

Lindex Year-End Report

1 September 2006-31 August 2007

The financial year September-August 2006/2007

- The Lindex Group's sales, excluding the closed German operation, increased by 3.1 per cent to SEK 5,084M (4,932). Same store sales, excluding the German operation and the currency effect, increased by 1.8 per cent. Including the German operation, total sales increased by 1.2 per cent to SEK 5,275M (5,212).
- The operating margin amounted to 9.0 (11.5) per cent and the gross margin to 59.2 (59.0) per cent.
- The EBITA result, excluding the closed German operation, amounted to SEK 608M (627), equivalent to an EBITA margin of 12.0 per cent.
- Profit after tax, including the German operation, amounted to SEK 303M (504), equivalent to SEK 4.40 (7.30) per share.

Fourth quarter 2006/2007 (1 June 2007–31 August 2007)

- The Lindex Group's sales, excluding the closed German operation, increased by 9.9 per cent in total to SEK 1,369M (1,247). Excluding the German operation, same store sales increased by 6.8 per cent. Excluding the currency effect, the increase was 8.4 per cent. Including the German operation, total sales increased by 6.4 per cent to SEK 1,393M (1,309).
- The operating margin amounted to 13.1 (11.0) per cent and the gross margin to 57.5 (56.1) per cent.
- The EBITA result, excluding the German operation, amounted to SEK 204M, equivalent to an EBITA margin of 14.9 per cent. Including the German operation, the EBITA result amounted to SEK 183M (144), equivalent to an EBITA margin of 13.1 (11.0) per cent.
- Profit after financial items, including the German operation, increased by 25 per cent and amounted to SEK 180M (144).
- Profit after tax increased to SEK 123M (104), equivalent to SEK 1.80 (1.50) per share.
- The closure of the German operation was completed during the quarter. The total cost for the closure amounted to SEK 91M, of which SEK 1M is charged to the quarter. A provision of SEK 90M was already made in the second quarter.
- The operating loss in the German operation amounted to SEK 20M.

The CEO comments:

"During the financial year, we continued our successful work of improving the core operation through product supply, product range and stores aimed at giving our customers a strong fashion experience. We are pleased that we completed the closure of our German operation during the year. The closure process went well and, as a result, we have freed up resources. This will enable us to focus on our expansion in the Nordic countries, the Baltic States and Central Europe. As a phase of this expansion we opened our first store in the Czech Republic during September.

"In Lindex, we are obviously proud that our extensive work throughout the organisation has resulted in Lindex's strongest quarter ever, with a profit in operations amounting to SEK 204M.

"Our product range, especially in Ladies' Wear but also in Children's Clothing, has had the biggest single impact on the results. We have also implemented a culture change in Lindex relating to

seasonal change-overs and have succeeded in achieving an excellent fashion range early in the season. This has had a very positive effect on the results and will continue to do so in the future.

"We note with satisfaction that we already report results on a par with our financial targets for the 2008/2009 financial year.

Events after the year-end

Sales September

During September 2007, Lindex increased its same store sales by 11 per cent compared with the same period in the previous year. September was affected negatively by a calendar effect of approximately 2.5 per cent.

Other events

The Extraordinary General Meeting held on 26 September 2007 authorised the Board of Directors to take the necessary action to implement a transaction which involves the recapitalisation of Lindex. Through this transaction, the company's shareholders will be offered a cash payment of SEK 44 per share.

On 30 September, the Finnish group, Stockmann Oyj Abp, made a takeover bid for Lindex. The offer is for SEK 116 per share in cash. The Lindex Board of Directors has decided to recommend the shareholders to accept the offer.

The recapitalisation process will be handled in consultation with Stockmann and in a way which will not make its offer difficult. Should the offer from Stockmann be accepted by the shareholders, the Board of Directors will discontinue the recapitalisation process.

On 30 September, KappAhl announced that it will not pursue its offer.

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Market and demand

The retail clothing and outfit market in Sweden grew by 4.1 per cent during the fourth quarter. The Norwegian market also reported a positive sales development.

Sales and gross margin

The Lindex Group's sales for the period June to August 2007, excluding the closed German operation, increased by 9.9 per cent in total to SEK 1,369M (1,247).

