

## *Lindex Interim Report for the third quarter*

1 March 2007–31 May 2007

### *First nine months 2006/2007 (1 September 2006–31 May 2007)*

- The Lindex Group's sales amounted to SEK 3,882M (3,903), equivalent to a change of -0.5 (1.1) per cent. Same store sales excluding the currency effect fell by 1.4 (+3.4) per cent.
- Excluding the German operation, the Lindex Group's sales rose to SEK 3,715M, equivalent to an increase of 0.8 per cent. Same store sales excluding the currency effect fell by 0.4 per cent.
- Operating profit amounted to SEK 292M (454). Profit after financial items amounted to SEK 281M (456). The EBITA result amounted to SEK 292M (454). During the second quarter, the result was charged with one-off structural costs of SEK 90M for the closure of the German operation.
- The operating margin amounted to 7.5 (11.6) per cent and the gross margin to 59.8 (60.0) per cent. The EBITA margin amounted to 7.5 (11.6) per cent.
- Profit after tax amounted to SEK 180M (400), equivalent to SEK 2.60 (5.80) per share.

### *Third quarter 2006/2007 (1 March 2007–31 May 2007)*

- The Lindex Group's sales rose to SEK 1,328M (1,322), equivalent to an increase of 0.5 (6.6) per cent. Same store sales excluding the currency effect fell by 0.7 (+8.7) per cent.
- Excluding the German operation, the Lindex Group's sales rose to SEK 1,274M, equivalent to an increase of 2.5 per cent. Same store sales excluding the currency effect increased by 0.8 per cent.
- Operating profit amounted to SEK 143M (146). Profit after financial items amounted to SEK 138M (145). The EBITA result amounted to SEK 143M (146).
- The operating margin amounted to 10.8 (11.0) per cent. The gross margin was on a par with the previous year, i.e. 60.7 (60.7) per cent. The EBITA margin amounted to 10.8 (11.0) per cent.
- Profit after tax amounted to SEK 100M (107), equivalent to SEK 1.40 (1.60) per share.

### *The CEO comments:*

“During the quarter, we continued our long-term work aimed at improving product supply and further strengthening the product range. We have also focused extensively on cost control and the closure of our German operation.”

“During the quarter, we started e-commerce in Sweden and we are very satisfied with the favourable reception this sales channel has enjoyed. The interest shown by customers has exceeded our expectations. As a result we are accelerating our e-commerce activities and we also expect to start e-commerce on additional markets during autumn 2008.”

“We have also established a successful first operation in Lithuania. Lindex currently has stores in all the Baltic countries and is now an established fashion brand. We expect to have a total of around 25 stores in the three Baltic States at the end of the 2008/2009 financial year.”

*Göran Bille, President and CEO*

### *For further information, please contact:*

**Göran Bille, President and CEO**

Telephone: +46 (0)31-739 50 02

Mobile: +46 (0)703-44 43 04

**Peter Andersson, Chief Financial Officer**

Telephone: +46 (0)31-739 50 10

Mobile: +46 (0)705-84 44 37

## *Market and demand*

The retail clothing and outfit market in Sweden grew by 3.5 per cent during the third quarter. The Norwegian market also reported a positive trend. Growth was strongest at the beginning of the quarter.

## *Sales and gross margin*

The Lindex Group's sales for the period March–May 2007 increased by 0.5 (6.6) per cent and amounted to SEK 1,328M (1,322). Excluding the German operation, sales increased by 2.5 per cent.

Same store sales for the third quarter fell by 1.8 (+10.3) per cent. Same store sales excluding the currency effect fell by 0.7 (+8.7) per cent. New stores contributed 3.1 (4.6) per cent. Closed stores affect the comparison with the previous year by the equivalent of -0.8 (-1.3) per cent.

During the third quarter, same store sales increased by 1.1 per cent in the Swedish market. Sales in the Baltic States continued to develop positively during the period. Sales in Norway increased slightly whilst sales fell in the Finnish market. Sales in the German market fell by 25 per cent.

