

LINENS N THINGS INC
Form 11-K
June 29, 2001

**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 OF ACT 1934 [NO FEE REQUIRED].

For the fiscal year ended December 31, 2000.

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

For the transaction 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:

Deferred Compensation Plan of Linens n Things, Inc.

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**

**DEFERRED COMPENSATION PLAN OF
LINENS N THINGS, INC.**

Required Information

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Independent Auditors' Report

The Compensation Committee of the
Board of Directors of
Linens n Things, Inc.:

We have audited the accompanying statements of financial condition of the Deferred Compensation Plan of Linens n Things, Inc. (the Plan) as of December 31, 2000 and 1999, and the related statements of income and changes in plan equity, with Fund Information for each of the years in the three-year period ended December 31, 2000. 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 financial condition of the Plan as of December 31, 2000 and 1999 and the income and changes in plan equity of the Plan for each of the years in the three-year period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The Fund Information in the statements of income and changes in plan equity is presented for purposes of additional analysis rather than to present the changes in equity for each fund. The Fund Information has been subjected to the auditing procedures applied in the audits 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 29, 2001

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Linens 'n Things, Inc.
Deferred Compensation Plan

Statements of Financial Condition

Assets:

Davis New York Venture Fund (cost \$1,293,315 in 2000 and \$825,070 in 1999)

Dreyfus Appreciation Fund (cost \$913,416 in 2000 and \$770,874 in 1999)

Alliance Premier Growth A Fund (cost \$991,422 in 2000 and \$876,795 in 1999)

American Century Income & Growth Fund (cost \$763,636 in 2000 and \$702,912 in 1999)

Janus Invest 20 Fund (cost \$792,208 in 2000 and \$583,362 in 1999)

Baron Asset Fund (cost \$398,496 in 2000 and \$460,708 in 1999)

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Linens 'n Things, Inc. Common Stock Fund (cost \$481,771 in 2000 and \$296,817 in 1999)
Franklin Small Cap Growth Fund (cost \$188,178 in 2000 and \$170,987 in 1999)
Common Stock Fund (cost \$359,604 in 2000 and \$67,391 in 1999)
Prudential Emerging Growth Fund (cost \$103,505 in 2000)
Strong Government Securities Fund (cost \$54,651 in 2000 and \$23,775 in 1999)
American Century Value Fund (cost \$37,394 in 2000 and \$13,482 in 1999)
Deutsche and Investment International Fund (cost \$47,315 in 2000 and \$37,614 in 1999)
Putnam International Growth Fund (cost \$36,006 in 2000 and \$45,079 in 1999)
Montgomery Short Duration Government Bond Fund (cost \$29,506 in 2000 and \$16,036 in 1999)
Gabelli Growth Fund (cost \$28,334 in 2000 and \$21,735 in 1999)
Prudential Equity Fund (cost \$30,893 in 2000 and \$20,874 in 1999)
Liberty Stein Roe Capital Opportunities Fund (cost \$28,573 in 2000 and \$20,574 in 1999)
Franklin International Fund (cost \$21,906 in 2000 and \$9,244 in 1999)
Strong Schafer Value Fund (cost \$20,974 in 2000 and \$10,838 in 1999)
Dreyfus Founders Passport Fund (cost \$26,830 in 2000 and \$23,095 in 1999)
Command Money Market Fund (cost \$18,732 in 2000 and \$4,985 in 1999)
Stein Roe Growth and Income Fund (cost \$15,174 in 2000 and \$15,174 in 1999)
Rainier Small/Mid Cap Equity Fund (cost \$14,330 in 2000 and \$5,987 in 1999)
Neuberger Berman Genesis Fund (cost \$8,310 in 2000 and \$11,896 in 1999)
PBHG Emerging Growth Fund (cost \$13,235 in 2000 and \$3,186 in 1999)
Prudential Jennison Growth Fund (cost \$9,821 in 2000 and \$6,317 in 1999)
Lazard Equity Portfolio Fund (cost \$7,612 in 2000 and \$1,649 in 1999)

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Linens 'n Things, Inc. Deferred Compensation Plan Statements of Financial Condition

Assets:

(continued)

Strong International Bond Fund (cost \$2,320 in 2000 and \$3,134 in 1999) \$
Royce Pennsylvania Mutual Investors Fund (cost \$2,073 in 2000 and \$4,738 in 1999)
Van Kampen Comstock Fund (cost \$1,250 in 2000)
Prudential Money Market Assets Fund (cost \$851 in 2000 and 1999)

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| | |
|--|--------------------------|
| Robertson Stephens Growth & Income Fund (cost \$1,229 in 2000) | |
| Janus Flexible Income Fund (cost \$881 in 2000 and \$3,133 in 1999) | |
| Target Portfolio Trust (cost \$322 in 2000) | |
| Oakmark Fund (cost \$620,995 in 1999) | |
| Total investments (cost \$6,744,073 in 2000 and \$5,679,307 in 1999) | ----- 6,3 |
| Contributions receivable - participants | |
| Total plan equity | ----- \$ 6,3 ===== |

The accompanying notes are an integral part of these financial statements.

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LINENS 'N THINGS, INC.
DEFERRED COMPENSATION PLAN
Statement of Income and Changes in Plan Equity,
with Fund Information

Year ended December 31, 2000

| | Davis New York Venture Fund | Dreyfus Appreciation Fund | Alliance Premier Growth A Fund | American Century Income & Growth Fun |
|---|-----------------------------------|---------------------------------|---|---|
| | ----- | | | |
| Additions to plan equity attributed to: | | | | |
| Investment income: | | | | |
| Dividend income | \$ 12,876 | \$ 16,211 | \$ 465 | \$ 7,16 |
| Net realized gain (loss) | 817 | 2,082 | 3,203 | 11 |
| Net unrealized appreciation (depreciation) in fair value of investments | 34,093 | (13,493) | (230,468) | (100,29 |
| Contributions | 96,126 | 56,809 | 152,985 | 47,57 |
| Transfers among funds | 386,077 | 80,816 | 12,553 | 19,76 |
| Total additions | ----- 529,989 | ----- 142,425 | ----- (61,262) | ----- (25,67 |
| Deductions from plan equity attributed to: | | | | |
| Distributions | -- | -- | -- | -- |
| Transfers among funds | (27,651) | (13,376) | (54,579) | (13,89 |
| Total deductions | ----- (27,651) | ----- (13,376) | ----- (54,579) | ----- (13,89 |
| Net increase (decrease) in plan equity | 502,338 | 129,049 | (115,841) | (39,57 |
| Plan equity at beginning of year | 930,373 | 821,985 | 998,119 | 806,58 |
| | ----- | ----- | ----- | ----- |

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| | | | | |
|---|--------------|--------------|------------|------------|
| Plan equity at end of year | \$ 1,432,711 | \$ 951,034 | \$ 882,278 | \$ 767,000 |
| | ===== | ===== | ===== | ===== |
| | Baron Asset | Linens 'n | Franklin | Common |
| | Fund | Things, Inc. | Small | Stock |
| | | Common Stock | Cap Growth | Fund |
| | | Fund | Fund | |
| ----- | | | | |
| Additions to plan equity attributed to: | | | | |
| Investment income: | | | | |
| Dividend income | \$ -- | \$ -- | \$ 1,910 | \$ -- |
| Net realized gain (loss) | (8,767) | -- | 28,311 | 13,600 |
| Net unrealized appreciation (depreciation) in fair value of investments | (3,610) | (11,252) | (54,687) | (230,570) |
| Contributions | 28,997 | 184,954 | 57,270 | 198,970 |
| Transfers among funds | 8,541 | -- | 891 | 134,870 |
| | ----- | ----- | ----- | ----- |
| Total additions | 25,161 | 173,702 | 33,695 | 116,870 |
| Deductions from plan equity attributed to: | | | | |
| Distributions | -- | -- | -- | -- |
| Transfers among funds | (90,983) | -- | (71,191) | (55,240) |
| | ----- | ----- | ----- | ----- |
| Total deductions | (90,983) | -- | (71,191) | (55,240) |
| Net increase (decrease) in plan equity | (65,822) | 173,702 | (37,496) | 61,630 |
| Plan equity at beginning of year | 529,298 | 194,429 | 248,135 | 64,720 |
| | ----- | ----- | ----- | ----- |
| Plan equity at end of year | \$ 463,476 | \$ 368,131 | \$ 210,639 | \$ 126,360 |
| | ===== | ===== | ===== | ===== |

The accompanying notes are an integral part of these financial statements.

