



Presentation

**SEB Enskilda
Nordic Small and
Mid-Caps Seminar
10 January 2007**



Hemtex

Agenda

**Introduction to
Hemtex**



Introduction and second quarter, 2006/2007

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.

2004

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

2005

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

2006

- Hemtex opens stores in Norway

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.

Hemtex

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 183¹⁾ stores in Sweden, Finland, Denmark and Norway
- Control over the entire value chain
- Mix of own stores and franchise stores
- Net sales of SEK 1,280 M (consumer sales, including franchise stores, of SEK 1,486 M) and operating margin of 15,4%²⁾

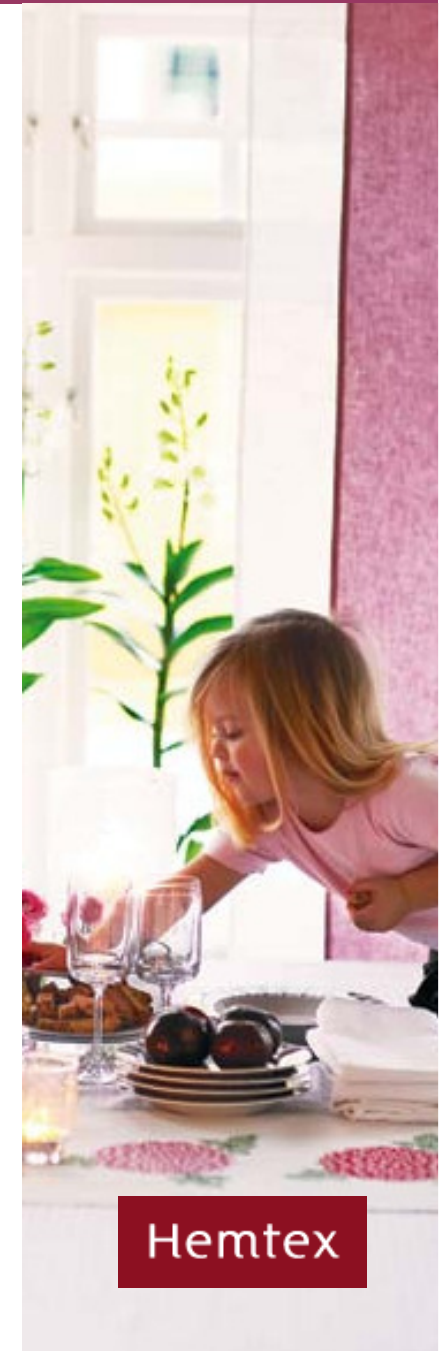
1) In December 1, 2006

2) November 2005 - October 2006



The second quarter 2006/07

- Operating profit rose to SEK 47.1 M (35.4)
- Operating margin amounted to 13.6% (12.6)
- The Group's total net sales increased by 23% during the period, August-October 2006
- Same-store sales growth of 6% (6) during the quarter.
- Gross profit margin rose by 8.3 percentage points to 51.5%
- 13 new stores were established within the Group and 14 franchise stores were acquired



