

2003-03-31

## Lindex Interim Report for the second quarter

1 December 2002–28 February 2003

- Profit after financial items fell to SEK 20M (75). Operating profit amounted to SEK 19M (62). Investments in brand name and marketing activities as well as personnel costs and other operational costs reduced the profit. The company will strengthen its measures aimed at reducing costs.
- The gross margin for the second quarter fell to 51.9 per cent (52.9), but increased to 55.8 per cent for the first six months compared with 54.6 per cent in the previous year.
- Sales for the second quarter increased by 5.0 per cent (6.2) to SEK 1,330M (1,267). This was lower than anticipated and led to increased price reductions at the end of the quarter. Business area Lingerie continued to develop positively, especially in Germany.
- Lindex's sales in Germany grew strongly during the quarter and increased by 10.7 per cent (-13.1). Yet another store achieved break-even.
- Initial spring sales got off to a good start.

### Telephone conference on 31 March

At 3.30 pm today, 31 March, a telephone conference will take place in Swedish with Lindex President, Jörgen Johansson, and Chief Financial Officer, Peter Andersson. Analysts and journalists are invited.

You can participate by telephoning +44 (0) 207 162 0179, quoting 'Lindex'. Please call at least ten minutes before the start of the conference. The presentation can also be followed visually via our website: <http://investors.lindex.com>

***The Lindex Group comprises two retail chains: Lindex with 315 stores in the Nordic market and 33 stores in Germany, and Twilfit with 58 stores in Sweden of which 10 are operated as franchise stores. The Group's business areas are Ladies' Wear, Lingerie and Children's Clothing.***

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## Market and demand

Growth in the retail clothing markets continued to weaken during the second quarter. The autumn started strongly but the market slowed down during November and did not improve until February. During the quarter, the retail clothing and outfit market in Sweden increased by only 0.3 per cent in total. The Norwegian market rose by 2.6 per cent whilst the German market continued to develop negatively and fell by 6.5 per cent.

## Sales and gross margin

During the period September 2002-February 2003, the Lindex Group's sales increased by 5.0 per cent (6.2) to SEK 1,330M (1,267). The Lindex Group's same-stores sales fell by 0.5 per cent. New Lindex stores generated an increase of 1.0 per cent and the Twilfit chain increased its sales by 6.2 per cent (0.0). Closed Lindex stores have a negative effect on the comparison with the previous year equivalent to -1.4 per cent.

The weak sales trend in Norway continued at the beginning of the second quarter but improved at the end of the period. In the Swedish market, the quarter also started with a weaker than anticipated sales trend, especially within Ladies' wear, but improved at the end of the quarter. However, sales in the German market rose significantly during the whole period.

In order to push sales of the spring collection, Lindex intensified its marketing during February. Lindex's strategy is to continue to reposition the Lindex and Twilfit brands but the company is also adapting its communications to increase sales and defend market positions.

Lindex maintains its strong position and is the market leader in Lingerie in Sweden and Norway and among the leaders in Ladies' wear and Children's clothing.

Due to the weak sales trend during late autumn and Christmas, price reductions increased significantly and the gross margin for the second quarter fell to 51.9 per cent (52.9). At the quarter end, inventories were again in balance.

The gross margin for the first six months increased to 55.8 per cent (54.6).

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. Lindex's hedging policy with contracts for a maximum period of three to six months from date of order reduces the currency risk. The decreasing USD rate had a positive effect on Lindex's purchasing costs during the period.

## Profit after financial items amounted to SEK 20M

Profit after financial items for the second quarter of the financial year fell to SEK 20M (75). Operating profit amounted to SEK 19M (62). Investments in brand name, marketing activities as well as personnel costs and other operational costs reduced the profit.

The company is strengthening its initiatives aimed at better adapting the cost-level to the sales trend. Activities aimed at changing the organisation and working methods continue with the aim of improving the company's profitability level.

Examples of cost saving measures to be implemented during the current financial year are improved in-store resource utilisation, a review of the possibility of transferring work tasks that are currently handled by the head office in Alingsås to the purchasing offices, and a general cost review in Twilfit.