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LINENS 'N THINGS, INC.
DEFERRED COMPENSATION PLAN

Statement of Income and Changes in Plan Equity,
with Fund Information

Year ended December 31, 2000, continued

| | | | | |
|------------|------------|----------|---------------|--------|
| Prudential | Strong | American | Deutsche | Put |
| Emerging | Government | Century | and | Intern |
| Growth | Securities | Value | Investment | Gro |
| Fund | Fund | Fund | International | Fu |
| | | | Fund | |
| | | | | |
| ----- | | | | |

Additions to plan equity attributed to:

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| | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|
| Investment income: | | | | | |
| Dividend income | \$ 1,273 | \$ 2,434 | \$ 829 | \$ 370 | \$ -- |
| Net realized gain (loss) | -- | -- | -- | 4,399 | 7,922 |
| Net unrealized appreciation (depreciation) in fair value of investments | (22,456) | 1,214 | 8,141 | (15,693) | (15,779) |
| Contributions | 10,070 | 23,764 | 15,947 | 44,808 | 41,837 |
| Transfers among funds | 92,162 | 8,382 | 7,136 | 2,449 | 296 |
| | ----- | ----- | ----- | ----- | ----- |
| Total additions | 81,049 | 35,794 | 32,053 | 36,333 | 34,276 |
| Deductions from plan equity attributed to: | | | | | |
| Distributions | -- | -- | -- | -- | -- |
| Transfers among funds | -- | (3,704) | -- | (42,325) | (59,128) |
| | ----- | ----- | ----- | ----- | ----- |
| Total deductions | -- | (3,704) | -- | (42,325) | (59,128) |
| Net increase (decrease) in plan equity | 81,049 | 32,090 | 32,053 | (5,992) | (24,852) |
| Plan equity at beginning of year | -- | 23,806 | 15,975 | 50,800 | 64,548 |
| Plan equity at end of year | \$ 81,049 | \$ 55,896 | \$ 48,028 | \$ 44,808 | \$ 39,696 |
| | ===== | ===== | ===== | ===== | ===== |

| | | | |
|--|---------|------------|---------------|
| | Gabelli | Prudential | Liberty Stein |
| | Growth | Equity | Roe Capital |
| | Fund | Fund | Opportunities |
| | | | Fund |
| | ----- | ----- | ----- |

Additions to plan equity attributed to:

| | | | |
|---|-----------|-----------|-----------|
| Investment income: | | | |
| Dividend income | \$ -- | \$ 314 | \$ 1,069 |
| Net realized gain (loss) | 384 | -- | 4,488 |
| Net unrealized appreciation (depreciation) in fair value of investments | (4,120) | (1,053) | (4,437) |
| Contributions | 7,984 | 6,398 | 33,004 |
| Transfers among funds | -- | 3,307 | 4,368 |
| | ----- | ----- | ----- |
| Total additions | 4,248 | 8,966 | 38,492 |
| Deductions from plan equity attributed to: | | | |
| Distributions | -- | -- | -- |
| Transfers among funds | (1,769) | -- | (34,930) |
| | ----- | ----- | ----- |
| Total deductions | (1,769) | -- | (34,930) |
| Net increase (decrease) in plan equity | 2,479 | 8,966 | 3,562 |
| Plan equity at beginning of year | 25,722 | 18,900 | 22,840 |
| Plan equity at end of year | \$ 28,201 | \$ 27,866 | \$ 26,402 |
| | ===== | ===== | ===== |

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The accompanying notes are an integral part of these financial statements.

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LINENS 'N THINGS, INC.
DEFERRED COMPENSATION PLAN

Statement of Income and Changes in Plan Equity,
with Fund Information

Year ended December 31, 2000, continued

| | Franklin International Fund | Strong Schafer Value Fund | Dreyfus Founders Passport Fund | Command Money Market Fund | Stein Roe Growth and Income Fund |
|---|-----------------------------------|------------------------------------|---|------------------------------------|---|
| | ----- | ----- | ----- | ----- | ----- |
| Additions to plan equity attributed to: | | | | | |
| Investment income: | | | | | |
| Dividend income | \$ 620 | \$ -- | \$ 2,497 | \$ 557 | \$ -- |
| Net realized gain (loss) | 16 | -- | 4,213 | -- | -- |
| Net unrealized appreciation (depreciation) in fair value of investments | (475) | 592 | (17,256) | -- | (779) |
| Contributions | 10,437 | 6,284 | 11,402 | 13,190 | -- |
| Transfers among funds | 1,836 | 3,852 | 117 | -- | -- |
| Total additions | ----- 12,434 | ----- 10,728 | ----- 973 | ----- 13,747 | ----- (779) |
| Deductions from plan equity attributed to: | | | | | |
| Distributions | -- | -- | -- | -- | -- |
| Transfers among funds | (247) | -- | (14,494) | -- | -- |
| Total deductions | ----- (247) | ----- -- | ----- (14,494) | ----- -- | ----- -- |
| Net increase (decrease) in plan equity | 12,187 | 10,728 | (13,521) | 13,747 | (779) |
| Plan equity at beginning of year | 10,964 | 10,124 | 32,350 | 4,779 | 18,704 |
| Plan equity at end of year | \$ 23,151 ===== | \$ 20,852 ===== | \$ 18,829 ===== | \$ 18,526 ===== | \$ 17,925 ===== |

| | PBHG Emerging Growth Fund | Prudential Jennison Growth Fund |
|---|------------------------------------|--|
| | ----- | ----- |
| Additions to plan equity attributable to: | | |
| Investment income: | | |
| Dividend income | \$ 212 | \$ -- |
| Net realized gain (loss) | 2,174 | 194 |
| Net unrealized appreciation | | |

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| | | |
|---|----------|----------|
| (depreciation) in fair value of investments | (7,022) | (2,595) |
| Contributions | 6,721 | 3,924 |
| Transfers among funds | 4,459 | 252 |
| | ----- | ----- |
| Total additions | 6,544 | 1,775 |
| Deductions from plan equity attributed to: | | |
| Distributions | -- | -- |
| Transfers among funds | (3,517) | (866) |
| | ----- | ----- |
| Total deductions | (3,517) | (866) |
| Net increase (decrease) in plan equity | 3,027 | 909 |
| Plan equity at beginning of year | 5,956 | 7,531 |
| | ----- | ----- |
| Plan equity at end of year | \$ 8,983 | \$ 8,440 |
| | ===== | ===== |

The accompanying notes are an integral part of these financial statements.

