



H & M HENNES & MAURITZ AB

FULL YEAR REPORT

1 December 2006 – 30 November 2007

- **Sales excluding VAT for the H&M Group for the financial year amounted to SEK 78,346 m (68,400), an increase of 15 percent. In local currencies, the increase was 17 percent and in comparable stores 5 percent.**
 - **Profit after financial items for the financial year was SEK 19,170 m (15,808), an increase of 21 percent. Group profit after tax was SEK 13,588 m (10,797), corresponding to SEK 16.42 (13.05) per share, an increase of 26 percent.**
 - **Sales for the fourth quarter excluding VAT amounted to SEK 22,817 m (19,512), an increase of 17 percent compared with the previous year. In local currencies, the increase was 18 percent and in comparable stores 5 percent.**
 - **Profit after financial items for the fourth quarter was SEK 6,221 m (5,440), an increase of 14 percent.**
 - **For the financial year 2007/2008 a net contribution of 190 stores is planned.**
 - **First stores in Russia is planned to open in 2009.**
 - **Egypt, Saudi Arabia, Bahrain and Oman new franchise markets in 2008.**
 - **The Board of Directors proposes a dividend of SEK 14.00 (11.50) per share.**
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- **Sales in December 2007 increased by 10 percent in local currencies compared to the same month previous year.**
 - **Up to and including 29 January 2008 sales in local currencies have increased by 16 percent compared to the same period previous year.**
 - **Group tax rate for the financial year 2007/2008 is expected to decrease to 27.5 percent from 29.1 percent.**

Sales

Sales excluding VAT for the H&M Group for the financial year amounted to SEK 78,346 m (68,400), an increase of 15 percent. In local currencies the increase was 17 percent and 5 percent in comparable stores. Sales including VAT amounted to SEK 92,123 m (80,081).

Sales excluding VAT in the fourth quarter amounted to SEK 22,817 m (19,512), an increase of 17 percent. In local currencies the increase was 18 percent and 5 percent in comparable stores. Sales including VAT amounted to SEK 26,836 m (22,819).

During the financial year, the Group opened 193 stores (168) and 16 (16) stores were closed. Of the openings 6 (4) stores were franchise stores. This corresponds to a net contribution of 177 stores (152). During the fourth quarter 94 (86) stores were opened and 4 (5) were closed. The total number of stores in the Group thus amounted to 1,522 (1,345).

Results for the financial year

Gross profit for the financial year amounted to SEK 47,847 m (40,664), which corresponds to 61.1 percent (59.5) of sales.

The operating profit after deducting selling and administrative expenses was SEK 18,382 m (15,298). The result corresponds to an operating margin of 23.5 percent (22.4).

Operating profit for the financial year has been charged with depreciation amounting to SEK 1,814 m (1,624).

Consolidated net interest income was SEK 788 m (510).

Profit after financial items amounted to SEK 19,170 m (15,808), an increase of 21 percent.

Group profit after average effective tax rate of 29.1 percent (31.7) for the financial year was SEK 13,588 (10,797), corresponding to earnings per share of SEK 16.42 (13.05), an increase of 26 percent.

Return on shareholders' equity was 45.4 percent (40.2) and return on capital employed was 63.7 percent (58.7).

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

Comments on the full year

The financial year has been characterised by a very good sales development with well received collections. This also applies for countries where the retail sector in general has been weaker. Especially pleasing is the strong sales development in Germany, H&M's largest market. New customer offerings such as the expansion of H&M's online and catalogue sales, the launch of the shoe assortment in a number of H&M-stores as well as the start of the COS-stores have contributed positively to Group sales.

The number of new and refurbished stores during the year has been record high. In addition the standard of these stores has been raised to increase the attraction and thereby further strengthen H&M's competitiveness.

The establishments in the new markets Shanghai, Hong Kong, Greece, Slovakia as well as the new franchise market Qatar have been successful, mainly due to very extensive preparations.

