



Presentation

**SEB Enskilda
Nordic Small and
Mid-Cap Seminar
9 January 2008**

**Anders Jansson, President and CEO
Tommy Svensson, CFO**

Hemtex

Agenda

**Introduction to
Hemtex**



Introduction

The Market



Market description

The Company



Company overview

**Financial
information**



Financials

Summary



Summary

Hemtex



Introduction to Hemtex

Hemtex

History

1973

- Hemtex is established by owners of 17 independent home textiles stores.

1990

- All stores adopt the Hemtex name. A new, joint store concept is deployed. The number of stores reaches 60.

2005

- Hemtex is listed on the Stockholm Stock Exchange's O-List on October 6, 2005

2006

- Hemtex opens stores in Norway. The number of stores totals 183

2007

- Hemtex opens stores in Estonia and Poland and introduces Hemtex & More

1973

1980

1990

2000

1982

- The first joint store concept emerges.

1999

- Presence established in Denmark through acquisitions.

2000

- Introduction of franchise system. The number of stores totals 88

2001

- Hemtex opens four stores in Finland.

2004

- New store concept is launched. The number of stores totals 120.

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Leading home textile retail chain in the Nordic region

- Specialized home textile product range that
 - offer value for money
 - appeal broad spectrum of people
- Strong and well recognized brand name
- Market leader with 207¹⁾ stores in Sweden, Finland, Denmark, Norway, Estonia and Poland
- Control over the entire value chain
- Mix of own stores and franchise stores
- Net sales of SEK 1,585 M (consumer sales, including franchise stores, of SEK 1,657 M) and operating margin of 13.6%²⁾

1) December, 2007

2) November 2006 - October 2007



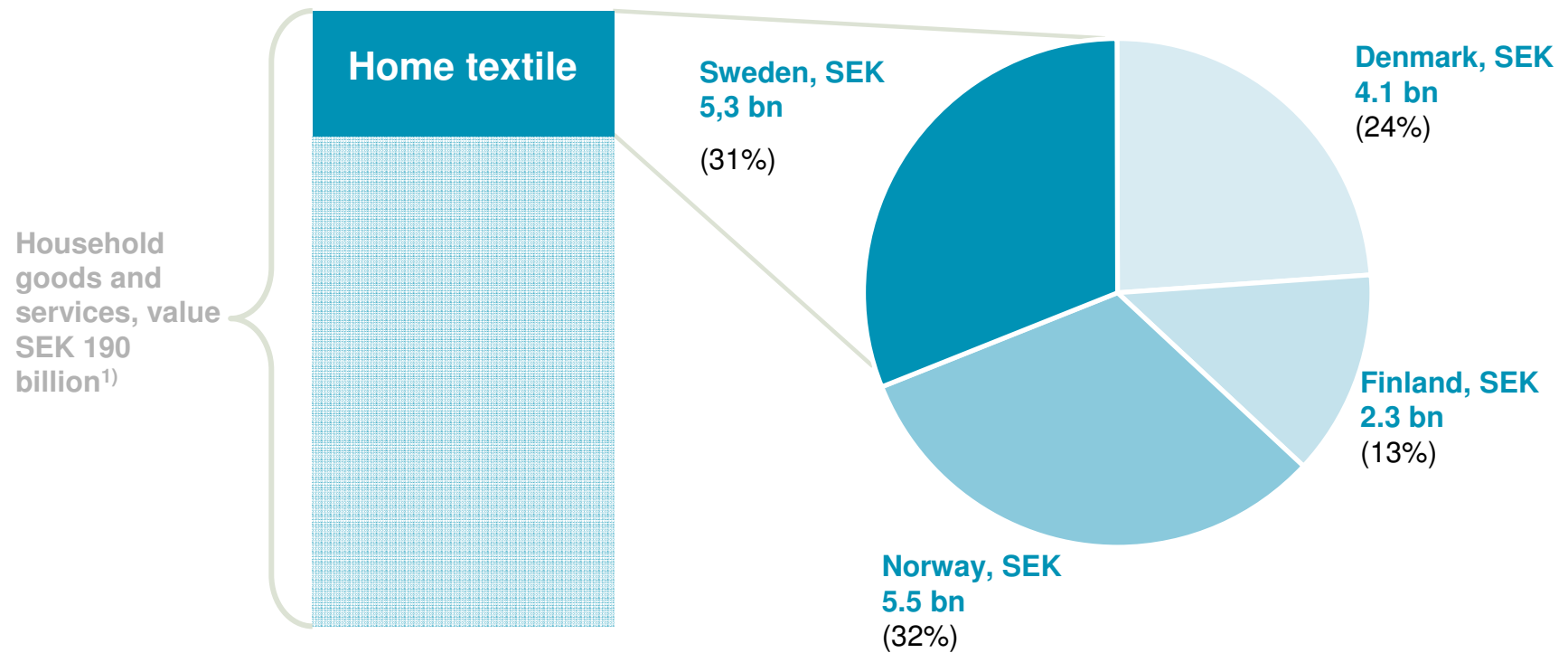


The Market

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Nordic market value of SEK 17.2 billion

