (25.3). The lower tax rate compared to the previous year's tax rate, is mainly due to adjustments of previous years' tax costs.

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.

Employees

The average number of employees in the Group, converted into full-time positions, was 64,874 (59,440), of which 5,855 (5,398) are employed in Sweden.

Parent company

The parent company's external sales amounted to SEK 24 m (6) for the financial year. Profit after financial items amounted to SEK 16,451 m (14,868). Investments in fixed assets amounted to SEK 119 m (100).

Comments on the current quarter

Sales including VAT in December 2011 increased by 13 percent in local currencies compared to the same month the previous year. Sales in comparable units increased by 4 percent compared to the same month the previous year.

Sales during the period 1–24 January 2012 increased by 12 percent in local currencies compared to the same period last year.

The stock-in-trade as of 30 November 2011 was slightly higher than planned and contained more winter garments compared to the same time the previous year due to the unseasonable warm autumn. The company's view is that this will likely lead to somewhat increased markdowns in relation to sales in the first quarter 2011/2012 compared to the same quarter the previous year.

Dividend policy and dividend proposal

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

The Board of Directors has decided to propose a dividend of SEK 9.50 per share (9.50) to the 2012 Annual General Meeting corresponding to 99 percent (84) of the profit after tax.

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



Annual General Meeting 2012

The Annual General Meeting 2012 will be held on Thursday 3 May, at 3 pm in Victoriahallen, at the Stockholm International Fairs.

Annual Report 2010/2011

The Annual Report and the Corporate Governance Report are expected to be published on 29 March 2012 on www.hm.com and will be sent out by post to shareholders that have so requested and will also be available at the company's head office.

Accounting principles

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

The accounting principles and calculation methods applied in this report are unchanged from those used in the preparation of the Annual Report and Consolidated Financial Statements for 2009/2010 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, 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 2009/2010. 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
29 March 2012	Three-month report, 1 December 2011 – 29 February 2012
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

The Full-year Report has not been audited by the company's auditors.

Stockholm, 25 January 2012
Board of Directors

The information in this Full-year Report is that which H & M Hennes & Mauritz AB (publ) is required to disclose under Sweden's Securities Market Act. It will be released for publication at 8.00 (CET) on 26 January 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 around 2,500 stores in 43 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)

Full Year, 1 December - 30 November

Fourth quarter, 1 September - 30 November

	2011	2010	Q4 2011	Q4 2010
Sales including VAT	128,810	126,966	36,191	34,792
Sales excluding VAT	109,999	108,483	30,952	29,711
Cost of goods sold	-43,852	-40,214	-11,802	-10,919
GROSS PROFIT	66,147	68,269	19,150	18,792
<i>Gross margin, %</i>	60.1	62.9	61.9	63.2
Selling expenses	-42,517	-40,751	-11,629	-10,942
Administrative expenses	-3,251	-2,859	-856	-790
OPERATING PROFIT	20,379	24,659	6,665	7,060
<i>Operating margin, %</i>	18.5	22.7	21.5	23.8
Interest income	568	356	138	122
Interest expense	-5	-7	-1	-4
PROFIT AFTER FINANCIAL ITEMS	20,942	25,008	6,802	7,178
Tax	-5,121	-6,327	-1,445	-1,691
PROFIT FOR THE PERIOD	15,821	18,681	5,357	5,487

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

Earnings per share, SEK*	9.56	11.29	3.24	3.32
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072
Depreciation, total	3,262	3,061	797	729
of which cost of goods sold	366	336	89	79
of which selling expenses	2,698	2,540	661	608
of which administrative expenses	198	185	47	42

* Before and after dilution. The number of shares has been adjusted for all periods because of the two-for-one share split carried out by H&M in 2010.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK m)

Full Year, 1 December - 30 November

Fourth quarter, 1 September - 30 November

	2011	2010	Q4 2011	Q4 2010
PROFIT FOR THE PERIOD	15,821	18,681	5,357	5,487
Other comprehensive income				
Translation differences	-35	-2,169	272	-879
Change in hedging reserves	-113	386	417	286
Tax attributable to other comprehensive income	30	-100	-108	-74
OTHER COMPREHENSIVE INCOME	-118	-1,883	581	-667
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	15,703	16,798	5,938	4,820