The expansion of the online and catalogue sales has been very successful. The start of the online sales in Germany and Austria as well as the distribution of the catalogue as a complement to the online sales in the Netherlands have exceeded the company's expectations. The potential for expansion of the online and catalogue sales to new markets is deemed to be great.

To support the expansion within the online and catalogue sales and the stores, the logistics chain has been developed and further improved. Among other things, the new, large logistics centre in Poznan, Poland has started to serve the stores in Eastern Europe and the online and catalogue sales outside the Nordic region. The construction of a new, larger logistics centre has started in Hamburg that will serve the stores in Germany, the Netherlands and Austria.

The activity in the Group has been high and the organisation has been adjusted accordingly, creating good conditions for further growth.

The tax rate for the financial year has decreased to 29.1 percent from 31.7 percent due to changed transfer pricing, lowered corporate tax rates in Denmark, the Netherlands and Slovenia and a non-recurring effect of a tax repayment in the Netherlands of SEK 130 m concerning previous financial year.

The result before tax for the financial year was negatively affected by currency translation effects of about SEK 199 m (+127) compared with a recalculation of the result at last year's average exchange rates. These currency translation effects arise because of the development in the exchange rates between the foreign subsidiaries' local currencies and the Swedish Krona.

Results for the fourth quarter

Gross profit for the fourth quarter amounted to SEK 14,174 m (12,059) which corresponded to a gross margin of 62.1 percent (61.8).

Operating profit was SEK 5,996 m (5,278) for the fourth quarter corresponding to an operating margin of 26.3 percent (27.1).

Profit after financial items was SEK 6,221 m (5,440), an increase of 14 percent.

Comments on the fourth quarter

Sales during the quarter have been very positive with an increase of 18 percent in local currencies compared to the same period last year.

The gross margin of 62.1 percent is the highest ever and has been positively affected by a lower US dollar rate and more efficient buying operations. The margin increase has been possible despite a continued focus on higher quality in the assortment, more strategic price offerings and a marginally higher price reduction level. The gross profit has also been affected by a non-recurring charge of SEK 95 m due to a changed valuation of the stock-in-trade in all subsidiaries in connection with the refinement of the Group structure.

The selling and administrative expenses in relation to sales have increased slightly more than one percentage unit compared to the same quarter last year as a consequence of the high activity in the organisation mainly due to the ongoing expansion.

The stock-in-trade is deemed to be very good both in terms of contents and size.

Financial position and cash flow

Consolidated total assets as of 30 November 2007, increased by 17 percent and amounted to SEK 41,734 m (35,555).

During the financial year the Group generated a cash flow of SEK 6,010 m (-201). The running operation generated a positive cash flow of SEK 15,381 m (12,055). Cash flow was among other things affected by dividends of SEK -9,515 m (-7,861), investments in fixed assets of SEK -3,608 m (-1,982), and by financial investments with a duration of three to twelve months of SEK 3,848 m (-2,398). Liquid funds and short-term investments amounted to SEK 20,964 m (18,625).

The stock-in-trade increased by 10 percent compared to the same time last year and amounted to SEK 7,969 m (7,220). This corresponds to 10.2 percent (10.6) of sales excluding VAT. The stock-in-trade was 19.1 percent (20.3) of total assets.

The equity/assets ratio was 76.9 percent (78.1) and the share of risk-bearing capital was 78.5 percent (80.0).

Shareholders' equity apportioned on the outstanding 827,536,000 shares on 30 November 2007 was SEK 38.78 (33.57).

Expansion

The outlook for the future expansion and the development opportunities remains positive. The main focus for the expansion in 2008 will continue to be in established markets which are considered to have great long-term growth potential. For the financial year 2007/2008 a net contribution of 190 stores (177) is planned. Most of the stores are planned to open in the USA, Spain, the United Kingdom, France, Germany and Italy.

