

2001-06-28

## LINDEX NINE-MONTH REPORT

1 September 2000 – 31 May 2001

### Increased sales with lower margins

- In the first nine months of the financial year, Lindex's sales rose by 14.4 (14.0) per cent to SEK 3,502M (3,061). Same-stores sales increased by 6.3 per cent (5.5). New stores contributed with a sales increase of 8.1 per cent (8.5).
- The gross profit margin was affected by the unusually large price reductions.
- Operating profit fell to SEK 56M (214) and profit after financial items amounted to SEK 66M (234). Operating profit is charged with structural costs of SEK 17M (0).
- Profit after financial items in the Nordic countries fell to SEK 188M (310).
- In total, Lindex opened 19 (26) new stores during the first nine months of the financial year of which six (13) are in Germany.
- The action programme which was initiated during the first quarter led to a phasing out of the autumn surplus inventories in the second quarter. During the third quarter, a decision was taken to make cost savings equivalent to an annual profit contribution of SEK 100M.
- Jörgen Johansson takes over as President on 1 August 2001.

***Lindex is a retail chain with 347 stores of which 314 are in the Nordic market and 33 stores in Germany. The Group's product segments are ladies' wear, lingerie, children's clothing and cosmetics.***

*For further information, please contact:*

*Hans Johansson, President*

*Mobile: +46 705-41 94 63*

*Åsa Lindell Byström, Director of Group  
Communications & Investor Relations*

*Mobile: +46 706-33 59 79*

*Peter Andersson, Chief Financial Officer*

*Mobile: +46 705-84 44 37*

## Market and demand

The mild autumn weather and the reduced readiness to buy had a significant impact on demand in the first quarter. In the second and third quarters, growth in demand was also weaker than in the corresponding period during the previous year. During the third quarter, sales of summer clothing were also affected by the unusually cold weather. All countries showed a similar demand trend.

Consumers' readiness to buy fell steadily during the period. SCB's Consumer Confidence Indicator<sup>1</sup> for Sweden showed a drop of 27 from index 27 in September to index 0 during May. In Germany, demand weakened<sup>2</sup> and sales in the retail clothing sector fell from 11 per cent growth in September to a three per cent fall in May.

Retail clothing in Sweden, which reported significant growth figures until September, grew by only 0.6 per cent on average during the latest nine-month period compared with the previous year.

In total, this means that the high sales growth in the retail clothing sector in recent years has not continued during the first nine months of the financial year. Demand in Lindex's markets currently shows either a weaker growth rate or a decline.

## Increased sales with lower margins

During the period September 2000 – May 2001, Lindex's sales increased by 14.4 per cent (14.0) to SEK 3,502M (3.061). Lindex's same-stores sales rose by 6.3 per cent (5.5). Excluding exchange rate fluctuations, the increase amounted to 3.9 per cent. New stores generated an increase of 8.1 per cent (8.5).

Marketing activities were higher than normal during the entire nine-month period with the aim of balancing the inventories. The unusually large price reductions meant that the sales trend was positively affected whereas the gross profit margin was negatively affected.

## Lower gross profit margins affected profit

Operating profit in the first nine months of the financial year amounted to SEK 56M (214). Profit after financial items for the nine-month period fell to SEK 66M (234).

Operating profit for the third quarter amounted to SEK 19M (53) and was charged with structural costs of SEK 17M (0). The result trend, excluding structural costs, thus confirms the initial effects of the action programme.

The gross profit margin for the nine-month period was affected by unusually large price reductions and fell to 50.2 per cent (53.7).

Profit after financial items for the first nine months of the financial year in the Nordic countries fell to SEK 188M (310). The net charge for the establishment of stores in Germany amounted to SEK 122M (74) in the first nine months of the financial year. This was mainly due to the weak sales development and the previously high expansion rate.

---

<sup>1</sup> The share of the households which believe that their finances will improve over the next 12 months compared with the same period in the previous year (For an exact definition, see page 14)

<sup>2</sup> According to Textilwirtschaft Testclub

As a significant proportion of the Group's purchases are made in USD or USD-linked currencies, Lindex is exposed to fluctuations in the USD rate. The rising rates of these currencies during the first nine months of the 2000/2001 financial year have affected the gross profit margin. Lindex's hedging policy with contracts for a period of six to eight months from date of order reduces the currency risk and thus cushions the effect on the gross profit margin.

