

# Interim report

## January - June 2008

### Second quarter 2008:

Net sales increased by 51 % to SEK 833.1 million (553.0)

Operating profit increased by 57 % to SEK 52.9 million (33,7)

Profit after financial items increased by 52 % to SEK 41.1 Mkr (27.1)

Net income increased by 52 % to SEK 29.6 million (19,5)

Earnings per share increased by 51 % to SEK 2.10 (1.39)

### January - June 2008:

Net sales amounted to SEK 1,551.9 million (1,092.1)

Operating profit amounted to SEK 74.4 million (68.3)

Profit after financial items amounted to SEK 56.1 million (55.7)

Net income amounted to SEK 40.4 million (40.1)

Earnings per share amounted to SEK 2.86 (2.86)

### Second quarter profit stronger than expected

Items of a non-recurring nature had a negative influence on profits during the first half-year by at least SEK 10 million (SEK +2 million)

Hansa Kontor Shopfitting Group, Pan-Oston, L-Form and Scangineers were acquired during the period

The acquisition of Hansa is anticipated to have a positive impact on profit of at least SEK 1 per share

After closing day, the new issue of convertible shares secured the company a capital injection of about SEK 243 million before issue expenses

Trade with the ITAB B-share has been transferred from First North to OMX Nordic Exchange Mid Cap.

## Interim report January - June 2008

### SALES AND PROFIT

The Group's net sales increased by 42% to SEK 1,551.9 million (1,092.1) and the profit after financial items rose 1% to SEK 56.1 million (55.7). The profit for the half-year includes items of a non-recurring nature amounting to at least SEK 10 million, see below. The first half-year of 2007 included items of a non-recurring nature amounting to approximately SEK +2 million, comprised mainly of capital gains from the sale of property.

### SECOND QUARTER

Quarter two net sales amounted to SEK 833.1 million (553.0) and profit after financial items was SEK 41.1 million (27.1).

### SHARE DATA AND KEY RATIOS

Earnings per share amounted to SEK 2.86 (2.86) and equity per share to SEK 30.29 (23.93). The share of risk-bearing capital at the end of the period was 21% (25). The new issue of convertible shares was booked in full after the closing day and has subsequently not influenced the figures for this interim report. If the issue had been booked at 30 June the proportion of risk-bearing capital had been approximately 30 %.

### INVESTMENTS

The Group's net investments amounted to SEK 375 million (76), of which SEK 303 million refers to corporate transactions.

### FINANCING AND LIQUIDITY

The Group's cash and cash equivalents, including granted but unutilised credit facilities amounted to SEK 154 million on the closing day.

The 2005/2008 convertible debenture loan was converted in June. All owners of convertible debentures issued in 2005 converted their holding to new Class B shares. Through the conversion, 290,000 new Class B shares were issued in ITAB. The total number of shares after conversion amounts to 14,282,400, of which 3,900,000 are Class A and 10,382,400 are Class B.

During the June/July period, the company carried out a new issue of convertible shares (2008/2012) with preferential rights for the company's shareholders, providing the company with a capital injection of about SEK 243 million before issue expenses. Of the convertible shares offered in the new issue, about 93.6 per cent were subscribed for with preferential rights and about 6.4 per cent were subscribed for without preferential rights. Subsequently, the new share issue was fully subscribed. ITAB's convertible shares 2008/2012 are traded on OMX Nordic Exchange, with a trading lot of a nominal SEK 8,500.

### ACCOUNTING PRINCIPLES

The interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The same accounting principles have been used as in the latest annual report.

### NEXT REPORT DATE

The interim report for the period January through September 2008 will be presented on Wednesday, 22 October 2008

### BUSINESS ACTIVITIES

ITAB Shop Concept is a concept and product supplier of shop fittings and equipment for food and non-food businesses in the Nordic region, the Baltic States, the Benelux countries, the United Kingdom and Central Europe. Wood and metal shop fittings, as well as checkouts and entrance systems, are designed and produced at the company's own facilities. ITAB's advanced project management model allows the company to be an all-inclusive contractor when it comes to building new shops and department stores or refitting existing ones. ITAB's production facilities are located in Sweden, Norway, Denmark, Finland, Lithuania, the UK, the Netherlands, the Czech Republic, Germany and Belgium. The units in Estonia, Latvia, Russia and the Ukraine have functions involving project management and purchasing. Service, installation, project management and sales are functions assigned to various partners throughout Europe. Business operations are founded on long-term business relationships and delivery reliability in combination with streamlined production resources.

