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News release

Lindex acquires Twilfit chain

Lindex's Board of Directors has today resolved to acquire Twilfit. The privately owned retail chain has 61 stores located all over Sweden and holds a very strong position in sales of lingerie. Through the acquisition Lindex, further strengthens its position in the Swedish market. The acquisition is expected to give a positive impact of SEK 25-30M on the profit for the next financial year.

Twilfit is a strong brand and customers are mainly well-to-do women in large cities. The product range consists of both own and external brands. Twilfit owns a total of 61 stores (around 10 that are run as franchises) all over Sweden with an emphasis on the Stockholm region in which approximately 30 stores are located. Sales amount to approximately SEK 400M. The Heigard family has owned Twilfit for several generations.

As Twilfit and Lindex have different target groups and product mix, it is possible to operate two store concepts under two separate brand names. At the same time, purchasing and logistics flows as well as some administration can be co-ordinated which is expected to generate synergy gains of SEK 20-25M within two years.

"The acquisition gives us the opportunity to strengthen still further our position as marketleader in the product area Lingerie," says Lindex's President, Jörgen Johansson. "Twilfit is a strong brand which we will protect and develop further. I am particularly pleased that we are achieving an even stronger position in the Stockholm region."

The acquisition is not expected to have any effect on Lindex's results for the 2001/2002 financial year. However, a positive impact on profit of SEK 25-30M, is anticipated for the next financial year.

As an effect of the ongoing action programme, the Lindex Group's profit level for the 2002/2003 financial year is expected to return to the previous level.

The completion of the deal is subject to the approval of the Swedish Competition Authority, which is expected in January 2002.

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Lindex is a retail chain with more than 350 stores in Sweden, Norway, Finland and Germany. The Group's product areas are Ladies' Wear, Lingerie/Cosmetics and Children's Clothings.