KARL-JOHAN PERSSON
MANAGING DIRECTOR

NILS VINGE
INVESTOR RELATIONS MANAGER

CATARINA MIDBY
TREND EXPERT
SECOND QUARTER 2014

- Strong sales and continued increase in market shares
- Well received spring collections
- Sales incl VAT SEK 44,181 million
  - +20 percent in SEK
  - +16 percent in local currencies
- Sales developed well at all brands
- Substantial long-term investments
- Good cost control maintained
- Operating profit SEK 7,565 m (+26%)
EXPANSION Q2

- 93 new stores net in Q2
  - 3,285 stores in 54 markets
  - China largest expansion market
  - several new flagship stores
- Australia new market 5 April
  - first H&M store in Melbourne very well received
LONG-TERM INVESTMENTS

- Substantial investments within IT, online, new brands and the broadening of the product range
- Important investments for the future, e.g:
  - launch of H&M’s online store in new markets; US in 2013 and France in March 2014
  - & Other Stories, amazingly well received since launch in 2013
  - H&M Sport for women, men and children
# SALES AND PROFITS

## SECOND QUARTER

<table>
<thead>
<tr>
<th>SEK m</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales including VAT</td>
<td>44,181</td>
<td>36,923</td>
</tr>
<tr>
<td>Sales excluding VAT</td>
<td>37,827</td>
<td>31,635</td>
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<tr>
<td>Gross profit</td>
<td>23,010</td>
<td>19,337</td>
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<tr>
<td><em>Gross margin, %</em></td>
<td>60.8</td>
<td>61.1</td>
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<tr>
<td>Selling and administrative expenses</td>
<td>-15,445</td>
<td>-13,314</td>
</tr>
<tr>
<td>Operating profit</td>
<td>7,565</td>
<td>6,023</td>
</tr>
<tr>
<td><em>Operating margin, %</em></td>
<td>20.0</td>
<td>19.0</td>
</tr>
<tr>
<td>Net interest income</td>
<td>78</td>
<td>102</td>
</tr>
<tr>
<td>Profit after financial items</td>
<td>7,643</td>
<td>6,125</td>
</tr>
<tr>
<td>Tax</td>
<td>-1,834</td>
<td>-1,470</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>5,809</td>
<td>4,655</td>
</tr>
<tr>
<td><em>Earnings per share (SEK)</em></td>
<td>3.51</td>
<td>2.81</td>
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# KEY DATA

<table>
<thead>
<tr>
<th></th>
<th>31 May 2014</th>
<th>31 May 2013</th>
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<tbody>
<tr>
<td>Stock-in-trade</td>
<td>14,915</td>
<td>12,667</td>
</tr>
<tr>
<td>Cash flow from current operations</td>
<td>11,919</td>
<td>11,218</td>
</tr>
<tr>
<td>Investments</td>
<td>3,931</td>
<td>3,375</td>
</tr>
<tr>
<td>Liquid funds and short-term investments</td>
<td>9,592</td>
<td>9,061</td>
</tr>
<tr>
<td>Return on equity* %</td>
<td>50.5</td>
<td>45.0</td>
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</table>

* rolling 12 months
H&M SUMMER COLLECTION
CLOSE THE LOOP

Long live fashion!
We want your old clothes and home textiles in order to give them a second life and save natural resources.
ALEXANDER WANG x H&M

- Established in the fashion world by constantly evolving the urban uniform
  - fashion forward tailoring and sporty looks
- Garments and accessories for both women and men
  - launch 6 November
  - in approx. 250 H&M stores
  - online at hm.com
H&M SHOES

- Extended and improved shoe range to launch autumn 2014
  - for women, men, youth and children
  - online at hm.com
  - in selected stores in nine markets including China, US, UK and Sweden
- A variety of styles in different price categories, all at H&M prices
- Part of H&M’s long-term investments
EXPANSION
2014-2015

- 375 new stores net planned 2014
  - largest expansion in China and US
- Three new H&M markets 2014
  - Australia opened in April
  - The Philippines and India planned to open in the second half of the year
- South Africa and Peru new markets in 2015
- Expansion continues for the brands
  - COS, & Other Stories, Monki, Weekday, Cheap Monday and H&M Home
H&M ONLINE

- Four new large markets for H&M’s online store in 2014
  - France opened in March
  - Spain and Italy early autumn
  - China towards the end of the year
- Global roll-out of H&M’s online store to continue
  - eight to ten new online markets planned to open in 2015