Hemtex

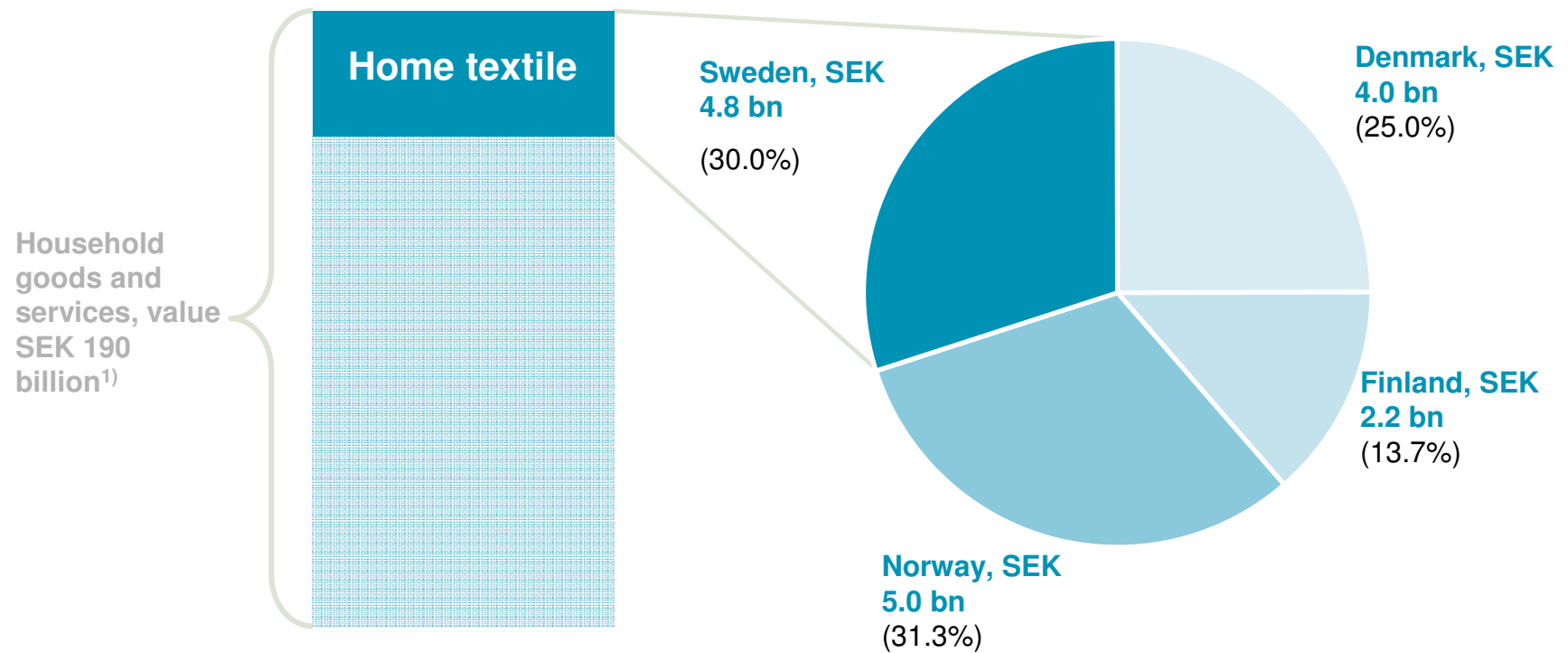


The Market

Hemtex

Nordic market value of SEK 16 billion

Nordic home textile market²⁾



1) Source: Euromonitor,

2) Source: Estimation of Hemtex,

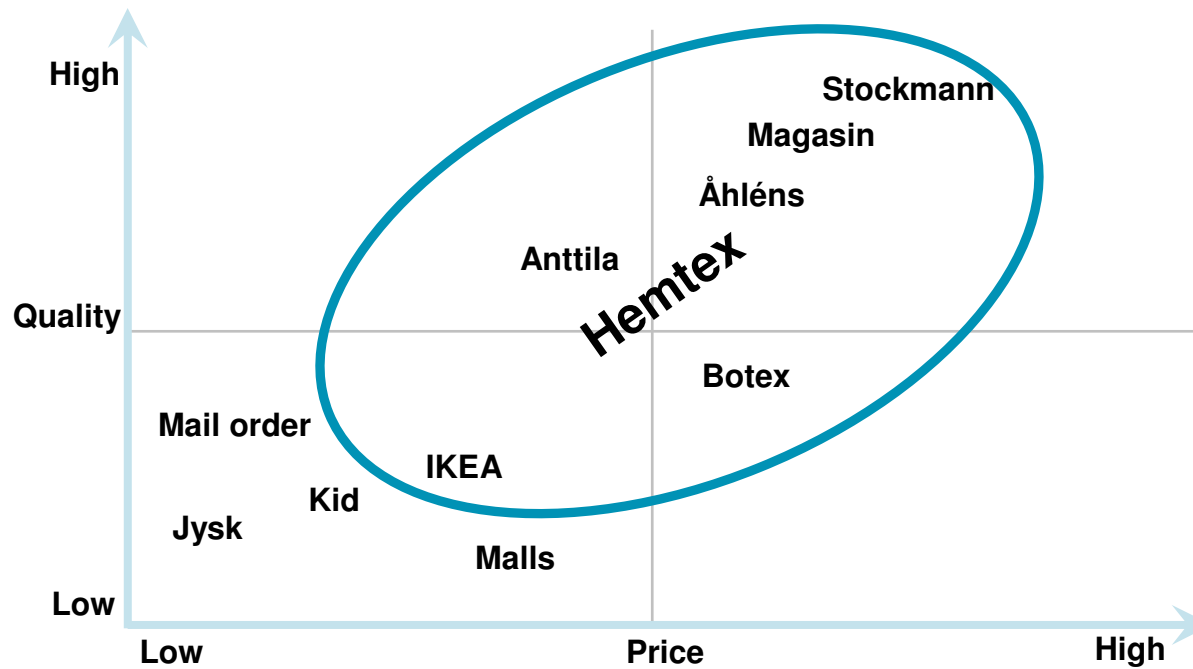
Trends in home textile

- Customers update their homes with greater frequency
- Decorating/fashion trends change rapidly
- Lower product prices
- 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