Financial income and expenses amounted to SEK 10M (20). During the first nine months of the financial year, interest-bearing liabilities averaged SEK 632M (327) and interest expenses amounted to SEK 27M (12).

Profit per share after full tax was SEK 2.90 (11.90) in the first nine months of the financial year.

### **Action programme**

The action programme, which was initiated in the first quarter, is aimed at adapting product supply, costs and investments to the new market conditions. In addition, marketing activities aimed mainly at Lindex Card customers are intensified. The actions started to generate results during the second and third quarters in the form of reduced inventories, adapted product supply, lower costs and lower expansion rate.

### **Adaptation of product supply**

The initiated measures meant that the surplus inventories of autumn and winter clothing were phased out during the second quarter.

A long-term adaptation of the purchasing volumes to the lower demand also started in the first quarter. This adaptation made some impact in the third quarter and full impact is expected during the fourth quarter.

### **Cost adaptations**

Cost adaptations were initiated during the first quarter and enabled Lindex to break the cost trend during the second quarter.

In the light of the continued weaker market growth, the action programme was strengthened to include cost savings of a more structural nature. Initiated savings will be fully implemented before the end of the first half of the 2001/2002 financial year. Thereafter, the savings are expected to generate an annual profit contribution of SEK 100M. The measures include a reduction in the number of jobs at the head office in Alingsås, a reduction in the number of hours worked in the store network and a continued reduction in expenses.

In addition, approximately 10 stores will be closed. During the nine-month period a decision was taken to close two stores. The structural cost for these closures was charged to the profit of the period. A decision regarding the other stores to be closed will be made during the fourth quarter and the structural cost for these closures will be charged to profit. The closure plan will take into account the prerequisites of every individual store.

The structural costs of the action programme amount to SEK 30-40M of which SEK 17M is charged to the third quarter. The costs are mainly attributable to staff redundancies and closure of stores.

**Lower expansion rate**

All investment plans have been examined and this has affected the expansion rate for the financial year. In total, 19 new stores will be opened during the financial year. Investment in existing stores, such as the introduction of cosmetics departments and upgrading projects is also being implemented at a slower rate.

**Adaptation during the fourth quarter**

Taken together, the action programme is expected to enable Lindex to achieve a reduction during the fourth quarter in inward deliveries and investment to a level which corresponds with the weaker demand in the market.

**Developments in Germany**

During Lindex's first two years in Germany, the establishment of stores was concentrated on a homogenous region in Nordrhein-Westfalen in Western Germany. From autumn 2000, the foundation has been laid for yet another region through the establishment of a large store in central Berlin.

Average purchases per customer in Germany are currently on a par with the other markets. The conversion ratio (number of paying customers as a percentage of number of visitors) also continued to increase, as did the number of repeat customers. However, the number of visitors per store is falling.

The same-stores sales development for the 1999/2000 financial year amounted to 18 per cent. During the first nine months of the 2000/2001 financial year, the corresponding figure was -1 per cent. The weak sales trend thus generated a substantial surplus inventory in the German operations.

This surplus inventory has been reduced through significantly increased price reductions which had a significant effect on the profit during the period.

In addition, the result in the German company is charged with the previously high expansion rate. During the 1999/2000 financial year, 16 stores were established.

In total, this generated a net charge for the nine-months period of SEK 122M (74). Same-store losses have been reduced compared with the first nine months the previous year.

**Adaptations of the Lindex concept will secure a sales increase**

A number of measures are being implemented to secure increased sales and improved profitability in the German store network. The measures comprise adaptations of product ranges, stores and market communications. These are tested in a number of pilot stores before successful solutions are gradually implemented in the other parts of the store network. A number of measures are aimed at increasing the number of visitors in the stores and include changes in shop windows and entrance areas.

**Taxes**

Paid and deferred taxes amounted to SEK 26M (71) in the first nine months of the financial year. The tax rate in Sweden, Norway and Finland was 28 per cent and in Hong Kong 16.5 per cent. The tax rate in Germany was 44 per cent during December and was reduced to 38 per cent from January 2001.