The proportion of refurbished existing stores will remain on the same level as in 2006/2007. The investments and costs per unit are expected to be on the same level as last year.

In January 2008 the online sales in Germany and Austria were supplemented by catalogue sales.

In collaboration with the franchisee Alshaya store openings are planned in four new markets in 2008; Egypt, Saudi Arabia, Bahrain and Oman.

Preparations for the opening in Tokyo, Japan during the autumn 2008 are ongoing.

H&M is preparing for the establishment in Russia. The first stores is planned to open in 2009 in Moscow. The Russian market is deemed to be very interesting with great potential for long-term growth. The initial focus will be Moscow and its surroundings.

H&M's target is to increase the number of stores with 10-15 percent each year and at the same time increase sales in existing stores.

Taxes

The effective tax rate for the Group for the financial year 2007/2008 is estimated to decline further compared to 29.1 percent for 2006/2007. The expected 2007/2008 Group tax rate is estimated to 27.5 percent as the changed transfer pricing will have full effect and the corporate tax rates will decline in some countries.

Employees

The average number of employees in the Group was 47,029 (40,855), of which 4,456 (4,142) in Sweden.

The Parent Company

The parent company achieved sales excluding VAT during the financial year of SEK 9,629 m (6,221) with an estimated result before balance sheet appropriations of SEK 10,938 m (9,236), of which SEK 8,465 m (7,219) consisted of dividends from subsidiaries. Investments in fixed assets amounted to SEK 114 (-117).

Events after the end of the financial year

In local currencies, the sales in December increased by 10 percent compared to the same month last year. Sales in comparable stores decreased by 1 percent.

Up to and including 29 January 2008 sales in local currencies have increased by 16 percent compared to the same period previous year.

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 the same 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 the surplus liquidity can also be distributed. The Board of Directors will propose to the Annual General Meeting a dividend of SEK 14.0 per share (11.50).

Annual General Meeting 2008

The Annual General Meeting 2008 will be held on Thursday 8 May, at 3 pm in the Victoria Hall, International Fairs, in Stockholm.

Annual Report 2007

The Corporate Governance Report for 2007 will be included in the Annual Report for 2007. The Annual Report is expected to be published on 25 March 2008, when it will also be placed on www.hm.com. The printed Annual Report will be sent out by post to shareholders that have requested this and will also be available from the company's office.

Accounting principles

The Group applies International Financial Reporting Standards (IFRS). This report has been prepared applying the rules on interim financial reporting in IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

The accounting principles applied in this report are described in the Annual Report and Consolidated Financial Statements for 2005/2006, in Note 1 – Accounting principles.

The parent company applies the Swedish Annual Accounts Act and Recommendation RR 32, Accounting for Legal Entities, which essentially means that IFRS is applied. In accordance with Recommendation RR 32:06, IAS 39 is not applied in the parent company.

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 fashions, weather situations, quota systems and exchange rates, but also in connection with expansion into new markets, the launch of new concepts, changes in consumer behaviour or handling of the brand.

Reporting dates

27 March 2008	Three Month Report, 1 Dec 2007 – 29 Feb 2008
8 May 2008	Annual General Meeting 2008, at 3 p.m, in Victorihallen, Stockholm International Fairs in Stockholm.
18 June 2008	Half Year Report, 1 Dec 2007 – 31 May 2008
30 September 2008	Nine Month Report, 1 Dec 2007 – 31 August 2008
29 January 2009	Full Year Report, 1 Dec 2007 – 30 November 2008
26 March 2009	Three Month Report, 1 Dec 2008 – 28 Feb 2009

Stockholm, 31 January 2008
The Board of Directors

Contact persons:

Nils Vinge, IR	+46-8-796 5250
Leif Persson, CFO	+46-8-796 1300
Rolf Eriksen, CEO	+46-8-796 5233
Switchboard	+46-8-796 5500

The information in this Full Year Report is that which H & M Hennes & Mauritz AB (publ) is required to disclose under the Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. It was released for publication at 08:00 (CET) on 31 January 2008.

