

LINENS N THINGS INC  
Form 11-K  
June 30, 2003

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 11-K**

**ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
[NO FEE REQUIRED].

For the Fiscal year ended December 31, 2002

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934 [NO FEE REQUIRED].

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission file number 1-12381

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**Linens n Things, Inc.  
401(k) Plan**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**Linens n Things, Inc.  
6 Brighton Road  
Clifton, NJ 07015**

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**LINENS N THINGS, INC. 401(k) PLAN**

Financial Statements and Supplemental Schedules  
December 31, 2002 and 2001

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**Supplemental Schedule\*:**

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)  
December 31, 2002 13

\* Schedules required that are not applicable to the Form 5500 have been omitted.

Signature 17

Exhibit 23 - Consent of Independent Auditors

Exhibit 99.1 - Certification of Chief Executive Officer

Exhibit 99.2 - Certification of Chief Financial Officer

### Independent Auditors Report

The Plan Administrator  
Linens n Things, Inc. 401(k) Plan:

We have audited the accompanying statements of net assets available for plan benefits of the Linens n Things, Inc. 401(k) Plan as of December 31, 2002 and 2001, and the related statements of changes in net assets available for plan benefits for the years then ended. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Linens n Things, Inc. 401(k) Plan as of December 31, 2002 and 2001, and the changes in net assets available for plan benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule H, line 4i schedule of assets (held at end of year) as of December 31, 2002 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP  
New York, New York

June 27, 2003

**LINENS N THINGS, INC. 401(k) PLAN**  
Statements of Net Assets Available for Plan Benefits  
December 31, 2002 and 2001

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|  | <u>2002</u>         | <u>2001</u>         |
|--|---------------------|---------------------|
| Assets:                                |                     |                     |
| Investments, at fair value: (note 3)   |                     |                     |
| Linens n Things Company Stock Fund     | \$ 1,829,349        | \$ 1,307,954        |
| Mutual Funds                           | 19,649,849          | 21,037,012          |
| Collective Trust Fund                  | 9,039,768           | 7,894,554           |
| Loans to participants                  | 1,114,123           | 804,123             |
|  | <u>31,633,089</u>   | <u>31,043,643</u>   |
| Receivables:                           |                     |                     |
| Participants contributions             | 243,175             | 263,000             |
| Employer contributions                 | 54,122              | 192,000             |
|  | <u>297,297</u>      | <u>455,000</u>      |
| Total receivables                      | <u>297,297</u>      | <u>455,000</u>      |
| Net assets available for plan benefits | <u>\$31,930,386</u> | <u>\$31,498,643</u> |

See accompanying notes to financial statements.

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**LINENS N THINGS, INC. 401(k) PLAN**  
 Statements of Changes in Net Assets Available for Plan Benefits  
 Years ended December 31, 2002 and 2001

|   | <u>2002</u>        | <u>2001</u>      |
|---|--------------------|------------------|
| Additions to net assets attributed to:                    |                    |                  |
| Investment income (loss):                                 |                    |                  |
| Interest and dividends                                    | \$ 869,226         | \$ 1,045,829     |
| Net depreciation<br>in fair value of investments (note 3) | (4,044,136)        | (1,223,482)      |
|   | <u>(3,174,910)</u> | <u>(177,653)</u> |
| Contributions:  |                    |                  |
| Participants  | 4,270,608          | 4,344,065        |
| Employer  | 1,259,477          | 2,663,496        |
|   | <u>5,530,085</u>   | <u>7,007,561</u> |
| Total contributions                                       | <u>5,530,085</u>   | <u>7,007,561</u> |
| Total additions   | <u>2,355,175</u>   | <u>6,829,908</u> |
| Deductions from net assets attributed to:                 |                    |                  |
| Benefits and withdrawals paid to participants             | 1,900,202          | 1,700,829        |
| Expenses  | 23,230             | 9,478            |
|   | <u>1,923,432</u>   | <u>1,710,307</u> |
| Total deductions  | <u>1,923,432</u>   | <u>1,710,307</u> |

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|   | 2002          | 2001          |
|---|---------------|---------------|
| Net increase                            | 431,743       | 5,119,601     |
| Net assets available for plan benefits: |               |               |
| Beginning of year                       | 31,498,643    | 26,379,042    |
| End of year                             | \$ 31,930,386 | \$ 31,498,643 |

See accompanying notes to financial statements.