Hemtex

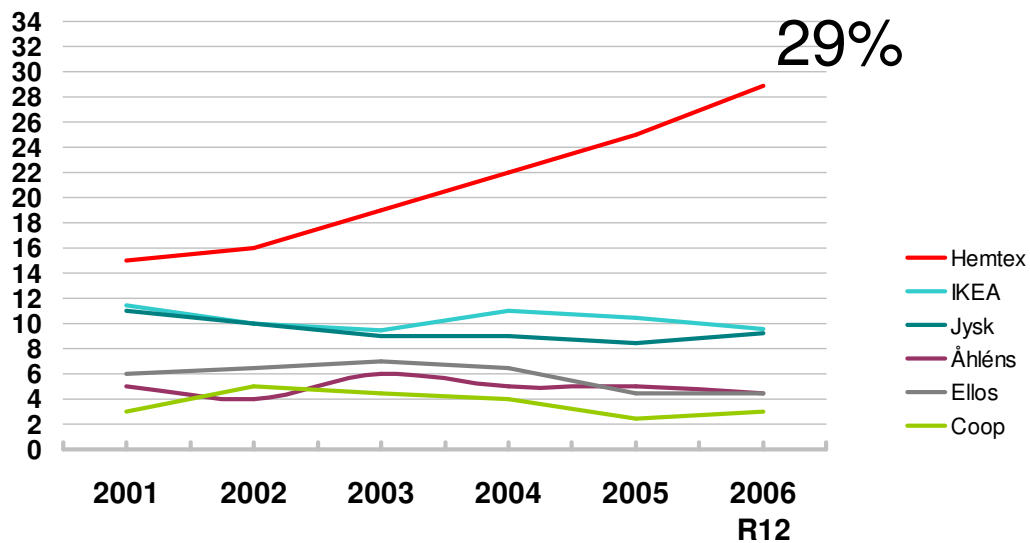
Broad offer



Source: Estimation by Hemtex

Hemtex

Increased market share



- Continued growth for Hemtex during January – September 2006
- Great potential outside Sweden

Source: GfK Sweden





The Company

Hemtex

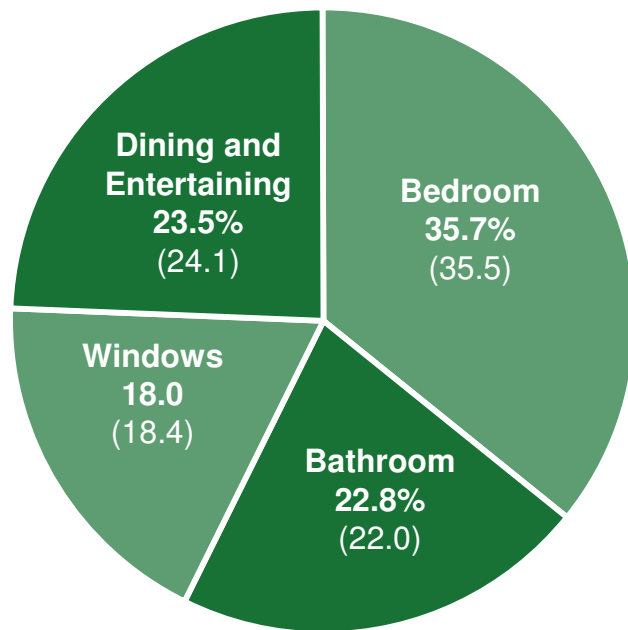
Four product areas



- Bedroom
- Dining and Entertaining
- Bathroom
- Windows

Hemtex

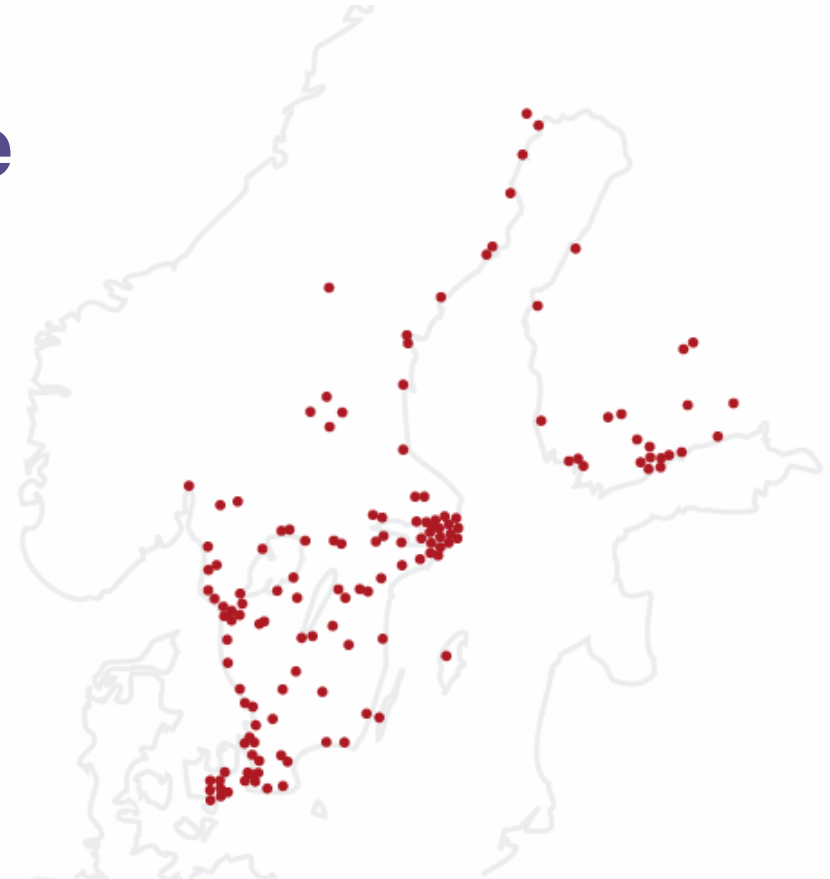
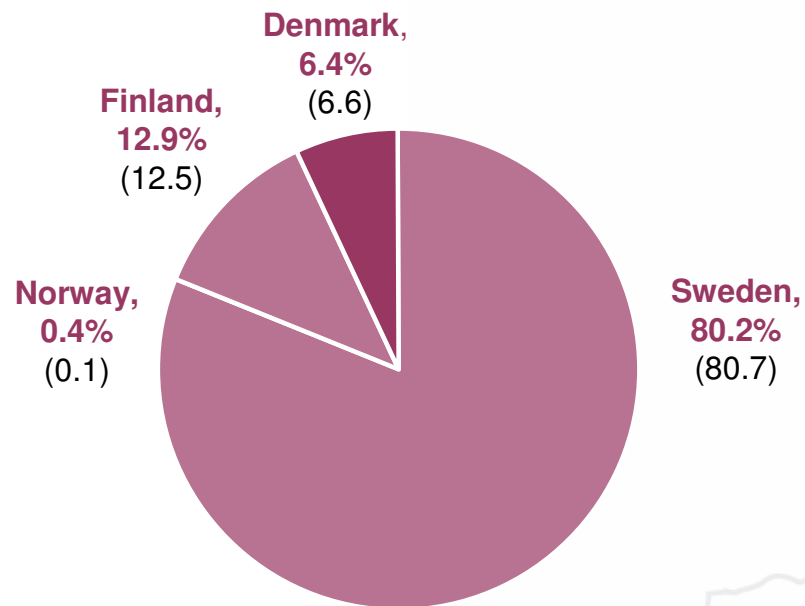
Sales per product area, %