Deferred income taxes recoverable on accumulated losses carried forward in the German company are reported at SEK 83M, which reduced "Tax on the period's profit" by SEK 30M (18).

**New establishments – 19 new stores of which six are in Germany**

During the first nine months of the financial year, Lindex opened a total of 19 (26) new stores – two in Sweden, seven in Norway, four in Finland and six in Germany. One store was closed during the period. The store network comprised 347 stores on 31 May 2001.

During the 2000/2001 financial year, the expansion rate will amount to 19 stores of which six stores will be in Germany. The expansion rate is lower than in the previous financial year. This forms a part of the action programme which was initiated during the first quarter and is aimed at strengthening profitability.

**Inventories**

Inventories on 31 May 2001 amounted to SEK 912M compared with SEK 945M on 31 August 2000.

On 31 May 2001, inventories were SEK 205M (55) higher than during the corresponding period in the previous year. New stores and new cosmetics departments accounted for SEK 92M (119). Same-stores inventories increased by SEK 113M (-64). Excluding currency effects, the same-stores increase was SEK 68M (-42). The reduction in inventories of SEK -42M in the previous year, which generated a shortfall of products, affects the comparison between the years.

**IT**

During the period, the IT systems were adapted to cope with a change over to the euro in Germany and Finland in autumn 2001.

**Global purchasing network**

Lindex's purchasing network consists of purchasing offices in Hong Kong, Shanghai, New Delhi, Seoul, Dhaka, Istanbul and Bucharest. The latest establishment was in Shanghai in January 2001.

The purchasing offices give a local presence in the most important purchasing markets which enables efficient quality control, increased flexibility and lower purchase prices. New purchasing offices also have a positive effect on quality and service in nearby purchasing markets.

Over the past year Lindex has further developed its concept for the acquisition of textiles. This means that Lindex selects the textiles which are then purchased by the manufacturer or by Lindex. In addition to Asia, this is currently taking place in Rumania, Bulgaria and Turkey. This "integration backwards" provides for reduced purchasing prices, improved quality control, and an opportunity to expand into more purchasing markets. In addition, the lead times can be shortened as Lindex is given better opportunities for controlling the production process.

**Investments**

The Group's net investments in fixed assets amounted to SEK 185M (141) in the first nine months of the financial year. Most of this related to investments in new stores in which the strategy to expand the size of the stores had an effect on the investment amount per store. The launch of the cosmetics concept in Norway increased investments in existing stores. Investments were also affected by increased IT investments and an expansion of the head office property.

**Cash flow**

Cash flow after investments amounted to SEK -254M (27) in the first nine months of the financial year.

The negative results trend, compared with the previous year, affected the cash flow from the current operations. The cash flow was also affected by increased trade debtors, compared with 31 August 2000, by SEK -106M (-68). Of total trade debtors of SEK 338M (246), trade debtors for the Lindex Card amounted to SEK 321M (241).

The cash flow after investments was also affected by an increased negative cash flow from the investment operations of SEK -219M (-160).

**Financing and liquidity**

On 31 May 2001, liquid funds amounted to SEK 64M compared with SEK 104M on 31 August 2000.

On 31 May 2001, net borrowing was SEK 648M compared with SEK 321M on 31 August 2000, an increase of SEK 327M.

The increased borrowing is due to increased trade debtors, investments and the fall in profit.

During the period, the net debt/equity ratio increased to 68.5 per cent (25.9) and the equity ratio fell to 41.5 per cent compared with 44.2 per cent on 31 August 2000.

**Personnel**

The number of full-time employees during the latest 12-month period (June 2000 – May 2001) amounted to 2,912 compared with 2,678 during the 1999/2000 financial year. The increase is the result of recruitment by the newly-opened stores.

**Parent Company**

Sales increased by SEK 126M, equivalent to 6.5 per cent, to SEK 2,049M (1,924). Profit after financial items fell to SEK 211M (260). Net investments in fixed assets were made of SEK 66M (58).

**Future information dates**

Preliminary Accounts Report 2000/2001 will be published on 11 October 2001.

