

Result - Financial responsibility 2011

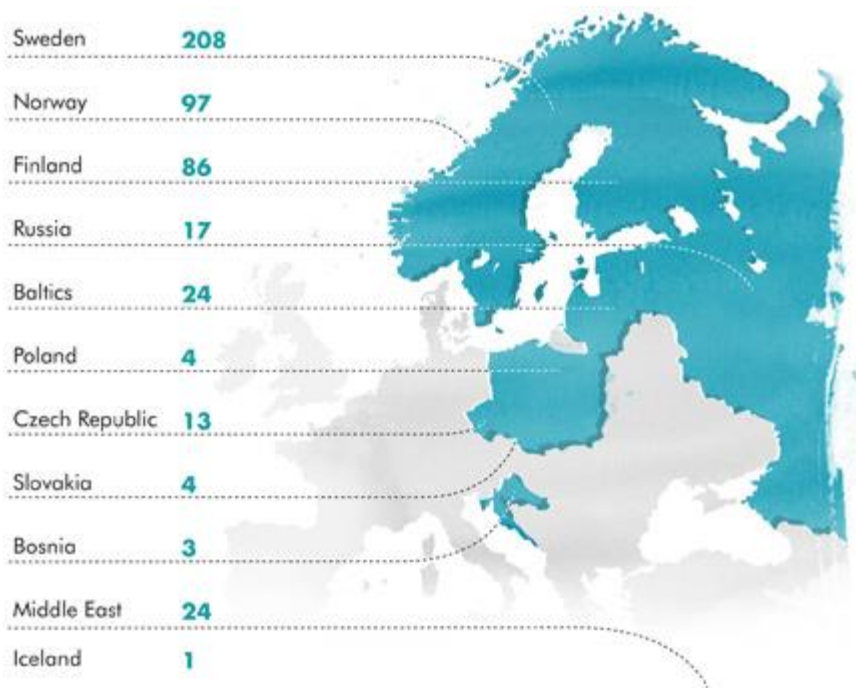
International expansion

Lindex's growth strategy and strong business idea has made possible the fast and successful international expansion in recent years. With positive experiences from establishments in neighbouring countries the Czech Republic and Slovakia, Lindex, in 2011, expanded to Poland, which represents a large, potential market with many fashion-conscious customers.

In 2011, Lindex entered into its third franchise cooperation, and opened a store in Reykjavik, Iceland, in November. Franchising is a way for the company to grow by reaching out to markets that it had otherwise not had an opportunity to establish itself in.

At the end of the year, Lindex had a total of 447 stores in 14 countries: Sweden, Norway, Finland, Iceland, Estonia, Latvia, Lithuania, Bosnia-Herzegovina, the Czech Republic, Slovakia, Poland, Russia, Saudi Arabia and the United Arab Emirates. In 2011, Lindex Online was launched in the whole EU, making it possible to buy Lindex fashion collections online in all 27 EU countries.

Lindex's presence internationally



Lindex's production countries

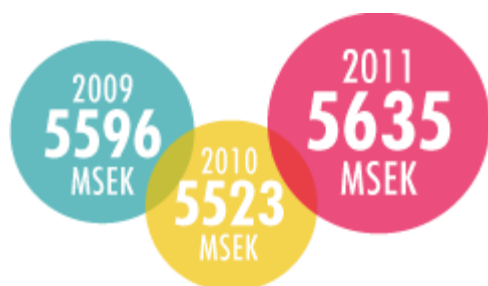


Financial development in 2011

2011 was a weak year for the fashion industry due to global financial unrest. But despite a difficult market in Sweden, Lindex experienced a positive development in all other markets. Moreover, Lindex has won market shares in all markets.