Hemtex

Geographical presence

The Group's Net Sales (November 2005 – October 2006) per geographic market



- 132 stores in Sweden, 26 in Finland, 9 in Denmark and 3 in Norway
- Geographic coherent expansion
- Potential for at least 290 stores
- The Group's Net Sales SEK 1,280 M

Establishments in Norway

- During the autumn 2006 five stores have been established in the Oslo region
- Geographic coherent expansion
- Stores have been established in:
 - Torggaten i Oslo city
 - House of Oslo
 - Moss
 - Skien
 - Tönsberg
- Positive response on the market

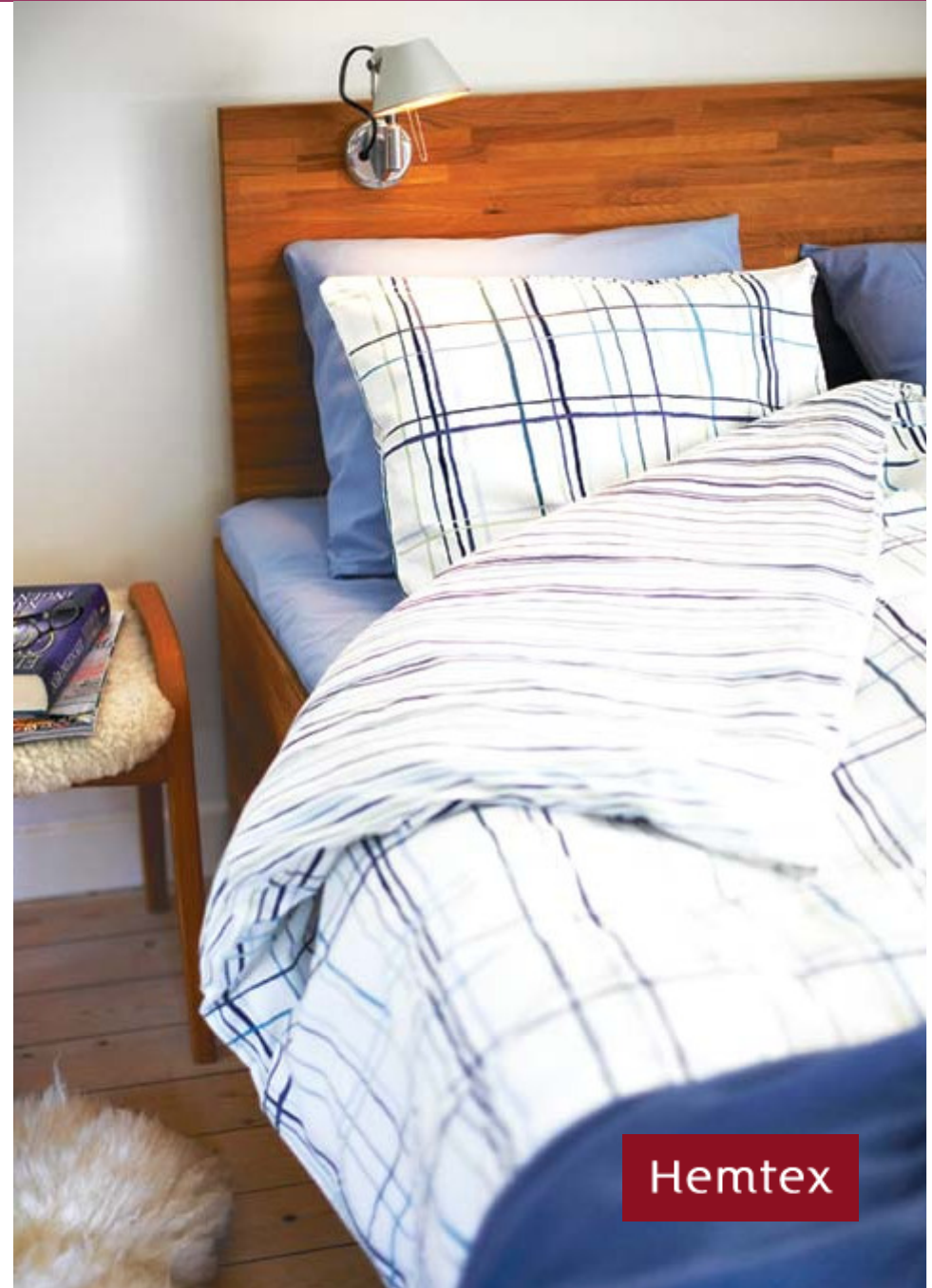


Hemtex

Hemtex key success factors

- Volume sales to a broad consumer target group
- Increased shares of own stores
- Focus on sales promotion
- Cost control/sourcing/logistics

Doubled sales since 2002/03
Operating margin trebled



Hemtex

Developed sourcing enables strengthen gross profit margin

- Office in Bangladesh -06 and China -07
- Range of purchase in the Asia 60 > 80%
- Lead time
- Quality control
- Increased direct trading, now 60%
- Target direct trading > 80%
- Working conditions and environment
- Increased control by a new general agreement

Objective: Increased gross profit



Hemtex

Growth strategies

1. Establishment of own stores
2. Integration of franchise stores
3. New store formats
4. Broadening the product line



1

Growth strategies

Establishment of own stores

- For the fiscal year 2006/2007 the Group will establish approximately 35 stores
 - store expansion primarily in Sweden, Finland and Norway
 - cautious expansion program in Denmark
- Long term goal is to increase the number of stores by 15% annually during 2006-2009
- Test of the Baltic Market

