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Ratings and risk assessment structure

Current rating system as of October 2011

Buy (B), upside of at least 10% to the target price and with an attractive risk/reward profile

Hold (H), the stock is trading close to its target price and is fairly valued

Sell (S), unattractive risk/reward ratio as the stock is trading above its target price

Not rated (NR), Under review (UR), Under bid (UB). The investment rating, if any, has been suspended temporarily.

Risk assessment

The risk assessment is based on the analyst's evaluation of the company's equity beta based on the business risk (asset beta) and financial risk (gearing).

Low risk estimated equity beta <0.75

Medium risk estimated equity beta 0.75 to 1.25

High risk estimated equity beta >1.25

Valuation, methodology, and assumptions

Target price

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Information

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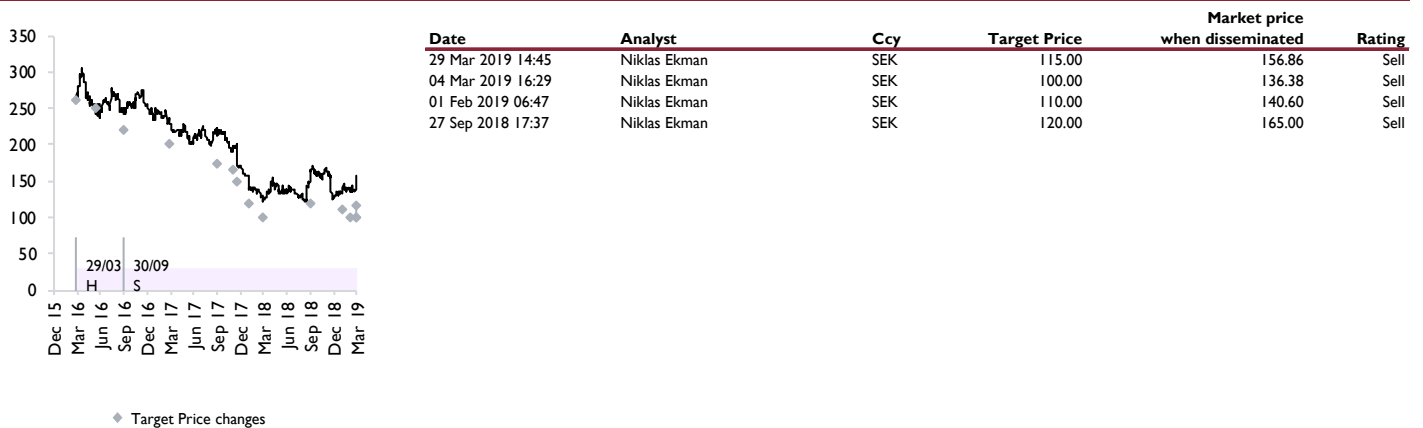
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Hennes & Mauritz price, rating and target price history (HMb.ST)



Our **Target Price Horizon** is 6–12 months

Source: Carnegie Research, Factset

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Stock rating distribution in the previous 12 months

Ratings	Carnegie coverage universe		Investment banking services*	
	% of total		% of total	
Buy	53		74	
Hold	37		26	
Sell	10		0	

*Investment banking services provided by Carnegie in the previous 12 months

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