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**LINENS N THINGS, INC. 401(k) PLAN**

Notes to Financial Statements

**(1) Plan Description**

The following description of the Linens n Things, Inc. 401(k) Plan (the Plan ) provides only general information. Participants should refer to the plan document for a more complete description of the Plan s provisions.

**(a) Background**

The Plan is a participant-directed, defined contribution plan established by Linens n Things, Inc. (the Company or Plan Sponsor ) as of December 1, 1996. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ( ERISA ). The general administration of the Plan and the responsibility for carrying out the provisions of the Plan are maintained by a committee (the Plan Committee ) appointed by Linens n Things, Inc. In accordance with the provisions of the Plan, the Plan Committee is also the Administrator (the Administrator ). Effective December 1, 1998, the Plan Committee appointed Prudential Investments as the Trustee (the Trustee ). Effective April 1, 2001, the Plan Committee appointed Fidelity Management Trust Company as the Trustee (the new Trustee ).

**(b) Eligibility**

Prior to August 1, 2002, eligible employees became participants in the Plan at the beginning of the first payroll period of the first month following completion of a year of service with at least 1,000 hours worked and attaining age 21. Effective August 1, 2002, the Plan was amended to allow employees to become eligible to participate in the Plan at the beginning of the first payroll period of the first month following completion of eleven months of service with no age requirement or minimum hours worked.

**(c) Participants Contributions**

Effective in 2002 participants may contribute up to 60% of pretax annual compensation, not to exceed \$11,000. Prior to 2002, participants could contribute up to 15% of pretax annual compensation, not to exceed the applicable dollar limit established by the Internal Revenue Service (IRS) each year. Participants may also contribute (rollover) amounts representing distributions from other qualified defined benefit or contribution plans.

**(d) Employer Contributions**

Prior to March 1, 2002, employer matching contributions were equal to 100% of the first 6% of the participants contributions. Effective March 1, 2002, the Plan was amended such that employer matching contributions are equal to 50% of the first 4% of the participants contributions. Matching contributions made by the Company were \$1,259,477 and \$2,663,496 in 2002 and 2001, respectively. Employer matching contributions are subject to certain limitations as specified in the plan document and the Internal Revenue Code (the Code ).

(e) **Investment Options**

Upon enrollment in the Plan or at select intervals thereafter, a participant may elect to direct contributions or investment balances within selected investment options.

The following investment options were available through March 31, 2001:

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**LINENS N THINGS, INC. 401(k) PLAN**

Notes to Financial Statements

**Norwest Stable Value Fund**

This collective trust fund invests to provide safety of principal, adequate liquidity and returns superior to shorter maturity alternatives. The Norwest Stable Fund is an actively managed, diversified portfolio of assets issued by highly rated financial institutions and corporations as well as obligations of the U.S. Government or its agencies.

**Kemper-Dreman High Return Equity Fund**

This fund invests primarily in stocks issued by large-cap companies that fund management believes to have established records of earnings and dividends, low price-earnings ratios, reasonable returns on equity, and sound finances.

**MFS Total Return Fund**

This fund tends to focus on conservative stocks and bonds. It accomplishes this by either balancing their assets equally among stocks, bonds, convertibles, and cash, or by adjusting their holdings frequently in response to market conditions.

**Prudential Small Company Value Fund**

This small-cap value fund invests in companies that have market values under \$1 billion and that offer lower stock prices than other small-sized stocks. This fund concentrates on lower priced stocks that have yet to be discovered by other investors.

**Prudential World Fund: International Stock Series**

This fund can invest in any country outside the United States. This fund might divide its assets among a dozen or more developed markets, including Japan, Britain, France and Germany, while also investing a small portion in emerging markets, such as Hong Kong, Brazil, Mexico and Thailand.

**Prudential Stock Index Fund Z**

This fund is for qualified investors and seeks to mirror the returns of the S&P 500 index. The fund normally invests at least 80% of its assets in securities included in the S&P 500 index according to each security's weighting in the index. Management attempts to achieve a performance correlation with the S&P 500 of 0.95 irrespective of expenses. The fund may invest in derivative financial instruments.

**Prudential Jennison Growth Fund A**

This fund seeks long-term growth of capital. The fund normally invests at least 65% of assets in equities issued by companies with market capitalizations exceeding \$1 billion. The fund seeks

companies that it believes are attractively valued and have demonstrated earnings and sales growth and high returns on equity and assets. It may invest up to 20% of assets in foreign securities.