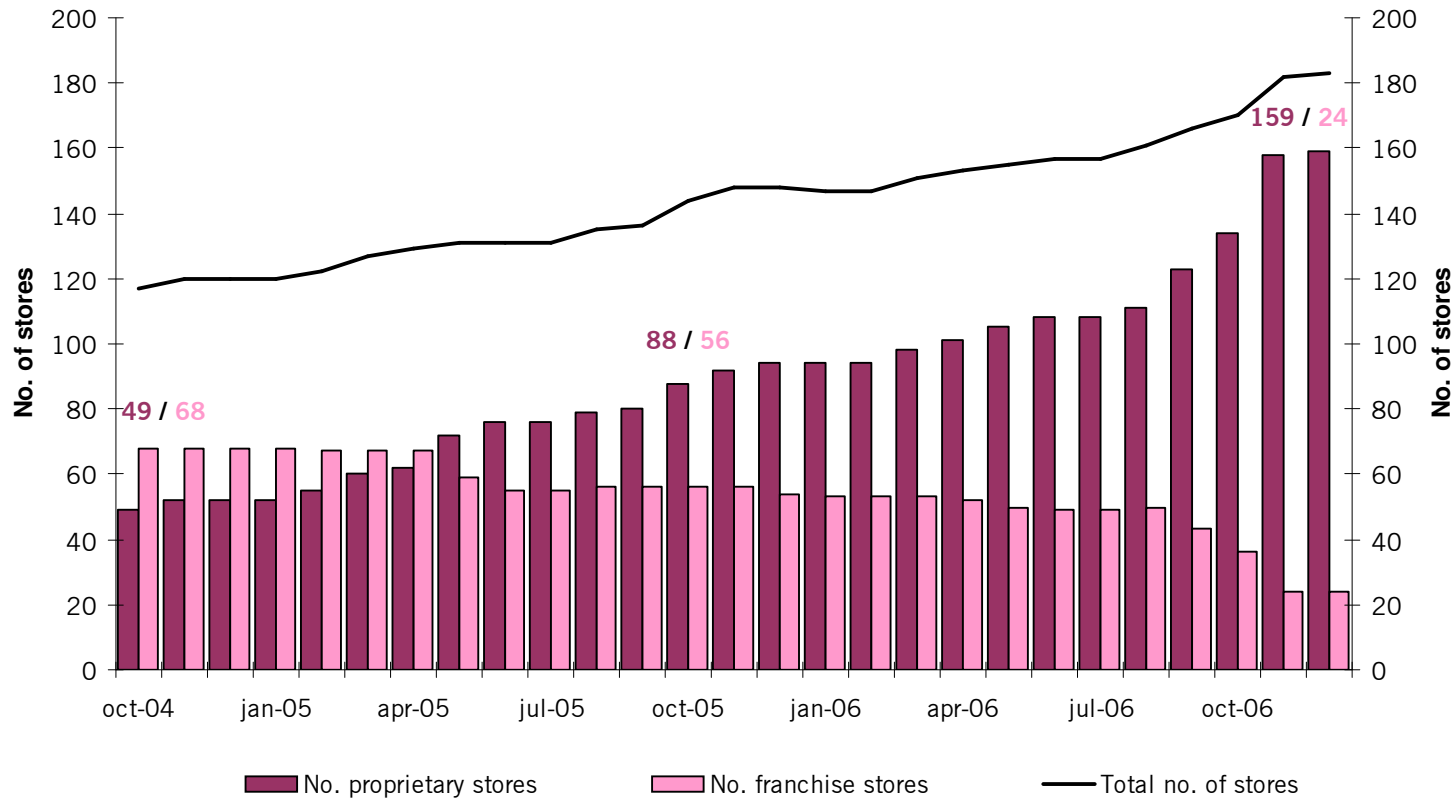


Hemtex

2

Growth strategies

Integration of franchise stores



- Successful track record of integration of franchise stores
- 29 franchise stores have been acquired during the fiscal year 2006/2007



3

Growth strategies

New store formats

- Continuous development of store concept
- In-store communication increasingly important
- New 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
 - **Volume store** 700 – 1,000m² – Volume shopping location
- Expansion of space in existing stores
 - Sales by m² SEK 37,100
 - Sales area of comparable stores 267 m²



Hemtex

4

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
