

2002-10-17

YEAR-END REPORT 2001/2002

1 September 2001–31 August 2002

Profit more than doubled, focus on growth

- Profit after financial items amounted to SEK 276M (100) and operating profit increased to SEK 240M (86). Historically, the Lindex chain reports a high profit level in the Nordic countries.
- During the financial year, sales increased by 6.9 per cent (14.4) to SEK 5,031M (4,707).
- The gross margin was significantly strengthened during the financial year and increased to 55.2 per cent (49.7).
- Significantly improved cash flow from current operations of SEK 669M (117).
- The cost savings from the action programme amounts to more than SEK 100M.
- An additional six stores in Germany achieved break-even in the fourth quarter. The deficit continues to reduce.
- The Board of Directors proposes that the Annual General Meeting sets a dividend of SEK 4,00 per share for the 2001/2002 financial year.

The Lindex Group consists of two retail chains: Lindex with 316 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 product areas are Ladies' Wear, Lingerie and Children's Clothing.

For further information, please contact:
Jörgen Johansson, President and CEO

Peter Andersson, Chief Financial Officer

Ulrika Danielson, Manager of Corporate Communications

Tel:	+46 322-777 02
Mobile:	+46 70-594 21 22
Tel:	+46 322-778 50
Mobile:	+46 70-584 44 37
Tel:	+46 322-744 00
Mobile:	+46 70-950 16 13

Market and demand

Growth in the retail clothing markets in which Lindex operates weakened still further in the fourth quarter.

During the financial year, the Swedish market weakened slightly whilst the Norwegian and Finnish markets reported positive growth figures. However, the German market continued to fall.

The unusually warm end to the summer affected demand in the Nordic markets. This generated a weaker than anticipated sales growth during the fourth quarter. In total, the hot weather is expected to have affected sales by approximately SEK 40M and operating profit by approximately SEK 20M. Sales relating to the return to school were particularly affected.

Sales and gross margin

During the period September 2001-August 2002, Lindex's sales increased by 6.9 per cent (14.4) to SEK 5,031M (4,707). Lindex's same-stores sales fell by 0.7 per cent (+6.7). New stores generated an increase of 3.8 per cent (7.7). Excluding fluctuations in exchange rates, same-stores sales fell by 3.3 per cent (+3.6). Twilfit's sales increased by 3.9 per cent (0.0).

In the fourth quarter of the financial year, sales rose by 2.7 per cent to SEK 1,237M (1,204). Same-stores sales fell by 6.6 per cent compared with the previous year. New stores generated an increase of 2.7 per cent and Twilfit increased the Lindex Group's sales by 6.8 per cent (0.0).

Lindex continues to position and strengthen its brand name through the strategy initiated during spring 2002. Margins strengthened as a result of significantly fewer price campaigns.

The gross margin was significantly strengthened throughout the financial year and increased to 55.2 per cent (49.7) and improved in all four geographic markets and all three business areas. Gross margins within business area Ladies' Wear and the German market developed especially positively during the year.

The strengthening of the gross margin was partly due to a significantly better balance between product supply and demand, the successful phasing out of inventories and fewer price activities in the form of general discount offers. In addition, the logistics costs have been substantially reduced.

The gross margin for the fourth quarter was strengthened and amounted to 53.4 per cent (48.1).

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.

Profit after financial items rose to SEK 276M

Profit after financial items rose to SEK 276M (100). Operating profit for the financial year amounted to SEK 240M (86).

The adaption of costs has been implemented in accordance with the action programme and the savings amounted to more than SEK 100M. Consequently, the previously announced target, has been realised. Costs for organisational and supply chain projects,

store concept development and repositioning brand names within Lindex and Twilfit were charged to the financial year as were closing down costs for two stores in Germany and one store in Finland.

Profit is also charged with costs for opening 11 new Lindex stores and a large number of refurbishments. Twilfit affected net profit for the year.

Profit after financial items in the Nordic countries increased to SEK 414M (270), which historically is the highest level for the Lindex chain. The profit margin in the Nordic countries amounted to 8.9 per cent. The net charge (sales minus costs) to the result from the German operation amounted to SEK 138M (170).

Financial income and expenses amounted to SEK 36M (14). Interest expenses on interest-bearing liabilities, which averaged SEK 416M (650) during the financial year, amounted to SEK 24M (36). Financial income and expenses were positively affected by interest income from the Lindex Card, Lindex Club.