Lindex's same store sales, excluding Germany, strengthened in all markets and increased by 6.8 per cent in total during the quarter. Excluding the currency effect, same store sales rose by 8.4 per cent. New stores contributed an increase of 3.3 per cent for the quarter compared with the previous year. Closed stores affected the comparison negatively by the equivalent of 0.2 per cent.

Sales in the Swedish market continued to develop positively during the fourth quarter and same store sales increased by 7 per cent. The operation in the Norwegian market continued its positive trend and same store sales rose by 9 per cent during the quarter. Same store sales in Finland increased by 1 per cent during the period. The Lindex stores in the Baltic States also continued to report very good increased figures.

Including the German operation, total sales rose by 6.4 per cent to SEK 1,393M (1,309) during the quarter.

The Ladies' Wear business area accounted for the strongest increase. The Children's Clothing business area and the Cosmetics product area also reported strong growth during the period whilst the development within the Lingerie business area was stable during the quarter.

The gross margin increased compared with the previous year and amounted to 57.5 (56.1) per cent. Excluding the German operation, the gross margin amounted to 58.0 (56.6) per cent for the quarter.

Price reductions increased during the quarter due to slightly larger sale volumes which affected the gross margin negatively. However, work aimed at improving both the product supply and the product range resulted in a successful seasonal change-over between summer and autumn fashion. The positive reception of the new autumn fashion resulted in increased full-price sales during July and August. This had a positive effect on both gross margin and sales. The comparison between the years is also affected by the positive USD effect which amounted to 0.6 percentage points.

The gross margin for the full financial year was on a par with the previous year and amounted to 59.2 (59.0) per cent.

The EBITA result, excluding the German operation, amounted to SEK 204M

Operating profit before financial items, taxes and write-down of brand names and goodwill, if any, EBITA, amounted to SEK 204M for the fourth quarter, excluding the closed German operation. This is the strongest operating result Lindex has delivered so far and it is especially pleasing to note, that both positive and negative, one-off items influenced the quarter's profit by only SEK -2M in total. The EBITA margin amounted to 14.9 per cent.

The sales increase and the increase in gross margin also resulted in an increase in the gross profit for the quarter. Operating expenses rose during the quarter. The increase is mainly attributable to the increased number of stores and one-off costs of SEK 7M relating to the closure of the Lindex head office in Alingsås.

The operating result in the German operation was charged to the period's profit with SEK 20M.

As of 31 August, the closure of the German operation was completed and all stores were closed. The total closure cost amounted to SEK 91M, of which SEK 1M was charged to the fourth quarter. A provision of SEK 90M was already made and communicated to the market during the second quarter.

Including the German operation, profit after financial items for the fourth quarter rose to SEK 180M (144), an increase of 25 per cent. Operating profit increased to SEK 183M (144). The operating margin strengthened and amounted to 13.1 (11.0) per cent.

Financial income and expenses for the quarter amounted to SEK -3M (0). Interest expenses on interest-bearing liabilities, which averaged SEK 351M (110) for the quarter, amounted to SEK 3M (0).

Profit per share after tax amounted to SEK 1.80 (1.50) for the quarter. For the 2006/2007 financial year, profit per share after tax amounted to SEK 4.40 (7.30).

Operating profit for the full financial year amounted to SEK 475M (598) and profit after financial items to SEK 461M (600).

Financial income and expenses for the financial year amounted to SEK -14M (2) and interest-bearing liabilities averaged SEK 413M (48). Interest expenses amounted to SEK 14M (2).

Store network

During the fourth quarter of the financial year, The Lindex Group opened 0 (2) new stores. 19 (2) stores were closed during the quarter, 18 stores in Germany and one store in Sweden.

During the full financial year, Lindex opened a total of 16 (23) new stores and closed 25 (6) stores.

Lindex opened its first store in the Czech Republic on 20 September 2007.

Taxes

Deferred and paid taxes amounted to SEK -57M (-40) for the fourth quarter of the financial year. The tax rate for the Group thus amounted to 32 per cent. The tax rate, excluding the divested German operation, amounted to 28 per cent.

The Administrative Court of Appeal has not made a judgement in the ongoing tax cases relating to value transfers to Germany. Ongoing tax lawsuits have not affected the period's profit.