Nordic home textile market²⁾



1) Source: Euromonitor,

2) Source: Estimation of Hemtex,

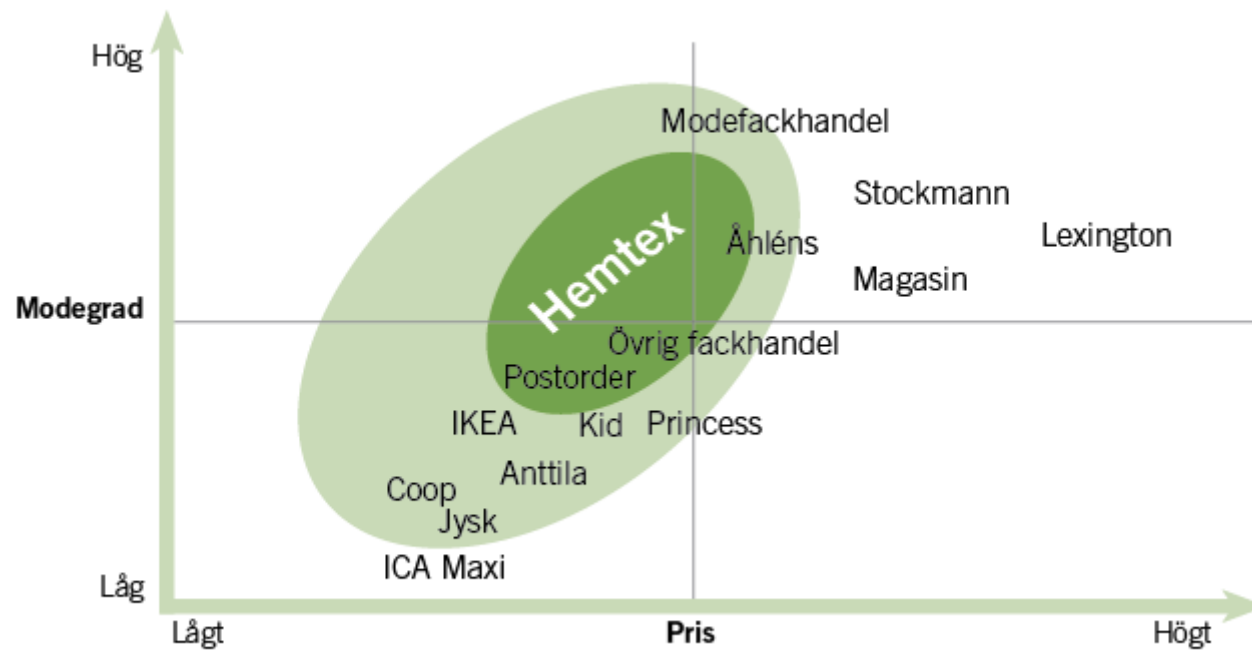
Trends in home textile

- Customers update their homes with greater frequency
- Decorating/fashion trends change rapidly
- Lower product prices but trend toward more expensive products
- Simple and easy solutions gaining market share
- Increased demand for coordinated lines
- Larger number of one-person households and dual residences
- Growth in real disposable income