Profit per share after full tax was SEK 11.20 (4.40).

Profit after financial items for the fourth quarter amounted to SEK 44M (34).

Impact of action programme

The action programme has made an impact in a number of areas.

The implemented measures resulted in a sustained reduction in inventory levels and a better balance between product supply and demand. This has led to significant improvements in gross margins and a substantially improved cash flow.

In total, the value of the cost savings amounts to more than SEK 100M. There is a potential for further savings.

The logistics and handling costs have been significantly reduced. In addition, the number of hours worked in the store network has been reduced. Savings, especially within administrative support functions and head office functions, have also been implemented.

Of the nine stores which are scheduled to be closed, seven stores were closed during the period. The structural costs, which totalled SEK 39M, were charged to the previous financial year.

Germany – an additional six stores achieved break-even

Sales in the retail clothing and outfit sector in Germany were 4.0 lower than in the previous financial year. Lindex's same-stores sales fell by 9.1 per cent (-1.2) during the period. In the fourth quarter, Lindex's sales were on a par with the market.

During the period, Lindex succeeded in significantly increasing the gross margin and reducing costs, limiting the impact on the result of the weak sales trend. As a result, the same-stores deficits reduced. An additional six stores achieved break-even during the fourth quarter. A total of ten stores has now achieved break-even (income exceeds expenditure) with regard to operating profit before depreciation.

The full-year result of the German operation was charged with costs for the closure of two stores and opening costs for three stores.

In total, the net charge of the German operation amounted to SEK 138M (170) for the financial year. Net charge for the fourth quarter amounted to SEK 32M (49).

Christian D. Lorentz, who has a long experience of the German retail clothing and outfit market and international retail clothing chains, has been appointed country manager in Germany.

Proactive work with the store network

During the financial year, Lindex opened a total of 11 (19) new Lindex stores – two in Sweden, two in Norway, three in Germany and four in Finland. Two Twilfit stores also opened during the year. The acquisition of Twilfit meant an addition of 61 stores, of which 13 are franchise stores. Nine Lindex stores and five Twilfit stores were closed during the financial year.

Investment programme and continued growth

The Board of Directors has decided to make significant investment in the Nordic markets over a two year period. The programme is aimed at increasing the growth rate and improving the results in existing stores; increasing the company's presence and market share; and strengthening Lindex's image in large cities. In total, 90 store locations are expected to be the subject of re-profiling or other measures.

Lindex has also made a decision about continued investment to improve the infrastructure in product supply and IT systems. The investment will be implemented to support changes in working methods and flows throughout the supply chain.

The investment in Germany continues. Over the next two year period, Lindex will invest in development activities in the existing stores as well as closures of stores. Lindex expects that the German operation will generate a positive cash flow within two years and a positive profit contribution within four years.

Twilfit

Lindex operates and develops Twilfit as an independent brand but is improving and co-ordinating its purchasing and logistics flows as well as the administrative functions with the other parts of the Lindex Group.

Twilfit will launch a new store concept during October 2002. The product range will be relaunched with a new style and functional classification. The emphasis is on inspiration and customer experience, and better customer information. The objective is to strengthen Twilfit's position in large cities.

Taxes

Paid and deferred taxes amounted to SEK 122M (39) in 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, which reduced tax on the year's profit by SEK 10M (42).

Inventories

Inventories on 31 August 2002 amounted to SEK 796M compared with SEK 954M on 31 August 2001 and amounted to 15.8 per cent of sales at the end of the financial year.

The turnover rate amounted to 2.7 (2.2) times per annum.

Shorter lead times and more flexible product supply

Lindex has purchasing offices in Hong Kong, Shanghai, New Delhi, Dhaka, Istanbul and Bucharest. Through the purchasing networks, Lindex is getting closer to the suppliers in the respective country. This means significant opportunities to direct the purchases to the markets that have the best quality, price, speed and export quota regulations.

A strong local presence also means shorter lead times and increased flexibility in both the production and purchasing processes. This is a prerequisite for ensuring production at the right time. Products are also purchased as close to the season as possible to optimise the accuracy of both collections and product supply.

During the financial year, Lindex initiated a project, which will secure an optimal distribution of the products through the support of a new business system. In the new product flow, the top-up of basic fashion products will be handled from a new pick-up inventory. Product allocation is governed by the demand of each store. The implementation of the new business system was initiated on a small scale in September 2002. During 2003, the system will handle the majority of basic fashion and fashion products.