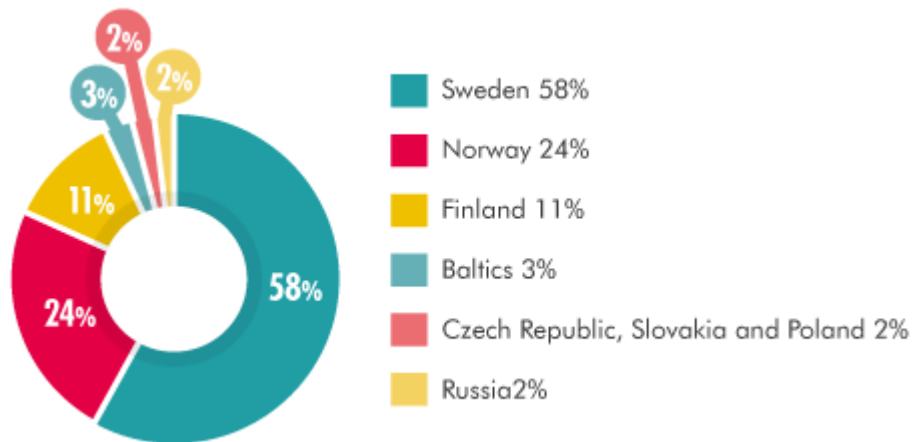
In 2011, sales amounted to MSEK 5,635, which is an increase of 2.0 per cent compared to the year before. Turnover in local currencies also increased by 3.4 per cent in 2011. Turnover has fluctuated throughout the year, significantly affected by global financial insecurity. Despite this, Lindex has increased sales considerably throughout the year.

Turnover 2009, 2010, 2011



During the past year, the gross margin has been pressured by increased production costs in the Far East, which Lindex was not able to compensate for in the consumer segment. Moreover, competition in the local market has, at times, been tough with offers and price reductions that put further pressure on the gross margin.

Turnover per market 2011



The operating profit increased to MSEK 391, which represents a decrease of 27 per cent. The development of the operating profit is primarily due to the pressured gross margin and the vigorous expansion of recent years and, moreover, a somewhat weaker sales development than planned.

The operating profit 2009, 2010, 2011



Prospects for 2012

Lindex follows the economic developments in order to meet the challenges facing the fashion industry in 2012. The goal is to increase the comparable sales as well as continue to take market shares in all markets and business areas.

Lindex plans to open 15 new stores in 2012, excluding franchises. The majority of these will be located in Central Europe and Russia. The fashion chain's clear business idea and the fact that the demand for lingerie and kids' wear is relatively insensitive to economic conditions, as well as the stabilisation of the delivery situation in the production segment in 2011, make for good prospects in 2012.

Key financial figures

	2009	2010	2011
Operating profit	692	535	391
Profit before taxes	690	536	389
Direct taxes	178	137	110
Material and service procurements	2071	2037	2180
Investments	222	254	211
Wages and compensation	978	1001	1008
Pension costs*	55	43	51
Personnel on average, converted to full-time equivalents	2981	3137	
Number of stores including franchise stores	395	428	447

*) Pensions are governed by applicable collective agreements. If there is no collective agreement; the applicable regulations in the respective countries are followed.

Financial value added per interest group in 2011

+5635	Customers	X3 DIX LINDT	→ 1008	Employees
-2180	Suppliers		→ 410	Public sector
-211	Suppliers of capital expenditure		→ 2	Creditors
=3244	Added value		→ 305	Shareholders
			1519	Economic added value retained in the company

Result - Sustainable fashion 2011

Product safety

In 2011 there was no need to recall any products from the customer.

A customer survey as regards REACH

In 2011, we have received an inquiry with reference to the customers' right to get information about certain dangerous substances in products and answered within the 45 days in accordance with article 33 in REACH (the EU's regulation on chemicals).

Lindex garments do not cause contact allergies

In 2011, the Occupational and Environmental Dermatology Department at Skåne University Hospital and Lund University in Sweden conducted a study related to dispersion-type textile colouring agents that can cause contact allergies and allergic contact eczema. One of the sub-investigations concerned the occurrence of dispersion dye in clothes. Nine garments from Lindex were chosen for chemical analysis as regards the contents of the dispersion dye. None of the garments contained any of the investigated dispersion dyes that can cause contact allergies.