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

GROUP BALANCE SHEET (SEK m)

30 November

ASSETS	2011	2010
FIXED ASSETS		
Intangible fixed assets		
Brands	302	349
Customer relations	84	97
Leasehold rights	585	688
Goodwill	64	64
	1,035	1,198
Tangible fixed assets		
Buildings and land	804	656
Equipment, tools, fixture and fittings	16,589	14,813
	17,393	15,469
Long-term receivables	608	518
Deferred tax receivables	1,234	1,065
TOTAL FIXED ASSETS	20,270	18,250
CURRENT ASSETS		
Stock-in-trade	13,819	11,487
Current receivables		
Accounts receivables	2,337	2,258
Other receivables	1,375	1,453
Prepaid expenses	1,110	876
	4,822	4,587
Short-term investments	6,958	8,167
Liquid funds	14,319	16,691
TOTAL CURRENT ASSETS	39,918	40,932
TOTAL ASSETS	60,188	59,182

GROUP BALANCE SHEET (SEK m)

30 November

EQUITY AND LIABILITIES	2011	2010
EQUITY		
Share capital	207	207
Reserves	-487	-369
Retained earnings	28,563	25,653
Profit for the year	15,821	18,681
TOTAL EQUITY	44,104	44,172
Long-term liabilities*		
Provisions for pensions	377	257
Deferred tax liabilities	950	906
	1,327	1,163
Current liabilities**		
Accounts payable	4,307	3,965
Tax liabilities	1,851	2,304
Other liabilities	2,428	2,202
Accrued expenses and prepaid income	6,171	5,376
	14,757	13,847
TOTAL LIABILITIES	16,084	15,010
TOTAL EQUITY AND LIABILITIES	60,188	59,182
Pledged assets and contingent liabilities	-	-

* Only pension liabilities are interest-bearing.

** No current liabilities are interest-bearing.

GROUP CHANGES IN EQUITY (SEK m)

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

	SHARE CAPITAL	TRANSLATION EFFECTS	HEDGINGS RESERVES	RETAINED EARNINGS	TOTAL SHAREHOLDERS' EQUITY
Shareholders' equity, 1 December 2010	207	-613	244	44,334	44,172
Adjustment of opening balance*	-	-	-	-48	-48
	207	-613	244	44,286	44,124
Profit for the year	-	-	-	15,821	15,821
<i>Other comprehensive income</i>					
Translation differences	-	-35	-	-	-35
<u>Change in hedging reserves</u>					
Reported in other comprehensive income	-	-	-368	-	-368
Transfer to income statement	-	-	255	-	255
Tax attributable to hedging reserves	-	-	30	-	30
<i>Other comprehensive income</i>	-	-35	-83	-	-118
Total comprehensive income	-	-35	-83	15,821	15,703
Dividend	-	-	-	-15,723	-15,723
Shareholders' equity, 30 November 2011	207	-648	161	44,384	44,104

* Adjustment of pension obligations related to prior years.

	SHARE CAPITAL	TRANSLATION EFFECTS	HEDGINGS RESERVES	RETAINED EARNINGS	TOTAL SHAREHOLDERS' EQUITY
Shareholders' equity, 1 December 2009	207	1,556	-42	38,892	40,613
Profit for the year	-	-	-	18,681	18,681
<i>Other comprehensive income</i>					
Translation differences	-	-2,169	-	-	-2,169
<u>Change in hedging reserves</u>					
Reported in other comprehensive income	-	-	1,378	-	1,378
Transfer to income statement	-	-	-992	-	-992
Tax attributable to other comprehensive income	-	-	-100	-	-100
<i>Other comprehensive income</i>	-	-2,169	286	-	-1,883
Total comprehensive income	-	-2,169	286	18,681	16,798
Dividend	-	-	-	-13,239	-13,239
Shareholders' equity, 30 November 2010	207	-613	244	44,334	44,172

GROUP CASH FLOW STATEMENT (SEK m)