Inventories

Inventories on 31 August 2007 amounted to SEK 739M (724). The annual turnover rate amounted to 2.9 (3.1).

Investments

The Group's investment in fixed assets amounted to SEK 58M (44) for the fourth quarter of the financial year. During the financial year, investments amounted to SEK 243M (138). Most of this related to investments in stores.

Cash flow

The cash flow from current operations amounted to SEK 469M (581) for the financial year. The cash flow after investments amounted to SEK 220M (459).

The total cash flow is mainly affected by the reduced profit and the increased level of investment. The year's cash flow was affected by expenditure of SEK 29M for the closure of the German operation.

Financing and liquidity

On 31 August 2007, liquid funds amounted to SEK 210M compared with SEK 107M on 31 August 2006.

On 31 August 2007, net borrowing amounted to SEK 162M compared with SEK 43M on 31 August 2006.

During the financial year, the net debt/equity ratio increased from 6.4 per cent to 26.2 per cent. The equity ratio fell to 34.0 per cent compared with 41.6 per cent on 31 August 2006.

Risk and sensitivity analysis

Lindex's operations and profitability are affected by a number of external and internal factors and risks. Overall, these can be divided into two categories: operationally related risks and financially related risks.

Operationally related risks

Operationally related risks can mainly be related to fashion trends, weather and seasonal dependence, import restrictions, supplier risks, competitive situation and dependence on the economy.

Fashion trends

Fashion is a perishable product. As the collections are produced long before they start to be sold, there is always the risk that sudden changes in fashion can affect sales. This could lead to price reductions and, as a result, reduced income.

On Lindex's part, the fashion-related risk is relatively limited. Within lingerie and children's clothing (which account for approximately 65 per cent of sales) the fashion level is comparatively constant, which reduces the risk significantly. Instead, the risk is concentrated on ladies' wear, where parts of the product range are subject to trend changes. However, the risk is minimised as parts of the range with the highest fashion level are manufactured in Europe, where the lead times are shorter. As a result, the production can be adapted more rapidly to customer demand.

Weather and seasonal dependence

In the short term, demand is affected by weather and seasonal variations. Lindex's products are purchased and rolled out in the stores based on, from a statistical viewpoint, normal weather. This means that the weather conditions that do not correspond with the statistical seasons can affect sales. The effect will be greatest when the difference is large at the start of a season. If, for example, autumn is warmer than normal, Lindex's sales of thick autumn garments and children's clothing in particular can be affected. In general, it is difficult to protect oneself against this risk. However, the risk should not be exaggerated.

Import restrictions and trade barriers

The reintroduced EU quotas for imports of different categories of textiles from China involved increased costs for all companies which import from China, Lindex included. Of Lindex's total purchases, approximately 75 per cent come from Asia, of which China is biggest. However, the increased cost is relatively limited for Lindex, extensively because the production plan did not change materially when the quotas were abandoned.

Competitive situation

Competition in the retail clothing market is tough and under constant change. New operators are added whilst existing operators are working continually to sharpen their offers. Lindex's foremost means for minimising the competition risk is continual work aimed at strengthening the Lindex brand and the loyalty of its customers. Lindex's member club, Lindex Club, plays an important part in this work.

Dependence on the economy

In general, the consumption pattern of the general public is influenced by the economy. However, no strong correlation with Lindex's sales has been noted historically. The Nordic market for lingerie, ladies' wear and children's clothing is stable. On Lindex's part, the risk of being affected by the economy is minimised by a high price value in the products. The opportunity to adapt volumes and costs to the market is also good, which reduces the risk still further.

Financially related risks

Lindex is also exposed to a number of financial risks related to, among other things, financing, interest and exchange rate fluctuations, and risks in connection with transaction exposure. A detailed description of these risks is found in the Annual Report for the 2005/2006 financial year.

Parent company

Sales for the fourth quarter fell by SEK 214M to SEK 541M (755), equivalent to 28 per cent. The result after financial items fell to SEK -13M (268). The comparison between the years is affected by the fact that the Swedish store operation was included in the company during the previous year, but has been organised as a separate subsidiary since September 2006. Investments of SEK 176M (36) were made in fixed assets. The result after tax fell to SEK -18M (234). Net borrowing by the parent company amounted to SEK 641M (176) on 31 August 2007.