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LINENS 'N THINGS, INC.
DEFERRED COMPENSATION PLAN

Statement of Income and Changes in Plan Equity,
with Fund Information

Year ended December 31, 2000, continued

| | Lazard Equity Portfolio Fund | Strong International Bond Fund | Royce Pennsylvania Mutual Investors Fund | Van Kampen Comstock Fund | |
|---|---------------------------------------|---|--|--------------------------------|-------|
| | ----- | ----- | ----- | ----- | ----- |
| Additions to plan equity attributed to: | | | | | |
| Investment income: | | | | | |
| Dividend income | \$ 295 | \$ -- | \$ 23 | \$ 45 | \$ |
| Net realized gain (loss) | -- | (311) | 141 | -- | |
| Net unrealized appreciation (depreciation) in fair value of investments | (460) | 239 | (90) | 306 | |
| Contributions | 5,360 | 3,284 | 9,500 | 1,205 | |
| Transfers among funds | 308 | -- | 1,077 | -- | |
| | ----- | ----- | ----- | ----- | ----- |
| Total additions | 5,503 | 3,212 | 10,651 | 1,556 | |
| Deductions from plan equity attributed to: | | | | | |
| Distributions | -- | -- | -- | -- | |
| Transfers among funds | -- | (3,787) | (13,406) | -- | |
| | ----- | ----- | ----- | ----- | ----- |
| Total deductions | -- | (3,787) | (13,406) | -- | |

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| | | | | |
|--|----------|----------|----------|----------|
| Net increase (decrease) in plan equity | 5,503 | (575) | (2,755) | 1,556 |
| Plan equity at beginning of year | 1,603 | 2,896 | 4,870 | -- |
| Plan equity at end of year | \$ 7,106 | \$ 2,321 | \$ 2,115 | \$ 1,556 |

| | Janus Flexible Income Fund | Target Portfolio Trust | Oakmark Fund |
|---|-------------------------------------|------------------------------|-----------------|
| Additions to plan equity attributed to: | | | |
| Investment income: | | | |
| Dividend income | \$ 78 | \$ 1 | \$ -- |
| Net realized gain (loss) | (181) | -- | (210,486) |
| Net unrealized appreciation (depreciation) in fair value of investments | (105) | (1) | 83,134 |
| Contributions | 3,834 | 321 | -- |
| Transfers among funds | 1,465 | -- | 196,275 |
| Total additions | 5,091 | 321 | 68,923 |
| Deductions from plan equity attributed to: | | | |
| Distributions | -- | -- | -- |
| Transfers among funds | (7,448) | -- | (572,498) |
| Total deductions | (7,448) | -- | (572,498) |
| Net increase (decrease) in plan equity | (2,357) | 321 | (503,575) |
| Plan equity at beginning of year | 2,982 | -- | 503,575 |
| Plan equity at end of year | \$ 625 | \$ 321 | \$ -- |

The accompanying notes are an integral part of these financial statements.

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LINENS 'N THINGS, INC.
DEFERRED COMPENSATION PLAN

Statement of Income and Changes in Plan Equity,
with Fund Information

Year ended December 31, 2000

| | Contributions receivable- participants | Total Plan Equity |
|---|--|-------------------|
| Additions to plan equity attributed to: | | |

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| | | |
|---|-----------|--------------|
| Investment income: | | |
| Dividend income | \$ - | \$ 52,951 |
| Net realized gain (loss) | - | (81,276) |
| Net unrealized appreciation (depreciation) in fair value of investments | - | (1,034,805) |
| Contributions | 16,165 | 1,133,634 |
| Transfers among funds | - | 1,325,328 |
| | ----- | ----- |
| Total additions | 16,165 | 1,395,832 |
| Deductions from plan equity attributed to: | | |
| Distributions | - | - |
| Transfers among funds | (9,909) | (1,325,328) |
| | ----- | ----- |
| Total deductions | (9,909) | (1,325,328) |
| | ----- | ----- |
| Net increase (decrease) in plan equity | 6,256 | 70,504 |
| Plan equity at beginning of year | 9,909 | 6,311,603 |
| | ----- | ----- |
| Plan equity at end of year | \$ 16,165 | \$ 6,382,107 |
| | ===== | ===== |

The accompanying notes are an integral part of these financial statements.

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LINENS 'N THINGS, INC.
DEFERRED COMPENSATION PLAN

Statement of Income and Changes in Plan Equity,
with Fund Information

Year ended December 31, 1999

| | Alliance Premier Growth A Fund | Davis New York Venture Fund | Janus Invest 20 Fund | Dreyfus Appreciati Fund |
|---|--------------------------------------|-----------------------------------|-------------------------|-------------------------------|
| | ----- | ----- | ----- | ----- |
| Additions to plan equity attributed to: | | | | |
| Investment income: | | | | |
| Dividend income | \$ 12,553 | \$ 1,974 | \$ 1,806 | \$ 4,145 |
| Net realized gain (loss) | 310 | 516 | -- | 185 |
| Net unrealized appreciation (depreciation) in fair value of investments | 123,623 | 89,858 | 296,021 | 41,259 |
| Contributions | 165,049 | 165,741 | 104,652 | 128,524 |
| Transfers among funds | 701,351 | 677,357 | 437,896 | 652,162 |
| | ----- | ----- | ----- | ----- |
| Total additions | 1,002,886 | 935,446 | 840,375 | 826,275 |
| Deductions from plan equity attributed to: | | | | |

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| | | | | |
|---|------------|----------------|--------------|------------|
| Distributions | -- | -- | -- | -- |
| Transfers among funds | (4,767) | (5,073) | -- | (4,290) |
| | ----- | ----- | ----- | ----- |
| Total deductions | (4,767) | (5,073) | -- | (4,290) |
| | ----- | ----- | ----- | ----- |
| Net increase (decrease) in plan equity | 998,119 | 930,373 | 840,375 | 821,985 |
| Plan equity at beginning of year | -- | -- | -- | -- |
| | ----- | ----- | ----- | ----- |
| Plan equity at end of year | \$ 998,119 | \$ 930,373 | \$ 840,375 | \$ 821,985 |
| | ===== | ===== | ===== | ===== |
| | | | | |
| | Oakmark | Franklin Small | Linens 'n | |
| | Fund | Cap Growth | Things, Inc. | |
| | | Fund | Common Stock | |
| | | | Fund | |
| | ----- | | | |
| Additions to plan equity attributed to: | | | | |
| Investment income: | | | | |
| Dividend income | \$ 20,066 | \$ 238 | \$ -- | |
| Net realized gain (loss) | (33,401) | 7,771 | -- | |
| Net unrealized appreciation | | | | |
| (depreciation) in fair value of | | | | |
| investments | (44,171) | 57,425 | (102,388) | |
| Contributions | 104,652 | 30,477 | 296,817 | |
| Transfers among funds | 553,014 | 201,204 | -- | |
| | ----- | ----- | ----- | |
| Total additions | 600,160 | 297,115 | 194,429 | |
| Deductions from plan equity | | | | |
| attributed to: | | | | |
| Distributions | -- | -- | -- | |
| Transfers among funds | (96,585) | (48,980) | (19) | |
| | ----- | ----- | ----- | |
| Total deductions | (96,585) | (48,980) | (19) | |
| | ----- | ----- | ----- | |
| Net increase (decrease) in plan equity | 503,575 | 248,135 | 194,410 | |
| Plan equity at beginning of year | -- | -- | 19 | |
| | ----- | ----- | ----- | |
| Plan equity at end of year | \$ 503,575 | \$ 248,135 | \$ 194,429 | |
| | ===== | ===== | ===== | |

The accompanying notes are an integral part of these financial statements.