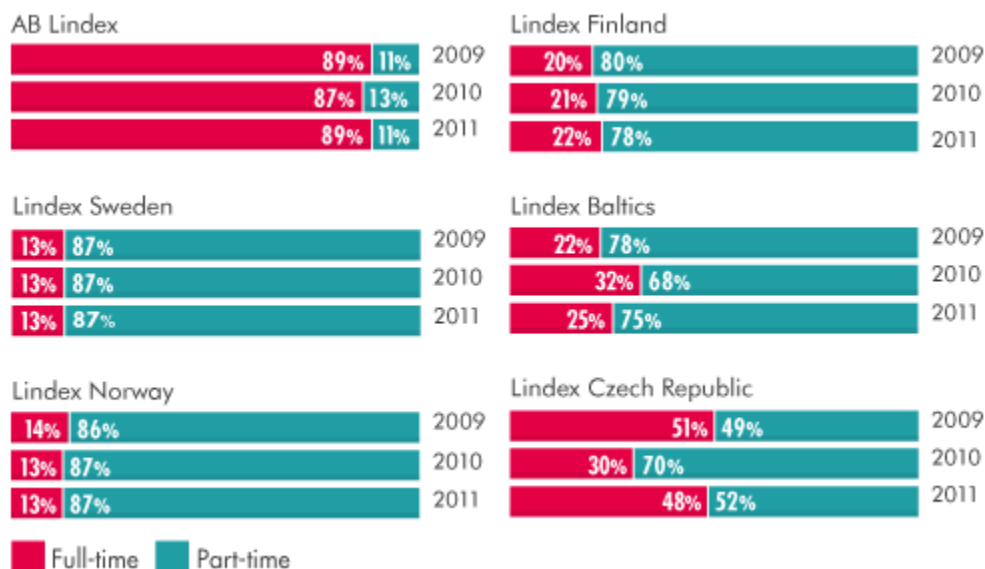
Result - Social responsibility 2011

Employees around the world

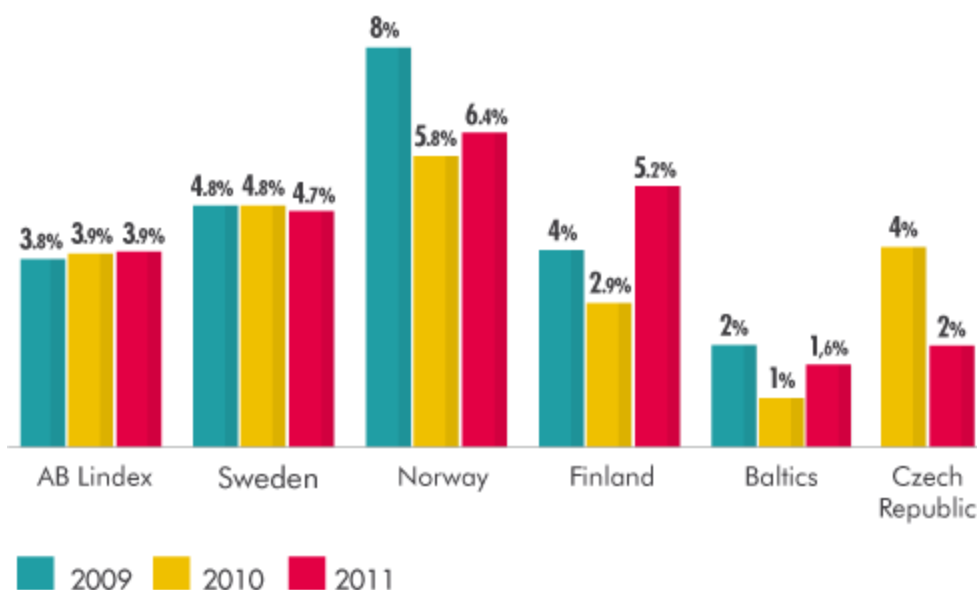
Lindex employees are found in many places around the world, mainly in Lindex stores in currently 14 markets: Sweden, Norway, Finland, Russia, Estonia, Latvia, Lithuania, Slovakia, Poland, the Czech Republic and franchise stores in an additional four countries - Iceland, Bosnia-Herzegovina, Dubai and Saudi Arabia. Production offices are located in China, India, Bangladesh, Pakistan and Turkey.

