

## PRESS RELEASE

6 March, 2008



### **H&M ACQUIRES THE COMPANY BEHIND CHEAP MONDAY, WEEKDAY AND MONKI**

**H&M has signed an agreement to acquire the privately owned Swedish fashion company Fabric Scandinavien AB that is running the store chains Weekday and Monki. The Group also designs and sells fashion through a number of own brands, such as Cheap Monday. The turnover for the financial year 2007/08 is expected to reach approximately SEK 400 million. The company will be run as a stand alone subsidiary within the H&M Group.**

– We have been impressed by Fabric Scandinavien's development for a long time and we see a potential to develop stores and concepts in other markets. By working together we can accelerate the growth further. We can also do it in a more efficient manner by drawing on H&M's experience and knowledge of for example production, logistics and establishment, says H&M's CEO Rolf Eriksen.

– H&M is a fantastic company and we have found that we share the same values. Together with H&M we will have better opportunities to truly develop our ideas within fashion and design. H&M's knowledge of for instance production and international expansion will be extremely valuable to us, says Fabric Scandinavien's CEO Lars Karlsson.

The subsidiary **Weekday Brands** designs, produces and runs wholesale selling of young fashion. Its largest own brand is Cheap Monday, primarily a denim line. The idea behind Cheap Monday is fashion at good prices, something that goes well with H&M's business idea; fashion and quality at the best price. Cheap Monday is sold in more than 1,000 stores globally. Among the brands are also MTWTFSS Weekday and Sunday Sun.

The store chain **Weekday** is an urban unisex concept with a total of six stores in Stockholm, Uppsala, Gothenburg and Malmö. In March the first store will open outside Sweden in Copenhagen, Denmark.

**Monki** is a store concept and an own brand for young females. Since the start in Gothenburg in 2006 Monki has expanded to Stockholm, Uppsala, Malmö, Karlstad, Sundsvall and Norrköping, amounting to a total of twelve stores.

H&M acquires 60 percent of the shares in Fabric Scandinavien for SEK 564 million in cash. Sellers are the founders Adam Friberg, Lars Karlsson, Örjan Andersson and Linda Friberg. They will all continue to work within the company. In connection with the transaction the parties entered into agreement according to which H&M has the possibility/obligation to acquire the remaining shares in the company within three to five years. The total turnover of the Group's business was approximately SEK 250 million during the financial year 2006/07, with an operating result of SEK 67 million. The expected turnover for the financial year 2007/08 is approximately SEK 400 million with continued good profitability. The employment conditions for the 300 employees will not change as a result of the transaction.

The transaction is conditioned by acceptance of relevant competition authorities. SEB Enskilda has acted as financial advisor to H&M in connection with the acquisition.

*Questions are kindly referred to the press and telephone conferences, see below.*

<sup>1</sup> 12 months financial year from and until 30 April

### **INVITATION TO PRESS AND TELEPHONE CONFERENCE 6 MARCH**

**H & M Hennes & Mauritz AB invites to a press conference on Thursday 6 March at 10.30. A telephone conference in English will be held the same day at 16.00.**

**The press conference starts at 10.30** in the Weekday store on Drottninggatan 65 in Stockholm where H&M's CEO Rolf Eriksen will present the acquisition of Fabric Scandinavien together with its CEO Lars Karlsson. The presentation is followed by a questions and answers session. The press conference, which is held in Swedish, is open for journalists and analysts.

**The telephone conference** will be held in English and takes place between 16.00 and 17.00. The telephone number for access is +46 (0)8 5052 0110 (Sweden), +44 (0)20 7162 0025 (England) or +1 334 323 6201 (USA). Please call in at least ten minutes prior to the start of the conference in order to avoid a queue.

All times are in CET.

**Presentation material** is available at [www.hm.com](http://www.hm.com) under Investor Relations.

Welcome!

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The information in this press release is that which H & M Hennes & Mauritz AB (publ) is required to disclose under the Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. It was released for publication at 08.00 (CET) on March 6<sup>th</sup>, 2008.

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H & M Hennes & Mauritz AB (H&M) was established in Sweden in 1947. The company's business concept is to offer fashion and quality at the best price. H&M is quoted on the OMX Nordic Exchange Stockholm. Today there are over 1,500 H&M stores in 28 countries. H&M has 68,000 employees and achieved sales including VAT in 2007 of SEK 92,123 million. H&M has a wide product range that is divided into a number of different concepts for women, men, teenagers, children and cosmetics. The company's clothing collections are created by its own designers, pattern makers and buyers. For further information visit [www.hm.com](http://www.hm.com).