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## LINENS N THINGS, INC. 401(k) PLAN

### Notes to Financial Statements

#### **Linens n Things Company Stock Fund**

Linens n Things Company Stock Fund offers the opportunity to purchase common stock of Linens n Things, Inc.

#### **Alliance Technology Fund**

This fund emphasizes growth of capital and invests for capital appreciation. The fund invests primarily in securities of companies expected to benefit from technological advances and improvements. It may invest up to 10% of assets in foreign securities.

#### **Fundamental Investment Fund**

This fund seeks growth of capital and income. The fund primarily invests in common stocks and convertibles as well as debt securities that are rated BBB or better, but it may also invest up to 5% of assets in debt rated below investment-grade. The fund may invest up to 15% of assets in foreign securities.

The following investment options were available April 1, 2001 through December 31, 2002:

#### **Fidelity Managed Income Portfolio Fund**

Fidelity Managed Income Portfolio fund is a stable value fund that strives to preserve principal investment while earning interest income. The fund primarily invests in investment contracts offered by insurance companies and other financial institutions and in certain types of fixed income securities. The investment contract and fixed income security commitments are based solely by the financial resources of the issuer. In addition, investment contracts may impose a contract penalty on withdrawals or exchanges from the fund caused by an extraordinary corporate event (layoff, sale of a line of business, etc.). A portion of the Fund is invested in a money market fund to provide daily liquidity.

#### **Fidelity Growth Company Fund**

Fidelity Growth Company Fund seeks capital appreciation. The fund invests primarily in various common stocks including preferreds, convertibles, and warrants issued by companies that the advisor believes have above-average growth potential, measured by earnings or gross sales.

#### **Fidelity OTC Portfolio Fund**

Fidelity OTC Portfolio Fund seeks capital appreciation. The fund normally invests at least 65% of assets in equity securities principally traded on the over-the-counter (OTC) market. It may continue to hold securities purchased on the OTC market that subsequently begin to trade on the NYSE, AMEX, or foreign exchanges.

#### **Fidelity Equity-Income II Fund**

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Fidelity Equity-Income II Fund seeks income; potential for capital appreciation is also a consideration. The fund normally invests at least 80% of assets in income-producing equity securities. It may invest the balance of assets in debt securities of any type or credit quality. The fund may also invest in securities, of domestic or foreign issues.

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### LINENS N THINGS, INC. 401(k) PLAN

#### Notes to Financial Statements

##### **Spartan U.S. Equity Index Fund**

Spartan U.S. Equity Index Fund seeks to provide investment results that correspond to the total return performance of common stocks of companies publicly traded in the United States. The fund attempts to duplicate the composition and total return of the S&P 500 index while keeping transaction costs and other expenses low.

##### **Fidelity Freedom Income Fund**

Fidelity Freedom Income Fund seeks total return. The fund allocates all assets in a combination of equity, fixed-income, and money-market underlying Fidelity mutual funds, rather than investing directly in individual securities. The fund's target allocations are as follows: 20% in Fidelity stock mutual funds, 40% in Fidelity bond mutual funds, and 40% in Fidelity money-market funds.

##### **Fidelity Freedom 2000 Fund**

Fidelity Freedom 2000 Fund seeks high total return for those planning to retire around 2000. The fund's target allocations are as follows: 24% of Fidelity stock mutual funds, 42% in Fidelity bond mutual funds and 34% in Fidelity money market mutual funds. The mix of underlying funds will gradually become more conservative over time.

##### **Fidelity Freedom 2010 Fund**

Fidelity Freedom 2010 Fund seeks high total return for those planning to retire around 2010. The fund allocates all assets in a combination of underlying Fidelity mutual funds. The fund's target allocations are as follows: 46% in Fidelity stock mutual funds, 45% in Fidelity bond mutual funds and 9% in Fidelity money market mutual funds. The mix of underlying funds will gradually become more conservative over time.

##### **Fidelity Freedom 2020 Fund**

Fidelity Freedom 2020 Fund seeks high total return for those planning to retire around 2020. The fund allocates assets in a combination of underlying Fidelity mutual funds. The fund's target allocations are as follows: 70% in Fidelity stock mutual funds, 30% in Fidelity bond mutual funds. The mix of underlying funds will gradually become more conservative over time.

##### **Fidelity Freedom 2030 Fund**

Fidelity Freedom 2030 Fund seeks high total return for those planning to retire around 2030. The fund allocates assets in a combination of underlying Fidelity mutual funds. The fund's target allocations are as follows: 83% in Fidelity stock mutual funds, 17% in Fidelity bond mutual funds. The mix of underlying funds will gradually become more conservative over time.