Dividend

The Board of Directors has decided to propose that the shareholders will be paid SEK 44 through a public recap. This was decided by an Extraordinary General Meeting on 26 September 2007. For this reason, the Board of Directors proposes that no ordinary dividend will be paid for the 2006/2007 financial year.

Financial targets

The Lindex Group will achieve the following targets by August 2009:

- A sustainable EBITA margin amounting to 14-15 per cent.
- A sustainable gross margin of 59-60 per cent.

An annual growth of 6-9 per cent over the next two years.

Annual Meeting of shareholders

The Annual Meeting of shareholders will be held in Chalmers kårhus, Chalmersplatsen 1, Göteborg, at 4 pm on Tuesday 18 December 2007.

Future information dates

Lindex Annual Report for 2006/2007 is expected to be published during week 46, 2007. The Annual Report will be available at the Lindex head office, Nils Ericsonsplatsen 3 in Göteborg, and on www.lindex.com.

Annual Meeting of shareholders in Göteborg 2006/2007 18 December 2007

Interim Report for the first quarter of 2007/2008	18 December 2007
Interim Report for the second quarter of 2007/2008	2 April 2008
Interim Report for the third quarter of 2007/2008	24 June 2008
Year-End Report for the 2007/2008 financial year	30 September 2008
Annual Meeting of shareholders in Göteborg 2007/2008	16 December 2008
Interim Report for the first quarter of 2008/2009	16 December 2008

Reporting principles

As from 1 September 2005, Lindex is applying International Financial Reporting Standards (IFRS) in its financial reporting. AB Lindex is applying RR 32 and the Annual Accounts Act. This Interim Report has been prepared in accordance with IFRS by application of IAS 34, *Interim reporting*, and RR 31 and in accordance with the accounting principles which applied on 31 August 2006. IFRS is subject to continual review and changes could, therefore, be made during future periods.

Göteborg, 2 October 2007

AB Lindex (publ)
Board of Directors

Review report for AB Lindex relating to the Interim Report for the period 1 September 2006–31 August 2007

We have carried out a review of this Interim Report for AB Lindex (publ) for the period 1 September 2006–31 August 2007. The Executive Management is responsible for preparing and presenting this Interim Report in accordance with the Annual Accounts Act and IAS 34. Our responsibility is to express a conclusion about this Interim Report based on our review.

We have carried out our review in accordance with the Standard for review engagement, SÖG 2410 *Review of financial interim information carried out by the company's elected Auditor*, issued by the Swedish Institute of Authorised Public Accountants, FAR. A review includes making enquiries, primarily to individuals responsible for financial matters and accounting matters, carrying out an analytical examination and implementing other audit checks. A review has a different emphasis and is significantly less extensive compared with the emphasis and extent of an audit in accordance with auditing standards in Sweden, RS, and generally accepted auditing standards. The audit checks implemented in a review do not enable us to acquire such assurance that we become aware of all important circumstances which would have been identified if an audit had been carried out. The expressed conclusion based on a review, therefore, does not have the assurance of an expressed conclusion based on an audit.

Based on our review, no circumstances have emerged which give us reason to consider that the appended Interim Report is not, in substance, prepared in accordance with the Annual Accounts Act and IAS 34.

2 October 2007

Öhrlings PricewaterhouseCoopers AB

Magnus Götenfelt
Authorised Public Accountant

The Lindex Group's development

Number of stores

	31 August					
	2002	2003	2004	2005	2006	2007
Lindex, Sweden	179	179	181	181	188	193
Lindex, Norway	88	87	86	84	86	87
Lindex, Finland	48	47	47	45	48	51
Lindex, Estonia	-	-	1	1	2	3
Lindex, Latvia	-	-	-	-	3	6
Lindex, Lithuania	-	-	-	-	-	1
Lindex, Germany	33	30	25	22	23	-
AB Twilfit, Sweden	58	58	58	55	-	-
Total	406	401	398	388	350	341
Closures	14	9	11	14	6	25

Sales by market

	2002/03	2003/04	2004/05	2005/06	2006/07	Change, %
Sweden, SEK M	3 105 ¹⁾	3 172 ¹⁾	3 104 ¹⁾	3 018	3 170	5.0
Norway, NOK M	1 075	1 119	1 089	1 063	1 082	1.8
Finland, EUR M	59	64 ²⁾	66 ²⁾	71 ²⁾	75 ²⁾	5.6
Germany, EUR M	43	41	29	30	21	-30.0
Total Nordic countries, SEK M	4 919	4 978	4 936	4 931	5 084	3.1
Currency effect, SEK M	-33	-8	45	74	-63	
Total, SEK M	5 312	5 352	5 202	5 212	5 275	1.2

¹⁾ Includes sales from the Twilfit operation.

