

# Year-end report

## January - December 2008

### January - December 2008:

Net sales increased by 40 % to SEK 3,412.3 million (2,429.8)

Operating profit increased by 24 % to SEK 194.8 million (156.5)

Profit after financial items increased by 8 % to SEK 140.2 million (130.1)

Net income increased by 9 % to SEK 102.9 million (94.7)

Earnings per share increased by 8 % to SEK 7.28 (6.71)

### Fourth quarter 2008:

Net sales increased by 35 % to SEK 997.3 million (736.3)

Operating profit increased by 30 % to SEK 66.0 million (50.9)

Profit after financial items increased by 2 % to SEK 47.1 million (46.1)

Net income increased by 4 % to SEK 36.5 million (35.1)

Earnings per share increased by 4 % to SEK 2.58 (2.49)

The Board of Directors proposes a dividend of SEK 1.25 (1.00) per share

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

New issue of convertible shares has 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.

Breakthrough order in the Nordic market for self-checkout system

## Year-end report January - December 2008

### SALES AND PROFIT

The Group's net sales increased by 40 % to SEK 3,412.3 million (2,429.8) and the profit after financial items rose 8 % to SEK 140.2 million (130.1). The profit for the period includes items of a non-recurring nature amounting to about SEK -15 million, see below. 2007 included items of a non-recurring nature amounting to approximately SEK -9 million comprising costs for capital gains from the sale of property and costs for the divestment of a product group.

### FOURTH QUARTER

Quarter four net sales amounted to SEK 997.3 million (736.3) and profit after financial items was SEK 47.1 million (46.1).

### SHARE DATA AND KEY RATIOS

Earnings per share amounted to SEK 7.28 (6.71) and equity per share to SEK 35.43 (27.68). The acquisition of Hansa Group contributed with approximately SEK 1 to earnings per share as projected at the time of acquisition.

### INVESTMENTS

The Group's net investments amounted to SEK 418 million (203), of which SEK 298 million refers to corporate transactions.

### FINANCING AND LIQUIDITY

The Group's cash and cash equivalents, including granted but unutilised credit facilities amounted to SEK 251 million on the closing day. The share of risk-bearing capital at the end of the period was 36 % (28).

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.

### PARENT COMPANY

The parent company's net sales amounted to SEK 44 million (18) and profit after financial items amounted to SEK 24 million (33). Net investments amounted to SEK 381 million (89).

### ACCOUNTING PRINCIPLES

The interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. 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. The same accounting principles have otherwise been used as in the most recent annual report. The acquisition calculations for the companies acquired during the year are preliminary and may be altered.

### RISKS AND UNCERTAINTY FACTORS

The Group's major risk and uncertainty factors include business risks associated with customers and suppliers and other external factors such as price risks for input goods. In addition, there are financial risks as a result of changes in exchange rates and interest rate levels. A statement on the Group's main financial risks can be found on page 72-73 of the annual report for 2007. No additional significant risks are judged to have arisen.

### NEXT REPORT DATE

The interim report for January-March 2009 will be presented on Wednesday, 6 May 2009.

### 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 Cen-

tral 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 leading 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 rose by 40% compared with the previous year while operating profit climbed 24 % compared with the previous year.

Sweden, Norway, Denmark, Finland, the Netherlands, the Czech Republic, the Baltic countries and the UK reported volume growth during the period. The sales related to the acquisition of Hansa in Germany have surpassed expectations while Hansa GWS in the UK reports sales figures that are lower than expected. Hansa Mertens in Belgium also reports lower than expected figures due to Hansa GWS' weaker volume growth.

In terms of profits, developments have been favourable in Sweden, the Baltic countries and Holland compared to the previous year. The UK, Norway, Finland and Denmark report weaker profits compared to last year and the figures for the Czech operations are still not satisfactory. Hansa's profits surpassed expectations in Germany, but are on par with expectations in Belgium and lower than expected in the UK.

The profit for the period includes items of a non-recurring nature amounting to about SEK 15 million. These are comprised primarily of continued start-up costs for the new Czech production facility and costs for Group-related restructuring and reorganisation.