- Market for more exclusive grades of bed linen is expanding
- Focus on innovation and technical development of quilts and pillows
- Ready-sewn curtains and hangings are replacing products sold by the meter
- Development of curtain accessories and faster purchasing of complementary fashion textiles, such as scatter cushions
- Permanent messages, exclusively good offerings, connected to given store space to enable more precise category management



Hemtex

Financial goals

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



15%

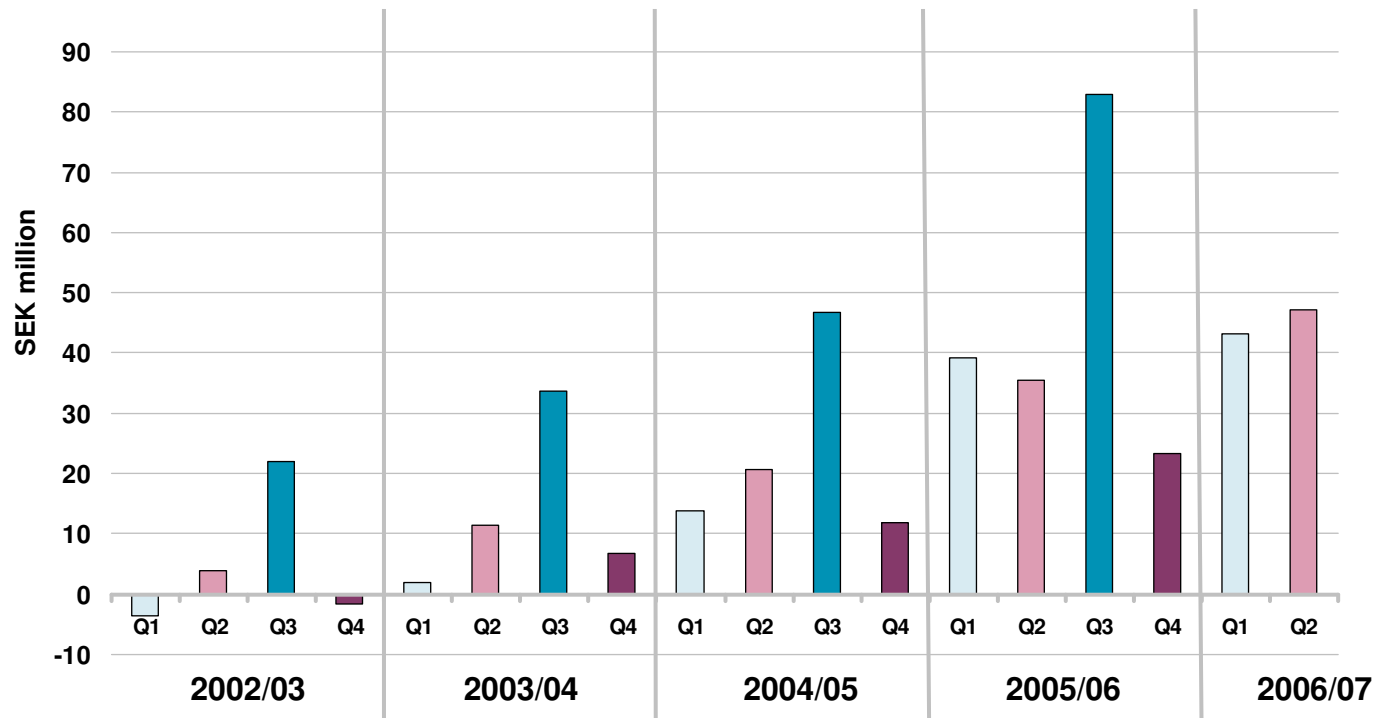
- Dividend policy: a distribution of 30-50% of the year's earnings after taxes



