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News release from AB Lindex (publ).

24 September 2007

The Lindex shareholders will receive the full amount of SEK 44 per share in cash following renegotiated financing agreements

Following the renegotiation of the previous preliminary credit agreements, the Board of Directors of AB Lindex (publ) has further improved the terms for the proposed recapitalisation. As the bank will itself take up the bond, at the same time as the loan facility has been increased to SEK 2.5 billion, the full amount of SEK 44 per share, or SEK 3 billion in total, will be paid in cash to the Lindex shareholders.

"I am very satisfied with the renegotiation we have carried out with the bank. As the bank will itself take up the bond, at the same time as it has offered us an increased credit, we will be able to pay the full amount of SEK 44 per share in cash to our shareholders, which they have requested", says Conny Karlsson, Chairman of Lindex.

The Board of Directors intends to propose that the Extraordinary General Meeting on 26 September 2007 will pass a resolution to carry out a recapitalisation through a Public Recap transaction, whereby the Lindex shareholders will receive a total amount of SEK 3 billion in cash.

The bank financing agreement will run for a term of five years at an estimated average interest rate of 5,75 %.

Supplementation of previous statements relating to KappAhl's offer

The Board of Directors maintains its assessment that KappAhl's offer of SEK 102 per share does not reflect the company's true value and, therefore, recommends that the shareholders say 'no' to KappAhl's offer.

The Board of Directors' assessment is primarily based on its confidence in Lindex's future development as an independent company. The combination of strong growth, improved margins and the opportunity to create an efficient capital structure, together with Handelsbanken Capital Markets' fairness opinion, gives an overall picture that has resulted in the Board's recommendation.

In accordance with the takeover rules of the OMX Stockholm Exchange, the Board of Directors, with the statement made by the bidder in the offer document as the starting point, shall report its opinion on the effect the offer will have on the company, especially on employment, and its opinion on the bidder's strategic plans for the target company.

In the offer document, KappAhl has stated that it does not intend to carry out any significant change of Lindex's operations and that the offer will not have any significant effect on the conditions of employment for KappAhl's and on Lindex's employees and company managements or on the employment in the locations where the companies carry out operations. On Friday 21 September, the Swedish Competition Authority also announced that there are no competition-legal obstacles for a merger between KappAhl and Lindex.

As a result, the Board of Directors is of the opinion that an implementation of the offer would not have a significant effect on Lindex's employees or on the company's current direction and strategy.

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Lindex inspires women and their children with coordinated, high-value fashions. Lindex is one of Northern Europe's largest fashion chains with around 350 stores in Sweden, Norway, Finland, Czech Republic, Estonia, Lithuania and Latvia. Lindex's product areas are women's lingerie, women's wear, children's wear and cosmetics.

www.lindex.com

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