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LINENS 'N THINGS, INC.
DEFERRED COMPENSATION PLAN

Statement of Income and Changes in Plan Equity,
with Fund Information

Year ended December 31, 1999, continued

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| | Common Stock Fund | Putnam International Growth Fund | BT Investment International Equity Fund | Dreyfus Founders Passport Fund | G G |
|---|----------------------|--|--|--------------------------------------|--------|
| Additions to plan equity attributed to: | | | | | |
| Investment income: | | | | | |
| Dividend income | \$ -- | \$ 1,111 | \$ -- | \$ 1,829 | \$ |
| Net realized gain (loss) | 22,860 | 9,929 | 6,622 | -- | |
| Net unrealized appreciation (depreciation) in fair value of investments | (2,667) | 15,134 | 13,186 | 13,008 | |
| Contributions | -- | 22,720 | 39,427 | 11,212 | |
| Transfers among funds | 221,928 | 105,476 | 128,912 | 6,301 | 8 |
| Total additions | 242,121 | 154,370 | 188,147 | 32,350 | 10 |
| Deductions from plan equity attributed to: | | | | | |
| Distributions | -- | -- | -- | -- | |
| Transfers among funds | (177,397) | (89,822) | (137,347) | -- | (7 |
| Total deductions | (177,397) | (89,822) | (137,347) | -- | (7 |
| Net increase (decrease) in plan equity | 64,724 | 64,548 | 50,800 | 32,350 | 2 |
| Plan equity at beginning of year | -- | -- | -- | -- | |
| Plan equity at end of year | \$ 64,724 | \$ 64,548 | \$ 50,800 | \$ 32,350 | \$ 2 |

| | Liberty Stein Roe Capital Opportunities Fund | Prudential Equity Fund | Stein Roe Growth and Income Fund |
|---|---|------------------------------|--|
| Additions to plan equity attributed to: | | | |
| Investment income: | | | |
| Dividend income | \$ -- | \$ 250 | \$ 199 |
| Net realized gain (loss) | 2,136 | -- | 510 |
| Net unrealized appreciation (depreciation) in fair value of investments | 7,197 | 173 | 1,787 |
| Contributions | 11,912 | 3,822 | 10,658 |
| Transfers among funds | 15,300 | 14,655 | 15,364 |
| Total additions | 36,545 | 18,900 | 28,518 |
| Deductions from plan equity attributed to: | | | |
| Distributions | -- | -- | -- |
| Transfers among funds | (13,705) | -- | (9,814) |
| Total deductions | (13,705) | -- | (9,814) |

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| | | | |
|--|-----------|-----------|-----------|
| Net increase (decrease) in plan equity | 22,840 | 18,900 | 18,704 |
| Plan equity at beginning of year | -- | -- | -- |
| Plan equity at end of year | \$ 22,840 | \$ 18,900 | \$ 18,704 |

The accompanying notes are an integral part of these financial statements.

13

LINENS 'N THINGS, INC.
DEFERRED COMPENSATION PLAN

Statement of Income and Changes in Plan Equity,
with Fund Information

Year ended December 31, 1999, continued

| | Montgomery Short Duration Government Bond Fund | American Century Value Fund | Neuberger Berman Genesis Fund | Franklin Internatio Fund |
|---|--|--------------------------------------|--|--------------------------------|
| Additions to plan equity attributed to: | | | | |
| Investment income: | | | | |
| Dividend income | \$ 978 | \$ 1,483 | \$ 68 | \$ 13 |
| Net realized gain (loss) | (150) | 1,495 | 530 | 2,95 |
| Net unrealized appreciation (depreciation) in fair value of investments | (407) | (2,386) | 1,197 | 1,83 |
| Contributions | 13,285 | 16,722 | 9,204 | 7,31 |
| Transfers among funds | 12,445 | 9,421 | 6,594 | 15,78 |
| Total additions | 26,151 | 26,735 | 17,593 | 28,01 |
| Deductions from plan equity attributed to: | | | | |
| Distributions | -- | -- | -- | -- |
| Transfers among funds | (9,244) | (10,760) | (1,157,984) | (17,05) |
| Total deductions | (9,244) | (10,760) | (1,157,984) | (17,05) |
| Net increase (decrease) in plan equity | 16,907 | 15,975 | (1,140,391) | 10,96 |
| Plan equity at beginning of year | -- | -- | 1,153,484 | -- |
| Plan equity at end of year | \$ 16,907 | \$ 15,975 | \$ 13,093 | \$ 10,96 |
| | Rainier Small/Mid Cap | Prudential Jennison | PBHG Emerging | |

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| | Equity Fund ----- | Growth Fund ----- | Growth Fund ----- |
|---|----------------------|----------------------|----------------------|
| Additions to plan equity attributed to: | | | |
| Investment income: | | | |
| Dividend income | \$ | \$ 146 | \$ -- |
| Net realized gain (loss) | -- | -- | -- |
| Net unrealized appreciation (depreciation) in fair value of investments | 1,912 | 1,384 | 2,962 |
| Contributions | 4,928 | 1,571 | 2,464 |
| Transfers among funds | 1,059 | 4,430 | 530 |
| | ----- | ----- | ----- |
| Total additions | 7,899 | 7,531 | 5,956 |
| Deductions from plan equity attributed to: | | | |
| Distributions | -- | -- | -- |
| Transfers among funds | -- | -- | -- |
| | ----- | ----- | ----- |
| Total deductions | -- | -- | -- |
| | ----- | ----- | ----- |
| Net increase (decrease) in plan equity | 7,899 | 7,531 | 5,956 |
| Plan equity at beginning of year | -- | -- | -- |
| | ----- | ----- | ----- |
| Plan equity at end of year | \$ 7,899 | \$ 7,531 | \$ 5,956 |
| | ===== | ===== | ===== |

The accompanying notes are an integral part of these financial statements.

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LINENS 'N THINGS, INC.
DEFERRED COMPENSATION PLAN

Statement of Income and Changes in Plan Equity,
with Fund Information

Year ended December 31, 1999, continued

| | Royce Pennsylvania Mutual Investors Fund ----- | Command Money Market Fund ----- | Janus Flexible Income Fund ----- | Strong International Bond Fund ----- |
|---|---|---|---|--|
| Additions to plan equity attributed to: | | | | |
| Investment income: | | | | |
| Dividend income | \$ 125 | \$ 185 | \$ 543 | \$ 142 |
| Net realized gain (loss) | 224 | -- | (413) | (502) |
| Net unrealized appreciation (depreciation) in fair value of investments | 313 | -- | (156) | (239) |

