

PRESS RELEASE
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H&M ENTERS INTO FRANCHISE AGREEMENT FOR STORE OPENINGS IN ISRAEL

H&M has entered into franchise agreement with Match Retail Ltd. for store openings in Israel. The first H&M store is planned to open during 2010.

– There has been a great interest in H&M from the Israeli market for quite some time and we believe that our business concept will suit the Israeli market well. Through this co-operation we will gain access to our franchise partner's solid franchise experience and business network on the Israeli market, says Rolf Eriksen, CEO at H&M.

– We feel extremely proud and privileged to be chosen as H&M's franchise partner in Israel and are committed to providing our customers with fashion and quality at the best price. With its full range of new and exciting products, we look forward to establishing H&M as a leading player in the Israeli fashion market, says Andrew Horesh, Chairman Match Retail.

Match Retail Ltd. is a privately owned company founded by the Horesh family for the exclusive purpose of handling H&M in Israel. The Horesh family operates various business activities in Israel, among them Union Motors and Lex Motors, the exclusive distributors for Toyota and Lexus in Israel.

Contact persons:

H&M

Kristina Stenvinkel
Head of Communications
Telephone: +46-8-796 39 08
stenvinkel@hm.com

H&M

Jenni Tapper-Hoël
Head of Media relations
Telephone: +46-8-796 89 73
jenni.tapper-hoel@hm.com

Match Retail

Gali Zander
Telephone: +972 9 740 9710
press@h-m.org.il

Match Retail

Mina Zilber
Telephone: +972 9 740 9710
press@h-m.org.il

Press pictures and background information for editorial use can be downloaded at www.hm.com

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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 around 1700 H&M stores on 33 markets. 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.