• NILS VINGE
  INVESTOR RELATIONS

• JYRKI TERVONEN
  CHIEF FINANCIAL OFFICER
2014 IN BRIEF

• 2014 a very good year for H&M
  – well-received collections for all Group brands
  – continued strong expansion in stores and online
  – increased market share
• Substantial long-term investments within IT, online, new brands and broadening of the product range
• Good cost control maintained
• H&M employees and the H&M spirit key to success
  – SEK 303 m allocated to H&M Incentive Program
• Net profit SEK 20 billion; +18% before HIP allocation
SALES

Q4 Full year

SEK m incl. VAT

2013 2014

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4</td>
<td>42,610</td>
<td>49,656</td>
</tr>
<tr>
<td>Full year</td>
<td>150,090</td>
<td>176,620</td>
</tr>
</tbody>
</table>

\[ \Delta + 17\% \quad \Delta + 18\% \]
SALES PER MARKET
TEN LARGEST MARKETS, FULL YEAR 2014

<table>
<thead>
<tr>
<th>Country</th>
<th>SEK m</th>
<th>Number of stores</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>440</td>
<td></td>
</tr>
<tr>
<td>US</td>
<td>356</td>
<td></td>
</tr>
<tr>
<td>UK</td>
<td>253</td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>205</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>291</td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>176</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>135</td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>132</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>159</td>
<td></td>
</tr>
<tr>
<td>Switzerland</td>
<td>93</td>
<td></td>
</tr>
</tbody>
</table>
GROSS PROFIT AND GROSS MARGIN

<table>
<thead>
<tr>
<th></th>
<th>Gross profit (SEK m)</th>
<th>Gross margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4</td>
<td>22,181</td>
<td>60.8%</td>
</tr>
<tr>
<td></td>
<td>25,774</td>
<td>60.4%</td>
</tr>
<tr>
<td>Full year</td>
<td>76,025</td>
<td>59.1%</td>
</tr>
<tr>
<td></td>
<td>89,052</td>
<td>58.8%</td>
</tr>
</tbody>
</table>
SG&A

Q4 2013: 14,999 SEK m  
Q4 2014: 18,043 SEK m  
△ + 20%

Full year 2013: 53,935 SEK m  
Full year 2014: 63,469 SEK m  
△ +18%

SEK m
PROFIT AFTER FINANCIAL ITEMS

<table>
<thead>
<tr>
<th></th>
<th>Q4</th>
<th>Full year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>7,259</td>
<td>22,448</td>
</tr>
<tr>
<td>2014</td>
<td>7,799</td>
<td>25,895</td>
</tr>
</tbody>
</table>

△ + 7% △ + 15%
### SALES AND PROFITS

#### FOURTH QUARTER

<table>
<thead>
<tr>
<th></th>
<th>2014 (SEK m)</th>
<th>2013 (SEK m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales excluding VAT</td>
<td>42,644</td>
<td>36,495</td>
</tr>
<tr>
<td>Gross profit</td>
<td>25,774</td>
<td>22,181</td>
</tr>
<tr>
<td>gross margin, %</td>
<td>60.4</td>
<td>60.8</td>
</tr>
<tr>
<td>Operating profit</td>
<td>7,731</td>
<td>7,182</td>
</tr>
<tr>
<td>operating profit, %</td>
<td>18.1</td>
<td>19.7</td>
</tr>
<tr>
<td>Net interest income</td>
<td>68</td>
<td>77</td>
</tr>
<tr>
<td>Profit after financial items</td>
<td>7,799</td>
<td>7,259</td>
</tr>
<tr>
<td>Tax</td>
<td>-1,577</td>
<td>-1,710</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>6,222</td>
<td>5,549</td>
</tr>
<tr>
<td>Earnings per share (SEK)</td>
<td>3.76</td>
<td>3.35</td>
</tr>
</tbody>
</table>
## SALES AND PROFITS

### FULL YEAR

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales excluding VAT</td>
<td>151,419</td>
<td>128,562</td>
</tr>
<tr>
<td>Gross profit</td>
<td>89,052</td>
<td>76,025</td>
</tr>
<tr>
<td>Gross margin, %</td>
<td>58.8</td>
<td>59.1</td>
</tr>
<tr>
<td>Operating profit</td>
<td>22,583</td>
<td>22,090</td>
</tr>
<tr>
<td>Operating margin, %</td>
<td>16.9</td>
<td>17.2</td>
</tr>
<tr>
<td>Net financial income</td>
<td>312</td>
<td>358</td>
</tr>
<tr>
<td>Profit after financial items</td>
<td>25,895</td>
<td>22,448</td>
</tr>
<tr>
<td>Tax</td>
<td>-5,919</td>
<td>-5,355</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>19,976</td>
<td>17,093</td>
</tr>
<tr>
<td>Earnings per share, SEK</td>
<td>12.07</td>
<td>10.33</td>
</tr>
</tbody>
</table>
## KEY DATA

<table>
<thead>
<tr>
<th></th>
<th>30 Nov 2014</th>
<th>30 Nov 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SEK m</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock-in-trade</td>
<td>19,403</td>
<td>16,695</td>
</tr>
<tr>
<td>Cash flow from current operations</td>
<td>24,156</td>
<td>23,840</td>
</tr>
<tr>
<td>Investments</td>
<td>9,391</td>
<td>8,027</td>
</tr>
<tr>
<td>Liquid funds and short-term investments</td>
<td>16,693</td>
<td>17,224</td>
</tr>
<tr>
<td>Dividend (SEK)</td>
<td>9:75*</td>
<td>9:50</td>
</tr>
<tr>
<td>Return on equity, %</td>
<td>41.3</td>
<td>38.4</td>
</tr>
<tr>
<td>Average number of employees**</td>
<td>93,351</td>
<td>81,099</td>
</tr>
</tbody>
</table>

* proposed dividend
** converted to full-time positions
EXPANSION
STORE EXPANSION 2014-2015

• Total 3,511 stores in 55 markets 2014, including all H&M Group brands
  – 379 new stores net added in 2014
  – Australia and Philippines new H&M markets
• Approx. 400 new stores net planned for 2015
  – Taiwan, Peru, Macau, South Africa and India new markets
  – China and the US largest expansion markets
• H&M’s expansion also includes & Other Stories, COS, Monki, Weekday and Cheap Monday
  - six new markets for COS in 2014
  - & Other Stories and COS very well received in the US in 2014
• For & Other Stories and COS even more new stores are planned to open in 2015 compared to 2014
H&M SHOP ONLINE

- Rapid expansion of H&M’s online store, hm.com
  - Four new large online markets 2014
    - France, Italy, Spain and China
  - Nine new online markets 2015
    - Belgium, Bulgaria, the Czech Republic, Hungary, Poland, Portugal, Romania, Slovakia and Switzerland
BROADENING H&M’S PRODUCT RANGE

• Extended product range with H&M Home, and in 2014 H&M Sport and extended shoe range
• H&M Home to approx. 100 additional stores and approx. 10 new markets in 2015
• H&M Beauty to launch autumn 2015
  – new, broad concept for make-up, body care and hair care
  – approx. 900 stores in approx. 40 markets
  – online on hm.com