Financial information

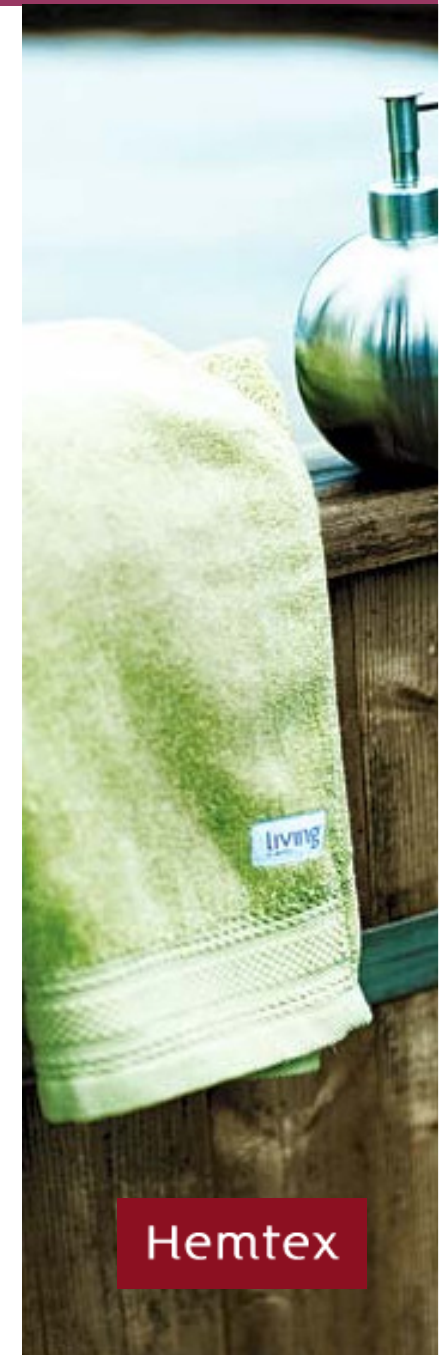
Hemtex

Improvement of quarterly results



Rolling 12 months November 2005 – October 2006

- Net sales increased 35%
- The gross profit margin amounted to 49.6% compared to 43.7% the preceding fiscal year
- Operating margin amounts to 15.4% (14.0)
- Return on equity amounts to 39.3% (40.9)
- Earnings per share amounted to SEK 5.12 (3.70)
- Net investments amounts to SEK 155.5 M (80.0)
- Operative cash flow after investment amounts to SEK 8.8 M (42.5)



Balance Sheet – October 31, 2006

SEK millions	2005	2006
Intangible fixed assets ¹	138.3	231.9
Tangible fixed assets	50.8	86.4
Financial assets	7.8	5.7
Inventories	185.6	259.1
Current assets	60.6	57.9
Cash and bank balances	64.7	53.7
Total assets	507.8	694.7
Shareholders' equity	320.8	397.5
Long-term liabilities ²	27.3	26.5
Short-term liabilities ²	159.7	270.7
Total equity and liabilities	507.8	694.7
Of which goodwill ¹	109.2	195.2
Of which, interest-bearing liabilities ²	20.4	65.3

Hemtex

Multi-year review

The Hemtex Group	2001/02 ¹⁾	2002/03 ²⁾	2003/04	2004/05	2005/06	Rolling 12, Oct 2006
Net Sales, SEK million	460.4	494.8	590.1	804.6	1,159.6	1,280.4
Net sales growth, %	9.7	7.5	19.3	36.4	44.1	35.2
Gross profit margin, %	26.6	29.3	32.4	39.3	47.2	49.6
Operating profit, SEK million	-4.0	24.0	54.1	93.0	180.9	196.7
Operating margin, %	-0.9	4.8	9.2	11.6	15.6	15.4
Net profit, SEK million	-12.4	11.6	36.5	69.2	130.5	143.4
Cash flow after investments, SEK million	-17.4	46.3	9.4	79.3	13.2	8.8
Return on equity, %	-31.0	26.4	42.2	40.9	42.6	39.3
Return on capital employed, %	-2.5	16.4	35.2	45.9	55.8	49.4
Equity/assets ratio, %	18.9	27.3	49.6	60.3	68.0	57.2
Capital turnover ratio, times	3.0	3.8	3.7	4.5	3.8	3.7
No. of full-year employees	159	162	162	284	433	493
No. of own stores, end of period	21	20	32	62	101	134
Total no. of stores, end of period	98	98	107	129	153	170

