H & M Hennes & Mauritz AB

TELEPHONE CONFERENCE 30 JANUARY 2014

FULL-YEAR REPORT
NILS VINGE
INVESTOR RELATIONS MANAGER

JYRKI TERVONEN
CHIEF FINANCIAL OFFICER
FOURTH QUARTER 2013

- Sales +13% in local currencies
  - comparable units +3%
- Net sales SEK 36,495 m (+12%)
- Gross profit SEK 22,189 m (+11%)
  - gross margin 60.8 percent (61.6%)
- Operating margin 19.9 percent (20.1%)
- Profit after financial items
  SEK 7,337 m (+11%)
- Profit after tax SEK 5,608 m (+6%)
- Earnings per share SEK 3.39 (3.19)
FULL-YEAR 2013

- Sales +9% in local currencies
  - comparable units unchanged
- Net sales SEK 128,562 m (+6%)
- Gross profit SEK 76,033 m (+6%)
  - gross margin 59.1 percent (59.5%)
- Operating margin 17.2 percent (18.0%)
- Profit after financial items
  SEK 22,526 m (+1%)
- Profit after tax SEK 17,152 (+2%)
- Earnings per share 10.36 (10.19)
SALES PER MARKET

FULL-YEAR 2013

No. of stores

Germany 418
USA 336
France 197
UK 245
Sweden 177
Netherlands 130
China 205
Spain 156
Norway 114
Switzerland 87
Italy 116
Austria 72
Belgium 97
Poland 73
Canada 122
Japan 66
Russia 39
Finland 51
Greece 58
Portugal 27
Romania 27
Czech Republic 28
South Korea 38
Hungary 16
Turkey 13
Croatia 19
Ireland 16
Singapore 13
Slovenia 6
Luxembourg 10
Malaysia 7
Slovakia 13
Mexico 3
Chile 3
Bulgaria 11
Latvia 3
Serbia 2
Lithuania 2
Estonia 3
Franchise 110

SEK m
### KEY DATA

<table>
<thead>
<tr>
<th></th>
<th>30 Nov 2013</th>
<th>30 Nov 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock-in-trade</td>
<td>16,695</td>
<td>15,213</td>
</tr>
<tr>
<td>Cash flow from current operations</td>
<td>23,840</td>
<td>18,900</td>
</tr>
<tr>
<td>Investments</td>
<td>8,027</td>
<td>6,827</td>
</tr>
<tr>
<td>Liquid funds and short-term investments</td>
<td>17,224</td>
<td>17,143</td>
</tr>
<tr>
<td>Dividend (SEK)</td>
<td>9.50*</td>
<td>9.50</td>
</tr>
<tr>
<td>Return on equity, %</td>
<td>38.5</td>
<td>38.4</td>
</tr>
<tr>
<td>Average number of employees**</td>
<td>81,099</td>
<td>72,276</td>
</tr>
</tbody>
</table>

* proposed dividend  
** converted to full-time positions
EXPANSION 2013

- Continued strong expansion
  - 356 new stores net during 2013
  - in total 3,132 stores in 53 countries
- China and the US largest expansion markets
  - new flagship store at Times Square, New York for example
- Five new H&M markets 2013
  - Chile, Lithuania, Serbia, Estonia and via franchise Indonesia
EXPANSION
2014-2015

- Approx. 375 new stores planned 2014
  - China and the US largest expansion markets
  - several new flagship stores
- New H&M markets 2014
  - Melbourne, Australia, during the first half year
  - Manila, Philippines, during the second half year
  - a further couple of new markets planned at the end of the year
- H&M will open in South Africa in 2015
H&M ONLINE

- Online sales an important complement to the stores
- Very good start for H&M’s online store in the US
- Global roll-out of online continues
- Four new online markets planned for 2014
  - France new online market spring/summer
  - additional three large markets planned later in the year
COS

- Strong performance during 2013
  - 21 new stores and four new markets
  - in total 85 stores in 20 markets
- Several new markets during 2014
  - USA, South Korea, Australia and Switzerland
  - COS online will open in the US
& OTHER STORIES

- Fantastic reception since the launch in March 2013
- Today eight stores in seven countries
  - online via stories.com in ten markets
- Continued expansion during 2014
  - Belgium and the Netherlands new markets for stores
  - Austria and Ireland new online markets
H&M SPORT

- Extended sports concept for women, men and children
  - focus on function, fit, design and comfort
  - Go Gold launched in January 2014
- H&M dresses the Swedish Olympic Team
  - collection created by H&M’s designers together with Swedish Olympic athletes
H & M Hennes & Mauritz AB