1 December - 30 November

	2011	2010
Current operations		
Profit after financial items*	20,942	25,008
Provisions for pensions	120	3
Depreciation	3,262	3,061
Tax paid	-5,666	-5,451
Cash flow from current operations before changes in working capital	18,658	22,621
Cash flow from changes in working capital		
Current receivables	-244	-778
Stock-in-trade	-2,331	-1,557
Current liabilities	1,337	1,552
CASH FLOW FROM CURRENT OPERATIONS	17,420	21,838
Investment activities		
Investment in leasehold rights	-71	-147
Investment in/sale of buildings and land	-157	-209
Investment in fixed assets	-4,946	-4,603
Adjustment of consideration/acquisition of subsidiaries	-	-8
Change in short-term investments, 4 - 12 months	1,209	-5,166
Other investments	-91	4
CASH FLOW FROM INVESTMENT ACTIVITIES	-4,056	-10,129
Financing activities		
Dividend	-15,723	-13,239
CASH FLOW FROM FINANCING ACTIVITIES	-15,723	-13,239
CASH FLOW FOR THE YEAR	-2,359	-1,530
Liquid funds at beginning of the financial year	16,691	19,024
Cash flow for the year	-2,359	-1,530
Exchange rate effect	-13	-803
Liquid funds at end of the financial year**	14,319	16,691

* Interest paid for the Group amounts to SEK 5 m (7).

Received interest for the Group amounts to SEK 568 m (356).

** Liquid funds and short-term investments at the end of the financial year amounted to SEK 21,277 m (24,858).

SALES INCLUDING VAT BY COUNTRY AND NUMBER OF STORES

Full-year 1 December - 30 November

COUNTRY	SEK m	SEK m	Change in %		No. of stores	New	Closed
	2011	2010	SEK	Local currency	30 Nov 2011	stores	stores
Sweden	8,318	8,365	-1	-1	173	9	4
Norway	5,397	5,858	-8	-5	104	4	1
Denmark	4,195	4,358	-4	3	90	4	1
United Kingdom	9,227	8,392	10	19	213	26	5
Switzerland	5,995	6,122	-2	-7	80	5	
Germany	29,721	30,628	-3	4	394	23	6
Netherlands	6,995	7,387	-5	1	118	7	1
Belgium	3,157	3,345	-6	1	66	6	4
Austria	4,793	5,255	-9	-2	66	1	1
Luxembourg	385	406	-5	1	10		
Finland	2,379	2,567	-7	-1	47	5	1
France	9,336	9,140	2	9	168	18	1
USA	9,691	8,916	9	21	233	26	1
Spain	5,828	6,109	-5	2	132	11	1
Poland	2,747	2,668	3	12	89	13	
Czech Republic	722	707	2	6	24	2	
Portugal	899	937	-4	3	23	2	
Italy	4,410	4,331	2	9	87	15	
Canada	2,774	2,713	2	8	58	3	
Slovenia	500	568	-12	-6	12	1	
Ireland	514	517	-1	7	15	3	
Hungary	496	387	28	38	20	5	
Slovakia	254	225	13	21	10	3	
Greece	764	646	18	27	22	6	2
China	3,598	2,527	42	55	82	35	
Japan	1,549	1,794	-14	-12	15	5	
Russia	1,512	916	65	78	19	8	
South Korea	410	255	61	69	6	4	
Turkey	309	28	1,004	1,254	8	7	
Romania	331				11	11	
Croatia	264				6	6	
Singapore	111				1	1	
Franchise	1,229	899	37	57	70	21	1
Total	128,810	126,966	1	8	2,472	296	30