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| | | | | | |
|--|----------|-----------|----------|----------|-------|
| Contributions | 3,025 | -- | 3,497 | 5,816 | |
| Transfers among funds | 3,296 | 959,252 | 8,493 | 10,593 | |
| | ----- | ----- | ----- | ----- | ----- |
| Total additions | 6,983 | 959,437 | 11,964 | 15,810 | |
| Deductions from plan equity attributed to: | | | | | |
| Distributions | -- | (954,469) | -- | -- | |
| Transfers among funds | (2,113) | (27,276) | (8,982) | (12,914) | |
| | ----- | ----- | ----- | ----- | ----- |
| Total deductions | (2,113) | (981,745) | (8,982) | (12,914) | |
| Net increase (decrease) in plan equity | 4,870 | (22,308) | 2,982 | 2,896 | |
| Plan equity at beginning of year | -- | 27,087 | -- | -- | |
| | ----- | ----- | ----- | ----- | ----- |
| Plan equity at end of year | \$ 4,870 | \$ 4,779 | \$ 2,982 | \$ 2,896 | \$ |
| | ===== | ===== | ===== | ===== | ===== |

| | Robertson Stephens Growth & Income Fund | Invesco Select Income Fund | Target Large Cap Value Fund |
|---|---|-------------------------------------|--------------------------------------|
| | ----- | ----- | ----- |
| Additions to plan equity attributed to: | | | |
| Investment income: | | | |
| Dividend income | \$ -- | \$ 29 | \$ 68 |
| Net realized gain (loss) | 37 | (59) | 2,965 |
| Net unrealized appreciation (depreciation) in fair value of investments | -- | -- | 630 |
| Contributions | 374 | 730 | 3,435 |
| Transfers among funds | -- | 530 | 32,338 |
| | ----- | ----- | ----- |
| Total additions | 411 | 1,230 | 39,436 |
| Deductions from plan equity attributed to: | | | |
| Distributions | -- | -- | -- |
| Transfers among funds | (411) | (1,230) | (39,436) |
| | ----- | ----- | ----- |
| Total deductions | (411) | (1,230) | (39,436) |
| Net increase (decrease) in plan equity | -- | -- | -- |
| Plan equity at beginning of year | -- | -- | -- |
| | ----- | ----- | ----- |
| Plan equity at end of year | \$ -- | \$ -- | \$ -- |
| | ===== | ===== | ===== |

The accompanying notes are an integral part of these financial statements.

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LINENS 'N THINGS, INC.
DEFERRED COMPENSATION PLAN

Statement of Income and Changes in Plan Equity,
with Fund Information

Year ended December 31, 1999

| | Prudential Small Cap Fund | Prudential Mid Cap Value Fund | Prudential Emerging Growth Fund | T. Rowe Price Blue Ch Growth F |
|---|---------------------------------|--|--|---|
| Additions to plan equity attributed to: | | | | |
| Investment income: | | | | |
| Dividend income | \$ -- | \$ -- | \$ -- | \$ -- |
| Net realized gain (loss) | 5,160 | 84 | 7,268 | -- |
| Net unrealized appreciation (depreciation) in fair value of investments | -- | -- | -- | -- |
| Contributions | 3,051 | 745 | 3,052 | -- |
| Transfers among funds | 33,447 | -- | 32,339 | -- |
| Total additions | 41,658 | 829 | 42,659 | -- |
| Deductions from plan equity attributed to: | | | | |
| Distributions | -- | -- | -- | -- |
| Transfers among funds | (41,658) | (829) | (42,659) | (2,162,64 |
| Total deductions | (41,658) | (829) | (42,659) | (2,162,64 |
| Net increase (decrease) in plan equity | -- | -- | -- | (2,162,64 |
| Plan equity at beginning of year | -- | -- | -- | 2,162,64 |
| Plan equity at end of year | \$ -- | \$ -- | \$ -- | \$ -- |

| | Warburg Pincus Emerging Growth Fund | Contributions receivable- participants | Total Plan Equity |
|---|--|--|----------------------|
| Additions to plan equity attributed to: | | | |
| Investment income: | | | |
| Dividend income | \$ -- | \$ -- | \$ 59,146 |
| Net realized gain (loss) | -- | -- | 48,283 |
| Net unrealized appreciation (depreciation) in fair value of investments | -- | -- | 650,994 |
| Contributions | -- | 9,909 | 1,439,243 |
| Transfers among funds | -- | -- | 6,035,808 |

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| | | | |
|--|-----------|----------|--------------|
| Total additions | -- | 9,909 | 8,233,474 |
| Deductions from plan equity attributed to: | | | |
| Distributions | -- | -- | (954,469) |
| Transfers among funds | (431,042) | (10,531) | (6,035,808) |
| Total deductions | (431,042) | (10,531) | (6,990,277) |
| Net increase (decrease) in plan equity | (431,042) | (622) | 1,243,197 |
| Plan equity at beginning of year | 431,042 | 10,531 | 5,068,406 |
| Plan equity at end of year | \$ -- | \$ 9,909 | \$ 6,311,603 |

The accompanying notes are an integral part of these financial statements.

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LINENS 'N THINGS, INC.
DEFERRED COMPENSATION PLAN

Statement of Income and Changes in Plan Equity,
with Fund Information

Year ended December 31, 1998

| | Linens 'n Things, Inc. Common Stock Fund | T. Rowe Price Blue Chip Growth Fund | Scudder Value Fund | Neuberger Berman Genesis Fund |
|---|---|---|--------------------------|--|
| Additions to plan equity attributed to: | | | | |
| Investment income: | | | | |
| Dividend income | \$ -- | \$ 7,916 | \$ 9,668 | \$ 9,62 |
| Net realized gain (loss) | 464,610 | 622,209 | 38,450 | 70,45 |
| Net unrealized (depreciation) appreciation in fair value of investments | (485,901) | (186,228) | 70,300 | (206,29 |
| Contributions | 1,979,735 | -- | -- | -- |
| Transfers among funds | 22,774 | 525,775 | 98,932 | 296,64 |
| Total additions | 1,981,218 | 969,672 | 217,350 | 170,43 |
| Deductions from plan equity attributed to: | | | | |
| Distributions | (1,733,699) | -- | -- | -- |
| Transfers among funds | (1,696,897) | (39,578) | (8,801) | (39,18 |
| Total deductions | (3,430,596) | (39,578) | (8,801) | (39,18 |
| Net (decrease) increase in plan equity | (1,449,378) | 930,094 | 208,549 | 131,25 |

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| | | | | |
|---|------------|--------------|---------------|--------------|
| Plan equity at beginning of year | 1,449,397 | 1,232,554 | 1,032,128 | 1,022,22 |
| | ----- | ----- | ----- | ----- |
| Plan equity at end of year | \$ 19 | \$ 2,162,648 | \$ 1,240,677 | \$ 1,153,48 |
| | ===== | ===== | ===== | ===== |
| | | | | |
| | Strong | Money | Contributions | |
| | Government | Market | receivable- | |
| | Securities | Fund | participants | |
| | Fund | | | Total |
| | ----- | ----- | ----- | ----- |
| Additions to plan equity attributed to: | | | | |
| Investment income: | | | | |
| Dividend income | \$ 4,156 | \$ 713 | \$ -- | \$ 32,125 |
| Net realized gain (loss) | 4,354 | -- | -- | 1,162,636 |
| Net unrealized (depreciation) | | | | |
| appreciation in fair value of | | | | |
| investments | (1,741) | -- | -- | (763,739) |
| Contributions | -- | 744,705 | 10,531 | 2,734,971 |
| Transfers among funds | 22,283 | 1,583,774 | -- | 2,559,045 |
| | ----- | ----- | ----- | ----- |
| Total additions | 29,052 | 2,329,192 | 10,531 | 5,725,038 |
| | ----- | ----- | ----- | ----- |
| Deductions from plan equity | | | | |
| attributed to: | | | | |
| Distributions | -- | (1,583,774) | -- | (3,317,473) |
| Transfers among funds | (56,258) | (718,331) | -- | (2,559,045) |
| | ----- | ----- | ----- | ----- |
| Total deductions | (56,258) | (2,302,105) | -- | (5,876,518) |
| | ----- | ----- | ----- | ----- |
| Net (decrease) increase in plan equity | (27,206) | 27,087 | 10,531 | (151,480) |
| Plan equity at beginning of year | 70,124 | -- | -- | 5,219,886 |
| | ----- | ----- | ----- | ----- |
| Plan equity at end of year | \$ 42,918 | \$ 27,087 | \$ 10,531 | \$ 5,068,406 |
| | ===== | ===== | ===== | ===== |

The accompanying notes are an integral part of these financial statements.