ITAB is currently the dominant player in the Nordic region, the Baltic countries and the UK. ITAB has assumed a leading market role in the Benelux countries, Germany and Central Europe. The markets in

Russia and the Ukraine are now more maturing to systems and concept sales. ITAB's evaluation of these markets will therefore move in a more offensive direction.

The Group's sales figures, which rose by 42 % during the first six months and 51% in the second quarter, are on par with the company's expectations. Profit after financial items, which rose by 1% during the first six months and 52 % in the second quarter, are better than expected.

The largest contributor to the increase is the acquisition of Hansa Group carried out in January 2008. The acquisition has influenced sales positively but margins negatively during the first six months which was anticipated given Hansa Group's seasonal fluctuations. The acquisition is of strategic significance for ITAB's growth.

The profit for the period includes costs of a non-recurring nature that mainly had an impact on the first quarter, such as:

- Integration and coordination costs in the UK, Sweden and Finland.
- Major expenses in connection with Euroshop, Europe's largest shop fitting trade fair.
- Start-up of new product company in Sweden.
- Continued start-up costs for the new Czech production facility.
- Costs for restructuring activities initiated in conjunction with the acquisition of Hansa Group.

Growth in volume in comparable operations during the period was noted primarily in the UK, the Baltic countries, the Czech Republic, Norway, Denmark and Holland. In Sweden and Finland, sales for the period were on par with the previous year. Sales relating to the acquisitions have largely developed in line with our expectations.

In terms of profits, the trend has been favourable compared to the same period of last year in Sweden, Norway, the UK and the Baltic countries. In Holland, profits are in line with last year. Finland and Denmark report somewhat weaker profits compared with last year while the figures for the Czech operations were not satisfactory. The latter part of the period has however reported an upswing. Hansa Group's profits are growing according to plan.

The increase noted in the Group's sales and administration costs is attributed to major marketing activities such as Euroshop and scheduled activities on new growth markets.

Our customers' purchasing patterns are expected to remain stable this year too, starting with a quiet first quarter and gradually increasing during the year. In response to this gradual increase, larger volumes were manufactured the first six months in order to meet the anticipated autumn commitments. While this means extra costs for warehousing and handling, the costs are deemed necessary.

The Group's long-term goal to strengthen the gross margin through investments, streamlining and more effective purchasing patterns has yielded results. This is crucial for future growth. Constantly escalating metal prices are however an area of concern for the future. We are confident that we have effectively countered this situation.

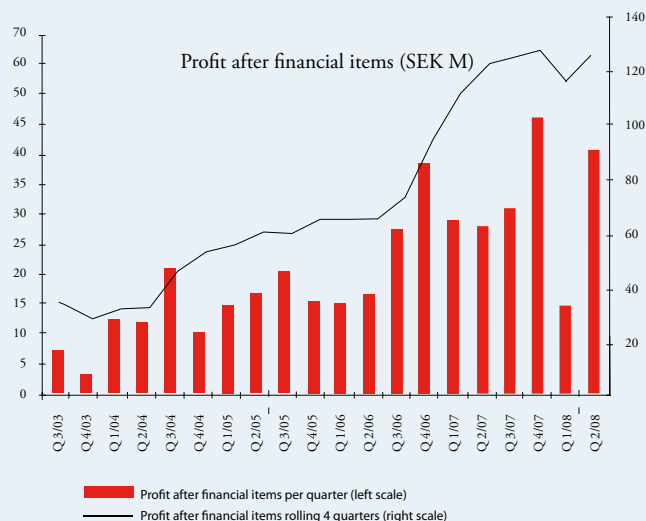
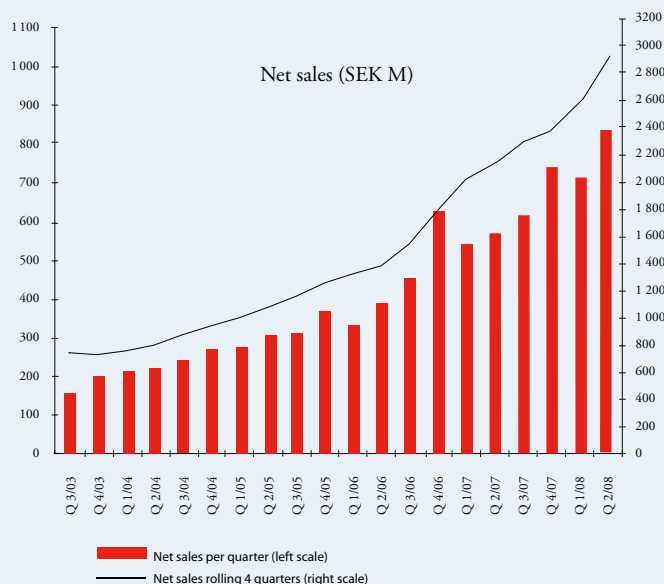
### IMPORTANT EVENTS