On 31 December 2011, Lindex had 4,536 employees in 14 countries. Roughly half of our employees are employed in Sweden and the remaining in Lindex's other markets. In 2011, the number of full-time employees was 1,331, which corresponds to 29 per cent of the number of employees; and there were 3,191 part-time employees (74 per cent of the workforce). The primary reason for part-time positions is that Lindex prioritises being able to give customers the best service in the store's most attractive opening hours.

Division of full-time and part-time employees



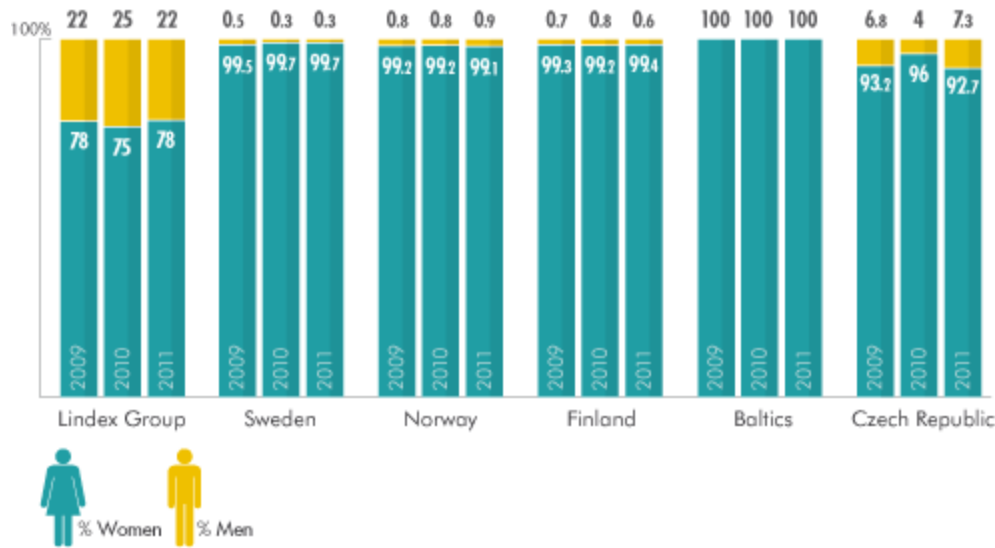
Sick leave



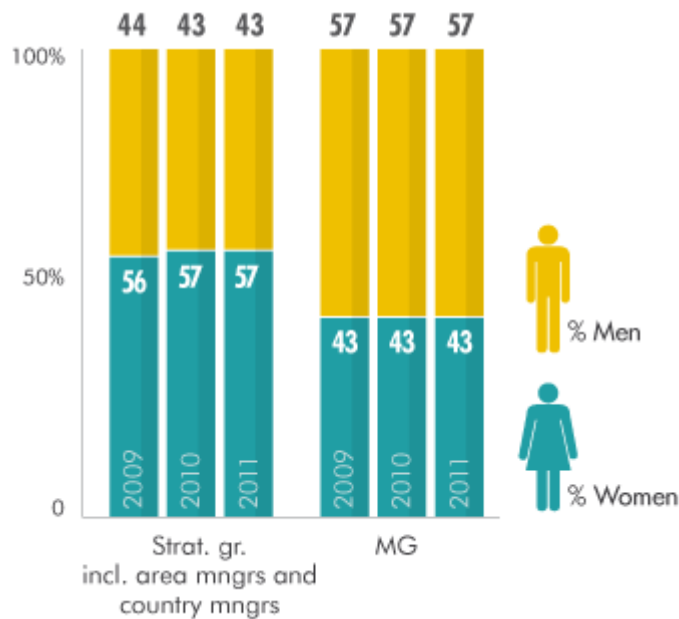
Diversity in the work place

Lindex is an international fashion company which views cultural diversity and equality as a competitive advantage that helps increase motivation and a sense of well-being among employees. 96 per cent of Lindex' staff are female, with an average age of 31.3 years. We value and develop the work ethic and expertise of our staff, irrespective of age, gender, religion, sexual orientation or ethnic background, and we set out to be an attractive company for both women and men. Lindex works on the basis of an equality and diversity plan which is revised every three years.

Breakdown of men and women



Breakdown of men and women in leadership positions



Trade union cooperation

On those markets where our staff have opted for unionisation, Lindex enjoys open and close cooperation with the union. In the Baltic states and Russia, union issues are dealt with by so-called Working Councils organised by Lindex owner, Stockmann. Over the last year, Lindex has not experienced a single conflict or dispute with the relevant national union.