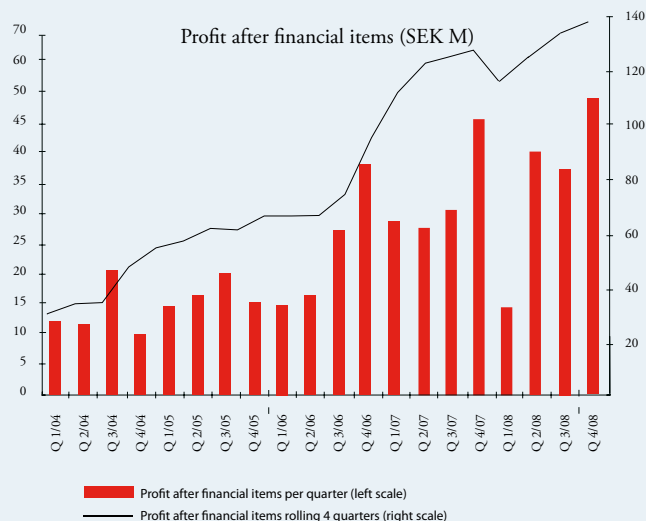
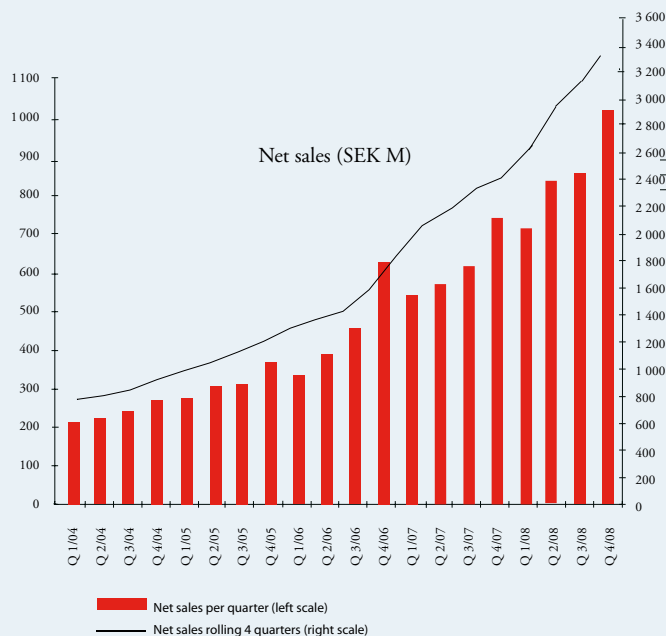
The increase noted in the Group's sales and administration costs is attributed to intensified marketing activities such as Euroshop and scheduled activities on new growth markets.

The Group's long-term goal of strengthening the gross margin through investments, streamlining and more effective purchasing patterns has progressed favourably during the year. This is important for the Group's continued competitiveness and development.

The Group has been burdened by higher raw material costs throughout the year, which is primarily attributed to prices on metals which constitute a considerable part of the Group's purchases. In general, raw material prices are expected to drop in 2009. The Group has only been affected to a very limited extent by the economic situation and the financial anxiety that has prevailed on the market during the year.

### IMPORTANT EVENTS

- ITAB signed agreements with Cubus, MQ, Coop Norge, Systembolaget, IKEA, Germany's largest food chain Edeka and one of the Nordic region's largest ready-to-wear clothing chains in 2008. ITAB also landed a breakthrough order in the Nordic market for ITAB's self-checkout system.
- The company participated at Euroshop in Düsseldorf in February. Euroshop is Europe's largest shop fitting trade show. Three separate stands totalling 1,200 m<sup>2</sup> demonstrated that ITAB is one of the sector's market leaders.
- ITAB Shop Products was founded at the start of 2008. The company is the result of a merger of ITAB's entrance system operations and the objective is to focus the Group's resources on entrance systems in terms of product development, coordination and streamlining.
- At the Annual General Meeting on 3 June, it was decided to introduce a performance-based incentive programme for senior executives and other key individuals employed within the ITAB Group. A total of 46 people are participating in the incentive programme



with a maximum of 420,000 options, including options with the aim of financing costs that have arisen for the programme. This corresponds to at most 2.9 % of the capital at full take-up, calculated on the basis of the current number of shares. The programme is running with effect from October 2008, with the potential for subscription during the period September 2011 to March 2012.