A number of important deals were made and agreements signed during the period. For instance, MQ and ITAB signed a two-year agreement to supply complete shop fitting concepts. Coop Norway and ITAB signed an agreement for concept deliveries over a two-year period. One of the Nordic region's largest ready-to-wear clothing chain and ITAB signed a two-year agreement to supply complete shop fitting concepts.

IKEA has chosen ITAB as preferred supplier for checkouts in Europe. One key parameter in this agreement was our Czech factory's geographic location which enables IKEA to minimise transport costs and its environmental impact. Germany's largest food chain, EDEKA, has selected ITAB to supply checkouts for a two-year period and Systembolaget chose ITAB to supply checkouts and entrance systems. This agreement is for two years, with an option of a further two years.

The company participated at Euroshop in Düsseldorf in February. Euroshop is Europe's largest shop fitting trade fair. Three separate stands totalling 1,200 m<sup>2</sup> demonstrated that ITAB is one of the sector's market leaders. The trade fair was a success, totalling more than 100,000 visitors.

ITAB Shop Products with its registered office in Jönköping was set



up during the period. The company is the result of a merger of ITAB's entrance system operations in the UK and Sweden, along with a company acquired at the start of the year, L-Form in Reftele. The purpose is to focus and concentrate the Group's resources on entrance systems in terms of product development, coordination and streamlining in order to advance on more markets. ITAB's entrance system concept has future potential for launches in a significant number of new markets. Highly successful activities to establish ITAB Shop Products were carried out during the period.

The merger of our British operations in Hemel Hempstead and Milton Keynes was carried out according to plan and finalised during the period. The merger will further streamline our units and enhance our level of customer service. The addition of 4,000 m<sup>2</sup> factory space in Niedergurig, Germany has now been completed. A new powder coating factory has been taken into operation and will both streamline production and improve the quality of the products. Yet another powder coating facility customised for checkout production will be taken into operation in our Czech factory. Preparations for a fully-automatic line for the production of standard fittings in the Czech Republic are progressing according to plan and installation is scheduled for the end of the year. The above investments and several more investments in equipment enable ITAB to further boost its competitiveness.

On 8 July, ITAB transferred from First North to OMX Nordic Exchange Mid Cap. This listing is expected to improve the share's liquidity and strengthen the company's reputation in general.

#### ACQUISITION

In large parts of Europe, a new type of consumer scanning is emerging, namely self-scanning at exit checkouts. In May, ITAB acquired the assets and liabilities of Scangineers which is based in Holland. Scangineers develops and markets software for different self-checkout systems that are installed in checkouts. The company currently has some 300 systems in the European markets and their software is compatible with all known checkout systems today. At the self-scanning checkout, the customer takes out the items, scans them at a reader, and places them on the conveyor belt. The customer then pays at a card reader integrated with the checkout, a receipt is printed and the customer can pack the items and leave. Shop staff is on stand-by at a service counter to help in the event of problems.

The system offers many benefits for the shop. Since the consumers scan the items, one employee can manage up to eight checkouts. Self-scanning is a secure system since all items are scanned at the exit. ITAB has developed two types of self-scanning checkouts – a larger one with a conveyor belt intended for customers with shopping trolleys, and a smaller unit adapted to customer baskets. Both alternatives require less space than traditional checkouts, which saves shop space. The system also has an alarm function that minimises the risk of shrinkage. Scangineers software and ITAB's expertise and market position in the checkout sector make this an exceptionally interesting combination. After the acquisition, Scangineers changed its name to Scanpoint.

