

H & M Hennes & Mauritz AB (publ) – Annual General Meeting 2012

Item 9 b in accordance with the proposed agenda for the Annual General Meeting on 3 May 2012. Resolution on distribution of the company's earnings as stated in the adopted balance sheet and establishment of the record date for the dividend. The Board's proposal for the dividend and record date.

The Board of Directors proposes to the Annual General Meeting that a cash dividend of SEK 9.50 per share be paid.

The Board proposes 8 May 2012 as the record date for entitlement to dividend. The dividend is expected to be paid out by Euroclear Sweden AB on 11 May 2012.

Funds at the disposal of the Annual General Meeting (SEK):	16 749 725 843
The Board and Managing Director propose that the shareholders are paid a dividend of SEK 9.50 per share SEK	15 723 184 000
<u>To be carried forward as retained earnings SEK</u>	<u>1 026 541 843</u>
Total SEK	16 749 725 843

Statement by the Board of Directors concerning the proposed dividend

The Board of Directors has decided to propose to shareholders that the Annual General Meeting on 3 May 2012 resolve to pay a dividend of SEK 9.50 per share, amounting to SEK 15 723 184 000 in total.

This statement has been prepared in accordance with Chapter 18 § 4 of the Swedish Companies Act and forms the Board's assessment of whether the proposed distribution of earnings is justifiable with regard to what is stated in Chapter 17 § 3 second and third paragraphs of the Companies Act.

H&M's financial goal is to enable the company to continue enjoying good growth and to be prepared to exploit future business opportunities. It is essential that the expansion, as in the past, proceeds with continued high degree of financial strength and continued freedom of action.

In view of this, the Board of Directors of H & M Hennes & Mauritz AB has an established dividend policy stating that the total dividend should equal around half of the profit after taxes. In addition, the Board may propose that any surplus liquidity can also be distributed.

The proposed distribution of earnings to the shareholders represents around 99 percent of the Group's profit after tax and around 94 percent of the funds at the disposal of the Annual General Meeting. The earnings to be distributed amount to less than the cash flow from current operations before changes in working capital. The Group's equity/assets ratio is 73.3 percent before payment of the dividend and 63.8 percent after payment of the dividend. The parent company's equity includes no unrealised changes in value from the assessment of financial instruments at fair value.

The Board of Directors is of the opinion that the proposed distribution of earnings is justifiable taking into consideration the financial position and continued freedom of action of the Group and the parent company and observing the requirements that the nature and extent of the business, its risks and future expansion plans impose on the Group's and the parent company's equity and liquidity.

Stockholm, January 2012

The Board of Directors of H & M Hennes & Mauritz AB (publ)