##### **Fidelity Freedom 2040 Fund**

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Fidelity Freedom 2040 Fund seeks high total return. The fund invests in a combination of Fidelity equity, fixed-income, and money-market funds using a moderate asset allocation strategy designed for investors expecting to retire around the year 2040. The fund's target allocations are 90% in Fidelity stock mutual funds and 10% in Fidelity bond mutual funds. The mix of underlying funds will gradually become more conservative over time.

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### LINENS N THINGS, INC. 401(k) PLAN

#### Notes to Financial Statements

##### **Fidelity Low-Priced Stock Fund**

Fidelity Low-Priced Stock Fund seeks capital appreciation. The fund normally invests at least 80% of assets in equity securities that are priced at \$35 per share or less. It may hold securities that have appreciated beyond that level and still satisfy the 80% requirement.

##### **Fidelity Diversified International Fund**

Fidelity Diversified International Fund seeks capital appreciation. The fund invests primarily in equities of companies located outside of the United States. The majority of investments are made in companies with market capitalizations of \$100 million or more.

##### **Linens n Things Company Stock Fund**

Linens n Things Company Stock Fund invests in the common stock of Linens n Things, Inc.

In addition to the funds described above, Fidelity Investments offers the opportunity for employees to increase the diversification of their portfolio by allowing participants to invest in over 50 Fidelity mutual funds and over 90 non-Fidelity mutual funds offered through this program.

##### **(f) Participants Accounts**

Each participant's account is credited with the participant's contribution, employer matching contribution and allocations of investment income or loss. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

##### **(g) Vesting**

Participants are immediately vested in their contributions plus actual earnings or losses thereon. Vesting in the employer's matching contribution portion of their accounts plus actual earnings or losses thereon is based on years of credited service, as defined. Effective January 1, 2002, a participant is fully vested after three years of service. Prior to January 1, 2002, a participant was 50% vested after three years and fully vested after five years of credited service.

##### **(h) Payment of Benefits**

Upon reaching normal retirement (age 65 or age 55 with 10 years of credited service, as defined) or upon permanent disability, all vested amounts credited to a participant's account become distributable. Distributions will be made as soon as administratively feasible, following a participant's request, and will be made in a lump-sum cash payment.

Upon a participant's death, the participant's beneficiary is entitled to 100% of the participant's vested account balance.



Upon termination of service, other than for normal retirement or death, the Administrator will direct the Trustee or the new Trustee to pay to the participant his or her benefit in an immediate lump sum or a deferred lump sum, if certain criteria are met.

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**LINENS N THINGS, INC. 401(k) PLAN**

Notes to Financial Statements

**(i) Forfeitures**

Upon a participant's termination date, and prior to the time the participant becomes vested in his or her account, the non-vested portion, if any, shall be forfeited. These accounts will be used to restore amounts previously forfeited by participants but required to be reinstated upon resumption of employment, to pay administrative expenses, or to reduce employer contributions. Forfeitures were netted against the employer contributions for the years ended December 31, 2002 and 2001. Forfeitures were \$91,364 and \$111,645 for the years ended December 31, 2002 and 2001, respectively.

**(j) Loans to Plan Participants**

Under the terms of the Plan, participants may obtain loans from the Plan, utilizing funds accumulated in their accounts. The minimum amount, which may be borrowed, is \$1,000. Participants can borrow up to a maximum of 50% of their vested account balance but not more than \$50,000, less their highest outstanding loan balance during the previous 12 months. The Plan charges a fixed rate, which is 1% above the prime rate adjusted quarterly.

The loans are repaid to the Plan through after-tax payroll deductions. The loan repayments and interest earned are allocated to each of the investment funds based upon the participant's contribution election percentages. The term of the loan is arrived at by mutual agreement between the Plan Committee and the participant, but may not exceed five years unless the loan is to be used in conjunction with the purchase of the principal residence of the participant, in which case the loan may not exceed 25 years.

**(2) Summary of Significant Accounting Policies**

**(a) Basis of Presentation**

The accompanying financial statements have been prepared on an accrual method of accounting and present the net assets available for plan benefits of the Plan and the changes in those net assets in conformity with accounting principles generally accepted in the United States of America.