Alingsås, 28 June 2001  
AB Lindex (publ)  
Board of Directors

## Detailed Audit Report for AB Lindex relating to Interim Report 1 September 2000 – 31 May 2001

In our capacity as Auditors of AB Lindex, we have carried out a review of this Interim Report and in so doing followed the recommendations issued by the Swedish Institute of Authorised Public Accountants, FAR.

A review is considerably restricted compared to an audit.

Nothing has emerged which indicates that the Interim Report does not comply with the requirements stipulated in the Stockmarket and Annual Accounts Acts.

28 June 2001

Öhrlings PricewaterhouseCoopers AB

Robert Barnden  
Authorised Public Accountant

Hasse Lundin  
Authorised Public Accountant

### NUMBER OF STORES

	31 August					31 May	
	1996	1997	1998	1999	2000	2000	2001
AB Lindex, Sweden	149	153	160	170	178	177	179
Lindex AS, Norway	59	65	71	74	81	79	88
Lindex Oy, Finland	28	33	39	43	43	44	47
Lindex Textilvertrieb GmbH, Germany	-	-	4 <sup>1)</sup>	11 <sup>2)</sup>	27 <sup>3)</sup>	24	33
<b>Total</b>	<b>236</b>	<b>251</b>	<b>274</b>	<b>298</b>	<b>329</b>	<b>324</b>	<b>347</b>
Closures	-	-	-	-	3	2	1

<sup>1)</sup> The first four stores were opened during March - April 1998.

<sup>2)</sup> Equivalent to seven full-year open stores.

<sup>3)</sup> Equivalent to 19 full-year open stores.

## THE LINDEK GROUP'S DEVELOPMENT PROFIT AND LOSS ACCOUNTS

SEK M	9 months 1 September – 31 May			Latest 12 months Jun-May 2000/01	12 months Sep-Aug 1999/2000
	1998/99	1999/2000	2000/01		
<b>Net sales</b>					
Sales, net	2 685	3 061	3 502	4 555	4 114
Other operating income	19	20	18	49	51
<b>Total operating income</b>	<b>2 704</b>	<b>3 081</b>	<b>3 520</b>	<b>4 604</b>	<b>4 165</b>
<b>Operating expenses</b>					
Goods for resale	-1 248	-1 419	-1 743	-2 280	- 1 956
<b>Gross profit</b>	<b>1 456</b>	<b>1 662</b>	<b>1 777</b>	<b>2 324</b>	<b>2 209</b>
Other external costs	-622	-709	-823	- 1 036	-922
Personnel costs	-564	-651	-776	-1 001	-876
Depreciation of tangible and intangible fixed assets	-75	-88	-122	-158	-124
<b>Operating profit <sup>1)</sup></b>	<b>195</b>	<b>214</b>	<b>56</b>	<b>129</b>	<b>287</b>
<b>Result of financial investments</b>					
Other interest income and similar profit items	25	32	37	47	43
Interest expenses and similar loss items	-19	-12	-27	-31	-17
<b>Result after financial items</b>	<b>201</b>	<b>234</b>	<b>66</b>	<b>145</b>	<b>313</b>
<b>Taxes</b>					
Tax on the period's profit	-72	-71	-26	-48	-92
<b>Net profit for the period</b>	<b>129</b>	<b>163</b>	<b>40</b>	<b>97</b>	<b>221</b>

<sup>1)</sup> Operating profit has been charged  
with one-off structural costs  
equivalent to