Investment

The Group's net investment in fixed assets amounted to SEK 247M (210) for the financial year. Most of this is related to the acquisition of Twilfit, investment in new stores, refurbishment of stores and the new business system.

Cash flow from current operations SEK 669M

The improved profit, lower inventory level and reduced expansion rate generated a significant strengthening of the cash flow from current operations of SEK 669M (117).

The cash flow was also influenced by increased trade debtors which amounted to SEK 315M (308) on 31 August 2002.

Of total trade debtors, the Lindex Club trade debtors amounted to SEK 315M (300). During the period, Lindex signed an agreement with Ikanobanken in Sweden and IKANO Finans in Norway. The agreement means that Lindex will transfer its customer portfolio for the Lindex credit card which consists of approximately 700,000 credit customers. Through the deal Lindex will receive a capital contribution of approximately SEK 250M which will make an impact on the cash flow during the first quarter of the 2002/2003 financial year.

Lindex will continue to own the card concept and will still use the card as an important marketing channel.

The cash flow after investment amounted to SEK 448M (-143).

Financing and liquidity

On 31 August 2002, liquid funds amounted to SEK 212M compared with SEK 186M on 31 August 2001.

On 31 August 2002, net borrowing was SEK 188M compared with SEK 540M on 31 August 2001, a fall of SEK 352M.

During the period, the net debt/equity ratio fell from 55.6 per cent to 17.3 per cent and the equity ratio amounted to 45.3 (40.1) per cent.

Personnel

The number of full-time employees during the financial year amounted to 3,130 compared with 2,950 during the 2000/2001 financial year. The increase is mainly due to the acquisition of Twilfit and recruitment by the newly-opened Lindex stores.

In order to get closer to the customer and fashion trends, and to increase its attractiveness as an employer, Lindex decided in September 2002 to move its head office to Gothenburg. The company will move into its new premises in the city centre during October 2003.

Incentive scheme

The Annual General Meeting on 18 January 2001 resolved to implement a new incentive scheme for senior executives. The scheme is based on issuing warrants. The Annual General Meeting on 17 January 2002 resolved to continue this scheme relating to the period 1 September 2001–31 August 2002.

The Board of Directors has decided to recommend that the Annual General Meeting in January 2003 should renew the scheme.

Parent company

Sales fell by SEK 20M, equivalent to 0.7 per cent, to SEK 2 662M (2,682). Profit after financial items increased to SEK 214M (208). Net investment in fixed assets was made of SEK 303M (327). Profit after tax increased to SEK 71M (99). Net borrowing by the parent company amounted to SEK 228M (547) on 31 August 2002.

Accounting principles

This year-end 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.

Dividend

The Board of Directors has decided to recommend that the Annual General Meeting sets a dividend of SEK 6.00 per share for the 2001/2002 financial year, equivalent to a total of SEK 83M (41).

Annual General Meeting

The Annual General Meeting will be held in Alströmergymnasiets aula, Teatergatan, Alingsås, on Thursday 16 January 2003 at 4 pm.

Future information dates

The Annual Report will be published and distributed to the shareholders on 6 December 2002. The Annual Report will be available at head office in Kristineholmsvägen 14–16 in Alingsås and on www.lindex.com.

Interim Report for the first quarter of the 2002/2003 financial year will be published on 16 January 2002.

Alingsås, 17 October 2002
AB Lindex (publ)
Board of Directors

SALES BY MARKET¹⁾

		1997/98	1998/99	1999/2000	2000/01	2001/02	Change %
Sweden	SEK M	2 055	2 259	2 539	2 682	2 662	- 0,7
Norway	NOK M	780	883	967	1 087	1 081	- 0,6
Finland	EUR M	36	39	44	51	54	5,5
Germany	EUR M	2	7	23	39	41	4,0
Twilfit ⁴⁾	SEK M					182	
Currency effect	SEK M	-20	20	-60	129	117	
Total	SEK M	3 212	3 615	4 114	4 707	5 031	

SALES BY BUSINESS AREA¹⁾

SEK M	1997/98	1998/99	1999/2000	2000/01	2001/02	Change %
Ladies' wear	1 180	1 297	1 479	1 657	1 808 ³⁾	9,1
Lingerie ²⁾	1 138	1 313	1 451	1 625	1 776 ³⁾	9,3
Children's clothing	894	1 005	1 184	1 425	1 447	1,5
Total	3 212	3 615	4 114	4 707	5 031	

NUMBER OF STORES

	31 August					
	1997	1998	1999	2000	2001	2002
AB Lindex, Sweden	153	160	170	178	179	180
Lindex AS, Norway	65	71	74	81	87	88
Lindex Oy, Finland	33	39	43	43	47	48
Lindex GmbH, Germany	-	4	11	27	33	33
Twilfit						58
Total	251	274	298	329	346	407
Closures	-	-	-	3	2	14

¹⁾ Exkluding value added taxes but including exchange rate fluctuations.

