

# H & M Hennes & Mauritz AB (publ) – Annual General Meeting 2008

**Item 9 in accordance with the proposed agenda for the Annual General Meeting on 8 May 2008.**

**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 14.00 per share be paid.

The Board proposes 13 May 2008 as the record date for entitlement to dividend.

The dividend is expected to be paid out by VPC (the Swedish Central Securities Depository) on 16 May 2008.

Funds at the disposal of the Annual General Meeting (SEK): 12,366,931,306

The Board and Managing Director propose that the shareholders are paid a dividend of SEK 14.00 per share	SEK	11,585,504,000
To be carried forward as retained earnings	SEK	781,427,306
Total	SEK	12,366,931,306

## **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 8 May 2008 resolve to pay a dividend of SEK 14.00 per share, amounting to SEK 11,585,504,000 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.

The Board of Directors of Hennes & Mauritz AB has established a dividend policy stating that the total dividend should equal around half of the profit after taxes. In addition, the Board may propose that the calculated surplus liquidity can also be distributed.

The proposed distribution of earnings to the shareholders represents around 85 percent of the Group's profit after tax and 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 76.9 percent before payment of the dividend and 68 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 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 2008

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