Sales within the Ladies' Wear business area and the Cosmetics product area increased during the quarter. Lindex defended its already strong market positions within the Children's Clothing and Lingerie business areas.

The gross margin was on a par with the previous year and amounted to 60.7 (60.7) per cent. Price reductions increased slightly compared with the previous year, especially within the Ladies Wear business area, which affected the gross margin. Increased obsolescence also affected the gross margin. The development of the USD continued to have a positive effect of approximately one percentage point on the gross margin during the third quarter.

The gross margin for the first nine months amounted to 59.8 (60.0) per cent.

## *Profit after financial items*

Profit after financial items for the third quarter amounted to SEK 138M (145). Operating profit amounted to SEK 143M (146) and the operating margin to 10.8 (11.0) per cent.

Operating profit before financial items, taxes and write-down of brand names and goodwill, if any, EBITA, fell during the nine-month period and amounted to SEK 292M (454). This resulted in an EBITA margin of 7.5 (11.6) per cent.

Profit after financial items fell to SEK 281M (456). The result is charged with one-off structural costs of SEK 90M for the closure of the German operation.

The result in the German operation during the quarter was charged to profit after financial items with SEK -5M (-8).

Financial income and expenses amounted to SEK -5M (-1) for the quarter. Interest expenses on interest-bearing liabilities amounted to SEK 5M (1). These averaged SEK 512M (63) for the third quarter.

Profit per share after tax amounted to SEK 1.40 (1.60) during the quarter.

Financial income and expenses amounted to SEK -11M (2) for the first nine months and interest-bearing liabilities averaged 434M (27). Interest expenses amounted to SEK 11M (2).

## *Germany*

The closure costs for the stores in Germany are estimated to amount to SEK 90M which was charged to profit during the second quarter. The closure is proceeding according to plan and will continue during the remainder of the financial year. The closure of the German operation will, thereafter, be completed. The current operational deficit in the German operation amounted to SEK -5M (-8) during the third quarter. This is exclusive of the German portion of joint central costs. The operational deficit for the fourth quarter is estimated to amount to SEK 30M. Four stores were closed during the quarter. Lindex has signed contracts for the transfer of an additional four stores.

## *Store network*

During the third quarter of the financial year, the Lindex Group opened five (5) new stores, one store in Sweden, two stores in Norway, one store in Estonia and one store in Lithuania. Five (0) stores were closed during the quarter. Lindex has signed an agreement to open its first store in the Czech Republic during September 2007.

Today Lindex has 10 stores in the Baltic States and expects to have a total of approximately 25 stores at the end of the 2008/2009 financial year.

During the first nine months of the financial year, Lindex opened a total of 16 (21) new stores and closed 6 (4) stores, of which 5 in Germany.

## *Taxes*

Deferred and paid taxes amounted to SEK -38M (-38) for the third quarter of the financial year. The tax rate for the Group thus 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. The ongoing tax cases have not affected the period's profit.

## *Inventories*

Inventories on 31 May 2007 amounted to SEK 724M (707). On 31 August 2006 inventories amounted to SEK 724M. The annual turnover rate amounted to 3.0. The corresponding figure for the 2005/2006 financial year was 3.1.

## *Investments*

The Group's investment in fixed assets amounted to SEK 47M (33) for the third quarter of the financial year. In addition to investments in new and existing stores, other investments relate to IT and the new distribution centre.

Lindex reckons that the investment level for the current financial year will amount to approximately SEK 250M. Most of the investments relate to existing and new stores as well as investments in the new distribution centre.

## *Cash flow*

The cash flow from current operations amounted to SEK 291M (477) for the first nine months. The cash flow after investments amounted to SEK 104M (399).

The total cash flow was affected by the reduced profit, the increased level of investment and by the dividend to the shareholders amounting to SEK 344M (550).

### *Financing and liquidity*

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

On 31 May 2007, net borrowing amounted to SEK 282M compared with SEK 43M on 31 August 2006.