- 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.
- 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.
- ITAB launched a new organisational structure in the autumn. The organisation is based on five sales regions and one production region. The regions are Scandinavia (Sweden, Norway and Denmark), North East (Finland, the Baltic States, Russia and the Ukraine), Benelux (the Netherlands and Belgium), UK & Ireland and Central Europe. The production region, Operations, comprises ITAB's production facilities in the Czech Republic, Germany and Belgium.
- During the year ITAB has commenced the establishment of its own purchasing office in China.
- The addition of 4,000 m<sup>2</sup> production space in Niedergurig, Germany, was completed and a new powder painting line is up and running.
- The merger of the British operations in Hemel Hempstead and Milton Keynes was completed and the task of integrating ITAB GWS in this structure has commenced.
- Additional investments were installed in the Czech facilities in 2008.
- The task of relocating ITAB's metal processing activities from the Dutch unit to the Belgian facilities is underway.

#### ACQUISITION

- On 1 January, ITAB acquired the German group Hansa Kontor Shopfitting Group. 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.
- Pan-Osten, one of the leading checkout and entrance system suppliers in Finland, was acquired on 1 January 2008. The acquisition of Pan-Osten further reinforces ITAB's position as the largest checkout manufacturer in the Nordic countries.
- L-Form, a company active in the area of entrance and queue management systems, was acquired in the beginning of January 2008. L-Form has been integrated with ITAB's product company, ITAB Shop Products.
- In May, ITAB acquired the assets and liabilities of Scangineers,

which is based in the Netherlands. Scangineers develops and markets software for different self-checkout systems that are installed in checkouts. The company currently has some 400 systems in the European market and their software is compatible with all known checkout systems today. ITAB's expertise and market position in the checkout sector make this an exceptionally interesting combination. The organisation is presently marketed under the name ITAB Scanpoint.

#### CEO ULF ROSTEDT'S COMMENTS

As a whole, development of the year's sales and profits is on par with our expectations and surpassed the figures for the previous year. The increase in sales reached close to SEK 1 billion, and organic growth was approximately 8 %. We have succeeded in advancing our market positions in most of the markets where we do business. Fourth quarter sales and profit are extremely satisfactory in these difficult times. Our dedication to reducing capital tied up has started to have effect, resulting among other things in a better rate of stock turnover.

The acquisitions made during the year, investments, streamlining and the autumn's changes in the organisation form a sound foundation for ITAB's continued development. We are now focusing on regions instead of individual companies and can therefore devote more effort to new-customer activities and streamlining. The strength of the Group's activities will be even stronger after the structural changes that were carried out.

The current financial anxiety and economic predictions have not markedly affected ITAB during the past year. The market is however somewhat reluctant and difficult to assess. Most of our customers are large-scale chain stores in both the food sector and the broad non-food sector. Generally speaking, a recession can entail new business opportunities for these types of chains, which is one reason why ITAB has not historically been particularly dependent on the economic situation. The streamlining activities and structural changes made in 2008 make us prepared to deal with pending market changes. The Group's first quarter is normally quieter than the rest of the year, and is expected to be so also in 2009.

Given the activities implemented in order to streamline the Group in all aspects and our present-day market position, we feel confident as we embark on a new year. Tough competition in the markets and constantly new conditions will distinguish 2009. I am convinced that ITAB has what it takes to be a good, stable and strategic partner to both existing and new customers.

We, the undersigned, declare that the year-end report provides a fair and true view of the Parent company and Group's business activities, position and financial results and describes significant risks and uncertainties that the Parent company and companies within the Group face.

Jönköping, 12 February 2009

Thord Johansson Anna Benjamin Erik Josefsson Johan Rapp  
*Chairman of the Board*

Per Rodert Stig-Olof Simonsson Ulf Rostedt  
*Manager Director*

## INCOME STATEMENTS

(SEK M)	3 months	3 months	12 months	12 months
	Oct-Dec 2008	Oct-Dec 2007	Jan-Dec 2008	Jan-Dec 2007
Net sales	997.3	736.3	3,412.3	2,429.8
Cost of goods sold	-775.9	-564.0	-2,577.0	-1,878.1
<b>Gross profit</b>	<b>241.4</b>	<b>172.3</b>	<b>835.3</b>	<b>551.7</b>
Selling expenses	-143.6	-95.3	-502.5	-306.0
Administrative expenses	-38.9	-25.8	-136.8	-91.7
Other operating income/expenses	7.1	-0.3	-1.2	2.5
<b>Operating profit</b>	<b>66.0</b>	<b>50.9</b>	<b>194.8</b>	<b>156.5</b>
Financial items	-18.9	-4.8	-54.6	-26.4
<b>Profit after financial items</b>	<b>47.1</b>	<b>46.1</b>	<b>140.2</b>	<b>130.1</b>
Tax on the period's profit	-10.6	-11.0	-37.3	-35.4
<b>PROFIT FOR THE PERIOD</b>	<b>36.5</b>	<b>35.1</b>	<b>102.9</b>	<b>94.7</b>
<b>Profit attributable to:</b>				
Stockholders of the Parent Company	36.8	35.1	102.9	94.7
Minority interest	-0.3	-	-	-
<b>PROFIT FOR THE PERIOD</b>	<b>36.5</b>	<b>35.1</b>	<b>102.9</b>	<b>94.7</b>