Clear leadership

Even though the work itself is varied and exciting, our vision of a world-class fashion experience can only be achieved through good leadership. This is why there is such emphasis on developing and supporting Lindex managers. Lindex values give us a clear vision of what it takes to be a manager.

During 2011 all managers in Lindex completed our management leadership training course, which is based on Leadership the Lindex way.

Lindex staff are important to the company's success. To attract new staff, retain them and help them develop, we offer our employees continuous competency development via in-house training courses and activities. 2011 saw a number of in-house initiatives and training courses, including in Service & Sales.

Result - Code of conduct 2011

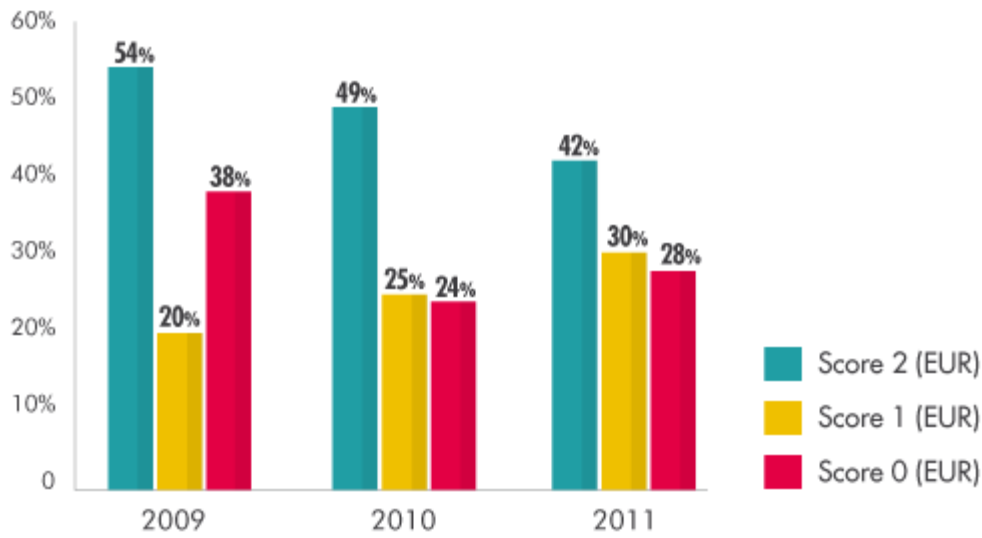
Lindex is aware of the risk for violations of the code of conduct and works actively in order to ensure that the code is complied with by all of our suppliers and factories. A combination of inspections, training and cut-offs throughout the year has resulted in progress. In 2011, Lindex completed a total of 271 inspections, of which 198 were initial (i.e. first inspections of a supplier) and 73 were re-inspections. Lindex's own inspectors performed 138 of the inspections, and 133 were performed by external companies. Lindex inspectors are employed at our production offices, and they monitor that our suppliers comply with the BSCI code, do their own inspections and factory visits as well as conduct training. In addition to auditing and training, we have scorecards for the suppliers where each area is scored. This comprises the foundation of our development work.