On 31 May 2007, the net debt/equity ratio amounted to 57.0 per cent compared with 6.4 per cent on 31 August 2006. The equity ratio amounted to 29.1 per cent compared with 41.6 per cent on 31 August 2006.

### *Parent company*

Sales for the third quarter fell by SEK 138M to SEK 639M (777), equivalent to 17.8 per cent. Profit after financial items fell to SEK 1M (81). The comparison between the years is affected by the fact that the Swedish store operation was included in the parent company in the previous year, but has been organised within a separate subsidiary since 1 September 2006. Investment in fixed assets was SEK 25M (35). Profit after tax fell to SEK 1M (57). Net borrowing by the parent company amounted to SEK 380M (-46) on 31 May 2007.

### *Financial targets*

The previously set financial targets and time perspective stand. The Lindex Group will achieve the following targets by August 2009:

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

### *Annual Meeting*

The Annual Meeting of the shareholders of Lindex will be held in Göteborg on Tuesday 18 December at 4pm.

### *Future information dates*

Year-End Report for the 2006/2007 financial year	2 October 2007
Annual Meeting of shareholders 2006/2007 in Göteborg	18 December 2007
Interim Report for the first quarter of 2007/2008	18 December 2007

### *Accounting 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, 26 June 2007

AB Lindex (publ)  
Board of Directors

## *Review Report for AB Lindex relating to Interim Report for the period 1 September 2006–31 May 2007*

We have carried out a review of this Interim Report for AB Lindex (publ) for the period 1 September 2006–31 May 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.

26 June 2007  
Öhrlings PricewaterhouseCoopers AB

Magnus Götenfelt  
Authorised Public Accountant

## The Lindex Group's development

### Number of stores

	31 August					31 May	
	2002	2003	2004	2005	2006	2006	2007
Lindex, Sweden	179	179	181	181	188	188	194
Lindex, Norway	88	87	86	84	86	86	87
Lindex, Finland	48	47	47	45	48	48	51
Lindex, Estonia	-	-	1	1	2	2	3
Lindex, Latvia	-	-	-	-	3	2	6
Lindex, Lithuania	-	-	-	-	-	-	1
Lindex, Germany	33	30	25	22	23	24	18
AB Twilfit, Sweden	58	58	58	55	-	-	-
<b>Total</b>	<b>406</b>	<b>401</b>	<b>398</b>	<b>388</b>	<b>350</b>	<b>350</b>	<b>360</b>
Closures	14	9	11	14	6	4	6

### Sales by market

	9 months		Latest	12 months
	1 September–31 May		12 months	12 months
	2005/06	2006/07	Jun-May	Sep-Aug
	2005/06	2006/07	2006/07	2005/06
Sweden, SEK M	2 266	2 352	3 104	3 018
Norway, NOK M	790	781	1 054	1 063
Finland <sup>1)</sup> , EUR M	52	53	72	71
Germany, EUR M	23	18	25	30
Currency effect, SEK M	84	-63	-73	74
Total Nordic countries, SEK M	3 687	3 715	4 959	4 931
<b>Total, SEK M</b>	<b>3 903</b>	<b>3 882</b>	<b>5 191</b>	<b>5 212</b>

<sup>1)</sup> Includes sales of the operations in Estonia, Lithuania and Latvia.