Depreciation represents SEK 66 million (38).

Tax on the periods profit amounts to 27 percent (27) of the profit after financial items.

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	12 months	12 months
	Oct-Dec 2008	Oct-Dec 2007	Jan-Dec 2008	Jan-Dec 2007
Average number of shares, thousands	14,137	13,992	14,137	13,992
Number of shares after dilution, thousands	15,711	14,282	15,711	14,282
Earnings per share, SEK 1)	2.58	2.49	7.28	6.71
Earnings per share after dilution, SEK 1)	2.44	2.46	6.94	6.65
Equity capital per share, SEK 1)			35.43	27.68
Quotation on closing day, SEK 1)			55.00	126.86

Outstanding number of shares amounts to 14,282,500. As per 30 June 2005, the company issued a three-year convertible debenture loan for SEK 18,4 million, which corresponds to 290,000 shares. Full conversion to shares was completed as of 30 June 2008.

In July 2008, the company issued convertible debenture loans amounting to SEK 242.8 million, corresponding to 2,856,480 shares in the case of full conversion to shares. The total number of shares after full dilution will then be 17,138,880.

1) Historic figures regarding periods before 30.06.2008 have been corrected with regard to the separation of subscription rights during the convertible issue, in which a correlation factor of 0.9911 has been used.

## KEY RATIOS

	12 months Jan-Dec 2008	12 months Jan-Dec 2007
Operating margin, %	5.7	6.4
Profit margin, %	4.1	5.4
Return on equity capital p.a., %	23.6	27.7
Return on capital employed p. a., %	12.9	16.6
Return on total capital p. a., %	9.5	11.2
Interest-coverage ratio, multiple	3.2	4.7
Equity, SEK M	506.0	390.8
Equity/assets ratio <sup>1)</sup> , %	22.7	25.2
Proportion of risk-bearing capital <sup>2)</sup> , %	35.6	27.7
Net investments, SEK M	417.6	207.8
Average number of employees	1,658	1,294

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

## BALANCE SHEETS

(SEK M)	2008 31-Dec	2007 31-Dec
<b>ASSETS</b>		
Intangible fixed assets	473.1	266.4
Tangible fixed assets	689.3	461.2
Financial fixed assets	19.8	5.3
<b>TOTAL FIXED ASSETS</b>	<b>1,182.2</b>	<b>732.9</b>
Stock	446.9	345.6
Current receivables	599.0	465.1
Cash and bank balance	15.3	7.9
<b>TOTAL CURRENT ASSETS</b>	<b>1,061.2</b>	<b>818.6</b>
<b>TOTAL ASSETS</b>	<b>2,243.4</b>	<b>1,551.5</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	506.0	390.8
Minoritetsandel	2.7	-
<b>TOTAL CURRENT ASSETS</b>	<b>508.7</b>	<b>390.8</b>
Long-term liabilities	535.9	243.9
Current liabilities	1,198.8	916.8
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,243.4</b>	<b>1,551.5</b>

*Interest-bearing liabilities amount to SEK 1,191 million (692).*

## CHANGE IN EQUITY

(SEK M)	2008 31-Dec	2007 31-Dec
Opening balance	390.8	302.1
Dividend paid	-14.0	-14.0
Conversion of convertible debenture loan KV 1B	18.4	-
Issue expenses of convertible debenture loan KV 2B	-8.2	-
Actuarial profits and losses	-4.5	-1.0
Warrant premiums	2.7	-
Translation difference	17.9	9.0
Profit for the period	102.9	94.7
<b>CLOSING BALANCE</b>	<b>506.0</b>	<b>390.8</b>