²⁾ Includes sales in Estonia, Latvia and Lithuania.

Income statements, including the German operation

SEK M	1 September–31 August 2005/06	2006/07
Net sales		
Sales, net	5 212	5 275
Other operating income	68	62
Total operating income	5 280	5 337
Operating expenses		
Goods for resale	-2 137	-2 154
Gross profit	3 143	3 183
Other external costs	-1 250	-1 336
Personnel costs	-1 154	-1 204
Depreciation and write-down of tangible and intangible fixed assets	-141	-168
Operating profit	598	475²⁾
Result of financial investments		
Financial income	4	0
Financial expenses	-2	-14
Profit after financial items	600	461
Taxes⁴⁾		
Tax on the year's profit	-96 ¹⁾	-158
Net profit for the year	504	303
<i>Of which net profit for the year from remaining operations</i>	<i>534</i>	<i>437</i>
<i>Of which the year's result from closed operation²⁾</i>	<i>-30</i>	<i>-134</i>
Profit per share, SEK	7.30	4.40 ³⁾
Profit per share for remaining operations, SEK	7.80	6.40
Number of shares	68 750 000	68 750 000

¹⁾ Revaluation of tax assets

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²⁾ Lindex German operation has been closed during the financial year. A provision totalling SEK 91M has been charged to the year's profit related to estimated closure costs for the Lindex German operation.

³⁾ Option schemes issued by Lindex comprise a maximum of 2,250,000 shares. Allocation of options has not yet been made and the scheme has not had any effect on the accounting records. This means that no dilution effect exists.

⁴⁾ Ongoing formal tax issues relating to transfers of value to Germany have not affected the year's profit. Previously, a total of approximately SEK 200M has been taken up as income relating to these issues. Lindex has requested/intends to request tax deductions of approximately an additional SEK 447M, which has not affected the Group's profit.

Income statements, remaining operations in accordance with IFRS 5²⁾

SEK M	1 September–31 August			
	2006/07	2006/07	2006/07	2005/06
	Total Group	Closed operation	Remaining operations	Remaining operations
Net sales				
Sales, net	5 275	191	5 084	4 932
Other operating income	62	5	57	66
Total operating income	5 337	196	5 141	4 998
Operating expenses				
Goods for resale	-2 154	-89	-2 065	-2 003
Gross profit	3 183	107	3 076	2 995
Other external costs	-1 336	-153	-1 183	-1 147
Personnel costs	-1 204	-50	-1 154	-1 098
Depreciation and write-down of tangible and intangible fixed assets	-168	-37	-131	-123
Operating profit	475	-133	608	627
Result of financial investments				
Financial income	0	0	0	4
Financial expenses	-14	-1	-13	-1
Profit after financial items	461	-134	595	630
Taxes				
Tax on the year's profit	-158	0	-158	-96 ¹⁾
Net profit for the year	303	-134	437	534

¹⁾ Revaluation of tax assets - - - 76

²⁾ The Lindex German operation is reported as *an operation under closure* in accordance with IFRS 5 - Fixed assets held for sale and closed operations. Net sales and all costs for the German operation have been removed from the consolidated income statement and are reported as a closed operation in the above table. This table replaces the previous segment presentation in this report, which has illustrated the German operation and the Nordic operation. The effect of the German operation on the result has been adjusted with costs for Group-wide functions which have been deemed to remain in the Group after the closure.