## Income statements

SEK M	9 months		Latest	12 months
	1 September-31 May 2005/06	2006/07	12 months Jun-May 2006/07	12 months Sep-Aug 2005/06
<b>Net sales</b>				
Sales, net	3 903	3 882	5 191	5 212
Other operating income	52	47	63	68
<b>Total operating income</b>	<b>3 955</b>	<b>3 929</b>	<b>5 254</b>	<b>5 280</b>
<b>Operating expenses</b>				
Goods for resale	-1 563	-1 562	-2 136	-2 137
<b>Gross profit</b>	<b>2 392</b>	<b>2 367</b>	<b>3 118</b>	<b>3 143</b>
Other external costs	-953	-1 028	-1 325	-1 250
Personnel costs	-879	-915	-1 190	-1 154
Depreciation and write-down of tangible and intangible fixed assets	-106	-132	-167	-141
<b>Operating profit</b>	<b>454</b>	<b>292<sup>1)</sup></b>	<b>436<sup>1)</sup></b>	<b>598</b>
<b>Result of financial investments</b>				
Financial income	4	-	-	4
Financial expenses	-2	-11	-11	-2
<b>Profit after financial items</b>	<b>456</b>	<b>281</b>	<b>425</b>	<b>600</b>
<b>Taxes<sup>4)</sup></b>				
Tax on the period's profit	-56 <sup>2)</sup>	-101	-141	-96 <sup>2)</sup>
<b>Net profit for the period</b>	<b>400</b>	<b>180</b>	<b>284</b>	<b>504</b>
Profit per share after split and redemption, SEK	5.80	2.60 <sup>3)</sup>	4.10	7.30
Profit per share before split and redemption, SEK	29.10	13.10	20.70	36.70
Number of shares after split and redemption	68 750 000	68 750 000	68 750 000	68 750 000
Number of shares before split and redemption	13 750 000	13 750 000	13 750 000	13 750 000

<sup>1)</sup> A provision totalling SEK 90M has been charged to the period's profit related to estimated closure costs for the Lindex German operation.

<sup>2)</sup> Revaluation of tax assets

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<sup>3)</sup> 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 there is no dilution effect.

<sup>4)</sup> The ongoing tax cases relating to value transfers to Germany have not affected the period's profit. Approximately SEK 200M in total has previously been taken up as income relating to these cases. Lindex has requested additional tax deductions of approximately SEK 300M which has not affected the Group's profit.

## Quarterly income statements

SEK M Quarter	2005/06				2006/07		
	Sep- Nov	Dec- Feb	Mar- May	Jun- Aug	Sep- Nov	Dec- Feb	Mar- May
<b>Net sales</b>							
Sales, net	1 307	1 274	1 322	1 309	1 289	1 265	1 328
Other operating income	18	18	16	16	14	18	15
<b>Total operating income</b>	<b>1 325</b>	<b>1 292</b>	<b>1 338</b>	<b>1 325</b>	<b>1 303</b>	<b>1 283</b>	<b>1 343</b>
<b>Operating expenses</b>							
Goods for resale	-516	-527	-520	-574	-515	-525	-522
<b>Gross profit</b>	<b>809</b>	<b>765</b>	<b>818</b>	<b>751</b>	<b>788</b>	<b>758</b>	<b>821</b>
Other external costs	-321	-293	-339	-297	-319	-371	-338
Personnel costs	-292	-289	-298	-275	-302	-310	-303
Depreciation and write-down of tangible and intangible fixed assets	-36	-35	-35	-35	-35	-60	-37
<b>Operating profit</b>	<b>160</b>	<b>148</b>	<b>146</b>	<b>144</b>	<b>132</b>	<b>17<sup>2)</sup></b>	<b>143</b>
<b>Result of financial investments</b>							
Financial income	1	3	0	0	0	0	0
Financial expenses	-1	0	-1	0	-2	-4	-5
<b>Profit after financial items</b>	<b>160</b>	<b>151</b>	<b>145</b>	<b>144</b>	<b>130</b>	<b>13</b>	<b>138</b>
<b>Taxes</b>							
Tax on the period's profit	28 <sup>1)</sup>	-46	-38	-40	-33	-30	-38
<b>Net profit for the period</b>	<b>188</b>	<b>105</b>	<b>107</b>	<b>104</b>	<b>97</b>	<b>-17</b>	<b>100</b>
<sup>1)</sup> Revaluation of tax assets	76	-	-	-	-	-	-

<sup>2)</sup> A provision totalling SEK 90 M has been charged to the period's profit relating to estimated closure costs for the Lindex German operation.