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Broad offer

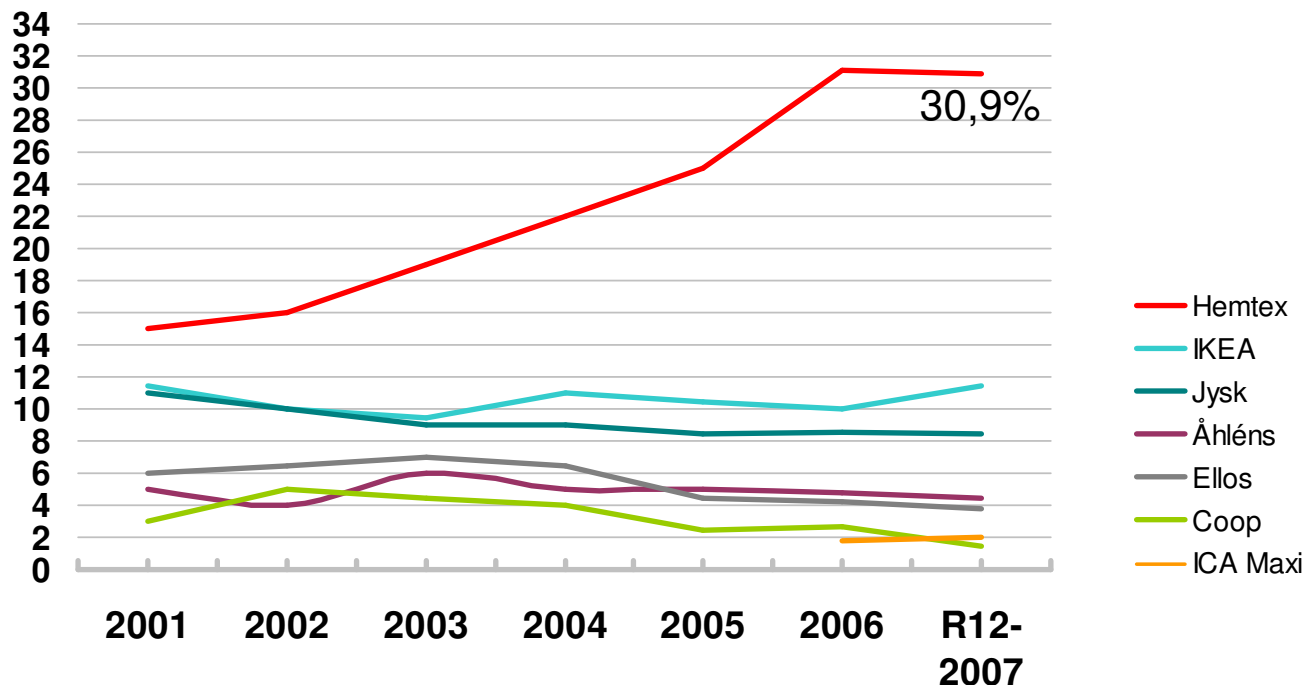


Källa: Hemtex



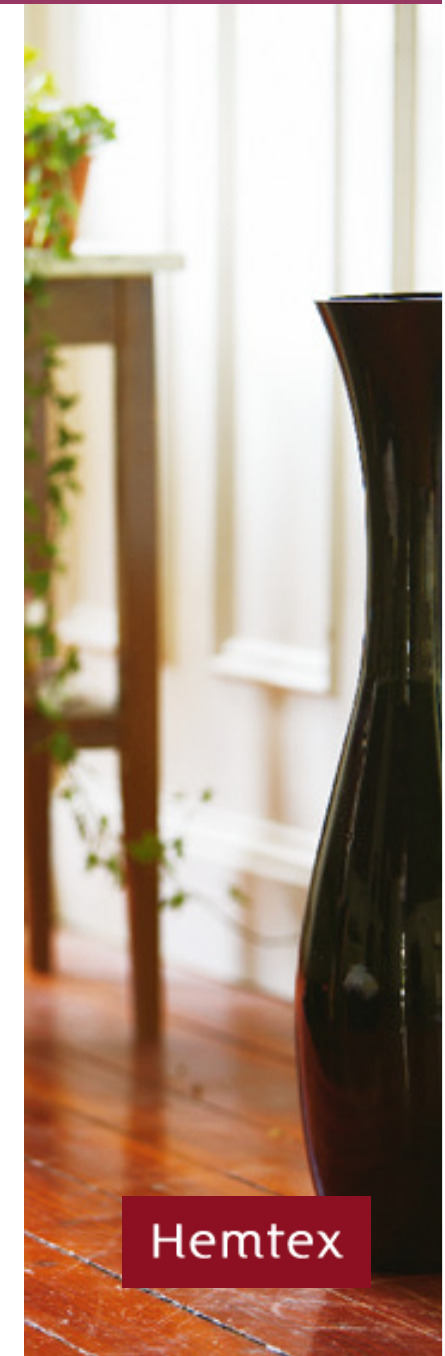
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Increased market share in Sweden



- The total home-textile market in Sweden grew by 10.6% during the period January – September 2007.
- Hemtex market share amounted to 29.8% (30.9) during the first nine months of 2007.
- The market share during the period, October 2006-September 2007, amounted to 30.9% (28.9)

Source: GfK



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The Company

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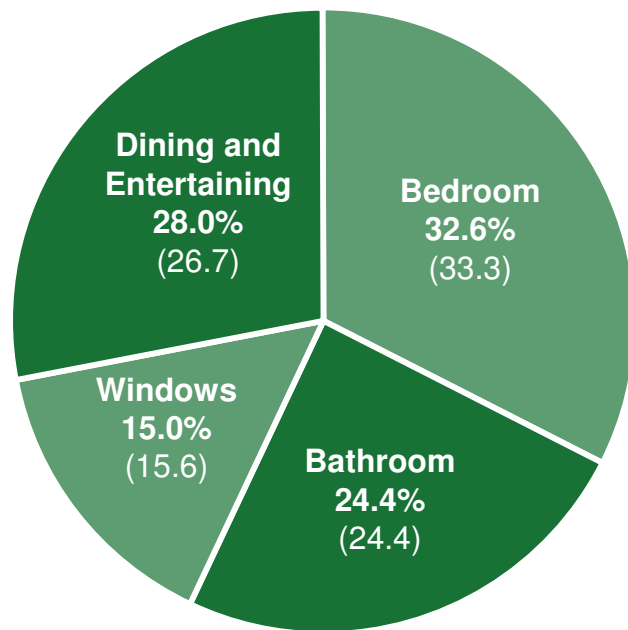
Four product areas