Information about H&M and press images are available at www.hm.com

H & M Hennes & Mauritz AB (Publ.)
106 38 Stockholm
Phone: +46-8-796 5500, Fax: +46-8-24 80 78, E-mail: info@hm.com
Registered office Stockholm, Reg .No 556042-7220

GROUP INCOME STATEMENT (SEK m)

	1 Dec. 06- 30 Nov. 07	1 Dec. 05- 30 Nov. 06	1 Sep. 07- 30 Nov. 07	1 Sep. 06- 30 Nov. 06
Sales including VAT	92 123	80 081	26 836	22 819
Sales excluding VAT	78 346	68 400	22 817	19 512
Cost of goods sold	-30 499	-27 736	-8 643	-7 453
GROSS PROFIT	47 847	40 664	14 174	12 059
Selling expenses	-27 687	-23 971	-7 645	-6 413
Administrative expenses	-1 778	-1 395	-533	-368
OPERATING PROFIT	18 382	15 298	5 996	5 278
Interest income	793	515	228	164
Interest expense	-5	-5	-3	-2
PROFIT AFTER FINANCIAL ITEMS	19 170	15 808	6 221	5 440
Tax	-5 582	-5 011	-1 568	-1 641
PROFIT FOR THE YEAR	13 588	10 797	4 653	3 799
Earnings per share, SEK, (before and after dilution)	16.42	13.05	5.62	4.59
No. of shares (thousands) (before and after dilution)	827 536	827 536	827 536	827 536
Depreciation, total	1 814	1 624	364	391
of which cost of goods sold	203	172	52	43
of which selling expenses	1 505	1 374	276	329
of which administrative expenses	106	78	36	19

GROUP BALANCE SHEET (SEK m)
30 NOVEMBER

ASSETS	2007	2006
FIXED ASSETS		
Intangible fixed assets		
Leasehold rights	266	222
Tangible fixed assets		
Buildings and land	466	420
Equipment, tools, fixtures and fittings	8 821	7 134
	9 287	7 554
Long-term receivables	253	155
Deferred tax receivables	883	102
TOTAL FIXED ASSETS	10 689	8 033
CURRENT ASSETS		
Stock-in-trade	7 969	7 220
Short-term receivables		
Accounts receivable	1 122	865
Other receivables	356	249
Prepaid expenses	634	563
	2 112	1 677
Short-term investments	4 900	8 748
Liquid funds	16 064	9 877
TOTAL CURRENT ASSETS	31 045	27 522
TOTAL ASSETS	41 734	35 555

GROUP BALANCE SHEET (SEK m)
30 NOVEMBER

EQUITY AND LIABILITIES	2007	2006
EQUITY		
Share capital	207	207
Reserves	263	22
Retained earnings	18 035	16 753
Profit for the year	13 588	10 797
TOTAL EQUITY	32 093	27 779
Long-term liabilities*		
Provisions for pensions	156	130
Deferred tax liabilities	651	650
	807	780
Short-term liabilities*		
Accounts payable	2 483	1 942
Tax liabilities	2 036	1 224
Other liabilities	1 468	1 560
Accrued expenses	2 847	2 270
	8 834	6 996
 TOTAL LIABILITIES	 9 641	 7 776
 TOTAL EQUITY AND LIABILITIES	 41 734	 35 555

* Only provisions for pensions are interest bearing.

GROUP CHANGE IN EQUITY (SEK m)

All shareholders' equity is attribute to the parent company's shareholders since there are no minority interests.