On 1 January, ITAB acquired the German group Hansa Kontor Shopfitting Group, the Finnish company Pan-Oston and the Swedish company L-Form. The acquisition of Hansa Kontor Shopfitting is ITAB's largest ever and positions ITAB as the second largest shop interiors supplier

on the European market.

Hansa Group consists of four companies. Germany-based Hansa Harr is the European market leader in checkouts and Hans Kontor is a well-known concept supplier of complete shops, particularly to the German food segment. Belgium is home to Hansa Mertens, a prominent player in Belgium in terms of shop fittings with production facilities that focus on flexibility and customised shelving and shop fittings. Hansa GWS is located in England and is one of the largest shop fitting and checkout suppliers in the UK. The company has an assiduous project management organisation and extremely strong installation and service organisations in England. The Group, which has about 400 employees, reported sales in the range of SEK 850 million. Not only will the acquisition position ITAB as the largest checkout supplier in Europe, it will also generate new sales channels for shop fittings and entrance systems.

Pan-Osten is one of the leading checkout and entrance system suppliers in Finland. The company also has considerable export to Denmark and Russia in particular. The acquisition of Pan-Osten further reinforces ITAB's position as the largest checkout manufacturer in the Nordic countries.

L-Form is a smaller company active in the area of entrance and queue management systems. The company's product portfolio is an excellent complement to the rest of ITAB's collection in this niche. The acquisition will also provide market shares on markets that are new for ITAB. L-Form will be fully integrated in ITAB's newly formed product company, ITAB Shop Products.

#### DEVELOPMENT AND THE FUTURE

Volumes for the first half of the year were in line with our expectations and profit is somewhat higher than predicted. While the year's acquisitions have been soundly integrated in the ITAB Group some work remains - particularly with Hansa Group acquisition, which is crucial to the Group's future strategic development. All companies in Hansa Group have changed their names and are now marketed under the ITAB name, which serves to strengthen the company's profile. As previously announced, the company's profits are expected to climb by at least SEK 1/share as a consequence of the acquisition of Hansa Group.

Moreover, we plan to more aggressively target new markets where we are not yet fully established. From a historic perspective, the Group has been relatively immune to the economic situation. Although we expect to uphold this position, we are closely monitoring the developments. ITAB's order situation for the autumn is satisfactory and we foresee intense activities among many of our customers. We feel well prepared and confidently look forward to new challenges.

Jönköping, 14 August 2008

Thord Johansson  
*Chairman*

Erik Josefsson

Anna Benjamin

Johan Rapp

Per Rodert

Stig-Olof Simonsson

Ulf Rostedt  
*Managing Director*

## INCOME STATEMENTS

(SEK M)	3 months	3 months	6 months	6 months	12 months	12 months
	Apr-Jun 2008	Apr-Jun 2007	Jan-Jun 2008	Jan-Jun 2007	Jan-Dec 2007	Jul-Jun 07/08
Net sales	833.1	553.0	1,551.9	1,092.1	2,429.8	2,889.6
Cost of goods sold	-614.6	-428.2	-1,161.1	-843.9	-1,878.1	-2,195.3
<b>Gross profit</b>	<b>218.5</b>	<b>124.8</b>	<b>390.8</b>	<b>248.2</b>	<b>551.7</b>	<b>694.3</b>
Selling expenses	-130.0	-70.3	-238.5	-139.4	-306.0	-405.1
Administrative expenses	-35.3	-21.8	-74.0	-43.6	-91.7	-122.1
Other operating income/expenses	-0.3	1.0	-3.9	3.1	2.5	-4.5
<b>Operating profit</b>	<b>52.9</b>	<b>33.7</b>	<b>74.4</b>	<b>68.3</b>	<b>156.5</b>	<b>162.6</b>
Financial items	-11.8	-6.6	-18.3	-12.6	-26.4	-32.1
<b>Profit after financial items</b>	<b>41.1</b>	<b>27.1</b>	<b>56.1</b>	<b>55.7</b>	<b>130.1</b>	<b>130.5</b>
Tax on the period's profit	-11.5	-7.6	-15.7	-15.6	-35.4	-35.5
<b>PROFIT FOR THE PERIOD</b>	<b>29.6</b>	<b>19.5</b>	<b>40.4</b>	<b>40.1</b>	<b>94.7</b>	<b>95.0</b>
<b>Profit attributable to:</b>						
Stockholders of the Parent Company	29.4	19.5	40.1	40.1	94.7	94.7
Minority interest	0.2	-	0.3	-	-	0.3
<b>PROFIT FOR THE PERIOD</b>	<b>29.6</b>	<b>19.5</b>	<b>40.4</b>	<b>40.1</b>	<b>94.7</b>	<b>95.0</b>

Depreciation represents SEK 36 million (18) of the profit for the interim period.