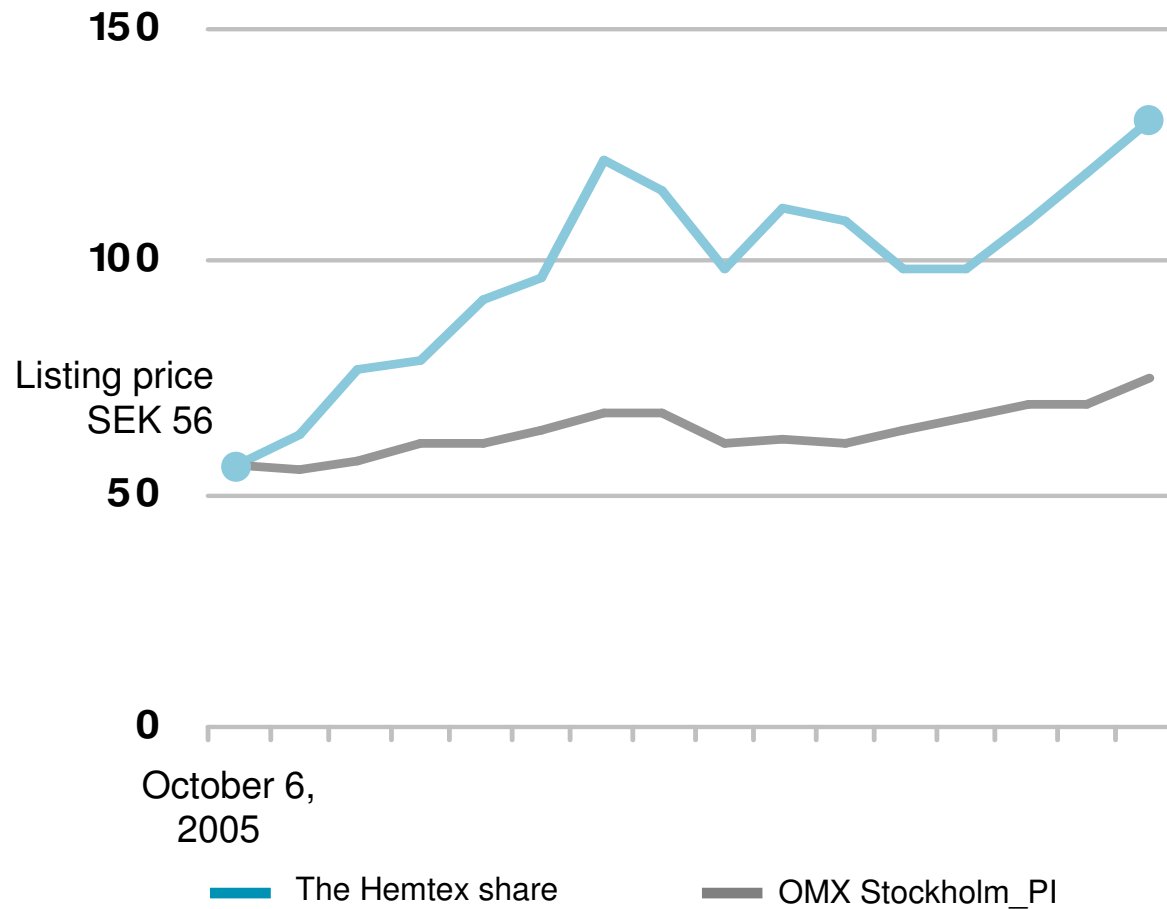
1) Formal accounts reported in accordance with the Annual Accounts Act and the general recommendations of the Swedish Accounting Standards Board.

2) Key ratios based entirely on applicable IFRS definitions.

Hemtex

The Hemtex share

Index: Mid Cap
Sector: Consumer
Discretionary



At January 8, 2007, the price quoted was SEK 130,00

> 86 000 shares traded each day since the listing



Ownership structure

Number of shares	Number of owners	% of all owners	Number of shares	% of share capital
1 - 200	2,849	55.8%	400,343	1.4%
201 - 1,000	1,683	32.9%	935,561	3.3%
1,001 - 10,000	419	8.2%	1,373,539	4.9%
10,001 – 100,000	113	2.2%	4,428,557	15.8%
100,001 -	46	0.9%	20,879,400	74.6%
Total	5,110	100.0%	28,017,400	100.0%

Registered owners as of 29 December 2006.

Largest shareholders

	Share of votes and capital	Owner	Total number of shares	Share of votes and capital
		Skandia Investment	2,801,740	10.0%
Foreign owners	28.5%	AB Industrivärden	2,130,600	7.6%
Swedish owners	71.5%	SSB CL Omnibus AC	1,698,955	6.1%
of which		Modulus Europe	1,525,100	5.4%
Legal persons	72.8%	Första AP-Fonden	1,169,400	4.2%
Persons	27.2%	EFG Private Bank S.A.	818,248	2.9%
		Orkla ASA	789,500	2.8%
		Cantillon Capital Mgmt LLP	700,000	2.5%
		Swedbank Robur and others	640,228	2.3%
		HL Hemtextil AB and others	600,316	2.1%
		Remaning shareholders	14,984,131	54.0%
		Total	28,017,400	100.0%

Registered owners as of 29 December 2006.

Hemtex



Summary

Hemtex

Summary

- Continued growth in Net sales
- Strong increase in Gross profit margin
- Operating margin amounts to 15.4%
- The Market share continues to increase
- Strong expansion growth
- Goals (15/15/15)
- Strong financial track record – further potential



www.hemtex.com

Hemtex



Hemtex