In the slightly longer term, a significant part of the efficiency work will be to change the working methods with the aid of newly developed IT systems. These systems will also enable Lindex to transform part of the storage area in the stores into sales area, or reduce it.

Costs for implementation of supply chain projects and store development were charged to the quarter. As a consequence of the high activity level, the in-store cost level also increased more than anticipated.

In the Nordic operations, profit after financial items for the second quarter fell to SEK 49M (111).

The result of the operation in Germany improved and the result after financial items amounted to SEK -29M (-36). It is charged with the opening of one store and the closure of one store.

Twilfit affected the quarter's result positively.

Financial income and expenses for the quarter fell to SEK 1M (13). Interest expenses on interest-bearing liabilities, which averaged SEK 36M (324) during the second quarter, amounted to SEK -1M (-3).

Operating profit for the first six months of the financial year amounted to SEK 101M (159). Profit after financial items fell to SEK 100M (176).

Financial income and expenses for the first six months decreased to SEK -1M (17) and interest-bearing liabilities averaged SEK 126M (456). Interest expenses amounted to SEK -3M (-14).

### **Developments in Germany**

During the second quarter, sales in the retail clothing and outfit sector in Germany remained significantly lower than in the previous year and fell by 6.5 per cent. Lindex's total sales in Germany grew strongly during the whole period and increased by 10.7 per cent (-13.1)

During the period, Lindex continued to increase the gross margin and reduce costs. As a result, the deficit in the German operation continued to reduce. An additional store achieved break-even during the second quarter. In total, 13 stores have achieved break-even with regard to operating profit before depreciation.

The result of the German operation was charged with the opening of one store and the closure of one store. In total, the result after financial items of the German operation amounted to SEK -29M (-36) for the second quarter.

The result after financial items for the first six months of the financial year amounted to SEK -56M (-73).

### **Store network**

During the second quarter of the financial year, the Lindex Group opened one new store. During the financial year a number of refurbishments will take place as a part of the investment programme designed to increase efficiency and growth rate, and improve the results in existing stores. It is also aimed at strengthening Lindex's image and increasing the company's presence and market share in large cities.

In total, Lindex opened 2 (10) new Lindex stores during the first six months of the financial year and closed 2 (3) stores.

### **Twilfit chain**

Twilfit is operated and developed as an independent store chain with its own responsibility for design, product range development, store concept and marketing. Administrative functions and logistics flows are co-ordinated with the rest of the Lindex Group. Co-ordination of the purchasing activities and making them more efficient is in progress and will be completed during the latter part of 2004 when the joint IT and logistics platform has been implemented. As previously stated, total synergy benefits are expected to amount to SEK 20-25M.

During the second quarter, Twilfit contributed to the Group's results. The development remained good in our main business area Lingerie, whereas Ladies' Wear developed much less positively than anticipated.

### **Taxes**

Deferred and paid taxes amounted to SEK 3M (31) for the second quarter of the financial year. In Sweden, Norway and Finland the tax rate was 28 per cent, in Germany 38 per cent, and in Hong Kong 16 per cent.

Deferred taxes recoverable on accumulated losses in the German company are reported at SEK 101M.

### **Inventories**

Inventories on 28 February 2003 amounted to SEK 733M compared with SEK 766M on 28 February 2002 and amounted to 14.2 per cent of 12 months average sales compared with 15.8 per cent on 31 August 2002.

The turnover rate amounted to 2.7 times per annum.

### **Product supply**

Through its global network of purchasing offices, Lindex is creating a strong local presence which offers shorter lead times and increased flexibility throughout the purchasing process. Products are purchased as close to the season as possible to optimise the accuracy of both collections and product supply.

In the previous financial year, Lindex initiated a project to ensure optimal distribution and allocation of products with the aid of a new business system and provide the replenishment of basic fashion products to the stores from a new picking inventory. Product allocation is governed by the demand of each store.

The implementation of the new business system and the new picking inventory was initiated in the first quarter of the financial year. During the 2003 calendar year, it is expected that the new product supply system will handle the majority of basic fashion and fashion products. The project is running according to plan both with regard to time and costs.

### **Investment**

The Group's net investment in fixed assets amounted to SEK 53M (114) for the second quarter of the financial year. Most of this related to investment in existing stores and the new business system which is in accordance with the previously stated plan.