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DEFERRED COMPENSATION PLAN OF
LINENS N THINGS, INC.

Notes to Financial Statements

1. Description of the Plan

The following brief description of the Deferred Compensation Plan of Linens n Things, Inc. (the Plan) is provided for general information purposes only. Participants should refer to the Plan documents for more complete information.

General

The Plan is sponsored by Linens n Things, Inc., (the Company). The Plan was established to enable key employees of the Company to defer compensation, including stock and stock denominated awards, for personal income tax purposes. The participant directed, non-qualified Plan was adopted on December 30, 1996 and is treated as a plan maintained for a select group of management or highly compensated individuals under the Employee Retirement Income Security Act of 1974 (ERISA). The Plan is not taxable as a separate entity under the Internal Revenue Code.

Eligibility and Vesting

The Plan covers key employees, as designated by the Company. Participation is voluntary and participants can elect to make contributions to the Plan. Participants can defer up to 100% of their annual base pay over the Social Security limit of \$76,200 for fiscal 2000, all or part of their bonus or part of any vested restricted stock. Participants are 100% vested in their own deferrals to the Plan at all times.

Participant Accounts

An account is maintained for each participant in the Plan which shows the participant s separate interest in each investment fund of the Plan. Each participant shall elect the allocation of contributions to specific funds within the Plan. The participant s account is credited, as of the end of each month, with the amount of deferred compensation contributed and the appropriate investment income or loss of each fund.

Participants are eligible for distribution of their benefits in cash or Company common stock (if the participant has invested in Company common stock) upon retirement, death, termination of service, in the event of a designated change of control of the Company, election (subject to penalty), and in the event of immediate unexpected financial needs of the participant subject to approval of the Compensation Committee, as the Plan is not subject to the hardship rules of Section 401 of the Internal Revenue Code. In the event of a change in control, payments in settlement of a participant s account shall be made within fifteen business days following such change in control.

Grantor Trust

The Plan is intended to constitute an unfunded plan for deferred compensation purposes. Participants rely solely on the unsecured promise of the Company for plan payments. However, the Company established a Grantor (Rabbi) Trust (the Trust) to hold assets which may be used to satisfy its obligations under the Plan. The Trust shall be governed by and subject to the terms of a trust agreement entered into between the Company, as grantor, and the trustee, Prudential Trust Company. Effective January 1, 1999, the trustee of the Plan was changed from Bank of New York to Prudential Trust Company and the Plan assets as of December 31, 1998 of \$5,068,406 were transferred to Prudential Trust Company.

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DEFERRED COMPENSATION PLAN OF LINENS N THINGS, INC.

Notes to Financial Statements, continued

Recent Accounting Pronouncements

The Plan is required to adopt Statement of Financial Standards (SFAS) No. 133 Accounting for Derivative Instruments and Hedging Activities (SFAS No. 133). This statement is effective with the first quarter of fiscal years beginning after June 15, 2000. For the Plan, implementation is required for the first quarter of fiscal 2001. The Plan has determined that the implementation of SFAS No. 133 will not have a significant effect on the Plan.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting.

b) Investments

The Plan's investments consist of mutual funds, money market funds and a Company common stock fund. The Plan's investments are presented at their fair market values based on quoted market prices of the funds or their underlying

securities. Purchases and sales of investments are recorded on a trade-date basis. Realized gains and losses from security transactions are based on the first-in, first out method.

3. Plan Termination

Although the Company has not expressed any intent to terminate the Plan, it may do so at any time. In the event the Plan is terminated, all sums credited to individual accounts would be distributed to participants.

4. Administrative Expenses

All administrative costs of the Plan are borne by the Company.

5. Use of Estimates and Concentration of Risks

In preparing the Plan's financial statements, management has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to present these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

The assets of the Plan are primarily financial instruments, which are monetary in nature. As a result, interest rates have a more significant impact on the Plan's performance than the effects of general levels of inflation. Interest rates do not necessarily move in the same direction or in the same magnitude as the prices of goods and services as measured by the consumer price index. Investments are subject to risk conditions of the individual fund objectives, the stock market, interest rates, economic conditions and world affairs.

6. Investments

A description of the Plan's investments for the years ended December 31, 2000, 1999 and 1998 are as follows:

DEFERRED COMPENSATION PLAN OF
LINENS N THINGS, INC.

Notes to Financial Statements, continued

Alliance Premier Growth A Fund This fund seeks long-term growth of capital. The fund normally invests at least 85% of assets in domestic equities including stocks, convertibles, and warrants. The portfolio typically holds 40 stocks, 25 of which usually constitute approximately 70% of assets.

American Century Income & Growth Fund - This fund seeks dividend growth, current income, and capital appreciation. The fund invests primarily in common stocks selected from a universe of the 1,500 largest companies traded in the United States.

American Century Value Fund This fund seeks long-term capital appreciation. Income is secondary. The fund usually invests at least 80% of assets in equity securities issued by well-established medium and large-size companies.

Baron Asset Fund This fund seeks capital appreciation. The fund invests in companies with market capitalizations between \$100 million and \$2 billion that the advisor believes have undervalued assets or favorable growth prospects.

Command Money Market Fund This money market fund seeks capital preservation and current income.

Davis New York Venture Fund This fund seeks growth of capital. The fund invests primarily in equities issued by companies with market capitalization of at least \$250 million, though it may also hold securities of smaller companies.

Deutsche and Investment International Fund This fund, previously called BT Investment International Equity Fund, seeks long-term capital appreciation. The fund normally invests at least 65% of assets in equities issued by companies domiciled in at least three foreign countries. It may invest in securities of emerging market countries.

Dreyfus Appreciation Fund This fund seeks long-term growth consistent with the preservation of capital; current income is secondary. The fund invests primarily in common stocks of domestic and foreign issues, common stocks with warrants attached, and debt securities of foreign governments.

Dreyfus Founders Passport Fund This fund seeks capital appreciation. The fund normally invests at least 65% of assets in equity securities trading on foreign markets and issued by companies that are either domiciled outside the U.S., or that derive at

least one third of assets in companies with market capitalizations of \$550 million or less.

Franklin International Fund This fund seeks long-term growth of capital. The fund normally invests at least 65% of assets in equity securities trading on foreign markets and issued by companies that are either domiciled outside the U.S., or that derive at least 50% of their revenue or pretax income from activities outside the U.S.

Franklin Small Cap Growth Fund This fund seeks long-term capital appreciation. The fund normally invests at least 65% of assets in equity issues of companies that have market capitalization of less than \$1 billion. It seeks to invest at least one third of assets in companies with market capitalizations of \$550 million or less.

Gabelli Growth Fund This fund seeks capital appreciation; current income is a secondary consideration. The fund invests in a diversified portfolio of readily marketable common stocks and convertibles. It invests primarily in securities that management believes to be undervalued and have favorable prospects for earnings growth.

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DEFERRED COMPENSATION PLAN OF
LINENS N THINGS, INC.

Notes to Financial Statements, continued

Invesco Select Income Fund This fund seeks a high level of current income. The fund normally invests at least 90% of assets in bonds and marketable debt of established companies, and in government and municipal issues. It normally invests at least 50% of assets in investment-grade securities.