Tax on the periods profit amounts to 28 percent (28).

The company has changed its accounting principle regarding the reporting of costs for outgoing transport as well as costs for finished stock. From 2008 these costs are being reported as sales expenses, they were previously reported as cost of goods sold. All comparison figures have been converted with regard to this.

## SHARE DATA

	3 months	3 months	6 months	6 months	12 months	12 months
	Apr-Jun 2008	Apr-Jun 2007	Jan-Jun 2008	Jan-Jun 2007	Jan-Dec 2007	Jul-Jun 07/08
Average number of shares, thousands	13,992	13,992	13,992	13,992	13,992	13,992
Number of shares after dilution, thousands	14,282	14,282	14,282	14,282	14,282	14,282
Earnings per share, SEK	2.10	1.39	2.86	2.86	6.77	6.77
Earnings per share after dilution, SEK	2.05	1.38	2.82	2.84	6.71	6.69
Equity capital per share, SEK			30.29	23.93	27.93	30.29
Quotation on closing day, SEK			94.75	120.00	128.00	94.75

Outstanding number of shares amounts to 14,282,400. As per 30 June 2005, the company issued a three-year convertible debenture loan for SEK 18,415 thousands, which corresponds to 290,000 shares. Full conversion to shares was completed as of 30 June 2008.

## KEY RATIOS

	<b>6 months</b> Jan-Jun 2008	<b>6 months</b> Jan-Jun 2007	<b>12 months</b> Jan-Dec 2007	<b>12 months</b> Jul-Jun 07/08
Operating margin, %	4.8	6.3	6.4	5.6
Profit margin, %	3.6	5.1	5.4	4.5
Return on equity capital p.a., %	19.5	24.9	28.7	24.9
Return on capital employed p. a., %	10.5	15.6	17.0	13.9
Return on total capital p. a., %	7.7	10.4	11.3	9.8
Interest-coverage ratio, multiple	2.8	4.3	4.7	3.6
Equity, SEK M	432.6	334.8	390.8	432.6
Equity/assets ratio <sup>1)</sup> , %	19.3	22.7	25.2	19.3
Proportion of risk-bearing capital <sup>2)</sup> , %	20.7	25.3	27.7	20.7
Net investments, SEK M	374.5	75.8	207.8	506.5
Average number of employees	1,687	1,272	1,294	1,502

1) Excluding financial debt of convertible loan  
2) Including financial debt of convertible loan

## BALANCE SHEETS

(SEK M)	<b>2008</b> 30-Jun	<b>2007</b> 30-Jun	<b>2007</b> 31-Dec
<b>ASSETS</b>			
Intangible fixed assets	477.5	249.6	266.4
Tangible fixed assets	633.9	376.4	461.2
Financial fixed assets	22.8	7.3	5.3
<b>TOTAL FIXED ASSETS</b>	<b>1,134.2</b>	<b>633.3</b>	<b>732.9</b>
Stock	488.6	338.9	345.6
Current receivables	627.5	494.7	465.1
Cash and bank balance	5.7	9.1	7.9
<b>TOTAL CURRENT ASSETS</b>	<b>1,121.8</b>	<b>842.7</b>	<b>818.6</b>
<b>TOTAL ASSETS</b>	<b>2,256.0</b>	<b>1,476.0</b>	<b>1,551.5</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	432.6	334.8	390.8
Minoritetsandel	3.1	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>435.7</b>	<b>334.8</b>	<b>390.8</b>
Long-term liabilities	488.9	255.3	243.9
Current liabilities	1,331.4	885.9	916.8
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,256.0</b>	<b>1,476.0</b>	<b>1,551.5</b>