**Cash flow**

The cash flow from current operations amounted to SEK 344M (461) for the first six months. The cash flow after investment amounted to SEK 311M (304).

The cash flow was mainly affected by the sale of the head office property in Alingsås, the sale of the customer portfolio for the Lindex credit card, and the dividend to the shareholders.

**Financing and liquidity**

On 28 February 2003, liquid funds amounted to SEK 136M compared with SEK 212M on 31 August 2002.

On 28 February 2003, net borrowing was SEK -119M compared with SEK 188M on 31 August 2002, a decrease of SEK 307M.

During the period, the net debt/equity ratio fell from 31.9 to -11.1 per cent and the equity ratio increased to 58.1 per cent compared with 45.3 per cent on 31 August 2002.

**Personnel**

The number of full-time employees during the latest 12 month period (March 2002-February 2003) amounted to 3,115 compared with 3,130 during the 2001/2002 financial year.

**Parent company**

Sales for the second quarter fell by SEK 8M, equivalent to 1.2 per cent, to SEK 683M (691). Profit after financial items fell to SEK 21M (39). Net investment in fixed assets was made of SEK 23M (74). Profit after tax fell to SEK 3M (25). Net borrowing by the parent company amounted to SEK 130M (540) on 28 February 2003.

**Subsequent events**

Initial spring sales got off to a good start in all markets. An additional two stores have been closed in Germany after the end of the reporting period.

**Future information dates**

Interim Report for the third quarter will be published on 26 June 2003. Lindex Year-End Report 2002/2003 will be published on 16 October 2003. The reports will be published before the opening of the Stockholm Stock Exchange.

**Accounting principles**

This Interim Report has been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR 20 Interim Reporting. The same accounting principles and calculation methods have been applied in this Interim Report as in the latest Annual Report with the addition of the Swedish Financial Accounting Standards Council's recommendations RR 1:00, 15, 16 and 17.

Alingsås, 31 March 2003  
AB Lindex (publ)  
Board of Directors

**Detailed Audit Report for AB Lindex 's relating to Interim Report  
1 September 2002–28 February 2003**

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 Stock Market and Annual Accounts Acts.

31 March 2003

Öhrlings PricewaterhouseCoopers AB

Robert Barnden  
Authorised Public Accountant

Magnus Götenfelt  
Authorised Public Accountant

## THE LINDEX GROUP'S DEVELOPMENT

### NUMBER OF STORES

	31 August					28 February	
	1998	1999	2000	2001	2002	2002	2003
AB Lindex, Sweden	160	170	178	179	179	180	179
Lindex AS, Norway	71	74	81	87	88	89	88
Lindex Oy, Finland	39	43	43	47	48	50	48
Lindex GmbH, Germany	4	11	27	33	33	34	33
AB Twilfit, Sweden					58	61	58
<b>Total</b>	<b>274</b>	<b>298</b>	<b>329</b>	<b>346</b>	<b>406</b>	<b>414</b>	<b>406</b>
Closures	-	-	3	2	14	3	2

### SALES BY MARKET

	6 months			Latest	12 months
	1 September–28 February			12 months	12 months
	2000/01	2001/02	2002/03	Mar-Feb	Sep-Aug
				2002/03	2001/02
AB Lindex, SEK M	1 395	1 401	<b>1 396</b>	2 657	2 662
Lindex AS, NOK M	550	574	<b>544</b>	1 051	1 081
Lindex Oy, EUR M	24	28	<b>27</b>	54	54
Lindex GmbH, EUR M	19	21	<b>21</b>	41	41
AB Twilfit, SEK M	-	-	<b>188</b>	352 <sup>2)</sup>	182 <sup>1)</sup>
Currency effect	-20	94	<b>10</b>	39	117
<b>Total, SEK M</b>	<b>2 366</b>	<b>2 555</b>	<b>2 695</b>	<b>5 171</b>	<b>5 031</b>