## Quarterly results – Nordic countries and Germany

SEK M Quarter	2005/06				2006/07		
	Sep- Nov	Dec- Feb	Mar- May	Jun- Aug	Sep- Nov	Dec- Feb	Mar- May
Result before taxes Lindex GmbH, Germany	-8	-17	-8	-17	-13	-102 <sup>1)</sup>	-5
Adjusted profit in the Nordic countries, i.e. total profit after adjustment for the effect on profit from Lindex GmbH, Germany	168	168	153	161	143	115	143

<sup>1)</sup> Of which SEK 90M has been charged to the period's profit relating to estimated closure costs for the Lindex German operation.



## Specification of costs relating to the divestment of the Lindex German operation

SEK M	Group adjusted 2006/07 9 months	Lease contracts	Personnel	Inventories	Fixed assets	Other	Group 2006/07 9 months
<b>Net sales</b>							
Sales, net	3 882						3 882
Other operating income	47						47
<b>Total operating income</b>	<b>3 929</b>						<b>3 929</b>
<b>Operating expenses</b>							
Goods for resale	-1 562			0			-1 562
<b>Gross profit</b>	<b>2 367</b>						<b>2 367</b>
Other external costs	-970	-48				-10	-1 028
Personnel costs	-907		-8				-915
Depreciation and write-down of tangible and intangible fixed assets	-108				-24		-132
<b>Operating profit</b>	<b>382</b>	<b>-48</b>	<b>-8</b>	<b>0</b>	<b>-24</b>	<b>-10</b>	<b>292</b>

## Balance sheets

	<b>31 May 2006</b>	<b>31 May 2007</b>	<b>31 August 2006</b>
SEK M			
Intangible fixed assets <sup>1, 2)</sup>	251	331	339
Tangible fixed assets <sup>2)</sup>	345	322	263
Financial fixed assets	52	51	50
Inventories	707	724	724
Trade debtors	10	32	10
Other current receivables	105	131	110
Liquid funds	269	107	107
<b>Total assets</b>	<b>1 739</b>	<b>1 698</b>	<b>1 603</b>
Equity pertaining to the parent company's shareholders	876	495	667
Long-term liabilities and long-term provisions	70	52	59
Current liabilities and current provisions	793	1 151	877
<b>Total equity, provisions and liabilities<sup>3)</sup></b>	<b>1 739</b>	<b>1 698</b>	<b>1 603</b>
<sup>1)</sup> Of which goodwill	72	72	72
<sup>2)</sup> Reclassification of capitalised development expenditure for computer programs from tangible to intangible fixed assets	-	-	110
<sup>3)</sup> Of which interest-bearing liabilities	46	389	150

## Changes in consolidated equity

	<b>2005/06 Sep-May</b>	<b>2006/07 Sep-May</b>	<b>2005/06 Sep-Aug</b>
SEK M			
Opening equity	1 032	667	1 032
Effect of change of accounting principle	6	-	6
Opening equity adjusted in accordance with new principles	1 038	667	1 038
Change in contingency reserve	-10	-8	7
Net profit for the period	400	180	504
Implemented redemption programme/dividend	-550	-344	-877
Translation difference	-2	0	-5
<b>Amount at the period end</b>	<b>876</b>	<b>495</b>	<b>667</b>
Equity pertaining to the parent company's shareholders	<b>876</b>	<b>495</b>	<b>667</b>

*Cash flow statements<sup>1)</sup>*

SEK M	9 months		Latest	12 months
	1 September-31 May		12 months	12 months
	2005/06	2006/07	Jun-May	Sep-Aug
			2006/07	2005/06
<b>Cash flow from current operations</b>	<b>477</b>	<b>291</b>	<b>395</b>	<b>581</b>
Cash flow from investment operations	-78	-187	-231	-122
<b>Cash flow after investments</b>	<b>399</b>	<b>104</b>	<b>164</b>	<b>459</b>
Cash flow from financial operations	-514	-104	-326	-736
<b>The period's cash flow<sup>2)</sup></b>	<b>-115</b>	<b>0</b>	<b>-162</b>	<b>-277</b>
<b>Change in interest-bearing net liability</b>	<b>152</b>	<b>239</b>	<b>504</b>	<b>417</b>

<sup>1)</sup>The cash flow statements have been prepared in line with the direct method in accordance with IAS 7 – *Cash Flow Statements*.