-	-	-17	-17	-
---	---	-----	-----	---



**QUARTERLY PROFIT AND LOSS ACCOUNTS**

SEK M	1998/99				1999/2000				2000/01		
Quarter	Sep- Nov	Dec- Feb	Mar- May	Jun- Aug	Sep- Nov	Dec- Feb	Mar- May	Jun- Aug	Sep- Nov	Dec- Feb	Mar- May
<b>Net sales</b>											
Sales, net	931	898	856	930	1 019	1 054	988	1 053	1 173	1 193	1 136
Other operating income	10	4	5	5	5	8	7	31 <sup>4)</sup>	4	8	6
<b>Total operating income</b>	<b>941</b>	<b>902</b>	<b>861</b>	<b>935</b>	<b>1 024</b>	<b>1 062</b>	<b>995</b>	<b>1 084</b>	<b>1 177</b>	<b>1 201</b>	<b>1 142</b>
<b>Operating expenses</b>											
Goods for resale	-421	-445	-382	-469	-460	-517	-442	-537	-578	-620	-545
<b>Gross profit</b>	<b>520</b>	<b>457</b>	<b>479</b>	<b>466</b>	<b>564</b>	<b>545</b>	<b>553</b>	<b>547</b>	<b>599</b>	<b>581</b>	<b>597</b>
Other external costs <sup>2)</sup>	-231	-180	-211	-195	-250	-210	-248	-214	-286	-253	-284
Personnel costs	-186	-187	-191	-184	-212	-218	-221	-225	-264	-261	-251
Depreciation of tangible and intangible fixed assets	-24	-24	-27	-27	-28	-30	-31	-35	-38	-41	-43
<b>Operating profit <sup>1)</sup></b>	<b>79</b>	<b>66</b>	<b>50</b>	<b>60</b>	<b>74</b>	<b>87</b>	<b>53</b>	<b>73</b>	<b>11</b>	<b>26</b>	<b>19</b>
<b>Result of financial investments</b>											
Other interest income and similar profit items	7	8	10	11	10	12	10	11	11	13	13
Interest expenses and similar loss items	-7	-5	-7	-6	-5	-3	-4	-5	-8	-7	-12
<b>Profit after financial items</b>	<b>79</b>	<b>69</b>	<b>53</b>	<b>65</b>	<b>79</b>	<b>96</b>	<b>59</b>	<b>79</b>	<b>14</b>	<b>32</b>	<b>20</b>
<b>Taxes</b>											
Tax on the period's profit	-30	-21	-21	3 <sup>3)</sup>	-25 <sup>3)</sup>	-26 <sup>3)</sup>	-19 <sup>3)</sup>	-22 <sup>3)</sup>	-6 <sup>3)</sup>	-13 <sup>3)</sup>	-7 <sup>3)</sup>
<b>Net profit for the period</b>	<b>49</b>	<b>48</b>	<b>32</b>	<b>68</b>	<b>54</b>	<b>70</b>	<b>40</b>	<b>57</b>	<b>8</b>	<b>19</b>	<b>13</b>

<sup>1)</sup> Operating profit has been charged with one-off structural costs equivalent to

<sup>2)</sup> Influenced by provision for anticipated liability for synthetic options which have been redeemed by AB Lindex.

<sup>3)</sup> Deferred taxes recoverable on accumulated losses carried forward in the German company are reported at SEK 25M June-August 1999, SEK 6M September-November 1999, SEK 5M December 1999–February 2000, SEK 7M March-May 2000, SEK 9M June-August 2000, SEK 9M September-November 2000, SEK 11M December 2000–February 2001 and SEK 10M March–May 2001, which have reduced "Tax on the period's profit" by a corresponding amount.

<sup>4)</sup> Including discounted current value of Lindex's share of SPP's overconsolidation reserve in the pension scheme by SEK 20M.

## ITEMS WHICH HAVE AFFECTED THE QUARTERLY PROFITS

SEK M	1998/99				1999/2000				2000/01		
Quarter	Sep- Nov	Dec- Feb	Mar- May	Jun- Aug	Sep- Nov	Dec- Feb	Mar- May	Jun- Aug	Sep- Nov	Dec- Feb	Mar- May
<b>Cost charges</b>											
Provision for anticipated liability for synthetic options <sup>1)</sup>	11	-11	- 3	-6	8	-9	3	-3	-	-	-
Written-off for synthetic options which have been redeemed by AB Lindex	-	-	-	0,1	-	-	-	-	-	-	-
Influence on the profit by Lindex Textilvertrieb GmbH, Germany	14	15	25	18	22	24	28	36	37	45	40
Discounted current value of Lindex's share of SPP's overconsolidation reserve in the pension scheme	-	-	-	-	-	-	-	-20	-	-	-
<b>Adjusted profit</b>											
Profit after financial items adjusted for start-up costs in Germany and provisions for synthetic options	104	73	75	77	109	111	90	92	51	77	60
<sup>1)</sup> Share price on the last stockmarket day in the respected period, SEK	293	248	235	209	243	206	218	200	173	135	139

