NILS VINGE
INVESTOR RELATIONS MANAGER

JYRKI TERVONEN
CHIEF FINANCIAL OFFICER
SECOND QUARTER 2014

- Net sales SEK 37,827 (+20%)
- Well received spring collections
  - continued increase in market shares
- Sales developed well at all brands
- Gross profit SEK 23,010 (+19%)
  - gross margin 60.8 percent (61.1%)
- Good cost control maintained
- Operating margin 20 percent (19%)
- Profit after financial items
  SEK 7,643 m (+25%)
- Earnings per share 3.51 (2.81)
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
# KEY DATA

<table>
<thead>
<tr>
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<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>
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<tr>
<td>Cash flow from current operations</td>
<td>11,919</td>
<td>11,218</td>
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<td>Investments</td>
<td>3,931</td>
<td>3,375</td>
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<td>Liquid funds and short-term investments</td>
<td>9,592</td>
<td>9,061</td>
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<td>Return on equity* %</td>
<td>50.5</td>
<td>45.0</td>
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* rolling 12 months
EXPANSION

- 93 new stores net in Q2
  - 3,285 stores in 54 markets 31 May
- 375 new stores net planned 2014
- Three new H&M markets in 2014
  - first store in Australia opened in Melbourne in April, very well received
  - The Philippines and India planned new markets during autumn
- H&M to open in South Africa and Peru in 2015
EXPANSION
NEWER BRANDS

- Continued expansion for COS, & Other Stories, Monki, Weekday and Cheap Monday
- New markets for COS 2014
  - Switzerland, South Korea, Australia and US
- New markets for & Other Stories 2014
  - Belgium, Netherlands and US
- H&M Home to approx. 15 new markets
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
H&M SHOES

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