Quarterly income statements, including the German operation

SEK M	2005/06				2006/07			
	Sep- Nov	Dec- Feb	Mar- May	Jun- Aug	Sep- Nov	Dec- Feb	Mar- May	Jun- Aug
Net sales								
Sales, net	1 307	1 274	1 322	1 309	1 289	1 265	1 328	1 393
Other operating income	18	18	16	16	14	18	15	15
Total operating income	1 325	1 292	1 338	1 325	1 303	1 283	1 343	1 408
Operating expenses								
Goods for resale	-516	-527	-520	-574	-515	-525	-522	-592
Gross profit	809	765	818	751	788	758	821	816
Other external costs	-321	-293	-339	-297	-319	-371	-338	-308
Personnel costs	-292	-289	-298	-275	-302	-310	-303	-289
Depreciation and write-down of tangible and intangible fixed assets	-36	-35	-35	-35	-35	-60	-37	-36
Operating profit	160	148	146	144	132	17²⁾	143	183²⁾
Result of financial investments								
Financial income	1	3	0	0	0	0	0	0
Financial expenses	-1	0	-1	0	-2	-4	-5	-3
Profit after financial items	160	151	145	144	130	13	138	180
Taxes								
Tax on the period's profit	28 ¹⁾	-46	-38	-40	-33	-30	-38	-57
Net profit for the period	188	105	107	104	97	-17	100	123
<i>Of which net profit for the period from remaining operations</i>	191	117	110	116	105	84	104	144
<i>Of which the period's result from closed operation</i>	-3	-12	-3	-12	-8	-101	-4	-21
¹⁾ Revaluation of tax assets	76	-	-	-	-	-	-	-
²⁾ A provision which has been charged to the period's profit relating to estimated closure costs for the Lindex German operation	-	-	-	-	-	90	-	1

Balance sheets

SEK M	31 August	
	2006	2007
Intangible fixed assets ^{1, 2)}	339	344
Tangible fixed assets ²⁾	263	335
Financial fixed assets	50	51
Inventories	724	739
Trade debtors	10	14
Other current receivables	110	115
Liquid funds	107	210
Assets, closed operation ⁴⁾	-	7
Total assets	1 603	1 815
Equity pertaining to the parent company's shareholders	667	617
Long-term liabilities and long-term provisions	59	54
Current liabilities and current provisions	877	1 079
Liabilities, closed operation ⁴⁾	-	65
Total equity, provisions and liabilities³⁾	1 603	1 815
¹⁾ Of which goodwill	72	72
²⁾ Reclassification of capitalised development expenditure for computer programs from tangible to intangible fixed assets	110	-
³⁾ Of which interest-bearing liabilities	150	372
⁴⁾ The bulk of remaining liabilities in the German operation relate to store closures.		

Changes in consolidated equity

SEK M	2005/06	2006/07
Opening equity	1 032	667
Effect of change of reporting principle	6	-
Opening equity adjusted in accordance with new principles	1 038	667
Change in contingency reserve	7	-10
Net profit for the year	504	303
Implemented redemption programme/dividend	-877	-344
Translation difference	-5	1
Amount at the year-end	667	617
Equity pertaining to the parent company's shareholders	667	617

Cash flow statements¹⁾

SEK M	1 September-31 August	
	2005/06	2006/07
Cash flow from current operations	581	469
Cash flow from investment operations	-122	-249
Cash flow after investments	459	220
Cash flow from financial operations	-736	-122
The year's cash flow²⁾	-277	98
Change in interest-bearing net liability	417	119
Of which cash flow from closed operation		
Cash flow from current operations	-21	-46
Cash flow from investment operations	-5	-1
Cash flow from financial operations	-	-
The year's cash flow from closed operation	-26	-47

¹⁾ The cash flow statements have been prepared in accordance with the direct method in accordance with IAS 7 – Cash Flow Statements.

²⁾ Change in liquid funds:

Liquid funds at the start of the period	384	107
Exchange rate difference	0	5
Liquid funds at the end of the period	107	210

Cash flow statements for the fourth quarter

SEK M	1 June-31 August	
	2006	2007
Cash flow from current operations	104	178
Cash flow from investment operations	-44	-62
Cash flow after investments	60	116
Cash flow from financial operations	-222	-18
The period's cash flow	-162	98