- Bedroom
- Dining and Entertaining
- Bathroom
- Windows

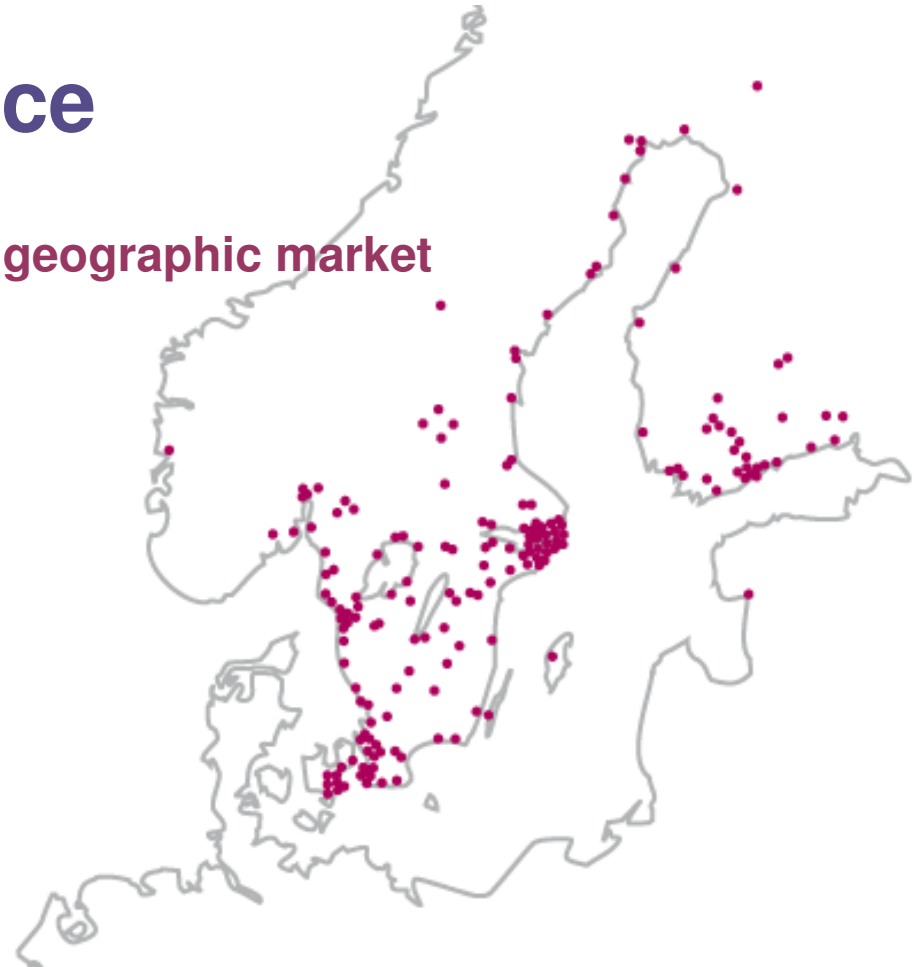
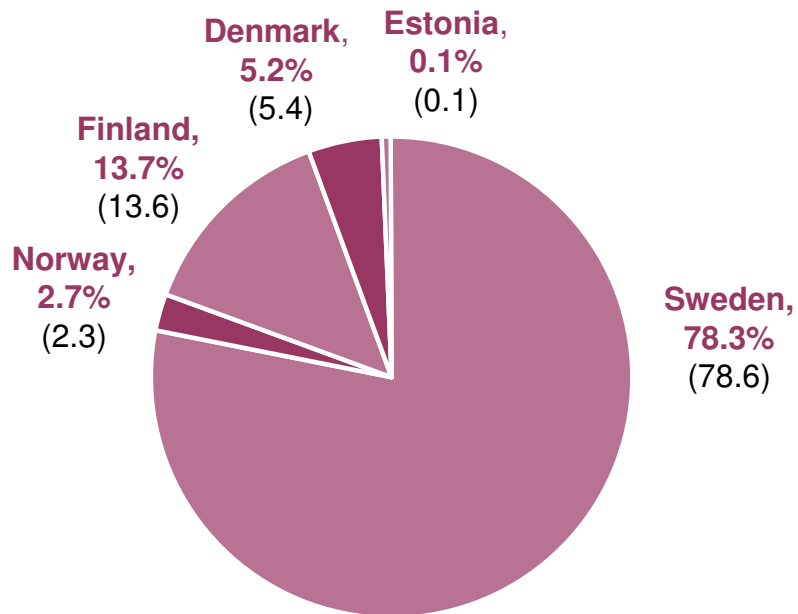
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Sales per product area, %