	Share capital	Reserves, translation effects	Retained earnings	Total shareholders' equity
Shareholders' equity, 1 December 2005	207	1 103	24 614	25 924
Translation effects for the year	-	-1 081	-	-1 081
Income and expenses accounted direct on shareholders' equity	-	-1 081	-	-1 081
Profit for the year	-	-	10 797	10 797
Total income and expenses	-	-1 081	10 797	9 716
Dividend	-	-	-7 861	-7 861
Shareholders' equity, 30 November 2006	207	22	27 550	27 779
	Share capital	Reserves, translation effects	Retained earnings	Total shareholders' equity
Shareholders' equity, 1 December 2006	207	22	27 550	27 779
Translation effects for the year	-	241	-	241
Income and expenses accounted direct on shareholders' equity	-	241	-	241
Profit for the year	-	-	13 588	13 588
Total income and expenses	-	241	13 588	13 829
Dividend	-	-	-9 515	-9 515
Shareholders' equity, 30 November 2007	207	263	31 623	32 093

GROUP CASH FLOW ANALYSIS

1 December - 30 November
(SEK m)

	2007	2006
Profit after financial items*	19 170	15 808
Provisions for pensions	27	52
Depreciation	1 814	1 624
Tax paid	-5 557	-5 565
Cash flow from current operations before changes in working capital	15 454	11 919
Cash flow from changes in working capital		
Current receivables	-421	-317
Stock-in-trade	-615	-748
Current liabilities	963	1 201
CASH FLOW FROM CURRENT OPERATIONS	15 381	12 055
Investment activities		
Investment in leasehold rights	-86	-30
Investment in sale of buildings and land	-56	6
Investment in fixed assets	-3 466	-1 958
Change in financial investments, 3-12 months	3 848	-2 398
Other investments	-96	-15
CASH FLOW FROM INVESTMENT ACTIVITIES	144	-4 395
Financial activities		
Dividend	-9 515	-7 861
CASH FLOW FROM FINANCING ACTIVITIES	-9 515	-7 861
CASH FLOW FOR THE YEAR	6 010	-201
Liquid funds at beginning of year	9 877	10 496
Cash flow for the year	6 010	-201
Exchange rate effect	177	-418
Liquid funds at the end of year	16 064	9 877

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

* Received interest amounts for the Group to SEK 822 m (487).

FIVE YEAR SUMMARY

The financial year	2007	2006	2005	2004	2003
Sales including VAT, SEK m	92 123	80 081	71 886	62 986	56 550
Sales excluding VAT, SEK m	78 346	68 400	61 262	53 695	48 238
Change from previous year, %	15	12	14	11	6
Operating profit, SEK m	18 382	15 298	13 173	10 667	9 223
Operating margin, %	23.5	22.4	21.5	19.9	19.1
Depreciation for the year, SEK m	1 814	1 624	1 452	1 232	1 126
Profit after financial items, SEK m	19 170	15 808	13 553	11 005	9 609
Profit after tax, SEK m	13 588	10 797	9 247	7 275	6 386
Liquid funds and short-term investments, SEK m	20 964	18 625	16 846	15 051	13 194
Stock-in-trade, SEK m	7 969	7 220	6 841	5 142	5 050
Equity, SEK m	32 093	27 779	25 924	22 209	20 097
Number of shares (thousand) (before and after dilution)	827 536	827 536	827 536	827 536	827 536
Earnings per share, SEK (before and after dilution)	16.42	13.05	11.17	8.79	7.72
Shareholders' equity per share, SEK (before and after dilution)	38.78	33.57	31.33	26.84	24.28
Return on shareholders' equity, %	45.4	40.2	38.4	34.4	32.6
Return on capital employed, %	63.7	58.7	56.3	51.9	48.9
Share of risk-bearing capital, %	78.5	80.0	80.2	82.5	81.6
Equity/assets ratio, %	76.9	78.1	78.1	79.0	78.0
Total number of stores	1 522	1 345	1 193	1 068	945
Average number of employees	47 029	40 855	34 614	31 701	28 409

Definition on key figures see Annual Report.

The International Financial Standards (IFRS) are being applied from 2005/2006.