Key figures, including the German operation

		1 September-31 August	
		2005/06	2006/07
Sales growth, total	%	0.2	1.2
Same store sales growth ¹⁾	%	4.4	-1.0
Same store sales growth ²⁾	%	2.9	0.6
Sales by square metre	SEK	21 037	22 318
Gross profit per square metre	SEK	12 411	13 205
EBITA	SEK M	598	475
Gross margin	%	59.0	59.2
Operating margin	%	11.5	9.0
Profit margin	%	11.5	8.7
EBITA margin	%	11.5	9.0
Expenses as a proportion of sales	%	46.1	48.2 ³⁾
Return on equity	%	59.4	47.3
Return on capital employed	%	64.8	52.7
Return on capital employed in operations	%	87.5	63.8
Return on total capital	%	34.2	27.8
Equity ratio	%	41.6	34.0
Net debt/equity ratio	%	6.4	26.2
Interest coverage rate	times	365.7	33.7
Capital turnover rate	times	7.6	7.1
Inventory turnover rate	times	3.1	2.9
Investments	SEK M	138	243
Cash flow after investments	SEK M	459	220

¹⁾ Including exchange rate fluctuations.

²⁾ Excluding exchange rate fluctuations.

³⁾ Affected by closure costs relating to the German operation.

Key figures, remaining operations

		1 September-31 August	
		2005/06	2006/07
Sales growth, total	%	6.5	3.1
EBITA	SEK M	627	608
Gross margin	%	59.4	59.4
Operating margin	%	12.7	12.0
Profit margin	%	12.8	11.7
EBITA margin	%	12.7	12.0
Expenses as a proportion of sales	%	45.5	46.0

Financial reports, parent company

With effect from 1 September 2006, AB Lindex has brought the Swedish store operations together in a separate company and in doing so has separated operations from the parent company.

Income statements, parent company

SEK M	1 September–31 August	
	2005/06	2006/07
Net sales		
Sales, net	3 020	2 309
Other operating income	426	409
Total operating income	3 446	2 718
Operating expenses		
Goods for resale	-1 319	-2 280
Gross profit	2 127	438
Other external costs	-878	-180
Personnel costs	-729	-189
Depreciation and write-down of tangible and intangible fixed assets	-116	-82
Operating profit	404	-13
Result of financial investments		
Result of participations in subsidiaries	114	-31
Other interest income and similar income statement items	5	23
Interest expenses and similar income statement items	-4	-29
Profit after financial items	519	-50
Taxes		
Tax on the year's profit	26	5
Net profit for the year	545	-45

Balance sheets, parent company

<i>SEK M</i>	31 August	
	2006	2007
Intangible fixed assets	273	251
Tangible fixed assets	142	100
Financial fixed assets	190	195
Long-term receivables from subsidiaries	0	394
Inventories	529	210
Trade debtors	6	9
Current receivables from subsidiaries	169	391
Other current receivables	77	37
Cash and bank	28	0
Total assets	1 414	1 587
Shareholders' equity	637	536
Untaxed reserves	43	43
Current liabilities to subsidiaries	25	32
Other current liabilities	709	976
Total equity, provisions and liabilities	1 414	1 587

The Lindex share

AB Lindex's shares were registered on the OM Stockholm Exchange on 7 April 1995.

Share capital

The share capital of AB Lindex amounts to SEK 27.5M represented by 68,750,000 shares with a nominal value of SEK 0.40 and an entitlement to one vote at the Annual Meeting of shareholders. 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 2006-31 August 2007, the price of the Lindex share rose by 10.6 per cent to SEK 104.00 (94.00) per share. During the same period, the Affärsvärlden General Index rose by 23.2 per cent. Lindex's total market value amounted to SEK 7,150 (6,463) on 31 August 2007.

On 1 October 2007, the share price was SEK 114.25 and the total market value SEK 7,855M.

During the period 1 September 2006-31 August 2007, 181,616,726 Lindex shares were traded on the OMX Nordic Exchange Stockholm. Lindex is also traded on Deutsche Börse in Frankfurt.

Lindex's largest shareholders on 31 August 2007

Shareholders	Number of shares	Per cent of shares and votes
Goldman Sachs	10 719 980	15.59
SSB CL Omnibus AC OM07	6 092 325	8.86
BNY GCM Client Accounts ISG	3 509 300	5.10
JPMC RE M.Stanley Sweden EQ Depot	3 214 691	4.68
UBS AG LND IPB Segregated Client Account	2 787 600	4.05
JP Morgan	2 548 557	3.71
Clearstream Banking S.A. W8IMY	2 479 961	3.61
Swedbank Robur Fonder	1 949 362	2.84
MSIL IPB Client Account	1 666 787	2.42
SSB CL Omnibus AC OM09	1 546 764	2.25
Total	36 515 327	53.11

Source: VPC AB Share Register 31 August 2007.