## BALANCE SHEETS

SEK M	31 May			31 August
	1999	2000	2001	2000
Fixed assets <sup>1)</sup>	634	724	900	788
Inventories	652	707	912	945
Trade debtors	194	246	338	232
Other current receivables	36	44	66	95
Liquid funds	134	43	64	104
<b>Total assets</b>	<b>1 650</b>	<b>1 764</b>	<b>2 280</b>	<b>2 164</b>
Shareholders' equity	732	890	946	956
Interest-bearing liabilities	429	273	712	425
Operating liabilities and provisions	489	601	622	783
<b>Total equity, provisions and liabilities<sup>2)</sup></b>	<b>1 650</b>	<b>1 764</b>	<b>2 280</b>	<b>2 164</b>

1) of which brand names and goodwill which arose in connection with the acquisition by Industri Kapital 1989 on and others of AB Lindex 1 September 1993:

357	330	303	321
-----	-----	-----	-----

2) Current liabilities  
Long-term provisions and liabilities

501	603	742	772
417	271	592	438

## CASH FLOW ANALYSIS<sup>2)</sup>

SEK M	9 months			Latest	
	1 September-31 May			12 months	12 months
	1998/99	1999/2000	2000/01	Jun-May	Sep-Aug
				2000/01	1999/2000
Cash flow from current operations	146	187	-35	-54	169
Cash flow from investment operations	-111	-160	-219	-294	-236
<b>Cash flow after investments</b>	<b>35</b>	<b>27</b>	<b>-254</b>	<b>-348</b>	<b>-67</b>
Cash flow from financial operations	-22	-131	214	369	24
<b>The period's cash flow<sup>1)</sup></b>	<b>13</b>	<b>-104</b>	<b>-40</b>	<b>21</b>	<b>-43</b>
Change in interest-bearing net liability	30	-33	327	483	123

1) Change in liquid funds

Liquid funds at the start of the period	121	147	104	43	147
Liquid funds at the period end	134	43	64	64	104

2) The cash flow analysis is prepared in line with the direct method in accordance with the Swedish Financial Accounting Standards Council's recommendation RR:7.

## KEY FIGURES

		9 months 1 September – 31 May			Latest 12 months	12 months
		1998/99	1999/2000	2000/01	Jun-May 2000/01	Sep-Aug 1999/2000
Sales growth,						
total	%	12.1	14.0	14.4	14.1	13.8
Same-stores sales growth <sup>1)</sup>	%	5.9	5.5	6.3	5.8	5.1
Same-stores sales growth <sup>2)</sup>	%	5.2	7.2	3.9	5.8	6.8
Sales by square metre	SEK	-	-	-	19 811	19 553
Gross profit margin	%	53.5	53.7	50.2	49.9	52.5
Operating margin	%	7.3	7.0	1.6	2.8	7.0
Profit margin	%	7.5	7.6	1.9	3.2	7.6
Return on equity	%	-	-	-	10.6	25.3
Return on capital employed	%	-	-	-	12.5	26.2
Return on capital employed in operations	%	-	-	-	9.5	25.3
Return on total capital	%	-	-	-	8.7	16.7
Equity ratio	%	44.4	50.4	41.5	41.5	44.2
Net debt/equity ratio	%	40.3	25.9	68.5	68.5	33.6
Interest coverage ratio	times	11.4	20.0	3.5	5.7	19.5
Capital turnover rate	times	-	-	-	3.4	3.2
Inventor turnover rate	times	-	-	-	2.2	2.6
Investments, net	SEK M	111	141	185	280	236
Cash flow after investments <sup>3)</sup>	SEK M	35	27	-254	-348	-67
Number of full-time employees		2 271	2 590	2 912	2 912	2 678
Profit per share	SEK	9.40	11.90	2.90	7.10	16.00
Cash flow per share <sup>3)</sup>	SEK	2.50	1.90	-18.50	-25.30	-4.90
Equity per share	SEK	53.30	64.70	68.80	68.80	69.50

<sup>1)</sup> Including exchange rate fluctuations

<sup>2)</sup> Excluding exchange rate fluctuations

<sup>3)</sup> The comparative figures have been influenced by a change in method for drawing up the cash flow analysis in accordance with the Swedish Financial Accounting Standards Council's recommendation RR:7.