Janus Flexible Income Fund This fund seeks total return, primarily through income, consistent with capital preservation. The fund ordinarily invests at least 80% of assets in income-producing securities. It may purchase domestic and foreign corporate or government securities of any credit rating or maturity.

Janus Invest 20 Fund This fund seeks capital appreciation consistent with preservation of capital. The fund invests primarily in a concentrated portfolio of between 20 and 30

stocks. The fund is non-diversified.

Lazard Equity Portfolio Fund This fund seeks capital appreciation. The fund normally invests at least 65% of assets in equity securities. It typically invests in companies with market capitalizations of at least \$250 million that management judges to be undervalued relative to the productivity of their equity and/or assets.

Liberty Stein Roe Capital Opportunities Fund This fund seeks long-term capital appreciation. The fund invests primarily in equity securities, though it may put up to 35% of assets in debt securities. It may invest in securities of established companies, as well as those of smaller companies that may benefit from new products, technological developments, or management changes.

Linens n Things, Inc. Common Stock Fund -- This fund consists of the Company's common stock.

Montgomery Short Duration Government Bond Fund This fund seeks total return consistent with capital preservation. The fund normally invests at least 65% of assets in U.S. government obligations.

Neuberger Berman Genesis Fund This fund seeks capital appreciation. The fund invests primarily in common stocks of companies with market capitalizations less than \$1.5 billion at the time of purchase.

Oakmark Fund This fund seeks long-term capital appreciation. The fund principally invests in United States securities. It may invest up to 25% of assets in foreign securities.

PBHG Emerging Growth Fund This fund seeks long-term growth of capital. The fund normally invests at least 65% of assets in common stocks of U.S. companies with capitalizations or revenues of up to \$500 million.

Prudential Emerging Growth Fund This fund seeks long-term capital appreciation. The fund normally invests at least 65% of assets in equities issued by small and mid-sized U.S. companies, with market capitalizations ranging between \$500 million and \$4.5 billion.

Prudential Equity Fund This fund seeks long-term growth of capital. The fund invests primarily of common stocks of major, established companies. It may also invest in preferred stocks, convertibles, and debt securities.

Prudential Jennison Growth Fund 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.

Prudential Mid Cap Value Fund This fund seeks long-term capital growth. The fund normally invests at least 65% of assets in equity securities of mid capitalization companies that the advisor believes to be undervalued.

Prudential Money Market Assets Fund This money market fund seeks capital preservation and current income.

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DEFERRED COMPENSATION PLAN OF LINENS N THINGS, INC.

Notes to Financial Statements, continued

Prudential Small Cap Fund This fund seeks capital growth. The fund invests primarily in common stocks selected for their low valuations relative to the companies' earnings, assets, cash flow, and dividends. Although the fund may invest in companies of any size, it typically focuses on companies with market capitalizations of less than \$1.5 billion.

Putnam International Growth Fund This fund seeks capital appreciation. The fund normally invests at least 65% of assets in equity securities of companies located outside of the United States. It may invest in companies of any size that it judges to be in a strong growth trend or that it believes to be undervalued.

Rainier Small/Mid Cap Equity Fund This fund seeks long-term capital appreciation. The fund normally invests at least 65% of assets in equities issued by companies with small and medium market capitalizations.

Robertson Stephens Growth & Income Fund This fund seeks long-term total return. The fund invests primarily in equity and debt securities. Management intends to focus on common stocks issued by companies with market capitalizations of \$3 billion or less,

but may also invest in larger companies. Investments may include preferred stocks, convertible securities, bonds, and notes.

Royce Pennsylvania Mutual Investors Fund This fund seeks long-term growth of capital; income is incidental. The fund normally invests at least 65% of assets in common stocks and convertible securities issued by companies with market capitalizations under \$1 billion.

Scudder Value Fund -- The fund seeks long-term growth of capital through investment in equity securities that the fund considers undervalued in the marketplace. The fund invests in common stocks, preferred stocks, and securities convertible into common stocks. It invests primarily in the equity securities of medium-to-large-sized U.S. companies with annual revenues or market capitalization of at least \$600 million.

Stein Roe Growth and Income Fund This fund seeks capital growth and current income. The fund invests primarily in equity securities issued by companies with market capitalizations in excess of \$1 billion. Its investments may include common stocks, preferred stocks, convertible securities, and warrants or rights to purchase common stocks.

Strong Government Securities Fund -- The fund seeks total return by investing for a high level of current income with a moderate degree of share-price fluctuation. The fund invests primarily in higher quality bonds issued by the U.S. government or its agencies.

Strong International Bond Fund This fund seeks total return. The fund normally invests at least 65% of assets in investment-grade debt securities of issuers in at least three foreign countries. It may invest up to 35% of assets in securities rated below investment-grade, but no lower than C.

Strong Schafer Value Fund This fund seeks long-term capital appreciation; current income is a secondary consideration. The fund invests primarily in common stocks of established companies. In selecting securities, management focuses on companies that it believes to have strong financial positions and low stock market valuations relative to their intrinsic investment values.

Target Large Cap Value Fund This fund seeks total return consisting of capital appreciation and dividend income. The fund normally invests at least 80% of assets in common stocks and convertible securities; it invests at least 65% of assets in dividend-paying common stocks. It invests at least 65% of assets in common stocks issued by companies with large market capitalizations.

Target Portfolio Trust This money market fund seeks capital preservation and current income.

T. Rowe Price Blue Chip Growth Fund -- The fund's objective is long-term capital growth. The fund's strategy is to invest primarily in common stocks of large and medium-sized blue chip companies that have the potential for above-average growth in earnings and are well established in their respective industries.

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DEFERRED COMPENSATION PLAN OF
LINENS N THINGS, INC.

Notes to Financial Statements, continued

Van Kampen Comstock Fund This fund seeks capital growth and income. Investments are primarily in common stocks, but the fund may invest up to 10% of its assets in high quality short-term debt or investment grade corporate or government bonds.

Warburg Pincus Emerging Growth Fund -- The fund seeks maximum capital appreciation. The fund invests in U.S. equity securities of emerging growth companies. Emerging growth companies are small or medium sized companies that have passed their start-up phase, show positive earnings, and offer the potential for accelerated earnings growth.

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DEFERRED COMPENSATION PLAN OF
LINENS N THINGS, INC.

Notes to Financial Statements, continued

At December 31, 2000 and 1999, there were 18 and 17 participants in the Plan, respectively. The following table summarizes the number of participants in each fund at December 31, 2000 and 1999:

| Fund | Number of Participants | |
|--|------------------------|----------|
| | 12/31/00 | 12/31/99 |
| Davis New York Venture Fund | 16 | 15 |
| Dreyfus Appreciation Fund | 10 | 11 |
| Alliance Premier Growth A Fund | 17 | 16 |
| American Century Income & Growth Fund | 13 | 11 |
| Janus Invest 20 Fund | 2 | 1 |
| Baron Asset Fund | 10 | 9 |
| Linens 'n Things, Inc. Common Stock Fund | 4 | 3 |
| Franklin Small Cap Growth Fund | 10 | 10 |
| Common Stock Fund | 1 | 1 |
| Prudential Emerging Growth Fund | 2 | 0 |
| Strong Government Securities Fund | 4 | 3 |
| American Century Value Fund | 7 | 7 |
| Deutsche and Investment International Fund | 9 | 8 |
| Putnam International Growth Fund | 6 | 16 |
| Montgomery Short Duration Government Bond Fund | 2 | 1 |
| Gabelli Growth Fund | 3 | 2 |
| Prudential Equity Fund | 1 | 1 |
| Liberty Stein Roe Capital Opportunities Fund | 7 | 4 |
| Franklin International Fund | 5 | 4 |
| Strong Schafer Value Fund | 3 | 2 |
| Dreyfus Founders Passport Fund | 5 | 3 |
| Command Money Market Fund | 17 | 11 |
| Stein Roe Growth and Income Fund | 3 | 3 |
| Rainier Small/Mid Cap Equity Fund | 1 | 1 |
| Neuberger Berman Genesis Fund | 2 | 2 |
| PBHG Emerging Growth Fund | 1 | 1 |
| Prudential Jennison Growth Fund | 4 | 3 |
| Lazard Equity Portfolio Fund | 2 | 1 |
| Strong International Bond Fund | 1 | 1 |
| Royce Pennsylvania Mutual Investors Fund | 2 | 1 |
| Van Kampen Comstock Fund | 1 | 0 |
| Prudential Money Market Assets Fund | 1 | 0 |
| Robertston Stephens Growth & Income Fund | 1 | 0 |
| Janus Flexible Income Fund | 1 | 2 |
| Target Portfolio Trust | 2 | 0 |
| Oakmark Fund | 0 | 1 |