Geographical presence

The Group's Net Sales
(November 2006 – October 2007) per geographic market



- 144 stores in Sweden, 39 in Finland, nine in Denmark, twelve in Norway, one in Estonia and two in Poland in December 2007
- Geographic coherent expansion
- Potential for approximately 315 stores in the Nordic region and the Baltics
- The Group's Net Sales SEK 1,585 M

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Developed sourcing enables strengthen gross profit margin

- Office in Bangladesh -06 and China -07
- Range of purchase in the Asia 68 > 80%
- Lead time
- Quality control
- Increased direct trading, now 68%
- Target direct trading > 80%
- Working conditions and environment
- Increased control by a new general agreement

Objective: Increased gross profit



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Growth strategies

1. Establishment of stores
2. New store formats
3. Broadening the product line
4. Further geographical expansion



1

Growth strategies

Establishment of stores

- 34 stores were established during the fiscal year 2006/2007 and during the current fiscal year approx. 25 stores are expected to be established
 - store expansion primarily in Sweden, Finland and Norway
 - cautious expansion program in Denmark
- The goal is to increase the number of stores by 15% annually during 2006-2009
- Establishment in Estonia, June 2007



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Growth strategies

New store formats

- Continuous development of store concept
- Store formats
 - **Compact Store** 180 - 220m² –
City- or shopping mall location
 - **Normal format** 220 - 350m² –
City- or shopping mall location
 - **Large format** 350 - 500m² –
City- or shopping mall location
 - **Hemtex & More** 700 – 1,000m² –
Volume shopping location
- Further development of Hemtex & More
- 40 Hemtex & More in the Nordic Region
- Expansion of space in approximately 50 existing stores
 - Sales by m² SEK 33,700
 - Sales area of comparable stores 271 m²



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Growth strategies

Broadening the product line

- Broader product range expands target group and increases sales to existing customers
- Product-range development for continued sales increase
 - Broader range through complementary home accessories
 - Developed product-range for Hemtex & More
 - Efforts on broadening the range of children's products
 - Adding assortment for existing store spaces



Licensing agreements by Hemtex



JoHANNA LUNDQVIST

- License rights to U.S. Polo Association
- For both home textiles and home decorating products
- In Hemtex stores as of spring 2008.
- License rights from Bull Press applies to figures and brands of Bamse and his friends
- Items such as home textiles, lamps, bathrobes and slippers etc
- License to patterns for home decorating products, chinaware, home textiles and nightwear from Johanna Lundqvist
- Sales in Hemtex Volume stores of the products featuring this popular figures will start as of October this year.

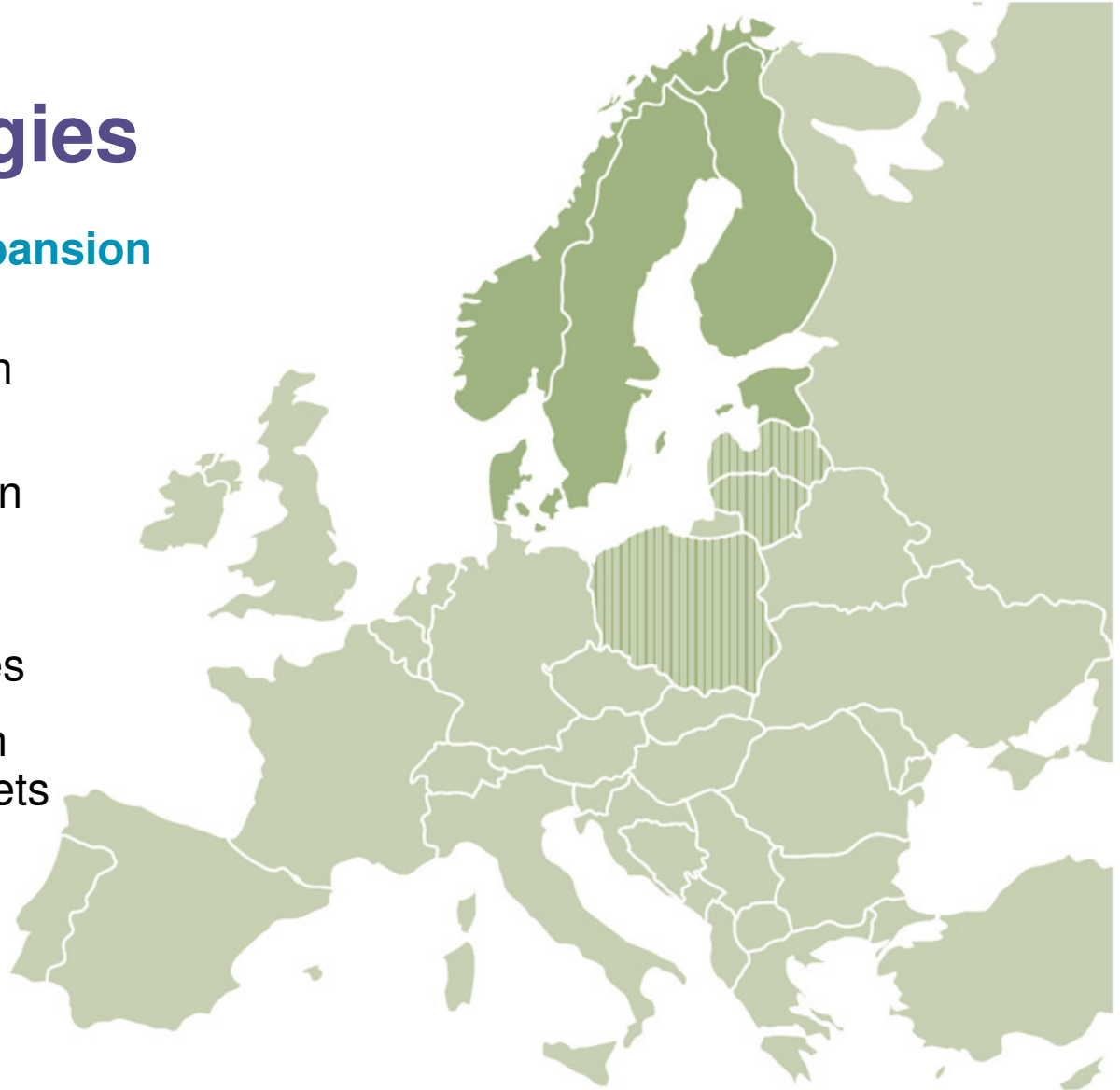
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Growth strategies