## Lindex's largest shareholders

Shareholders	Number of shares	Per cent of shares and votes
Orkla ASA	1 633 600	11.9
S E Bs aktiefonder	1 143 210	8.3
Försäkringsbolaget SPP	1 093 950	8.0
AMF Pensionsförsäkring AB	420 000	3.1
Investors trading AB	401 000	2.9
Konsumentkooperationens pensionskassa och pension	293 898	2.1
Handelsbankens Aktie- och Allemansfonder	285 932	2.1
Riksbankens Jubileumsfond	255 000	1.9
S E Bs stiftelser	206 757	1.5
Carnegie Fonder	185 200	1.3
<b>Total</b>	<b>5 918 547</b>	<b>43.0</b>

Source: VPC AB Share Register 31 May 2001

The largest owners represent 43.0 per cent of Lindex shares. The total number of shares in the company amounts to 13,750,000.

## Ownership distribution

	Per cent of shares and votes	
	<u>2000-08-31</u>	<u>2001-05-31</u>
Swedish owners	76.1	89.2
Owners resident outside Sweden		
excluding the USA	21.4	10.5
USA	2.5	0.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
<b>Total number of shareholders</b>	<b>14 302</b>	<b>12 776</b>

Source: VPC AB Share Register 31 August 2000 and 31 May 20001

## Definitions

**Same-stores sales growth, %** - Sales increase in stores which have been opened for more than one year for comparable months.

**Sales by square metre** – Sales during the period divided by average store area (12 months average).

**Store area** – Total area less storage space.

**Gross profit margin** – Sales during the period less expenditure for sold products as a percentage of sales.

**Operating margin** – Operating profit expressed as a percentage of sales during the period.

**Profit margin** – Profit after financial items as a percentage of sales during the period.

**Break-even** – Income exceeds expenditure with regard to operating profit before depreciation.

**Shareholders' equity** – Restricted and non-restricted equity.

**Average equity** – Total shareholders' equity at start of period and period-end divided by two.

**Average interest-bearing liabilities** – Interest-bearing liabilities at the end of each month during the financial year divided by 12.

**Capital employed** – Total assets less non-interest-bearing liabilities.

**Capital employed in operations** – Total assets less liquid funds, other interest-bearing assets and non-interest-bearing liabilities.

**Return on equity** – Profit after full tax expressed as a percentage of average equity.

**Return on capital employed** – Profit after financial items plus financial expenses expressed as a percentage of average capital employed.

**Return on capital employed in operations** – Operating profit expressed as a percentage of average capital employed in operations.

**Return on total capital** – Profit after financial items plus financial expenses expressed as a percentage of average total assets.

**Equity ratio** – Shareholders' equity expressed as a percentage of total assets.

**Net borrowing** – Interest-bearing liabilities less liquid funds.

**Net debt/equity ratio** – Interest-bearing liabilities less liquid funds expressed as a percentage of equity.

**Interest coverage ratio** – Profit after financial items plus financial expenses divided by financial expenses.

**Capital turnover rate** – Total sales divided by average capital employed in operations.

**Inventory turnover rate** – Costs for sold products divided by average inventory (12 months average).

**Cash flow after investments** – Cash flow from current operations less cash flow from investment operations.

**Number of full-time employees** – Total number of hours worked during the latest 12-month period divided by normal annual working hours in the respective country.

**Profit per share** – Profit after full tax divided by number of shares.

**Cash flow per share** – Cash flow after investments divided by number of shares.

**Equity per share** – Equity divided by number of shares.

**Share price on the last stockmarket day in the respective period** – Price paid on the OM Stockholm Exchange.

**P/E-ratio** – Share price on the last stockmarket day in the respective period divided by profit per share.

**EBIT-multiple** – Market value plus net liabilities divided by operating profit before financial items and taxes.

**Price/equity** – Share price per share divided by equity per share, both at balance sheet date.

**Yield** – Dividend as a percentage of share price at balance sheet date.

**Dividend portion** – Dividend as a percentage of profit per share.

**SCB's Consumer Confidence Indicator (CCI)** - CCI is the average value of the percentages which have replied "better/ favourable" minus "worse/unfavourable" (net figure) to the questions about Sweden's economy and the households' economy over the past 12 months and the next 12 months, and about current purchases of capital goods.