All factories where Lindex has production have been visited by Lindex personnel and have been assessed to satisfy our start requirements in order for the first order to be placed. If, subsequently, we decide to continue to produce in the factory, a full audit is carried out.

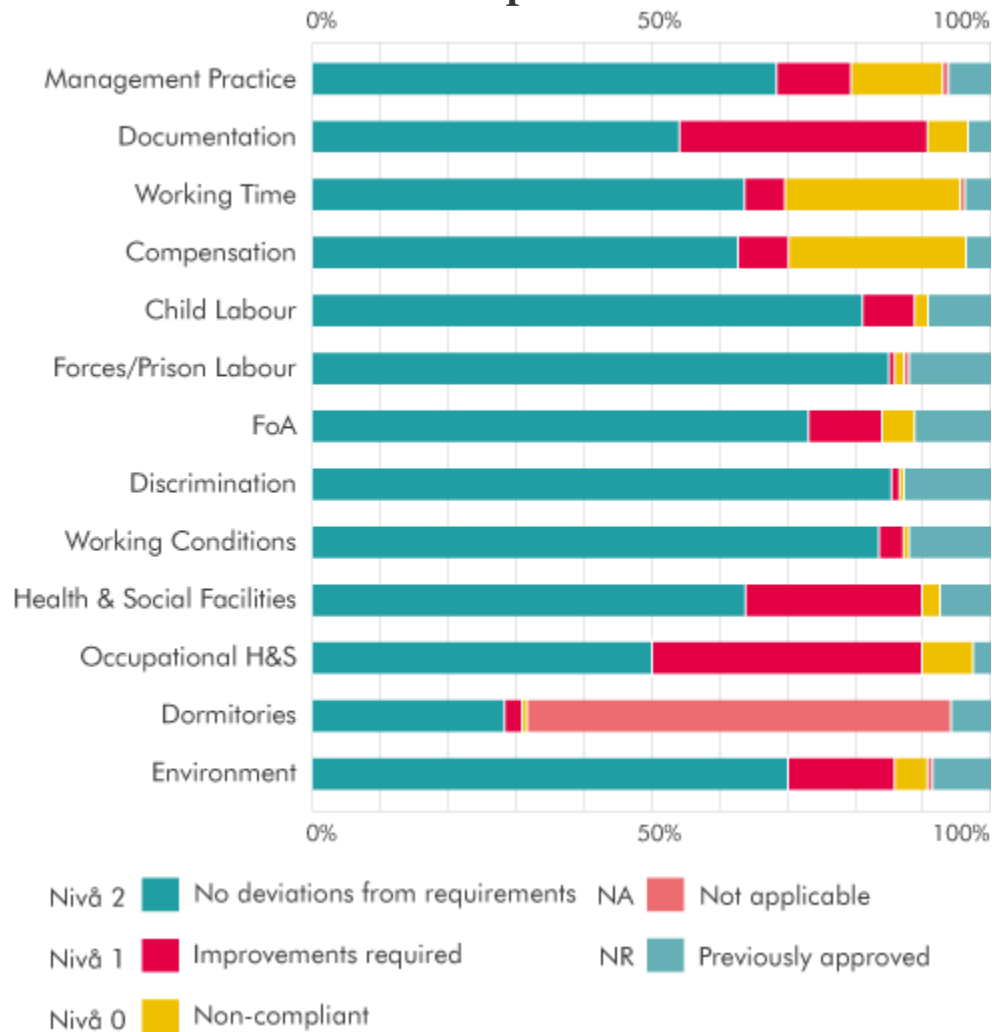
In the event of a factory inspection, judgement is made in 13 areas. Each area receives a result 0, 1, 2 or n/a (level 2: no deviations from the requirements, level 1: improvement needed, level 0: deviations from the requirements) depending on how well the requirements have been met. After each part of the code has received a result, a final evaluation of the factory is made.