²⁾ Lindex Cosmetics now forms part of business area Lingerie.

³⁾ Twilfit now forms part of the Lindex Group

⁴⁾ Twilfit was consolidated by 2002-01-21

THE LINDEX GROUP'S DEVELOPMENT

PROFIT AND LOSS ACCOUNTS

SEK M	12 months		
	1 September – 31 August		
	1999/2000	2000/01	2001/02
Net sales			
Sales, net	4 114	4 707	5 031
Other operating income	51 ³⁾	26	35
Total operating income	4 165	4 733	5 066
Operating expenses			
Goods for resale	-1 956	-2 369	-2 255
Gross profit	2 209	2 364	2 811
Other external costs ¹⁾	-922	-1 093	- 1 236
Personnel costs	-876	-1 019	- 1 133
Depreciation of tangible and intangible fixed assets	-124	-166	-202
Operating profit	287	86⁴⁾	240
Result of financial investments			
Other interest income and similar profit items	43	50	60
Interest expenses and similar loss items	-17	-36	-24
Profit after financial items	313	100	276
Taxes			
Tax on the year's profit	-92 ²⁾	-39 ²⁾	- 122 ²⁾
Net profit for the year	221	60	154

¹⁾ Including relating to synthetic options:
provision for anticipated liability
share price on the last stock market day of the respective period, SEK

-1

-

-

200

106

169

²⁾ Deferred taxes recoverable on accumulated losses in the German company are reported at SEK 27M for the 1999/2000 financial year, SEK 42M for the 2000/2001 financial year and SEK 10M for the 2001/2002 financial year. These amounts have reduced 'Tax on the year's profit' by a corresponding amount for the respective financial year.

³⁾ Including discounted current value of Lindex's share of Alecta's overconsolidation reserve in the pension scheme of SEK 20M.

⁴⁾ Operating profit has been charged with one-off structural costs equivalent to SEK 39M.

QUARTERLY PROFIT AND LOSS ACCOUNTS

SEK M

1999/00

2000/01

2001/02

Quarter	Sep- Nov	Dec- Feb	Mar- May	Jun- Aug	Sep- Nov	Dec- Feb	Mar- May	Jun- Aug	Sep- Nov	Dec- Feb	Mar- May	Jun- Aug
Net sales												
Sales, net	1 019	1 054	988	1 053	1 173	1 193	1 136	1 204	1 288	1 267	1 239	1 237
Other operating income	5	8	7	31 ⁴⁾	4	8	6	8	8	10	10	7
Total operating income	1 024	1 062	995	1 084	1 177	1 201	1 142	1 212	1 296	1 277	1 249	1 244
Operating expenses												
Goods for resale	-460	-517	-442	-537	-578	-620	-545	-626	-562	-597	-520	-576
Gross profit	564	545	553	547	599	581	597	586	734	680	729	668
Other external costs ²⁾	-250	-210	-248	-214	-286	-253	-284	-270	-313	-292	-336	-295
Personnel costs	-212	-218	-221	-225	-264	-261	-251	-243	-278	-278	-292	-285
Depreciation of tangible and intangible fixed assets	-28	-30	-31	-35	-38	-41	-43	-44	-46	-48	-54	-54
Operating profit ¹⁾	74	87	53	73	11	26	19	30	97	62	47	34
Result of financial investments												
Other interest income and similar profit items	10	12	10	11	11	13	13	14	15	16	15	14
Interest expenses and similar loss items	-5	-3	-4	-5	-8	-7	-12	-10	-11	-3	-6	-4
Profit after financial items	79	96	59	79	14	32	20	34	101	75	56	44
Taxes												
Tax on the period's profit	-25 ³⁾	-26 ³⁾	-19 ³⁾	-22 ³⁾	-6 ³⁾	-13 ³⁾	-7 ³⁾	-13 ³⁾	-35 ³⁾	-31	-29	-27
Net profit for the period	54	70	40	57	8	19	13	20	66	44	27	17

¹⁾ Operating profit has been charged with one-off structural costs equivalent to

²⁾ Influenced by provision for anticipated liability for synthetic options and costs for synthetic options which have been redeemed by AB Lindex.