The largest owners account for 53.11 per cent of Lindex shares. The total number of shares in the company amounts to 68,750,000.

Ownership distribution

	Per cent of shares and votes				
	2003-08-31	2004-08-31	2005-08-31	2006-08-31	2007-08-31
Swedish owners	81.5	47.7	35.4	43.9	32.6
Owners resident outside Sweden, excluding the USA	17.2	43.2	52.1	37.7	51.8
USA	1.3	9.1	12.5	18.4	15.6
Total	100.0	100.0	100.0	100.0	100.0
Total number of shareholders	12 104	11 393	9 233	15 967	14 715

Source: VPC AB Share Register, 31 August 2003, 31 August 2003, 31 August 2004, 31 August 2005, 31 August 2006 and 31 August 2007.

Share data

	2002/03 ¹⁾	2003/04 ¹⁾	2004/05	2005/06	2006/07
Number of shares before split and redemption, 000	13 750	13 750	13 750	13 750	13 750
Number of shares after split and redemption, 000	-	-	68 750	68 750	68 750
Profit per share before split and redemption, SEK	12.90	-5.50	23.80	36.70	22.10
Profit per share after split and redemption, SEK	-	-	4.80	7.30	4.40
Profit per share before split and redemption for remaining operations, SEK	-	-	-	38.80	31.80
Profit per share after split and redemption for remaining operations, SEK	-	-	-	7.80	6.40
Cash flow per share before split and redemption, SEK	30.40	8.10	29.80	33.40	16.00
Cash flow per share after split and redemption, SEK	-	-	6.00	6.70	3.20
Cash flow per share after split and redemption for remaining operations, SEK	-	-	-	7.10	3.90
Equity per share before split and redemption, SEK	83.90	66.00	75.10	48.50	44.90
Equity per share after split and redemption, SEK	-	-	15.00	9.70	9.00
Share price on 31 August before split and redemption, SEK	164.00	187.50	398.00	-	-
Share price on 31 August after split and redemption, SEK	-	-	-	94.00	104.00
Dividend per share, SEK	12.00	15.00	40.00 ²⁾	9.75 ³⁾	0 ⁴⁾
P/E ratio	13	-30	17	13	24
EBIT multiple	7	84.9	12.2	10.9	15.4
Price/equity ratio	2.0	2.8	5.3	9.7	11.6
Yield, %	7.3	8.0	10.0 ²⁾	10.4 ³⁾	0 ⁴⁾

¹⁾ The years 2002/2003–2003/2004 are not adapted to IFRS.

²⁾ Distribution.

³⁾ Of which SEK 4.75 was decided by the Extraordinary General Meeting on 26 June 2006 and SEK 5.00 per share was decided by the Annual Meeting on 19 December 2006.

⁴⁾ The Board of Directors has decided to propose that the shareholders will be paid SEK 44 through a public recap. For this reason, the Board of Directors proposes that no ordinary dividend will be paid for the 2006/2007 financial year.

Definitions

Average equity - Shareholders' equity at start and end of the period divided by two.

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

Capital turnover rate - Sales divided by the average capital employed in operations.

Cash flow after investments - Payments received less payments made.

Cash flow per share - Cash flow after investments divided by the 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.

EBITA - Operating profit before financial items, taxes and write-down of brand names and goodwill.

Equity per share - Equity divided by the number of shares.

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

Expenses as a proportion of sales - Total expenses, excluding depreciation, expressed as a percentage of the period's sales.

Gross margin - Sales during the period less expenditure for sold products expressed 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 the 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 for the period.

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

Price/equity ratio - 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 for the period.

Profit per share - Profit after tax divided by the 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 tax expressed as a percentage of average equity.

Return on total equity - 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 divided by store area.

Same store sales increase, per cent - Sales increase for comparable months in stores which have been open for more than 12 months.

Share price on 31 August - Price paid on the OMX Nordic Exchange Stockholm.

Store area - Total area less storage space.

Yield - Dividend expressed as a percentage of share price on balance sheet date.