**DEFERRED COMPENSATION PLAN OF
LINENS N THINGS, INC.**

Notes to Financial Statements, continued

The aggregate costs, aggregate proceeds from sales and the net realized gains (losses) by fund for the years ended December 31, 2000, 1999 and 1998 were as follows:

| Fund | 2000 Dispositions | |
|--|-------------------|-------------|
| | Cost | Proceeds |
| Oakmark Fund | \$782,984 | \$572,498 |
| Janus Invest 20 Fund | 137,990 | 203,413 |
| Baron Asset Fund | 99,750 | 90,983 |
| Alliance Premier Growth A Fund | 51,376 | 54,579 |
| Putnam International Growth Fund | 51,206 | 59,128 |
| Franklin Small Cap Growth Fund | 42,880 | 71,191 |
| Common Stock Fund | 41,635 | 55,240 |
| Deutsche & Investment International Fund | 37,926 | 42,325 |
| Liberty Stein Roe Capital Opportunities Fund | 30,442 | 34,930 |
| Davis New York Venture Fund | 26,834 | 27,651 |
| Neuberger Berman Genesis Fund | 25,946 | 26,911 |
| American Century Income & Growth Fund | 13,784 | 13,899 |
| Royce Pennsylvania Mutual Investors Fund | 13,265 | 13,406 |
| Dreyfus Appreciation Fund | 11,294 | 13,376 |
| Dreyfus Founders Passport Fund | 10,281 | 14,494 |
| Janus Flexible Income Fund | 7,629 | 7,448 |
| Strong International Bond Fund | 4,098 | 3,787 |
| Strong Government Securities Fund | 3,704 | 3,704 |
| Gabelli Growth Fund | 1,385 | 1,769 |
| PBGH Emerging Growth Fund | 1,343 | 3,517 |
| Prudential Jennison Growth Fund | 672 | 866 |
| Franklin International Fund | 231 | 247 |
| Rainer Small/Mid Cap Equity Fund | 40 | 57 |
| | \$1,396,695 | \$1,315,419 |

**DEFERRED COMPENSATION PLAN OF
LINENS N THINGS, INC.**

Notes to Financial Statements, continued

1999 Dispositions

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| Fund | Cost | Proceeds |
|--|-------------|-------------|
| T. Rowe Price Blue Chip Growth Fund | \$2,162,648 | \$2,162,648 |
| Scudder Value Fund | 1,240,677 | 1,240,677 |
| Neuberger Berman Genesis Fund | 1,157,454 | 1,157,984 |
| Warburg Pincus Emerging Growth Fund | 431,042 | 431,042 |
| BT Investment International Equity Fund | 130,725 | 137,347 |
| Oakmark Fund | 129,986 | 96,585 |
| Common Stock Fund | 154,537 | 177,397 |
| Putnam International Growth Fund | 79,893 | 89,822 |
| Lazard Equity Portfolio Fund | 70,778 | 75,684 |
| Gabelli Growth Fund | 70,770 | 76,278 |
| Franklin Small Cap Growth Fund | 41,209 | 48,980 |
| Prudential Small Cap Fund | 36,498 | 41,658 |
| Target Large Cap Value Fund | 36,470 | 39,435 |
| Prudential Emerging Growth Fund | 35,391 | 42,659 |
| Command Money Market Fund | 27,277 | 27,277 |
| Strong Government Securities Fund | 60,583 | 59,948 |
| American Century Income & Growth Fund | 16,634 | 18,039 |
| Franklin International Fund | 14,093 | 17,052 |
| Liberty Stein Roe Capital Opportunities Fund | 11,569 | 13,705 |
| Strong International Bond Fund | 13,416 | 12,914 |

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DEFERRED COMPENSATION PLAN OF
LINENS N THINGS, INC.

Notes to Financial Statements, continued
1999 Dispositions, continued

| Fund | Cost | Proceeds |
|--|----------|----------|
| Janus Flexible Income Fund | \$ 9,395 | \$ 8,982 |
| Montgomery Short Duration Government Bond Fund | 9,394 | 9,244 |
| Stein Roe Growth and Income Fund | 9,304 | 9,814 |
| American Century Value Fund | 9,265 | 10,760 |
| Davis New York Venture Fund | 4,557 | 5,073 |
| Alliance Premier Growth A Fund | 4,457 | 4,767 |
| Dreyfus Appreciation Fund | 4,105 | 4,290 |
| Royce Pennsylvania Mutual Investors Fund | 1,889 | 2,113 |
| Invesco Select Income Fund | 1,287 | 1,228 |
| Prudential Mid Cap Value Fund | 745 | 829 |
| Baron Asset Fund | 551 | 614 |
| Robertson Stephens Growth & Income Fund | 374 | 411 |
| Linens 'n Things, Inc. Common Stock Fund | 19 | 19 |

\$5,976,992
=====-----
\$6,025,275
=====

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DEFERRED COMPENSATION PLAN OF
LINENS N THINGS, INC.Notes to Financial Statements, continued
1998 Dispositions, Continued

| Fund | Cost | Proceeds | Net R Gain |
|--|-------------|-------------|---------------|
| ----- | ----- | ----- | ----- |
| Linens 'n Things, Inc. Common Stock Fund | \$2,966,260 | \$3,430,870 | |
| T. Rowe Price Blue Chip Growth Fund | 1,607,073 | 2,229,282 | |
| Scudder Value Fund | 1,256,095 | 1,294,545 | |
| Neuberger Berman Genesis Fund | 1,149,039 | 1,219,490 | |
| Warburg Pincus Emerging Growth Fund | 468,436 | 430,998 | |
| Strong Government Securities Fund | 95,705 | 100,059 | |
| Money Market Fund | 27,086 | 27,086 | |
| | ----- | ----- | ----- |
| | \$7,569,694 | \$8,732,330 | \$1 |
| | ===== | ===== | ===== |

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SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the members of the Deferred Compensation Committee (which is the administrative committee for the Compensation Committee of the Board of Directors of the Company) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Deferred Compensation Plan of
Linens n Things, Inc.
Deferred Compensation Committee

By: BRIAN D. SILVA

Brian D. Silva

Senior Vice President, Human Resources
and Corporate Secretary and Member of
the Deferred Compensation Committee

Dated: June 29, 2001

EXHIBIT INDEX

| <u>Exhibit No</u> | <u>Description</u> |
|-------------------|----------------------|
| 23 | Consent of KPMG, LLP |