**(b) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from these estimates and assumptions.

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**LINENS N THINGS, INC. 401(k) PLAN**

Notes to Financial Statements

**(c) Risks and Uncertainties**

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The Plan offers a number of investment options including Linens n Things, Inc. common stock and a variety of investment funds, some of which are mutual funds and pooled investment funds. The funds include U.S. equities, international equities, and fixed income securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for plan benefits and participant account balances.

The Plan's exposure to a concentration of credit risk is limited by the diversification of investments across participant-directed fund elections. Additionally, the investments within each participant-directed fund election are further diversified into varied financial instruments, with the exception of the Linens n Things Company Stock Fund, which principally invests in a single security.

### (d) Investments

Each investment fund, aside from unallocated cash, which is held in an interest-bearing money market account, is stated at the fair value on the last business day of the plan year as reported by the Trustee or the new Trustee, which is based on the market value of the underlying securities based on quotations from national securities exchange. Purchases and sales of investments are recorded on a trade-date basis. Investment income is recorded as earned on an accrual basis. Dividend income is recorded on the ex-dividend date.

The carrying values for contribution receivables approximate their fair values due to their short-term nature. Participant loans are stated at amortized cost. The Administrator does not believe it is practicable to estimate fair value of participant loans as they are not material to the plan. The participant loans have fixed rates of interest established by the plan administrator at the time of each loan's origination and approximated prevailing market rates.

### (e) Benefits

Benefits paid to participants are recorded when paid.

### (f) Administrative Expenses

Most administrative expenses are paid by the Plan Sponsor.

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## LINENS N THINGS, INC. 401(k) PLAN

### Notes to Financial Statements

### (3) Investments

At December 31, 2002 and 2001, the Plan's assets, were allocated among various investment funds administered by independent investment managers.

The following investments represent 5% or more of the net assets available for benefits at December 31, 2002 and 2001:

|   | <u>2002</u> | <u>2001</u> |
|---|-------------|-------------|
| Fidelity Managed Income Portfolio Fund  | \$9,039,768 | \$7,894,555 |
| Fidelity Equity-Income II Fund          | 6,743,970   | 8,128,463   |
| Fidelity Freedom 2010 Fund              | 4,098,429   | 4,638,855   |
| Fidelity Growth Company Fund            | 2,065,407   | 2,785,737   |
| Linens n Things Company Stock Fund      | 1,829,349   | --          |
| Fidelity Diversified International Fund | 1,775,231   | 1,865,819   |

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During 2002 and 2001, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value by \$(4,044,136) and \$(1,223,482) respectively, as follows:

|  | <u>2002</u>                 | <u>2001</u>                 |
|--|-----------------------------|-----------------------------|
| Mutual Funds                                     | \$(3,929,921)               | \$(1,300,015)               |
| Linens n Things Company Stock Fund               | (114,215)                   | 76,533                      |
|  | <u>                    </u> | <u>                    </u> |
| Net depreciation in<br>fair value of investments | <u>\$(4,044,136)</u>        | <u>\$(1,223,482)</u>        |

**(4) Plan Termination**

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. If the Company were to terminate the Plan, all participants in the Plan would become fully vested.

**LINENS N THINGS, INC. 401(k) PLAN**

Notes to Financial Statements

**(5) Tax Status**

The Internal Revenue Service has determined and informed the Company by a letter dated October 1, 1999 that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

**(6) Related Party Transactions (Parties in Interest)**

The record keeping and custodial functions for the underlying investments held by the Plan were performed by Prudential Investments and effective April 1, 2001 were performed by Fidelity Trust Company.

Certain investments of the Plan are shares of mutual funds advised by Fidelity Investments an affiliate of Fidelity Trust Company. Another investment in the Plan is an investment fund comprised primarily of shares of common stock issued by Linens n Things. Linens n Things is the Plan Sponsor.

Certain fees paid to related parties for services to the Plan were paid by the Plan Sponsor. Alternately, mutual fund and pooled investment fund operation expenses come out of a fund's assets and are reflected in the fund's share/unit price.