Further geographical expansion

- Continued expansion in the Nordic region
- 20-25 stores potential in the Baltics
- Expansion in Poland through franchise stores
- Franchise a potential in new and existing markets



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Financial goals

- Sales growth over
- Operating margin over
- Market share in the Nordic countries over

⇒⇒⇒ 15%

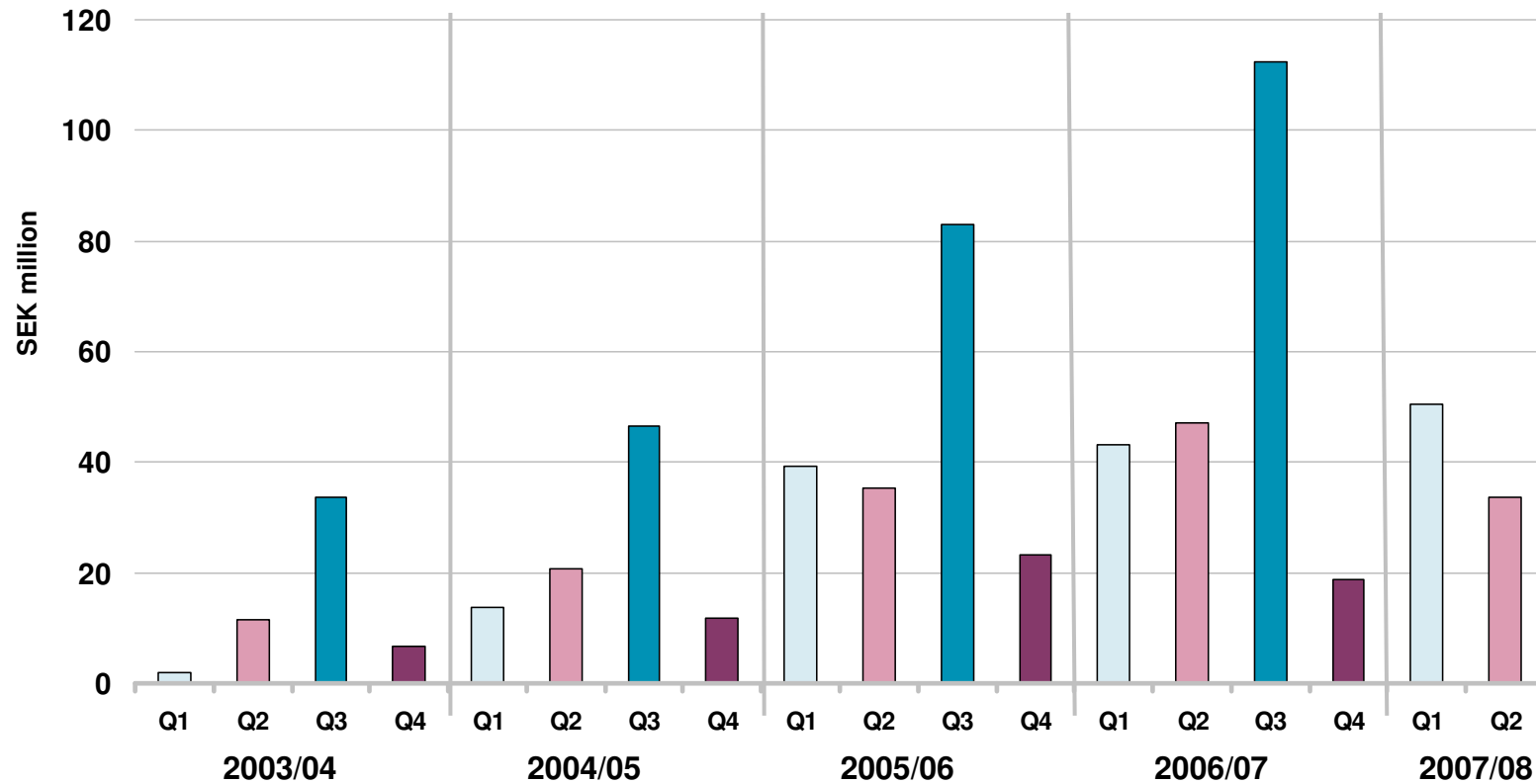
- Dividend policy: a distribution of 30-50% of the year's earnings after taxes



