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## News release

### **President resigns as Lindex announces significant deterioration in second quarter results**

**Lindex's provisional result after financial income and expenses for the second quarter of the 2003/2004 financial year is expected to amount to SEK -55M after being affected by significantly larger 'sale' volumes than planned. Partly as a result of this, Jörgen Johansson, in consultation with the Board of Directors, has agreed to step down as President. The Board of Directors has appointed Conny Karlsson as Acting President.**

The weak sales growth during the autumn and the Christmas period in the retail clothing markets in which Lindex operates continued during January. According to the Swedish Retail and Wholesale Trade Research Institute (HUI), the Swedish market grew by only 0.6 per cent during the period September-January. The combination of this market weakness and over-optimistic purchasing volumes led to an exceptionally long 'sale' period with very large price reductions, especially in the Swedish market.

Lindex's purchasing volumes have been too optimistic in relation to market growth. This has involved increased write-downs, clearance sales and price reductions aimed at reducing inventories.

The larger product volume has also involved higher staff costs in the stores as a result of increased product handling and marketing costs.

Lindex's sales for the second quarter (December-February 2003/2004) are provisionally estimated to amount to SEK 1,366M (1,330) and the result after financial income and expenses to SEK -55M (20). The gross margin has reduced to 48.4 per cent (51.9).

Lindex is adapting both the purchasing volumes and its costs for the spring in order to secure a good result for the second half of the 2003/2004 financial year. Lindex's long-term strategy stands and the trend for the future looks promising.

"Jörgen Johansson has been dedicated to the extensive development and change programme within Lindex. The result for the second quarter is obviously a disappointment but the company is currently entering a new phase which will demand a fresh approach. Against this background, the Board of Directors, in consultation with Jörgen Johansson, has decided that he will step down as President of AB Lindex. Jörgen Johansson will leave Lindex on 1 April 2004 but will be available to support the company for 12 months," says Birgitta Johansson-Hedberg, Chairwoman of AB Lindex.

The Board of Directors has appointed Conny Karlsson as Acting President. Conny Karlsson is a Member AB Lindex's Board of Directors and has previously been President of Duni AB and has worked for 12 years within Procter & Gamble, partly as head of the Scandinavian countries.

The Board of Directors has started the process for recruiting a new President.

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Lindex also intends to move all Twilfit's head office functions to Lindex's office in Gothenburg and, as a result, Åsa Gabriel will resign as President of Twilfit.

As previously stated, the full Interim Report for the second quarter will be published on 24 March 2004.

**Board of Directors  
AB Lindex (publ)**

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***The Lindex Group comprises two retail chains: Lindex which has 314 stores in the Nordic market and 30 stores in Germany, and Twilfit which has 60 stores in Sweden, of which 10 are operated as franchise stores. The Group's business areas are Lingerie, Ladies' Wear and Children's Clothing.***