Below are levels of the code of conduct areas of active suppliers as of 31 December 2011.

Code of conduct result 2009, 2010, 2011



The code of conduct result per area



Lindex's stop list 2011

In 2011, four factories were placed on the stop list. Two of the cases concerned child labour in Turkey, where the child in both cases was 14 years old. Lindex used its "Child Labour Action Plan" and arrived at a solution in cooperation with the supplier and parents. The children started school again and the parents received compensation for the loss of income from the supplier.

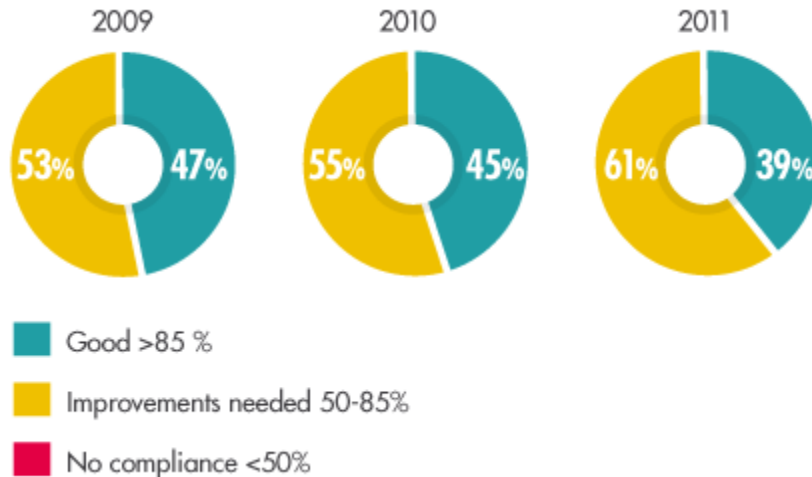
The third case concerned a non-approved sub-supplier in Turkey. The fourth case that ended up on Lindex's stop list was a direct supplier in China where the production factory was not BCSI-approved at the time of the visit. After six months one additional inspection was completed with an approved result. After satisfactory follow ups, all cases have now been removed from Lindex's stop list.

Training activities

In 2011, 118 suppliers and factories participated in different courses. The courses focused, among other things, on fire and safety, leadership, worker/management relations, work hours and employment agreements.

Result - Environmental responsibility 2011

Environmental assessment at wet process factories



Since 2009, environmental inspections are made in all wet process factories that are owned by Lindex's suppliers. The goal for 2012 is for at least 50 percent of our supplier chain to reach the highest level: Good.

Results - Energy savings in IT 2011

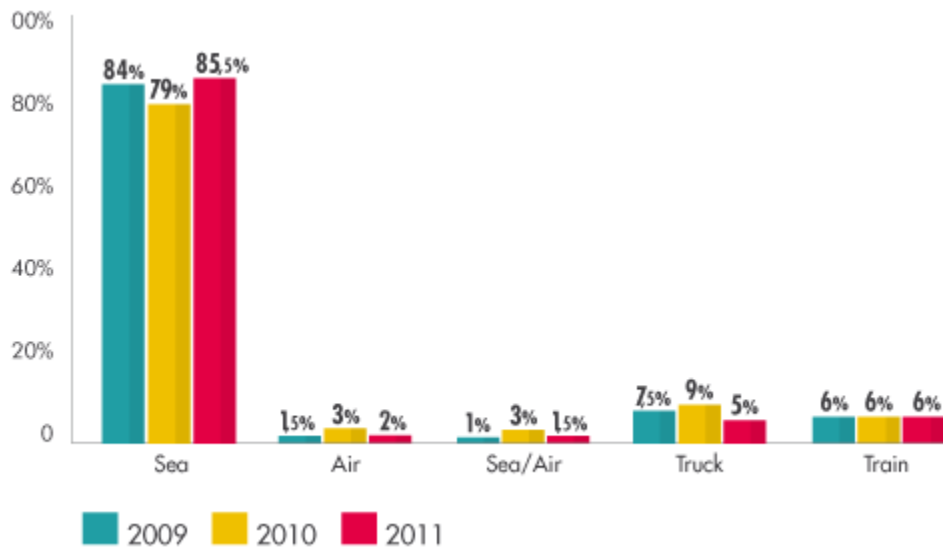
Lindex has reduced the computer centre's energy consumption by 4.5 kWh in 2011 (compared with 2010) to 50 kWh per month. Optimisation comprises changes in the computer centre as well as closing down older systems.