Financial information

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Operating result per quarter



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The second quarter 2007/08

- Operating profit amounted to SEK 33.6 M (47.1)
- Operating margin amounted to 9.1% (13.6)
- The Group's total net sales increased by 8% during the period, August 2007-October 2007
- Consolidated sales in comparable stores decreased by 5% (+6) during the quarter
- Gross profit margin rose by 3.1 percentage points to 54.6%
- The Group opened a total of five new stores, of which one is located in Sweden, two in Finland and two in Norway
- The first franchise store was opened in Poland



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Rolling 12 months November 2006 – October 2007

- Net sales increased 24%
- The gross profit margin amounted to 53.8% compared to 49.6% the preceding fiscal year
- Operating margin amounts to 13.6% (15.4)
- Return on equity amounts to 36.7% (39.3)
- Earnings per share amounted to SEK 5.35 (5.12)
- Net investments amounts to SEK 141.2 M (155.5)
- Operative cash flow after investment amounts to SEK -153.9 M (8.8)



Balance Sheet – October 31, 2007

SEK millions	2006	2007
Intangible fixed assets ¹	231.9	331.0
Tangible fixed assets	86.4	118.5
Financial assets	5.7	5.7
Inventories	259.1	449.6
Current assets	57.9	53.1
Cash and bank balances	53.7	25.2
Total assets	694.7	983.1
Shareholders' equity	397.5	433.5
Long-term liabilities ²	26.5	32.4
Short-term liabilities ²	270.7	517.2
Total equity and liabilities	694.7	983.1
Of which goodwill ¹	195.2	279.3
Of which, interest-bearing liabilities ²	65.3	309.0

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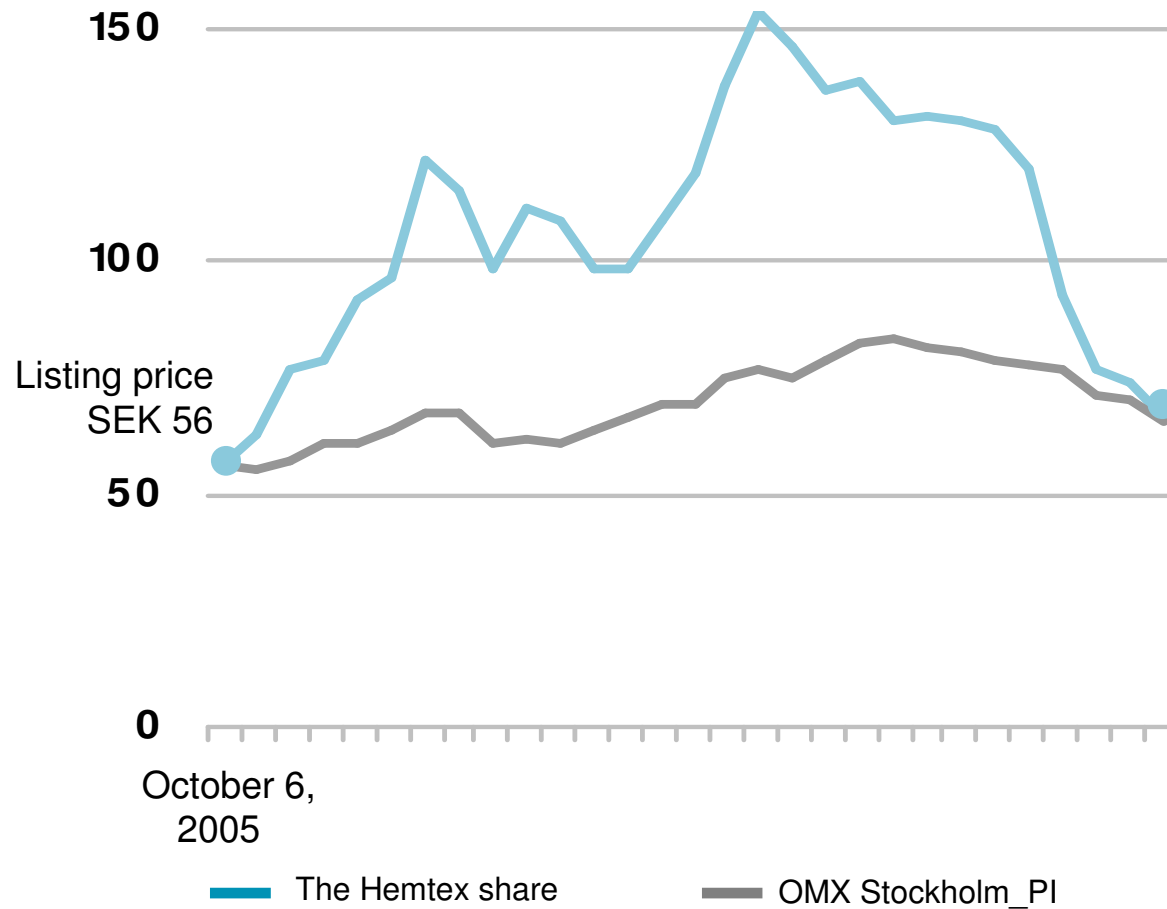
Multi-year review