³⁾ Deferred taxes recoverable on losses carried forward in the German company are reported at SEK 6M for September–November 1999, SEK 5M for December 1999–February 2000, SEK 7M for March–May 2000, SEK 9M for June–August 2000, 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.

⁴⁾ Including discounted current value of Lindex's share of Alecta's overconsolidation reserve in the pension scheme of SEK 20M.

ITEMS WHICH HAVE AFFECTED THE QUARTERLY RESULTS
Adjusted profit

SEK M

Quarter
Cost charges

Provision for anticipated liability for synthetic options¹⁾

Influence on the profit by Lindex GmbH, Germany

Discounted current value of Lindex's share of Alecta's overconsolidation reserve in the pension scheme

Adjusted profit in the Nordic countries, ie the total profit after adjustment for the influence on profit of Lindex GmbH, Germany, provisions for synthetic options and discounted current value of Lindex's share of Alecta's overconsolidation in the pension scheme

¹⁾ Share price on the last stock market day in the respective period, SEK

	1999/00				2000/01				2001/02			
	Sep-Nov	Dec-Feb	Mar-May	Jun-Aug	Sep-Nov	Dec-Feb	Mar-May	Jun-Aug	Sep-Nov	Dec-Feb	Mar-May	Jun-Aug
Provision for anticipated liability for synthetic options ¹⁾	8	-9	3	-3	-	-	-	-	-	-	-	-
Influence on the profit by Lindex GmbH, Germany	22	24	28	36	37	45	40	49	37	36	33	32
Discounted current value of Lindex's share of Alecta's overconsolidation reserve in the pension scheme	-	-	-	-20	-	-	-	-	-	-	-	-
Adjusted profit in the Nordic countries, ie the total profit after adjustment for the influence on profit of Lindex GmbH, Germany, provisions for synthetic options and discounted current value of Lindex's share of Alecta's overconsolidation in the pension scheme	109	111	90	92	51	77	60	82	138	111	89	76
	243	206	218	200	173	135	139	106	138	188	180	169

BALANCE SHEETS

SEK M	31 August		
	2000	2001	2002
Fixed assets ²⁾	788	893	971
Inventories	945	954	796
Trade debtors	232	308	315
Other current receivables	95	79	96
Liquid funds	104	186	212
Total assets	2 164	2 420	2 390
Shareholders' equity ¹⁾	956	971	1 083
Interest-bearing liabilities	425	726	400
Operating liabilities and provisions	783	723	907
Total equity, provisions and liabilities³⁾	2 164	2 420	2 390

1) **Change in equity**

Balance brought forward on 1 September	790	956	971
Profit after tax	221	60	154
Dividend	-55	-69	-41
Translation differences	0	24	-1
Balance carried forward	956	971	1 083

2) Of which brand names and goodwill which arose in connection with the acquisition by Industri Kapital 1989 and others of AB Lindex on 1 September 1993 and the acquisition of Twilfit in 2002.

	321	297	320
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3) **Current liabilities**

	772	864	795
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Long-term provisions and liabilities

	438	568	490
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CASH FLOW ANALYSIS²⁾

SEK M	1 September – 31 August		
	1999/2000	2000/01	2001/02
Cash flow from current operations	169	118	669
Investments, net	-236	-261	-220
Cash flow after investments	-67	-143	449
Cash flow from financial operations	24	224	-422
Change in liquid funds¹⁾	-43	81	26
Change in interest-bearing net liability	123	219	-352

1) The period's cash flow

Liquid funds at the start of the period	147	104	186
Liquid funds at the period end	104	186	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