## CASH FLOW STATEMENT

(SEK M)	12 months Jan-Dec 2008	12 months Jan-Dec 2007
<b>Operating profit</b>	<b>194.8</b>	<b>156.5</b>
Adjustments for items not included in cash flow	-9.6	-32.6
Change in working capital	13.5	-5.1
<i>Cash flow from operating activities</i>	<i>198.7</i>	<i>118.8</i>
Investments	-417.6	-207.8
<i>Cash flow after investments</i>	<i>-218.9</i>	<i>-89.0</i>
Financing	226.3	81.1
<b>Change in liquid assets</b>	<b>7.4</b>	<b>-7.9</b>

## QUARTERLY INCOME STATEMENTS

	2008 Oct-Dec	2007 Oct-Dec	2008 Jul-Sep	2007 Jul-Sep	2008 Apr-Jun	2007 Apr-Jun	2007 Jan-Mar	2006 Jan-Mar
(SEK M)								
Net sales	997.3	736.3	863.1	601.4	833.1	553.0	718.8	539.1
Cost of goods sold	-755.9	-564.0	-660.0	-470.2	-614.6	-428.2	-546.5	-415.7
<b>Gross profit</b>	<b>241.4</b>	<b>172.3</b>	<b>203.1</b>	<b>131.2</b>	<b>218.5</b>	<b>124.8</b>	<b>172.3</b>	<b>123.4</b>
Selling expenses	-143.6	-95.3	-120.4	-71.3	-130.0	-70.3	-108.5	-69.1
Administrative expenses	-38.9	-25.8	-23.9	-22.3	-35.3	-21.8	-38.7	-21.8
Other operating income/expenses	7.1	-0.3	-4.4	-0.3	-0.3	1.0	-3.6	2.1
<b>Operating profit</b>	<b>66.0</b>	<b>50.9</b>	<b>54.4</b>	<b>37.3</b>	<b>52.9</b>	<b>33.7</b>	<b>21.5</b>	<b>34.6</b>
Financial items	-18.9	-4.8	-17.4	-9.0	-11.8	-6.6	-6.5	-6.0
<b>Profit after financial items</b>	<b>47.1</b>	<b>46.1</b>	<b>37.0</b>	<b>28.3</b>	<b>41.1</b>	<b>27.1</b>	<b>15.0</b>	<b>28.6</b>
Tax on the period's profit	-10.6	-11.0	-11.0	-8.8	-11.5	-7.6	-4.2	-8.0
<b>PROFIT FOR THE PERIOD</b>	<b>36.5</b>	<b>35.1</b>	<b>26.0</b>	<b>19.5</b>	<b>29.6</b>	<b>19.5</b>	<b>10.8</b>	<b>20.6</b>
<b>Profit attributable to:</b>								
Stockholders of the Parent Company	36.8	35.1	26.0	19.5	29.4	19.5	10.7	20.6
Minority interest	-0.3	-	-	-	0.2	-	0.1	-
<b>PROFIT FOR THE PERIOD</b>	<b>36.5</b>	<b>35.1</b>	<b>26.0</b>	<b>19.5</b>	<b>29.6</b>	<b>19.5</b>	<b>10.8</b>	<b>20.6</b>

## The Annual General Meeting

The Annual General Meeting will be held on Wednesday, 6 May 2009 at 3 p.m. at ITAB's premises at Instrumentvägen 2 in Jönköping.

### Proposal for dividend

The Board proposes to the Annual General Meeting a dividend of SEK 1.25 per share for the 2008 financial year. Total dividend amounts to SEK 17.9 million based on the number of shares at the end of the financial year.

### Repurchase of company shares

The Board will propose the Annual General Meeting authorise the Board to decide on repurchasing of the company's shares. Such a mandate would allow the Board to decide on repurchasing of the company's shares up until the next Annual General Meeting. It is possible that any repurchase be conducted via the stock exchange or through offers to shareholders. The mandate to the Board should also entail the option to transfer repurchased shares within the regulatory framework permitted by legislatio

### Nomination of members of the board

Shareholders wishing to nominate candidates for the Board ahead of the Annual General Meeting may contact Johan Rapp, Board Member: +46 (0)8-679 13 50.

### Annual General Meeting

The Annual General Meeting will be held on Wednesday, 6 May 2009 at 3 p.m. at ITAB's premises at Instrumentvägen 2 in Jönköping. The Annual Report for 2008 will be available at the middle of April at ITAB Shop Concept's head office. The Annual Report will be sent out to shareholders at the same time.

*Jönköping, 12 February*

*The Board*

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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