The future with increased virtualisation

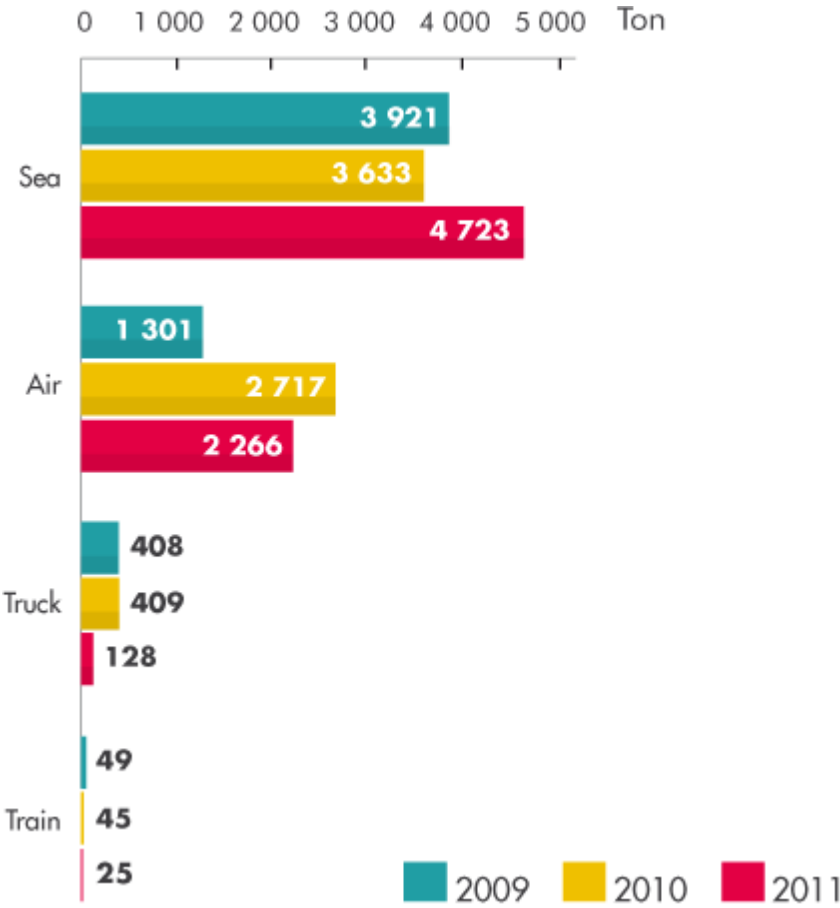
"We are working to continue the virtualisation of our computer centre pursuant to what is technically possible. The goal is reducing the computer centre's energy consumption by an additional five per cent in 2012 (compared with 2010). Our goal is to reach 47 kWh in 2012 with the current data storage and processing capacity intact," says Florian Westerdahl.

Result 2011: Division mode of transportation

Division per mode of transportation



CO₂-emissions division per mode of transportation



"We have worked actively with all parts in our design and purchasing processes in order to minimise the use of airline shipments. Our hope is to be able to continue in the same way in 2012. A challenge is that longer maritime transport routes negatively affect shipment times", says Design and Purchasing Manager Lea Rytz Goldman.