THE QUARTER IN BRIEF

- Continued challenging for the fashion retail industry
- Sales +5% in local currencies
  - comparable units -4%
- Large negative currency translation effects
  - the Swedish krona continues to strengthen
  - sales including VAT SEK 36,923 m
THE QUARTER IN BRIEF

- Long-term investments in several areas
  - IT and online
  - new fashion brand & Other Stories
  - broadening H&M’s product range
- Cost control remains good
- Profit after tax SEK 4,655 m
# SALES AND PROFITS

## SECOND QUARTER

<table>
<thead>
<tr>
<th>SEK m</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales including VAT</td>
<td>36,923</td>
<td>36,947</td>
</tr>
<tr>
<td>Sales excluding VAT</td>
<td>31,635</td>
<td>31,658</td>
</tr>
<tr>
<td>Gross profit</td>
<td>19,337</td>
<td>19,546</td>
</tr>
<tr>
<td>[Gross margin, %]</td>
<td>61.1</td>
<td>61.7</td>
</tr>
<tr>
<td>Selling and administrative expenses</td>
<td>-13,314</td>
<td>-12,653</td>
</tr>
<tr>
<td>Operating profit</td>
<td>6,023</td>
<td>6,893</td>
</tr>
<tr>
<td>[Operating margin, %]</td>
<td>19.0</td>
<td>21.8</td>
</tr>
<tr>
<td>Net interest income</td>
<td>102</td>
<td>160</td>
</tr>
<tr>
<td>Profit after financial items</td>
<td>6,125</td>
<td>7,053</td>
</tr>
<tr>
<td>Tax</td>
<td>-1,470</td>
<td>-1,834</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>4,655</td>
<td>5,219</td>
</tr>
<tr>
<td>[Earnings per share (SEK)]</td>
<td>2.81</td>
<td>3.15</td>
</tr>
</tbody>
</table>
GROSS MARGIN
SECOND QUARTER

%
**KEY DATA**

<table>
<thead>
<tr>
<th>SEK m</th>
<th>31 May 2013</th>
<th>31 May 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock-in-trade</td>
<td>12,667</td>
<td>11,299</td>
</tr>
<tr>
<td>Cash flow from current operations</td>
<td>11,218</td>
<td>10,668</td>
</tr>
<tr>
<td>Investments</td>
<td>3,375</td>
<td>2,620</td>
</tr>
<tr>
<td>Liquid funds and short-term investments</td>
<td>9,061</td>
<td>13,543</td>
</tr>
<tr>
<td>Return on equity*, %</td>
<td>45.0</td>
<td>48.0</td>
</tr>
</tbody>
</table>

* rolling 12 months
EXPANSION

- Approx. 350 new stores net for full-year 2013
- 90 new stores net in Q2
  - in total 2,908 stores in 49 markets
- Strong expansion in Asia
- First H&M store in the southern hemisphere in Chile
  - later this year Estonia, Lithuania, Serbia and via franchise Indonesia
- H&M opens in Australia in 2014
EXPANSION

- Continued online expansion
  - launch of H&M shop online in the US in August
  - continue to work with global roll-out of H&M’s shop online

- H&M expands with all brands
  - COS, Monki, Weekday and Cheap Monday
  - H&M Home to new countries
& OTHER STORIES

- Fantastic reception from the customers
- Stores have opened in seven big cities, Barcelona, Berlin, Copenhagen, London, Milan, Paris and Stockholm
- Shop online in ten European countries on stories.com
H&M SPORT

- Extended sports concept for women, men and children in the beginning of 2014
  - in H&M’s online markets and selected stores
- H&M dresses Olympic teams
  - collection developed by H&M’s design team in collaboration with Swedish Olympians
AUTUMN FASHION
ISABEL MARANT

- Revolutionized the fashion industry and defined the chic Parisian woman
- Feminine and relaxed look with rock ‘n’ roll spirit and bohemian French touch
- Available from 14 November
  - in approx. 250 H&M stores
  - online
- Clothing and accessories for women, men and teenagers
H & M Hennes & Mauritz AB