						R12
The Hemtex Group	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08
Net Sales, SEK million	494.8	590.1	804.6	1,159.6	1,470.5	1,584.8
Net sales growth, %	7.5	19.3	36.4	44.1	26.8	23.8
Gross profit margin, %	29.3	32.4	39.3	47.2	52.2	53.8
Operating profit, SEK million	24.0	54.1	93.0	180.9	221.5	215.1
Operating margin, %	4.8	9.2	11.6	15.6	15.1	13.6
Net profit, SEK million	11.6	36.5	69.2	130.5	159.5	152.4
Cash flow after investments, SEK million	46.3	9.4	79.3	13.2	- 43,4	- 153.9
Return on equity, %	26.4	42.2	40.9	42.6	35,9	36.7
Return on capital employed, %	16.4	35.2	45.9	55.8	45,5	35.8
Equity/assets ratio, %	27.3	49.6	60.3	68.0	61,6	44.1
Capital turnover ratio, times	3.8	3.7	4.5	3.8	2,9	2.8
No. of full-year employees	162	162	284	433	602	691
No. of own stores, end of period	20	32	62	101	163	173
Total no. of stores, end of period	98	107	129	153	186	197

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The Hemtex share

Index: Mid Cap
Sector: Consumer
Discretionary



At January 7, 2008, the price quoted was SEK 66.75

> 100,840 shares traded each day since the listing

ATH at January 22, SEK 158.50

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Ownership structure

Number of shares	Number of owners	% of all owners	Number of shares	% of share capital
1 - 200	3,177	56.1%	416,499	1.4%
201 - 1,000	1,837	32.5%	1,022,069	3.5%
1,001 - 10,000	457	8.1%	1,417,902	4.8%
10,001 – 100,000	140	2.5%	5,046,070	17.2%
100,001 -	43	0.8%	21,434,860	73.1%
Total	5,654	100.0%	29,337,400	100.0%

Registered owners as of 30 November 2007.

Largest shareholders

	Share of votes and capital	Owner	Total number of shares	Share of votes and capital
		AB Industrivärden	3,700,000	12.6%
Foreign owners	32.9%	Orkla ASA	2,000,000	6.8%
Swedish owners	67.1%	Modulus Europe	1,775,100	6.1%
of which		Andra AP-Fonden	1,615,719	5.5%
Legal persons	81.9%	SMALLCAP World Fund Inc.	1,435,000	4.9%
Persons	18.2%	Aktie-Ansvar Fonder	913,500	3.1%
		EFG Private Bank S.A., W8IMY	782,316	2.7%
		SSB CL Omnibus AC	729,011	2.5%
		SEB Investment Managment	632,300	2.2%
		Första AP-Fonden	619,300	2.1%
		Other owners	15,135,154	51.6%
		Total	29,337,400	100.0%

Registered owners as of 30 November 2007.

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December update on website in the end of this week.



Summary

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Summary

- Leading home textile retail chain in the Nordic region
- Continued growth in Net sales
- The Market share continues to increase in the Nordic region
- Focus on sourcing gives strong increase in Gross profit margin
- Strong expansion growth
- Strong financial track record – further potential



www.hemtex.com

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A close-up photograph of a fabric with a repeating pattern of light green and white. The pattern consists of stylized, rounded shapes that resemble the letter 'C' or 'G'. The fabric has a visible woven texture. A hem is visible at the bottom of the fabric, showing the underside of the pattern. The background is a soft, out-of-focus green. The image is framed by a dark red bar at the top and a dark blue bar at the bottom.

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