The restatement of the 2004/2005 figures according to IFRS has not involved in any adjustment. Years 2002/2003 - 2003/2004 have been reported according to the previously applied principles based on the Swedish Financial Accounting Standards

Council's recommendations.

SALES BY COUNTRY AND NUMBER OF STORES
FULL YEAR 1 December 2006 -- 30 November 2007 (SEK m)

COUNTRY	Sales incl. VAT		Change in %		No. of stores 30 Nov. 2007	Openings Closings during the year	
	2007	2006	SEK	local currency			
Sweden	7 228	6 690	8	8	124	4	3
Norway	5 155	4 840	7	8	82	4	1
Denmark	3 746	3 293	14	15	65	7	
United Kingdom	7 320	6 769	8	9	129	18	1
Switzerland	4 206	4 045	4	9	60	4	
Germany	22 150	20 181	10	11	319	20	4
Netherlands	6 147	4 990	23	24	89	9	1
Belgium	2 836	2 776	2	3	54	6	2
Austria	4 543	4 286	6	7	58	6	2
Luxembourg	331	310	7	9	8	1	
Finland	2 247	1 988	13	13	34	2	1
France	6 972	5 943	17	18	98	13	
USA	5 816	5 109	14	25	145	31	
Spain	5 114	3 845	33	34	79	11	
Poland	1 776	1 208	47	44	42	8	1
Czech Republic	610	513	19	17	14	1	
Portugal	672	425	58	59	15	1	
Italy	1 742	996	75	77	31	13	
Canada	1 449	1 027	41	49	35	9	
Slovenia	485	354	37	38	6	3	
Ireland	418	327	28	29	7	2	
Hungary	197	93	111	105	6	2	
Slovakia	81				2	2	
Greece	141				3	3	
China	482				7	7	
Franchise	259	72	260	260	10	6	
Total	92 123	80 081	15%	17%	1 522	193	16

SALES BY COUNTRY AND NUMBER OF STORES
FOURTH QUARTER 1 September 2007 -- 30 November 2007 (SEK m)

COUNTRY	Sales incl. VAT		Change in %		No. of stores 30 Nov. 2007	Openings during the period	Closings
	2007	2006	SEK	local currency			
Sweden	2 051	1 878	9	9	124	4	1
Norway	1 485	1 326	12	7	82	4	
Denmark	1 090	927	18	17	65	4	
United Kingdom	2 122	1 998	6	9	129	9	
Switzerland	1 221	1 116	9	14	60	3	
Germany	6 257	5 488	14	13	319	9	1
Netherlands	1 861	1 470	27	26	89	2	
Belgium	796	746	7	6	54	3	1
Austria	1 313	1 201	9	9	58	3	
Luxembourg	93	85	9	8	8		
Finland	599	525	14	13	34	1	1
France	2 063	1 750	18	17	98	9	
USA	1 648	1 508	9	22	145	13	
Spain	1 475	1 154	28	27	79	6	
Poland	563	381	48	40	42	2	
Czech Republic	182	151	21	15	14	1	
Portugal	182	127	44	43	15	1	
Italy	625	349	79	79	31	7	
Canada	474	365	30	31	35	3	
Slovenia	157	112	41	37	6	1	
Ireland	120	93	29	29	7	1	
Hungary	65	39	66	58	6	2	
Slovakia	36				2		
Greece	58				3	1	
China	203				7	4	
Franchise	97	29	234	234	10	1	
Total	26 836	22 819	18%	18%	1 522	94	4