SALES INCLUDING VAT BY COUNTRY AND NUMBER OF STORES

Fourth quarter, 1 September - 30 November

COUNTRY	SEK m	SEK m	Change in %		No. of stores	New	Closed
	Q4-2011	Q4-2010	SEK	Local currency	30 Nov 2011	stores	stores
Sweden	2,120	2,179	-3	-3	173	4	1
Norway	1,464	1,533	-5	-6	104	2	
Denmark	1,156	1,178	-2	0	90	2	
United Kingdom	2,731	2,438	12	16	213	14	
Switzerland	1,601	1,661	-4	-10	80	4	
Germany	8,132	8,210	-1	1	394	12	4
Netherlands	1,921	2,032	-5	-4	118	4	1
Belgium	839	882	-5	-3	66	3	1
Austria	1,354	1,419	-5	-3	66	1	1
Luxembourg	105	108	-3	-1	10		
Finland	612	641	-5	-3	47	4	1
France	2,659	2,566	4	6	168	11	1
USA	2,879	2,528	14	19	233	14	
Spain	1,538	1,598	-4	-2	132	6	
Poland	761	722	5	17	89	7	
Czech Republic	207	199	4	7	24		
Portugal	225	239	-6	-4	23		
Italy	1,287	1,312	-2	1	87	10	
Canada	784	761	3	6	58	2	
Slovenia	143	158	-9	-7	12		
Ireland	146	141	4	7	15	1	
Hungary	146	123	19	31	20	4	
Slovakia	78	67	16	20	10	3	
Greece	209	181	15	18	22	2	2
China	1,157	770	50	53	82	21	
Japan	536	496	8	6	15	3	
Russia	415	287	45	52	19	3	
South Korea	134	93	44	44	6	1	
Turkey	108	28	286	388	8	3	
Romania	138				11	5	
Croatia	139				6	3	
Singapore	111				1	1	
Franchise	356	242	47	60	70	10	1
Total	36,191	34,792	4	6	2,472	160	13

FIVE YEAR SUMMARY**1 December - 30 November**

THE FINANCIAL YEAR	2011	2010	2009	2008	2007
Sales including VAT, SEK m	128,810	126,966	118,697	104,041	92,123
Sales excluding VAT, SEK m	109,999	108,483	101,393	88,532	78,346
Change from previous year, %	1	7	15	13	15
Operating profit, SEK m	20,379	24,659	21,644	20,138	18,382
Operating margin, %	18.5	22.7	21.3	22.7	23.5
Depreciation for the year, SEK m	3,262	3,061	2,830	2,202	1,814
Profit after financial items, SEK m	20,942	25,008	22,103	21,190	19,170
Profit after tax, SEK m	15,821	18,681	16,384	15,294	13,588
Liquid funds and short-term investments, SEK m	21,277	24,858	22,025	22,726	20,964
Stock-in-trade, SEK m	13,819	11,487	10,240	8,500	7,969
Equity, SEK m	44,104	44,172	40,613	36,950	32,093
Number of shares, thousands*	1,655,072	1,655,072	1,655,072	1,655,072	1,655,072
Earnings per share, SEK*	9.56	11.29	9.90	9.24	8.21
Shareholders' equity per share, SEK*	26.65	26.69	24.54	22.33	19.39
Cash flow from current operations per share, SEK*	10.53	13.19	10.86	10.86	9.29
Dividend per share, SEK	9.50**	9.50	8.00	7.75	7.00
Return on shareholders' equity, %	35.8	44.1	42.2	44.3	45.4
Return on capital employed, %	47.1	58.7	56.7	61.1	63.7
Share of risk-bearing capital, %	74.9	76.2	78.5	75.7	78.5
Equity/assets ratio, %	73.3	74.6	74.7	72.1	76.9
Total number of stores	2,472	2,206	1,988	1,738	1,522
Average number of employees	64,874	59,440	53,476	53,430	47,029

* Before and after dilution. The number of shares has been adjusted for all periods because of the two-for-one share split carried out by H&M in 2010.

** Proposed by the Board of Directors.

Definition on key figures see page 7.

KEY RATIOS PER QUARTER

	2009				2010				2011			
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
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
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
Change from previous year, %	18	23	13	6	7	2	14	6	-1	2	0	4
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
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
Depreciation for the period, SEK m	721	715	722	672	772	783	777	729	808	826	831	797
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
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
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
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
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
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
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
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
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
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
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
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
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
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
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

* Liquid funds and short-term investments

** Before and after dilution. The number of shares has been adjusted for all periods because of the two-for-one share split carried out by H&M in 2010.

Definitions on key figures see page 7.