Supplemental Schedule

**LINENS N THINGS, INC. 401(k) PLAN**

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

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December 31, 2002

| Identify of Issue                         | Description of Investment | Number of Units | Current Value (\$) |
|---|---------------------------|-----------------|--------------------|
| * Fidelity Fund                           | Mutual Fund               | 342             | \$ 7,616           |
| * Fidelity Puritan Fund                   | Mutual Fund               | 138             | 2,185              |
| * Fidelity Trend Fund                     | Mutual Fund               | 66              | 2,558              |
| * Fidelity Ginnie Mae Fund                | Mutual Fund               | 5,011           | 56,326             |
| * Fidelity Equity-Income Fund             | Mutual Fund               | 488             | 19,347             |
| * Fidelity Growth Company Fund            | Mutual Fund               | 58,312          | 2,065,407          |
| * Fidelity Investment Grade Bond Fund     | Mutual Fund               | 832             | 6,295              |
| * Fidelity Intermediate Bond Fund         | Mutual Fund               | 2,414           | 25,903             |
| * Fidelity Capital and Income Fund        | Mutual Fund               | 310             | 1,949              |
| * Fidelity Value Fund                     | Mutual Fund               | 1,213           | 56,281             |
| * Fidelity Government Income Fund         | Mutual Fund               | 1,149           | 12,039             |
| * Fidelity Independent Fund               | Mutual Fund               | 742             | 9,694              |
| * Fidelity OTC Portfolio Fund             | Mutual Fund               | 21,813          | 521,550            |
| * Fidelity Overseas Fund                  | Mutual Fund               | 8               | 180                |
| * Fidelity Real Estate Fund               | Mutual Fund               | 2,733           | 50,262             |
| * Fidelity Balanced Fund                  | Mutual Fund               | 201             | 2,666              |
| * Fidelity Intl Gr & Inc                  | Mutual Fund               | 18              | 304                |
| * Fidelity Cap Apprec                     | Mutual Fund               | 35              | 568                |
| * Fidelity Conv Sec                       | Mutual Fund               | 262             | 4,277              |
| * Fidelity Blue Chip Fund                 | Mutual Fund               | 925             | 29,547             |
| * Fidelity Asset Manager                  | Mutual Fund               | 179             | 2,476              |
| * Fidelity Low Priced Stock Fund          | Mutual Fund               | 56,529          | 1,422,833          |
| * Fidelity Worldwide Fund                 | Mutual Fund               | 152             | 1,811              |
| * Fidelity Equity-Income Fund II          | Mutual Fund               | 387,807         | 6,743,970          |
| * Fidelity Asset Manager: Growth          | Mutual Fund               | 572             | 6,842              |
| * Fidelity Emerging Markets Fund          | Mutual Fund               | 805             | 5,804              |
| * Fidelity Aggressive Growth Fund         | Mutual Fund               | 2,957           | 33,085             |
| * Fidelity Diversified International Fund | Mutual Fund               | 103,452         | 1,775,231          |
| * Fidelity Asset Manager Income Fund      | Mutual Fund               | 13              | 141                |
| * Fidelity Dividend Growth Fund           | Mutual Fund               | 1,550           | 34,594             |
| * Fidelity New Markets Income Fund        | Mutual Fund               | 1,320           | 14,954             |
| * Fidelity Export and Multinational Fund  | Mutual Fund               | 2,931           | 40,295             |
| * Fidelity Aggressive International Fund  | Mutual Fund               | 645             | 6,919              |
| * Fidelity Small-Cap Independent Fund     | Mutual Fund               | 697             | 9,264              |

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| Identify of Issue                           | Description of Investment | Number of Units | Current Value (\$) |
|---|---------------------------|-----------------|--------------------|
| * Fidelity Mid-Cap Stock Fund               | Mutual Fund               | 2,388           | 38,825             |
| * Fidelity Large-Cap Stock Fund             | Mutual Fund               | 149             | 1,660              |
| * Fidelity Europe Capital Appreciation Fund | Mutual Fund               | 38              | 522                |
| * Fidelity Japan Fund                       | Mutual Fund               | 1               | 5                  |
| * Fidelity Freedom Income Fund              | Mutual Fund               | 4,939           | 52,352             |
| * Fidelity Freedom 2000                     | Mutual Fund               | 5,998           | 66,042             |
| * Fidelity Freedom 2010                     | Mutual Fund               | 358,254         | 4,098,429          |
| * Fidelity Freedom 2020                     | Mutual Fund               | 25,524          | 271,572            |
| * Fidelity Freedom 2030                     | Mutual Fund               | 7,390           | 75,670             |
| * Fidelity Small-Cap Retirement Portfolio   | Mutual Fund               | 1,309           | 13,443             |
| * Spartan Total Market Index Fund           | Mutual Fund               | 2               | 43                 |
| * Fidelity Short Term Bond Fund             | Mutual Fund               | 299             | 2,687              |
| * Fidelity Fifty Fund                       | Mutual Fund               | 1,700           | 27,268             |