SEGMENT REPORTING, SEK m

	1 Dec. 06- 30 Nov. 07	1 Dec. 05- 30 Nov. 06	1 Sep. 07- 30 Nov. 07	1 Sep. 06- 30 Nov. 06
Nordic Region				
Net sales	15 017	13 499	4 451	3 738
Operating profit	7 033	3 655	4 159	1 099
Operating margin, %	46.8	27.1	93.4	29.4
Assets	17 826	12 065		
Liabilities	3 317	2 470		
Investments	322	209		
Depreciation	231	219		
Eurozone excluding Finland				
Net sales	43 430	37 804	12 621	10 901
Operating profit	8 316	8 677	1 190	2 913
Operating margin, %	19.1	23.0	9.4	26.7
Assets	14 716	15 889		
Liabilities	2 703	2 373		
Investments	1 778	985		
Depreciation	872	797		
Rest of the World				
Net sales	19 899	17 097	5 745	4 873
Operating profit	3 033	2 966	647	1 266
Operating margin, %	15.2	17.3	11.3	26.0
Assets	8 309	7 499		
Liabilities	934	1 059		
Investments	1 508	788		
Depreciation	711	608		
Total				
Net sales	78 346	68 400	22 817	19 512
Operating profit	18 382	15 298	5 996	5 278
Operating margin, %	23.5	22.4	26.3	27.1
Assets excl. taxes recoverable	40 851	35 453		
Liabilities excl. tax liability and shareholder's equity	6 954	5 902		
Investments	3 608	1 982		
Depreciation	1 814	1 624		

SEGMENT REPORTING

Internal follow-up is carried out by country. To present the information by segments in a comprehensive way the countries are divided into three regions: the Nordic Region, the Eurozone excluding Finland and the Rest of the World. There is no internal division into different lines of business and hence reporting in secondary segments is not relevant.

In 2007 the Group structure was reviewed and refined in order to facilitate the division of the logistics function into regions and to support the expansion in progress. As a result of this, the central functions of design, logistics, stock management and buying were transferred into a separate subsidiary that is included in the Nordic segment. A great deal of the Group's value added is created in this segment. The internal pricing model was adapted in accordance with this with effect from 1 June, with the result that the operating profit and operating margin in individual segments for the current financial year are not comparable with previous years. Internal sales of goods within the Group during the financial year amounted to SEK 23,364 m (SEK 0 m). This has been eliminated in full in the segment reporting.

Slovenia has changed its currency from SIT to EUR and has therefore been moved from Rest of the World to Eurozone countries for both years.

PARENT COMPANY INCOME STATEMENT (SEK m)

	1 Dec. 06- 30 Nov. 07	1 Dec. 05- 30 Nov. 06
Sales including VAT	10 738	7 727
Sales excluding VAT	9 629	6 221
Cost of goods sold	-3 579	-1 432
GROSS PROFIT	6 050	4 789
Selling expenses	-2 934	-2 356
Administrative expenses	-1 092	-663
OPERATING PROFIT	2 024	1 770
Profit after financial investments		
Dividends from subsidiaries	8 465	7 219
Interest income	449	247
Interest expense	0	0
PROFIT AFTER FINANCIAL ITEMS	10 938	9 236
Year-end appropriations	130	3
Tax	-751	-572
PROFIT FOR THE YEAR	10 317	8 667

Up to and including 31 May 2007 the Swedish stores were operated within the parent company.

Since this date they have been operated by a separate subsidiary.

The departments for design, logistics and buying that were previously part of the parent company were also transferred to a separate subsidiary as of 1 June 2007.

PARENT COMPANY SUMMARY BALANCE SHEET (SEK m)
30 November

ASSETS	2007	2006
Fixed assets		
Tangible assets	317	519
Financial fixed assets	59	73
Total fixed assets	376	592
Current assets		
Stock-in-trade	407	759
Current receivables	6 376	5 545
Short-term investments	4 900	5 000
Liquid funds	1 417	2 154
Total current assets	13 100	13 458
TOTAL ASSETS	13 476	14 050
EQUITY AND LIABILITIES	2007	2006
Equity	12 662	11 860
Untaxed reserves	119	249
Long-term liabilities*	113	99
Short-term liabilities**	582	1 842
TOTAL EQUITY AND LIABILITIES	13 476	14 050

* Refers to provisions for pensions.

** No short-term debts are interest-bearing.