SEGMENT REPORTING (SEK m)**1 December - 30 November**

	2011	2010
Nordic region		
External net sales	16,343	17,023
Operating profit	614	966
Operating margin, %	3.8	5.7
Assets excluding tax receivables	6,301	6,076
Liabilities excluding tax liabilities	1,496	1,562
Investments	344	393
Depreciation	303	276
Eurozone excluding Finland		
External net sales	56,687	58,412
Operating profit	1,486	3,011
Operating margin, %	2.6	5.2
Assets excluding tax receivables	17,598	16,178
Liabilities excluding tax liabilities	3,556	3,403
Investments	1,796	1,988
Depreciation	1,450	1,433
Rest of the World		
External net sales	36,969	33,048
Operating profit	2,989	2,038
Operating margin, %	8.1	6.2
Assets excluding tax receivables	15,202	12,248
Liabilities excluding tax liabilities	3,110	2,508
Investments	2,543	2,000
Depreciation	1,274	1,141
Group Functions		
Net sales to other segments	59,778	58,641
Operating profit	15,290	18,644
Operating margin, %	25.6	31.8
Assets excluding tax receivables	19,853	23,615
Liabilities excluding tax liabilities	5,121	4,327
Investments	491	578
Depreciation	235	211
Eliminations		
Net sales to other segments	-59,778	-58,641
Total		
External net sales	109,999	108,483
Operating profit	20,379	24,659
Operating margin, %	18.5	22.7
Assets excluding tax receivables	58,954	58,117
Liabilities excluding tax liabilities	13,283	11,800
Investments	5,174	4,959
Depreciation	3,262	3,061

PARENT COMPANY INCOME STATEMENT (SEK m)

1 December - 30 November

	2011	2010
External sales excluding VAT	24	6
Internal sales excluding VAT*	6,958	6,900
GROSS PROFIT	6,982	6,906
Selling expenses	-2,235	-2,240
Administrative expenses	-2,671	-2,024
OPERATING PROFIT	2,076	2,642
Dividend from subsidiaries	14,224	12,153
Interest income	151	73
Interest expense	0	0
PROFIT AFTER FINANCIAL ITEMS	16,451	14,868
Year-end appropriations	-9	705
Tax	-596	-912
PROFIT FOR THE YEAR	15,846	14,661

* Includes royalty received from Group companies.

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME (SEK m)

1 December - 30 November

	2011	2010
PROFIT FOR THE YEAR	15,846	14,661
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	15,846	14,661

PARENT COMPANY BALANCE SHEET (SEK m)

30 November

ASSETS	2011	2010
FIXED ASSETS		
Tangible fixed assets		
Buildings and land	45	48
Equipment, tools, fixture and fittings	396	369
	441	417
Financial fixed assets		
Shares and participation rights	590	580
Receivables from subsidiaries	1,177	1,208
Long-term receivables	13	14
Deferred tax receivables	63	59
	1,843	1,861
TOTAL FIXED ASSETS	2,284	2,278
CURRENT ASSETS		
Current receivables		
Receivables from subsidiaries	10,628	7,764
Other receivables	33	14
Prepaid expenses	14	9
	10,675	7,787
Short-term investments	5,038	8,167
Liquid funds	678	223
TOTAL CURRENT ASSETS	16,391	16,177
TOTAL ASSETS	18,675	18,455

PARENT COMPANY BALANCE SHEET (SEK m)

30 November

EQUITY AND LIABILITIES

	2011	2010
EQUITY		
Restricted equity		
Share capital	207	207
Restricted reserves	88	88
	295	295
Non-restricted equity		
Retained earnings	903	1,965
Profit for the year	15,846	14,661
	16,749	16,626
TOTAL EQUITY	17,044	16,921
UNTAXED RESERVES	128	119
Long-term liabilities		
Provisions for pensions	240	223
Current liabilities*		
Accounts payable	212	128
Liabilities to subsidiaries	-	129
Tax liabilities	445	368
Other liabilities	348	340
Accrued expenses and prepaid income	258	227
	1,263	1,192
TOTAL LIABILITIES	1,503	1,415
TOTAL EQUITY AND LIABILITIES	18,675	18,455
Pledged assets	-	-
Contingent liabilities	9,321	12,729

* No current liabilities are interest-bearing.