*Interest-bearing liabilities amount to SEK 1,219 million (630).*

## CHANGE IN EQUITY

(SEK M)	2008 30-Jun	2007 30-Jun	2007 31-Dec
Opening balance	390.8	302.1	302.1
Dividend paid	-14.0	-14.0	-14.0
Conversion of convertible debenture loan	18.4	-	-
Actuarial profits and losses	-	-	-1.0
Translation difference	-2.7	6.6	9.0
Profit for the period	40.1	40.1	94.7
<b>CLOSING BALANCE</b>	<b>432.6</b>	<b>334.8</b>	<b>390.8</b>

## CASH FLOW STATEMENT

(SEK M)	6 months Jan-Jun 2008	6 months Jan-Jun 2007	12 months Jan-Dec 2007	12 months Jul-Jun 07/08
<b>Operating profit</b>	<b>74.4</b>	<b>68.3</b>	<b>156.5</b>	<b>162.6</b>
Adjustments for items not included in cash flow	18.5	-19.0	-32.6	4.9
Change in working capital	-22.8	-12.4	-5.1	-15.5
<i>Cash flow from operating activities</i>	<i>70.1</i>	<i>36.9</i>	<i>118.8</i>	<i>152.0</i>
Investments	-374.5	-75.8	-207.8	-506.5
<i>Cash flow after investments</i>	<i>-304.4</i>	<i>-38.9</i>	<i>-89.0</i>	<i>-354.5</i>
Financing	302.2	32.2	81.1	351.1
<b>Change in liquid assets</b>	<b>-2.2</b>	<b>-6.7</b>	<b>-7.9</b>	<b>-3.4</b>

## QUARTERLY INCOME STATEMENTS

	2008 Apr-Jun	2007 Apr-Jun	2008 Jan-Mar	2007 Jan-Mar	2007 Okt-Dec	2006 Okt-Dec	2007 Jul-Sep	2006 Jul-Sep
(SEK M)								
Net sales	833.1	553.0	718.8	539.1	736.3	631.5	601.4	457.6
Cost of goods sold	-614.6	-428.2	-564.5	-415.7	-564.0	-485.5	-470.2	-329.2
<b>Gross profit</b>	<b>218.5</b>	<b>124.8</b>	<b>172.3</b>	<b>123.4</b>	<b>172.3</b>	<b>146.0</b>	<b>131.2</b>	<b>128.4</b>
Selling expenses	-130.0	-70.3	-108.5	-69.1	-95.3	-78.9	-71.3	-81.9
Administrative expenses	-35.3	-21.8	-38.7	-21.8	-25.8	-21.3	-22.3	-15.8
Other operating income/expenses	-0.3	1.0	-3.6	2.1	-0.3	-0.9	-0.3	1.4
<b>Operating profit</b>	<b>52.9</b>	<b>33.7</b>	<b>21.5</b>	<b>34.6</b>	<b>50.9</b>	<b>44.9</b>	<b>37.3</b>	<b>32.1</b>
Financial items	-11.8	-6.6	-6.5	-6.0	-4.8	-6.5	-9.0	-4.9
<b>Profit after financial items</b>	<b>41.1</b>	<b>27.1</b>	<b>15.0</b>	<b>28.6</b>	<b>46.1</b>	<b>38.4</b>	<b>28.3</b>	<b>27.2</b>
Tax on the period's profit	-11.5	-7.6	-4.2	-8.0	-11.0	-9.8	-8.8	-7.3
<b>PROFIT FOR THE PERIOD</b>	<b>29.6</b>	<b>19.5</b>	<b>10.8</b>	<b>20.6</b>	<b>35.1</b>	<b>28.6</b>	<b>19.5</b>	<b>19.9</b>
<b>Profit attributable to:</b>								
Stockholders of the Parent Company	29,4	19,5	10,7	20,6	35,1	28,6	19,5	19,9
Minority interest	0,2	-	0,1	-	-	-	-	-
<b>PROFIT FOR THE PERIOD</b>	<b>29,6</b>	<b>19,5</b>	<b>10,8</b>	<b>20,6</b>	<b>35,1</b>	<b>28,6</b>	<b>19,5</b>	<b>19,9</b>

The Group's auditors have not examined this report.

The logo for ITAB, consisting of the letters 'ITAB' in a bold, red, outlined font. The letter 'A' has a small triangle inside it.

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