		1 September – 31 August		
		1999/00	2000/01	2001/02
Sales growth, total		13.8	14.4	6.9
Same-stores sales growth ¹⁾	%	5.1	6.7	-0.7
Same stores sales growth ²⁾	%	6.8	3.6	-3.3
Sales by square metre	SEK	19 553	20 009	19 285 ⁴⁾
Gross profit by square metre	SEK	10 257	9 939	10 675 ⁴⁾
Gross profit margin	%	52.5	49.7	55.2
Operating margin	%	7.0	1.8	4.8
Profit margin	%	7.6	2.1	5.5
Return on equity	%	25.3	6.3	15.0
Return on capital employed	%	26.2	8.8	18.9
Return on capital employed in operations	%	25.3	6.1	17.3
Return on total capital	%	16.7	5.9	12.5
Equity ratio	%	44.2	40.1	45.3
Net debt/equity ratio	%	33.6	55.7	17.3
Interest coverage ratio	times	19.5	3.7	12.3
Capital turnover rate	times	3.2	3.1	4.0
Inventory turnover rate	times	2.6	2.2	2.7
Investments, net ³⁾	SEK M	236	260	247
Cash flow after investments ³⁾	SEK M	-67	-143	449
Number of full-time employees		2 678	2 950	3 130

¹⁾ Including currency fluctuations

²⁾ Excluding currency fluctuations

³⁾ 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.

⁴⁾ Excluding Twilfit

The Lindex share

AB Lindex's shares were registered on the A list of the Stockholm Exchange on 7 April 1995.

Share capital

The share capital of AB Lindex amounts to SEK 27.5M represented by 13,750,000 shares with a nominal value of SEK 2 and an entitlement to one vote at the Annual General Meeting. All shares carry equal rights to a share in the assets and profit of the company.

Price development and trading

During the period 1 September 2001–31 August 2002, the price of the Lindex share rose by 59.0 per cent to SEK 168.50 (106.00) per share. During the same period, the Affärsvärlden General Index fell by 71.2 per cent. Lindex's total stock market value amounted to SEK 2,317M (1,457) on 31 August 2002.

On 16 October 2002, the share price was SEK 157.00 and total stock market value SEK 2.159 M.

During the period 1 September 2001–31 August 2002, 14 744 564 Lindex shares were traded on the Stockholm Exchange. Lindex is also traded on SEAQ International in London and on Deutsche Börse in Frankfurt.

Dividend policy

The objective is that the dividend will be equivalent to approximately 30 per cent of consolidated profit after taxes in the long term.

For the 2000/2001 financial year, the Board of Directors proposes a dividend of SEK 6.00 (3.00) per share.

Lindex's largest shareholders

Shareholders	Number of shares	Per cent of shares and votes
Orkla ASA	1 433 600	10,4
S E Bs aktiefonder	1 262 780	9,2
AP Fonder	856 394	6,2
Alecta	698 197	5,1
Gamla Livförsäkringsbolaget SE	598 400	4,4
Roburs fonder	498 341	3,6
Handelsbankens Aktie och allemansfonder	397 738	2,9
Hagströmer Qvibergs Strategifond	333 570	2,4
State Street Bank and Trust	301 547	2,2
Öresund Investment	291 000	2,1
Total	6 671 567	48,5

Source: VPC AB Share register 31 August 2002

The largest owners represent 48.5 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				
	1998-08-31	1999-08-31	2000-08-31	2001-08-31	2002-08-31
Swedish owners	76.4	80.0	76.1	72.5	76,3
Owners resident outside Sweden					
excluding the USA	18.1	17.9	21.4	25.8	20,5
USA	5.5	2.1	2.5	1.7	3,2
Total	100.0	100.0	100.0	100.0	100.0
Total number of shareholders	12 796	13 597	14 302	12 556	12 728

Source: VPC AB Share register 31 August 1998, 31 August 1999, 31 August 1997, 31 August 2000, 31 August 2001 and 31 August 2002.

Share data

	1997/98	1998/99	1999/2000	2000/01	2001/02
Number of shares, 000	13 750	13 750	13 750	13 750	13 750
Profit per share, SEK	10.30	14.40	16.00	4.40	11,20
Cash flow per share, SEK ²⁾	1.00	7.30	-4.90	-10.40	32,70
Equity per share, SEK	46.70	57.50	69.50	70.60	78,80
Share price on 31 August, SEK	248.00	209.00	200.00	106.00	168,50
Dividend per share, SEK	3.50	4.00	5.00	3.00	6.00 ¹⁾
P/E ratio	24	17	12	24	15
EBIT-multiple	16	12	11	23	11
Price/equity ratio	5.3	3.6	2.9	1.5	2.1
Yield, %	1.4	1.9	2.5	2.8	3.6

¹⁾ Proposed dividend.

²⁾ 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.

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 number of months.

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 – Profit before depreciation plus/minus financial items minus tax paid plus/minus changes in working capital minus investments.

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 31 August – Price paid on the Stockholm Exchange.

P/E-ratio – Share price on balance sheet date 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.