<sup>2)</sup>Change in liquid funds:

Liquid funds at the start of the period	384	107	269	384
Liquid funds at the period end	269	107	107	107

## Key figures

		9 months		Latest	12 months
		1 September-31 May 2005/06	2006/07	12 months Jun-May 2006/07	12 months Sep-Aug 2005/06
Sales growth, total	%	1.1	-0.5	-1.0	0.2
Same store sales growth <sup>1)</sup>	%	5.8	-3.0	-2.2	4.4
Same store sales growth <sup>2)</sup>	%	3.4	-1.4	-1.5	2.9
Sales by square metre	SEK	-	-	20 710	21 037
Gross profit per square metre	SEK	-	-	12 188	12 411
EBITA	SEK M	454	292	436	598
Gross margin	%	60.0	59.8	58.9	59.0
Operating margin	%	11.6	7.5	8.4	11.5
Profit margin	%	11.7	7.3	8.2	11.5
EBITA margin	%	11.6	7.5	8.4	11.5
Expenses as a proportion of sales	%	46.9	50.1 <sup>3)</sup>	48.4 <sup>3)</sup>	46.1
Return on equity	%	-	-	41.4	59.4
Return on capital employed	%	-	-	48.4	64.8
Return on capital employed in operations	%	-	-	61.0	87.5
Return on total capital	%	-	-	25.4	34.2
Equity ratio	%	50.4	29.1	29.1	41.6
Net debt/equity ratio	%	-25.4	57.0	57.0	6.4
Interest coverage ratio	times	298.3	25.9	38.0	365.7
Capital turnover rate	times	-	-	7.3	7.6
Inventory turnover rate	times	-	-	3.0	3.1
Investments	SEK M	94	185	229	138
Cash flow after investments	SEK M	399	104	164	459
Profit per share after split and redemption	SEK	5.80	2.60	4.10	7.30
Cash flow per share after split and redemption	SEK	5.80	1.50	2.40	6.70
Equity per share after split and redemption	SEK	12.70	7.20	7.20	9.70
Profit per share before split and redemption	SEK	29.10	13.10	20.70	36.70
Cash flow per share before split and redemption	SEK	29.00	7.60	11.90	33.40
Equity per share before split and redemption	SEK	63.70	36.00	36.00	48.50

<sup>1)</sup> Including exchange rate fluctuations.

<sup>2)</sup> Excluding exchange rate fluctuations.

<sup>3)</sup> Affected by closure costs of SEK 66M relating to the German operation.

## The Lindex share

### Lindex's largest shareholders

<b>Shareholders</b>	<b>Number of shares</b>	<b>Per cent of shares and votes</b>
SSB CL Omnibus AC OM07	6 651 786	9.68
Goldman Sachs	4 737 935	6.89
BNY GCM Client Accounts	4 654 100	6.77
Credit Suisse SEC Europe Ltd	3 868 262	5.63
Clearstream Banking S.A., W8IMY	2 812 016	4.09
JP Morgan	2 597 746	3.78
Swedbank Robur Fonder	1 668 080	2.43
SEB fonder	1 467 800	2.13
Morgan Stanley & Co Inc, W9	1 308 240	1.90
Nordea Bank AB (Publ.)-Securities Finance	1 215 380	1.77
<b>Total</b>	<b>30 981 345</b>	<b>45.07</b>

Source: VPC AB Share Register 31 May 2007.

The largest owners account for 45.07 per cent of Lindex shares. The total number of shares in the company amounts to 68,750,000.

### Ownership distribution

	<b>Per cent of shares and votes</b>	
	<b>31-08-2006</b>	<b>31-05-2007</b>
Swedish owners	43.9	41.8
Owners resident outside Sweden excluding the USA	37.7	43.3
USA	18.4	14.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>
<b>Total number of shareholders</b>	<b>15 967</b>	<b>18 306</b>

Source: VPC AB Share Register 31 August 2006 and 31 May 2007.

## 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.