



H & M Hennes & Mauritz AB

PRESS CONFERENCE 21 MARCH 2013

THREE-MONTH REPORT



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FIRST QUARTER 2013

- ▶ Continued challenging for the fashion retail industry in many of H&M's markets
- ▶ Sales increased by 6 percent in local currencies
- ▶ Long-term investments
 - online and IT
 - & Other Stories
 - broadening of the product range, for example the sports concept
- ▶ Cost control remains good



FINANCIAL DATA



SALES AND PROFITS

FIRST QUARTER

SEK m	2013	2012
Sales including VAT	33,146	32,503
Sales excluding VAT	28,392	27,832
Gross profit	15,679	15,537
<i>Gross margin, %</i>	<i>55.2</i>	<i>55.8</i>
Selling and administrative expenses	-12,549	-12,011
Operating profit	3,130	3,526
<i>Operating margin, %</i>	<i>11.0</i>	<i>12.7</i>
Net interest income	104	175
Profit after financial items	3,234	3,701
Tax	-776	-962
Profit for the period	2,458	2,739
<i>Earnings per share (SEK)</i>	<i>1.49</i>	<i>1.65</i>



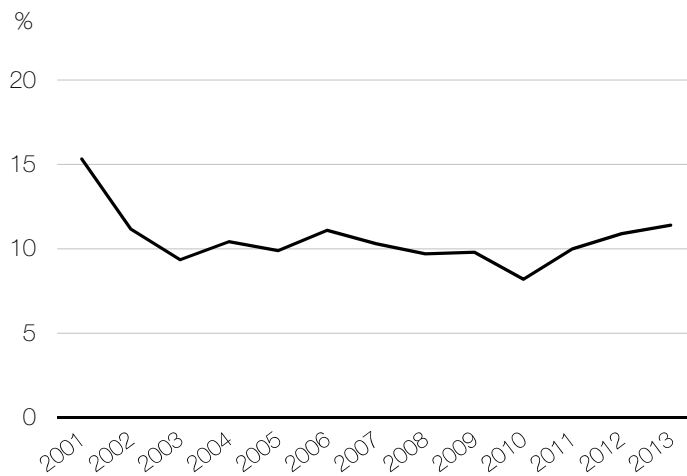
KEY DATA

SEK m	28 Feb 2013	29 Feb 2012
Stock-in-trade	13,825	12,397
Cash flow from current operations	3,777	2,218
Investments	1,635	1,134
Liquid funds and short-term investments	18,959	22,029
Return on equity*, %	36.3	34.9

* rolling 12 months



STOCK-IN-TRADE / SALES



EXPANSION

- ▶ 42 new stores net in Q1
 - 2,818 stores in 48 countries
- ▶ Increased expansion pace to approx. 350 new stores net for 2013
- ▶ Five new markets 2013
 - Chile, Estonia, Lithuania, Serbia and via franchise Indonesia
- ▶ H&M opens in Australia in 2014
- ▶ The other brands continue to expand





& OTHER STORIES

- ▶ Fantastic reception at the launch
 - first store opened in London 8 March and in Copenhagen 15 March
 - shop online on stories.com opened 8 March in ten European countries
 - sales have exceeded our high expectations
- ▶ First store in Sweden opens 22 March in Stockholm
- ▶ Openings in Barcelona, Berlin, Milan and Paris to follow in spring 2013



H&M SPORT

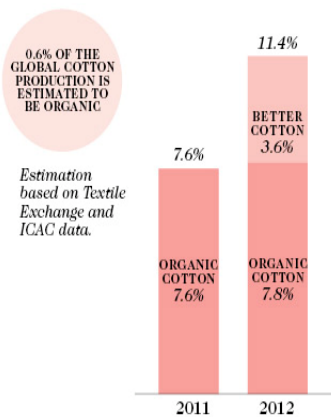
- ▶ New, extended sports concept for women, men and children at the beginning of 2014
- ▶ Wide range of sportswear in functional materials, suited for various kinds of sports activities
- ▶ To be launched in H&M's online markets and selected stores
 - stores in approx. 15 countries to start with



SUSTAINABILITY REPORT



% OF MORE SUSTAINABLE COTTON ON OUR TOTAL COTTON USE



MATERIALS

- ▶ H&M – world's largest user of organic cotton
- ▶ Today 11.4 percent of H&M's cotton comes from more sustainable sources
 - 7.8 percent organic cotton
 - 3.6 percent Better Cotton
- ▶ Better Cotton plays a key role
 - reduces the use of water and chemicals
 - train farmers on better farming techniques





CLOSING THE TEXTILE LOOP

- ▶ H&M - first fashion company to launch a global garment collecting initiative
- ▶ Goal with the initiative:
 - easy solution for consumers to hand in clothes
 - in the long run upcycle collected textiles to new clothes and help close the textile loop

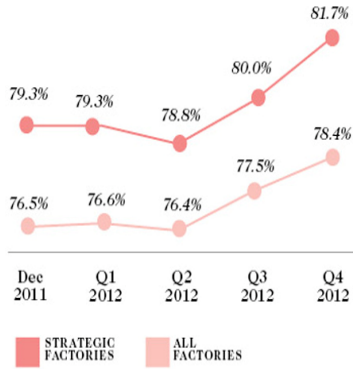


WATER

- ▶ Ensure responsible usage of water throughout the value chain
 - educate suppliers on water techniques, saved about 450 million litres of water in 2012
 - three year partnership with WWF



**PROGRESS IN FACTORY
SUSTAINABILITY PERFORMANCE
(IN ICoC SCORES)**



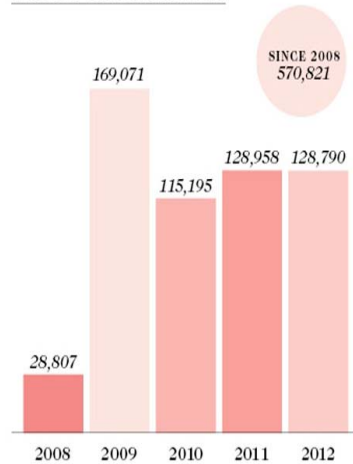
Applies to comparable factories that were used for production from 1 Dec 2011.

SOCIAL DEVELOPMENT

- ▶ Contribute to better lives for millions of people and development of communities
 - close collaborations with business partners
 - invest in communities
- ▶ Compliance with the Code of Conduct continues to increase among suppliers
 - ICoC index increased from 76.5 % 2011 to 78.4 % 2012



**NO. OF WORKERS EDUCATED
ABOUT THEIR RIGHTS**



WORKING CONDITIONS

- ▶ Improve working conditions for textile workers
 - work closely with suppliers, their workers, other big buyers and policy-makers
 - meeting with the Prime Minister of Bangladesh
- ▶ Educated 570,821 textile workers on their rights since 2008





SUPPLIER FACTORY LIST

- ▶ One of the first and largest fashion companies to go public with supplier factory list
 - available on H&M's website
 - contribute to a more transparent and more sustainable fashion industry



CONSCIOUS EXCLUSIVE



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