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| Identify of Issue   | Description of Investment | Number of Units | Current Value (\$) |
|---|---------------------------|-----------------|--------------------|
| * Fidelity Retirement Money Market Portfolio                | Mutual Fund               | 107,794         | 107,794            |
| * Fidelity Retirement Government Money Market Portfolio     | Mutual Fund               | 26,319          | 26,319             |
| * Fidelity Managed Income Portfolio                         | Collective Trust Fund     | 9,039,768       | 9,039,768          |
| *Spartan U.S. Equity Index Fund                             | Mutual Fund               | 41,974          | 1,307,502          |
| * Fidelity U.S. Bond Index Fund                             | Mutual Fund               | 6,308           | 70,898             |
| * Fidelity Institutional Short-Intermediate Government Fund | Mutual Fund               | 470             | 4,620              |
| * Fidelity Freedom 2040                                     | Mutual Fund               | 6,424           | 37,646             |
| * Fidelity Strong Mid Cap Value                             | Mutual Fund               | 1,045           | 9,491              |
| * Fidelity Strong Large Cap Growth                          | Mutual Fund               | 145             | 1,034              |
| * Fidelity Strong Mid Cap Growth                            | Mutual Fund               | 22              | 164                |
| Neuberger Berman Guardian Trust                             | Mutual Fund               | 106             | 883                |
| Invesco Core Equity Fund                                    | Mutual Fund               | 26              | 249                |
| Janus Adviser Aggressive Growth Fund                        | Mutual Fund               | 242             | 3,746              |
| Janus Adviser Capital Appreciation Fund                     | Mutual Fund               | 66              | 1,191              |
| Janus Adviser Flex Inc I                                    | Mutual Fund               | 159             | 1,980              |
| AIM Blue Chip Fund A  | Mutual Fund               | 146             | 1,309              |
| AMR Intl Equity PA  | Mutual Fund               | 7               | 85                 |
| PIMCO Total Return Fund - Administrative Class              | Mutual Fund               | 2,528           | 26,976             |
| TMPL Foreign Sm Co A  | Mutual Fund               | 463             | 5,768              |
| MSI Equity Growth B   | Mutual Fund               | 37              | 462                |
| Mutual Discovery A  | Mutual Fund               | 11              | 173                |
| Baron Growth Fund   | Mutual Fund               | 220             | 5,923              |
| Baron Asset Fund  | Mutual Fund               | 4               | 126                |
| FMA Small Company IS  | Mutual Fund               | 1               | 21                 |
| Ariel Fund  | Mutual Fund               | 641             | 22,576             |
| Ariel Appreciation Fund                                     | Mutual Fund               | 2,163           | 71,498             |
| Ariel Premier Bond Fund Investor Class                      | Mutual Fund               | 503             | 5,345              |
| Alger Capital Appreciation Fund I                           | Mutual Fund               | 45              | 376                |
| Alger MidCap Growth Fund I                                  | Mutual Fund               | 198             | 2,080              |

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| Identify of Issue                                      | Description of Investment | Number of Units | Current Value (\$) |
|--|---------------------------|-----------------|--------------------|
| Dreyfus Founders Balanced Fund F                       | Mutual Fund               | 217             | 1,453              |
| Dreyfus Founders Growth Fund F                         | Mutual Fund               | 188             | 1,406              |
| Dreyfus Founders WW Growth Fund F                      | Mutual Fund               | 49              | 409                |
| Franklin SmMid Cap Growth Fund - Class A               | Mutual Fund               | 67              | 1,461              |
| PBHG Growth Fund                                       | Mutual Fund               | 254             | 3,607              |
| Invesco Dynamics Fund                                  | Mutual Fund               | 12              | 127                |
| Invesco High Yield Fund                                | Mutual Fund               | 46              | 150                |
| Templeton Foreign Fund A                               | Mutual Fund               | 25              | 205                |
| Dreyfus Founders Discovery Fund F                      | Mutual Fund               | 18              | 342                |
| MSIFT Cap Fixed Income Adviser                         | Mutual Fund               | 86              | 991                |
| MSIFT Value Adviser                                    | Mutual Fund               | 298             | 3,464              |
| MSI Small Co Growth Fund B                             | Mutual Fund               | 143             | 1,039              |
| Mutual Shares Fund - Class A                           | Mutual Fund               | 999             | 16,764             |
| Managers Special Equity Fund                           | Mutual Fund               | 178             | 9,805              |
| Neuberger Berman Focus Trust                           | Mutual Fund               | 1               | 21                 |
| Neuberger Berman Genesis Trust                         | Mutual Fund               | 677             | 19,057             |
| Neuberger Berman Socially Responsive Trust             | Mutual Fund               | 125             | 1,328              |
| AIM Prem Equity Fund A                                 | Mutual Fund               | 9               | 68                 |
| Oakmark Select Fund I                                  | Mutual Fund               | 1,710           | 40,742             |
| PIMCO Capital Appreciation Fund - Administrative Class | Mutual Fund               | 53              | 669                |