<sup>1)</sup> Relates to six months' sales

<sup>2)</sup> Relates to twelve months' sales

## PROFIT AND LOSS ACCOUNTS

SEK M	6 months 1 September–28 February			Latest 12 months	
	2000/01	2001/02	2002/03	Mar-Feb 2002/03	Sep-Aug 2001/02
<b>Net sales</b>					
Sales, net	2 366	2 555	2 695	5 171	5 031
Other operating income	12	18	29	46	35
<b>Total operating income</b>	<b>2 378</b>	<b>2 573</b>	<b>2 724</b>	<b>5 217</b>	<b>5 066</b>
<b>Operating expenses</b>					
Goods for resale	-1 198	-1 159	-1 191	-2 287	-2 255
<b>Gross profit</b>	<b>1 180</b>	<b>1 414</b>	<b>1 533</b>	<b>2 930</b>	<b>2 811</b>
Other external costs	-539	-605	-699	-1 330	-1 236
Personnel costs	-525	-556	-627	-1 204	-1 133
Depreciation of tangible and intangible fixed assets	-79	-94	-106	-214	-202
<b>Operating profit</b>	<b>37</b>	<b>159</b>	<b>101</b>	<b>182</b>	<b>240</b>
<b>Result of financial investments</b>					
Other interest income and similar profit items	24	31	2	31	60
Interest expenses and similar loss items	-15	-14	-3	-13	-24
<b>Profit after financial items</b>	<b>46</b>	<b>176</b>	<b>100</b>	<b>200</b>	<b>276</b>
<b>Taxes</b>					
Tax on the period's profit	-19 <sup>1)</sup>	-66 <sup>1)</sup>	-23	-78	-122 <sup>1)</sup>
<b>Net profit for the period</b>	<b>27</b>	<b>110</b>	<b>77</b>	<b>122</b>	<b>154</b>
<b>Profit per share</b>	<b>1.90</b>	<b>8.00</b>	<b>5.60</b>	<b>8.90</b>	<b>11.20</b>
<b>Number of shares</b>	<b>13 750 000</b>	<b>13 750 000</b>	<b>13 750 000</b>	<b>13 750 000</b>	<b>13 750 000</b>

<sup>1)</sup> Deferred taxes recoverable on accumulated losses in the German company are reported at SEK 20M for September 2000-February 2001, SEK 10M for September 2001-February 2002 and SEK 10M for September 2001-August 2002.



**QUARTERLY PROFIT AND LOSS ACCOUNTS**

SEK M	2000/01				2001/02				2002/03	
	Sep-Nov	Dec-Feb	Mar-May	Jun-Aug	Sep-Nov	Dec-Feb	Mar-May	Jun-Aug	Sep-Nov	Dec-Feb
<b>Net sales</b>										
Sales, net	1 173	1 193	1 136	1 204	1 288	1 267	1 239	1 237	1 365	1 330
Other operating income	4	8	6	8	8	10	10	7	13	16
<b>Total operating income</b>	<b>1 177</b>	<b>1 201</b>	<b>1 142</b>	<b>1 212</b>	<b>1 296</b>	<b>1 277</b>	<b>1 249</b>	<b>1 244</b>	<b>1 378</b>	<b>1 346</b>
<b>Operating expenses</b>										
Goods for resale	-578	-620	-545	-626	-562	-597	-520	-576	-551	-640
<b>Gross profit</b>	<b>599</b>	<b>581</b>	<b>597</b>	<b>586</b>	<b>734</b>	<b>680</b>	<b>729</b>	<b>668</b>	<b>827</b>	<b>706</b>
Other external costs	-286	-253	-284	-270	-313	-292	-336	-295	-375	-324
Personnel costs	-264	-261	-251	-243	-278	-278	-292	-285	-317	-310
Depreciation of tangible and intangible fixed assets	-38	-41	-43	-44	-46	-48	-54	-54	-53	-53
<b>Operating profit <sup>1)</sup></b>	<b>11</b>	<b>26</b>	<b>19</b>	<b>30</b>	<b>97</b>	<b>62</b>	<b>47</b>	<b>34</b>	<b>82</b>	<b>19</b>
<b>Result of financial investments</b>										
Other interest income and similar profit items	11	13	13	14	15	16	15	14	0	2
Interest expenses and similar loss items	-8	-7	-12	-10	-11	-3	-6	-4	-2	-1
<b>Profit after financial items</b>	<b>14</b>	<b>32</b>	<b>20</b>	<b>34</b>	<b>101</b>	<b>75</b>	<b>56</b>	<b>44</b>	<b>80</b>	<b>20</b>
<b>Taxes</b>										
Tax on the period's profit	-6 <sup>2)</sup>	-13 <sup>2)</sup>	-7 <sup>2)</sup>	-13 <sup>2)</sup>	-35 <sup>2)</sup>	-31	-29	-27	-20	-3
<b>Net profit for the period</b>	<b>8</b>	<b>19</b>	<b>13</b>	<b>20</b>	<b>66</b>	<b>44</b>	<b>27</b>	<b>17</b>	<b>60</b>	<b>17</b>
<b>Profit per share</b>	<b>0.60</b>	<b>1.40</b>	<b>0.90</b>	<b>1.50</b>	<b>4.80</b>	<b>3.20</b>	<b>2.00</b>	<b>1.20</b>	<b>4.40</b>	<b>1.20</b>

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

<sup>2)</sup> Deferred taxes recoverable on accumulated losses in the German company are reported at SEK 9M for September-November 2000, SEK 11M for December 2000-February 2001, SEK 10M for March-May 2001, SEK 12M for June-August 2001 and SEK 10M for September-November 2001 which has reduced 'Tax on the period's profit' by a similar amount.

## ITEMS WHICH HAVE AFFECTED THE QUARTERLY RESULTS

### Adjusted profit

SEK M

#### Cost charges

Influence on profit by Lindex GmbH,  
Germany

Adjusted profit in the Nordic countries, ie  
the total profit after adjustment for the  
influence on profit by Lindex GmbH,  
Germany

	2000/01				2001/02				2002/03	
	Sep- Nov	Dec- Feb	Mar- May	Jun- Aug	Sep- Nov	Dec- Feb	Mar- May	Jun- Aug	Sep- Nov	Dec- Feb
Influence on profit by Lindex GmbH, Germany	37	45	40	49	37	36	33	32	27	29
Adjusted profit in the Nordic countries, ie the total profit after adjustment for the influence on profit by Lindex GmbH, Germany	51	77	60	82	138	111	89	76	107	49

**BALANCE SHEETS**

SEK M	28 February		31 August	
	2001	2002	2003	2002
Fixed assets <sup>1)</sup>	888	1 012	877	971
Inventories	976	766	733	796
Trade debtors	292	354	19	315
Other current receivables	67	70	70	96
Liquid funds	109	31	136	212
<b>Total assets</b>	<b>2 332</b>	<b>2 233</b>	<b>1 835</b>	<b>2 390</b>
Shareholders' equity	927	1 029	1 066	1 083
Interest-bearing liabilities	737	359	17	400
Operating liabilities and provisions	668	845	752	907
<b>Total equity, provisions and liabilities<sup>2)</sup></b>	<b>2 332</b>	<b>2 233</b>	<b>1 835</b>	<b>2 390</b>

1) Of which brand names and goodwill which arose in connection with the acquisition of AB Lindex by Industri Kapital 1989 and by other operators' in September 1993 and the acquisition of AB Twilfit in 2002

	309	333	306	320
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2) Current liabilities	741	807	551	795
Long-term provisions and liabilities	664	176	205	490

**CHANGES IN CONSOLIDATED EQUITY**

SEK M	2000/01	2001/02	2002/03	2001/02
	Sep-Feb	Sep-Feb	Sep-Feb	Sep-Aug
Equity brought forward as per balance sheet at 31 August	956	971	1 083	971
Net profit for the period	27	110	77	154
Dividend	-69	-41	-83	-41
Translation difference	13	-11	-11	-1
Amount at the period end	927	1 029	1 066	1 083

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

SEK M	6 months 1 September–28 February			Latest 12 months Mar-Feb	12 months Sep-Aug
	2000/01	2001/02	2002/03	2002/03	2001/02
<b>Cash flow from current operations</b>	-63	461	344	552	669
Cash flow from investment operations	-172	-157	-33	-97	-220
<b>Cash flow after investments</b>	<b>-235</b>	<b>304</b>	<b>311</b>	<b>455</b>	<b>449</b>
Cash flow from financial operations	240	-459	-387	-350	-422
<b>The period's cash flow<sup>1)</sup></b>	<b>5</b>	<b>-155</b>	<b>-76</b>	<b>105</b>	<b>26</b>
<b>Change in interest-bearing net liability</b>	307	-212	-324	-447	-352

1) Change in liquid funds					
Liquid funds at the start of the period	104	186	212	31	186
Liquid funds at the period end	109	31	136	136	212

- 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**

		6 months			Latest 12 months Mar–Feb 2002/2003	12 months Sep–Aug 2001/2002
		1 September–28 February 2000/01	2001/02	2002/03		
Sales growth						
total	%	14.1	8.0	5.5	5.6	6.9
Same-stores sales growth <sup>1)</sup>	%	5.7	2.4	-0.7	-2.2	-0.7
Same-stores sales growth <sup>2)</sup>	%	4.8	-1.6	-1.2	-3.0	-3.3
Sales by square metre	SEK	-	-	-	19 451 <sup>3)</sup>	19 285 <sup>3)</sup>
Gross profit by square metre	SEK	-	-	-	10 902 <sup>3)</sup>	10 675 <sup>3)</sup>
Gross margin	%	49.4	54.6	55.8	55.8	55.2
Operating margin	%	1.6	6.2	3.7	3.5	4.8
Profit margin	%	1.9	6.9	3.7	3.9	5.5
Return on equity	%	-	-	-	11.4	15.0
Return on capital employed	%	-	-	-	15.4	18.9
Return on capital employed in operations	%	-	-	-	15.9	17.3
Return on total capital	%	-	-	-	9.6	12.5
Equity ratio	%	39.7	46.1	58.1	59.1	45.3
Net debt/equity ratio	%	67.8	31.9	-11.1	-11.1	17.3
Interest coverage ratio	times	4.1	12.9	38.8	70.6	12.3
Capital turnover rate	times	-	-	-	5.5	4.0
Inventory turnover rate	times	-	-	-	2.7	2.5
Investments, net	SEK M	145	181	102	168	247
Cash flow after investments	SEK M	-235	304	311	454	449
Number of full-time employees		2 881	3 118	3 115	3 115	3 130
Profit per share	SEK	1.90	8.00	5.60	8.90	11.20
Cash flow per share	SEK	-17.10	22.10	22.60	33.00	32.70
Equity per share	SEK	67.40	74.80	77.50	77.50	78.80

<sup>1)</sup> Including currency fluctuations

<sup>2)</sup> Excluding currency fluctuations

<sup>3)</sup> Excluding Twilfit

## LINDEX'S LARGEST SHAREHOLDERS

Shareholders	Number of shares	Per cent of shares and votes
Orkla ASA	1 433 600	10.4
Alecta	1 236 247	9.0
S E Bs aktiefonder	966 139	7.0
Custos AB	441 600	3.2
Gamla livförsäkringsbolaget SE	423 600	3.1
Hagströmer Qvibergs Strategifond	398 700	2.9
Fjärde AP-fonden	377 500	2.8
Carlson småbolagsfond	338 000	2.5
Robur	311 100	2.3
Handelsbanken fonder	294 210	2.1
<b>Total</b>	<b>6 220 696</b>	<b>45.2</b>

Source: VPC AB Share Register 28 February 2003.

The largest owners represent 45.2 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	
	2002-08-31	2003-02-28
Swedish owners	76.3	81.6
Owners resident outside Sweden excluding the USA	20.5	17.3
USA	3.2	1.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
<b>Total number of shareholders</b>	<b>12 728</b>	<b>12 357</b>

Source: VPC AB Share Register 31 August 2002 and 28 February 2003.

## DEFINITIONS

**Average equity.** Total shareholders' equity at start and end of the financial year divided by two.

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

**Average 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.

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

**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.

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

**Cash flow after investments.** Payments received and payments made.

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

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

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

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

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

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

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

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

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

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

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

**P/E-ratio.** Share price on balance sheet date divided by profit per share.

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

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

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

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

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

**Sales.** Sales excluding value added taxes.

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

**Same stores.** Stores which have been open for more than 12 months.

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

**Share price on 31 August.** Price paid on the Stockholm Stock Exchange.

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

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