

PRESS RELEASE
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H & M HENNES & MAURITZ AB INITIATES A LONG-TERM INCENTIVE PROGRAM FOR ALL EMPLOYEES

– The Stefan Persson Family donates 1 billion SEK

To show appreciation to all the employees contributing to H&M's success, the Board of Directors of H & M Hennes & Mauritz AB (H&M) proposes an incentive program in which all employees in all countries are included on the same basic principle. The purpose of this incentive program is to encourage and acknowledge employees' long-term involvement. The program is intended to further strengthen H&M as an attractive employer, which will also benefit future recruitment during H&M's major global expansion.

The program will be initiated through a donation consisting of 4,040,404 H&M shares, at a current estimated value of one billion SEK, from the Stefan Persson Family to a newly established Swedish foundation, Stiftelsen H&M Incentive Program. The donation is to be allocated to H&M employees over time. In addition, it is intended that H&M will make annual contributions to the foundation, with an amount equivalent to ten percent of the increase in dividend in relation to the previous year's share dividend. The program is to commence in 2011 provided a resolution is adopted at the Extraordinary General Meeting on October 20, 2010.

– The idea is to create a long-term incentive program which is the same for all employees. The program is also a way of generating further involvement. Our hope is that H&M will continue to develop well and that the employees will be able to benefit from H&M's value growth in the same manner as a shareholder, says Stefan Persson, Chairman of the Board in H&M.

All employees in the H&M Group in all countries are included in the incentive program on the same basic principle, on the basis of the amount of time worked in the company, regardless of position or salary level. The number of years the employee has previously worked will be included in the qualification period which is five years, unless local regulations stipulate otherwise. The basic principle is that payment begins when the employee turns 62. However, it will be possible to choose to receive payment of the employee's portion already after ten years of employment, although no earlier than 2021. The donation and the annual contributions will be administered by the foundation, Stiftelsen H&M Incentive Program, and invested in H&M shares. This holding shall, however, never constitute more than five percent of the total number of shares in H&M.

As H&M operates in many different countries, there may be certain local deviations as a result of differing laws and regulations concerning, for example, tax and employment, to which the program must adhere.

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H & M Hennes & Mauritz AB (publ) was founded in Sweden in 1947 and is quoted on NASDAQ OMX Stockholm. The company's business concept is to offer fashion and quality at the best price. In addition to H&M, the group includes the brands COS, Monki, Weekday and Cheap Monday as well as H&M Home. The H&M Group has around 2,000 stores in 37 markets. In 2009, sales including VAT were SEK 118,697 million and the number of employees was around 76,000. For further information, visit www.hm.com.