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| Identify of Issue   | Description of Investment | Number of Units | Current Value (\$) |
|---|---------------------------|-----------------|--------------------|
| PIMCO Mid Cap Fund - Administrative Class                   | Mutual Fund               | 21              | 328                |
| PIMCO Global Bond Trust - Administrative Class              | Mutual Fund               | 1,384           | 13,589             |
| PIMCO High Yield Fund - Administrative Class                | Mutual Fund               | 80              | 683                |
| PIMCO Long-Term U.S. Government Fund - Administrative Class | Mutual Fund               | 4,985           | 55,132             |
| Strong Ultra Short Fund                                     | Mutual Fund               | 70              | 660                |
| Strong Short-Term Bond Fund                                 | Mutual Fund               | 77              | 686                |
| Strong Growth Fund  | Mutual Fund               | 121             | 1,595              |
| Strong Adv Common Stock Fund Z                              | Mutual Fund               | 74              | 1,185              |
| Strong Opportunity Fund                                     | Mutual Fund               | 113             | 3,255              |
| Strong Government Security Fund                             | Mutual Fund               | 473             | 5,271              |
| Templeton Growth Fund A                                     | Mutual Fund               | 9               | 145                |
| Templeton Global Bond Fund A                                | Mutual Fund               | 666             | 5,974              |
| AIM Constellation Fund A                                    | Mutual Fund               | 1               | 5                  |
| CS Emerging Growth Company Fund                             | Mutual Fund               | 7               | 134                |
| CS Strategic Value Company Fund                             | Mutual Fund               | 72              | 763                |
| RS Emerging Growth Fund A                                   | Mutual Fund               | 41              | 783                |
| MSI Intl Equity Fund B                                      | Mutual Fund               | 423             | 6,155              |
| MSI Value Equity Fund B                                     | Mutual Fund               | 3               | 21                 |
| AIM Global Aggressive Growth                                | Mutual Fund               | 437             | 4,821              |
| Managers Bond Fund  | Mutual Fund               | 39              | 923                |
| Managers Capital Appreciation Fund                          | Mutual Fund               | 12              | 248                |
| Managers Value Fund   | Mutual Fund               | 3,230           | 66,833             |

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| Identify of Issue                   | Description of Investment | Number of Units | Current Value (\$)  |
|-------------------------------------|---------------------------|-----------------|---------------------|
| RS Smaller Company Growth Fund      | Mutual Fund               | 35              | 453                 |
| CS Small Cap Value Com              | Mutual Fund               | 1,092           | 18,863              |
| Oakmark Equity and Income Fund I    | Mutual Fund               | 466             | 8,384               |
| PBHG MidCap Value Fund              | Mutual Fund               | 118             | 1,509               |
| PBHG Strategic Small Company Fund   | Mutual Fund               | 51              | 470                 |
| Strong Adv Small Cap Value Fund Z   | Mutual Fund               | 491             | 9,327               |
| CS Intl Focus Com                   | Mutual Fund               | 78              | 622                 |
| *Linens n Things Company Stock Fund | Company Stock Fund        | 223,910         | 1,829,349           |
| *Participant Loans (1)              |                           |                 | 1,114,123           |
| <b>Total investments</b>            |                           |                 | <b>\$31,633,089</b> |

\* Party-in-interest as defined by ERISA.

(1) 227 loans to participants with interest rates of 5.75% to 10.5%.

See accompanying independent auditors report.

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**SIGNATURE**

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

SIGNATURE

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**Linens n Things, Inc. 401(k) Plan**

Dated: June 30, 2003

By: */s/ William T. Giles*

William T. Giles  
Executive Vice President, Chief Financial Officer  
and member of the Plan Committee

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**EXHIBIT INDEX**

| <u>Exhibit No.</u> | <u>Description</u>  |
|--------------------|---|
| 23                 | Consent of KPMG LLP   |
| 99.1               | Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 99.2               | Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |