ITAB

2013
ANNUAL REPORT

»Improving the Shop Experience…«

ITAB's BUSINESS CONCEPT

- ITAB will offer complete shop concepts for retail chain stores. With its expertise, long-term business relationships and innovative products, ITAB will secure a market-leading position in selected markets.

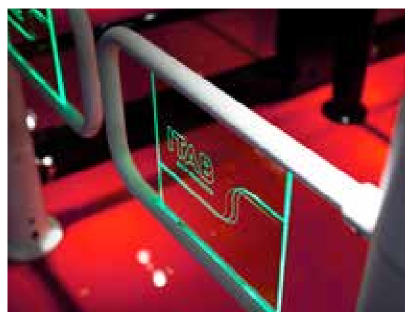
BUSINESS GOALS

- ITAB will achieve an annual growth rate of at least 15 per cent over an extended period. ITAB will maintain and enhance its market-leading position in Northern Europe and develop market shares in new markets. ITAB will develop its all-inclusive offer of complete shop concepts through custom-made fitting concepts, innovative solutions for checkout arena and professional lighting systems.

CONTENTS

ABOUT ITAB

ITAB Shop Concept sells, develops, manufactures and installs complete shop fitting concepts for retail chain stores. The all-inclusive offer includes custom-made fitting concepts, innovative solutions for checkout arena and professional lighting systems. Customers include the major players throughout most parts of Europe.



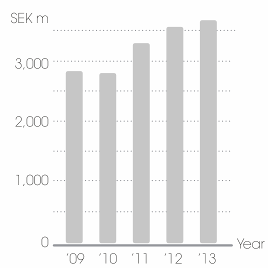
▲ ITAB Shop Concept sells, develops, manufactures and installs complete shop fitting concepts including custom-made fitting concepts, checkouts, self-checkout systems, entrance systems and professional lighting systems.

GEOGRAPHIC PRESENCE

- Market presence
- ITAB Offices/Production

SALES

SEK 3,574.0 MILLION

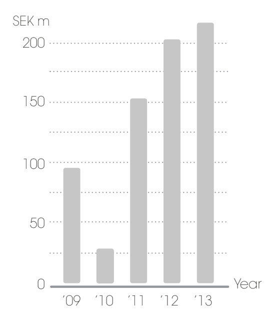


OWN COMPANIES

20 COUNTRIES

PROFIT AFTER FINANCIAL ITEMS

SEK 217.1 MILLION

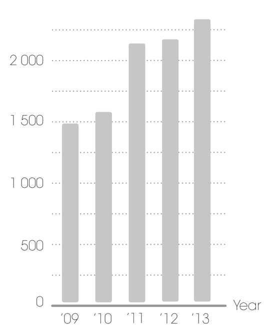


PRODUCTION AND LOGISTICS AREA

260 000 m^2

NUMBER OF EMPLOYEES ON THE CLOSING DAY

2,306 PEOPLE



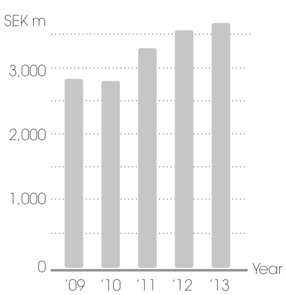
WORKING MODEL

In order to develop and nurture long-term business relations, ITAB has long worked according to a model that is aimed at working closely with its customers and their markets. The project management function, which is a central element in the model, makes it possible to offer all-inclusive solutions with responsibility for the entire process, from concept to ready-made shop.

ITAB 2013 IN BRIEF

During the year, ITAB has retained or strengthened its market position in most of its markets. The Group has expanded its capacity in China and its operation in Russia during the year in order to cope with future needs. The lighting business has been established and integrated on a number of markets. Sales of self-checkout systems have continued to develop according to plan. Despite increased marketing and business investments during the period, ITAB has improved its profits compared with last year. The improvement in profits relates principally to long-term work aimed at gradually improving the gross margin.

SALES



SELF-CHECKOUT

- Several installations of the self-checkout systems MoveFlow and TwinFlow have been implemented during the year. The installations have been strategically significant as several of them have been carried out in the customers' new store concepts and are a central part of the checkout aisle of the future.

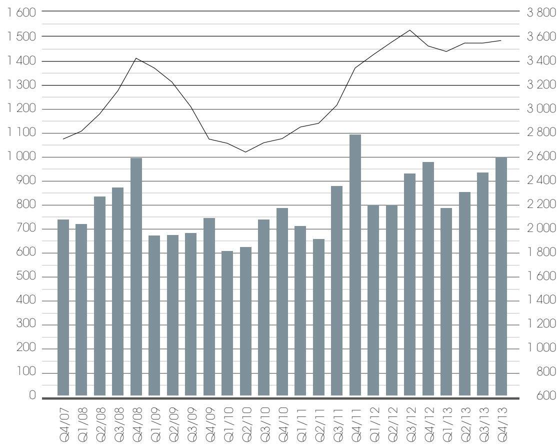
SUMMARY 2013

- Sales increased by 2% to SEK 3,574.0 million (3,511.4)
- Operating profit rose by 5% to SEK 245.8 million (235.2)
- Profit after financial items rose by 7% to SEK 217.1 million (202.5)
- Earnings per share fell by 5% to SEK 8.98 (9.47)

ITAB GROUP IN FIGURES

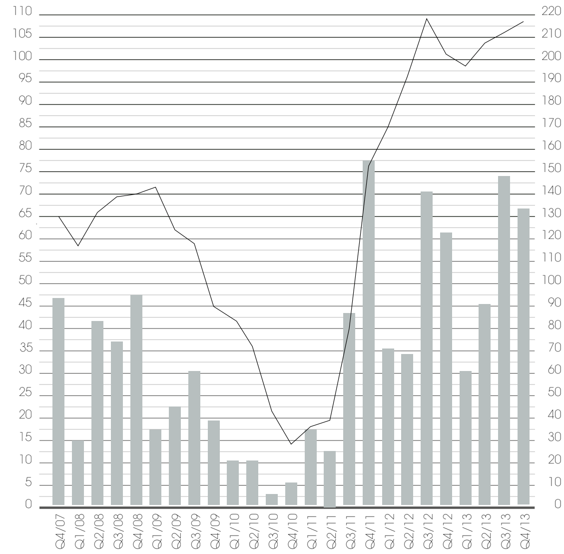
		2013	**2012**
Sales	SEK million	3,574.0	3,511.4
Growth	%	2	5
Operating profit	SEK million	245.8	235.2
Operating margin	%	6,9	6,7
Profit after net financial items	SEK million	217.1	202.5
Profit after tax	SEK million	162.2	161.8
Earnings per share	SEK	8.98	9.47
Dividends per share	SEK	3.00 [1)]	2.50
Equity per share	SEK	58.78	52.17
Return on equity	%	16.6	20.7
Portion of risk-bearing capital	%	42.5	40.6
Share price at the end of the period	SEK	172.00	101.50
Average no. of employees	no.	2,277	2,194
Equity/assets ratio	%	39.1	36.5
Net liability	SEK million	890	896

[1)] *The Board's proposal for dividends for the 2013 financial year*



Net sales per quarter (left scale)

Net sales rolling 4 quarters (right scale)



Profit after financial items per quarter (left scale)

Profit after financial items rolling 4 quarters (right scale)

Q1

- **SALES** SEK 785.5 million (800.4)
- **OPERATING PROFIT** SEK 34.9 million (43.8)
- **PROFIT AFTER FINANCIAL ITEMS** SEK 30.3 million (35.6)

Q2

- **SALES** SEK 853.2 million (800.2)
- **OPERATING PROFIT** SEK 50.0 million (43.0)
- **PROFIT AFTER FINANCIAL ITEMS** SEK 45.8 million (34.7)

Q3

- **SALES** SEK 935.1 million (933.6)
- **OPERATING PROFIT** SEK 84.6 million (78.5)
- **PROFIT AFTER FINANCIAL ITEMS** SEK 74.4 million (70.9)

Q4

- **SALES** SEK 1,000.2 million (977.3)
- **OPERATING PROFIT** SEK 76.3 million (69.8)
- **PROFIT AFTER FINANCIAL ITEMS** SEK 66.6 million (61.3)

Q1

- **JOHAN RAPP.** On 9 January, ITAB's Board member and one of the company's main owners, Johan Rapp, passed away. Johan Rapp has been a member of ITAB's Board since 1994 (then ITAB Industri).
- **EASYFLOW IN OPERATION IN STORE ENVIRONMENT.** ITAB's fully automatic self-checkout system EasyFlow put into operation for the first time in a store environment.

Q4

- **BREAKTHROUGH ORDER IN THE RUSSIAN MARKET.** ITAB is signing an order for the delivery of self-checkout systems to one of the leading supermarket chains in Russia.
- **AGREEMENT REGARDING SELF-CHECKOUT SYSTEMS IN THE SWEDISH MARKET.** One of the major supermarket chains in Sweden chooses ITAB to supply self-checkout systems for its new shop concept.
- **STRATEGICALLY IMPORTANT INSTALLATION OF ITAB'S SELF-CHECKOUT CONCEPT IN THE BRITISH MARKET.** A major supermarket chain in the UK chooses to install more of ITAB's self-checkout systems.

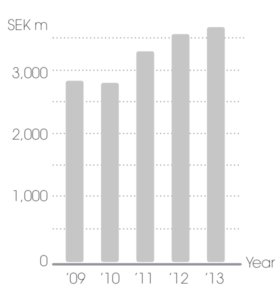
CEO ULF ROSTEDT COMMENTS ON 2013

During the year, ITAB has retained or strengthened its market position in most of its markets. The Group has improved its profits despite increased marketing and business investments, primarily within lighting and self-checkouts.

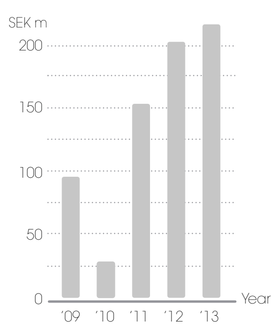
Currency-adjusted sales figures have risen by 5% compared to the previous year and profit after financial items increased by 7% during the year. Despite increased marketing and business investments during the year, we have improved our profits compared with last year. The improvement in profits can primarily be ascribed to a gradually improved gross margin. Exchange rate developments also had a negative impact on the Group's profit during the year in excess of SEK 20 million.

Sales and profits for the year in the UK & Ireland outperformed last year's figures. Benelux reported considerably lower figures than last year, primarily because major customers have made significant cutbacks in their investment schemes. Modifications have been made in response to these developments. Other countries have performed on a par with last year.

SALES



INCOME AFTER FINANCIAL ITEMS



BUSINESS DEVELOPMENT

During the year we have intensified our market development and marketing activities within lighting and self-checkouts throughout the entire Group. In conjunction with major customer undertakings, we have expanded our operations in Russia to include warehousing and distribution. During the year we have increased our capacity in China to handle future demands for greater volumes of shop fittings and lighting systems.

ESTABLISHING THE LIGHTING OPERATION IN THE GROUP

During the year we have established and integrated the lighting business into our companies in Sweden, Norway, Denmark, Finland, Lithuania, Russia, Germany, Poland, the Netherlands, Belgium and UK. However, we have only commenced the work that will result from the integration. The purpose of these activities is to further strengthen our market position in future as an all-inclusive supplier of store concepts. Sales of lighting systems to the retail sector surpassed last year's in most of the markets.

In line with our strategy of following major customers to new markets, we have commenced the establishment of a company in India that will primarily supply lighting solutions.

Lighting is an important aspect of the interior design concept for creating attractive store environments. The right lighting means substantial energy savings and lower maintenance costs for retail chains, something we believe will be even more important in future.

INSTALLATIONS OF OUR SELF-CHECKOUT CONCEPT IN THE MARKET

Several installations of our TwinFlow and MoveFlow self-checkout systems have been carried out during the year and have been well received by our customers. The installations are strategically significant as several of them have been carried out in new store concepts and are a central part of the checkout arena. The first installation of our EasyFlow self-checkout system is operating in a store environment and two others in a test environment. The installations have met our expectations and we are now ready to take the next step in the process, and the work of targeting a broader market is under way. Several major retail chains in Europe are showing an interest in our self-checkout concept due to the increased productivity and cost-saving potential in stores.

AN ALL-INCLUSIVE OFFER FOR THE FUTURE

ITAB can now offer entire shop concepts including custom-made fitting concepts, checkouts, self-checkout systems and professional lighting systems. Through our concept and product portfolio, working model and geographic presence, we have the capacity to offer all-inclusive solutions to major retail chains in Europe. We will continue to develop our offer in order to create more effective and more attractive shop environments for our customers.

The Global Trade Fair Euroshop took place in Düsseldorf at the start of 2014. ITAB participated at the fair, where it was one of the major players. It is with pleasure that I can see the commitment that exists within the Group, and we were once again able to show off our all-inclusive offer to the market. We have strengthened our market position from a strategic perspective. I am proud at the strength and capacity that the Group possesses. The potential within our range, combined with our market position, means that I am looking to the future with confidence. We can supply an all-inclusive concept, from initial idea to finished shop.

WE ARE LOOKING FORWARD TO 2014

By and large, the market has remained somewhat sluggish over the past year. The future market situation is difficult to judge, although parts of our markets are indicating a somewhat improved trend. In the long term, we believe that our customers will be on the look-out for more effective solutions, both for stores but also for the process of establishing stores.

As in previous years, volumes are expected to be lower at the start of the year before gradually increasing. We will continue our long-term work aimed at streamlining all parts of our operation, in order gradually to improve our gross margin. Our working model, our geographical presence and our all-inclusive offer which now also includes professional lighting systems and self-checkout solutions – prioritised investment areas for several of our customers – will lead to better business for both ITAB and our customers.

Finally, I want to take this opportunity to extend a warm thank you to all ITAB Group employees for your dedication and your loyalty in 2013. Thank you also to our customers, business partners and shareholders.

Ulf Rostedt
CEO

THE ITAB SHARE

ITAB's Class B shares were registered on the stock exchange on 28 May 2004. The share is listed on NASDAQ OMX Stockholm in the Mid Cap segment. The share capital in ITAB amounts to SEK 42.38 million distributed between 3,900,000 Class A shares and 13,053,205 Class B shares. Each Class A share entitles the holder to ten votes and each Class B share to one vote. All shares have equal rights to dividends. The nominal value is SEK 2.50 per share.

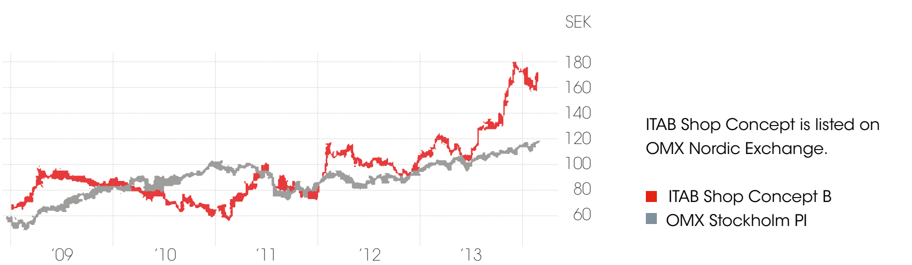
SHARE PRICE DEVELOPMENT

During 2013, ITAB's share price increased by 69 percent from SEK 101.50 to SEK 172.00. Based on the closing price on 31 December 2013, the total value stood at SEK 2,916 million. The highest price paid during the year was quoted on 9 December at SEK 182.00 and the lowest price was quoted on 2 January at SEK 100.50.

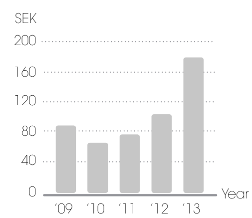
SHAREHOLDERS

At the end of 2013, ITAB had 2,098 shareholders (1,855), which is 243 more than at the same time in the previous year. The ten largest shareholders jointly held 92.35 per cent of the votes and 77.24 per cent of the capital. Institutional ownership made up 4.74 per cent of the votes and

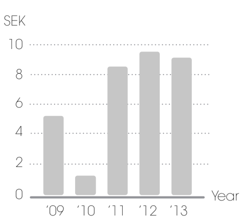
ITAB'S SHARE DATA



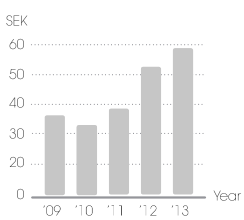
SHARE PRICE ON CLOSING DAY



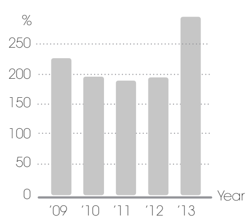
EARNINGS PER SHARE



EQUITY PER SHARE

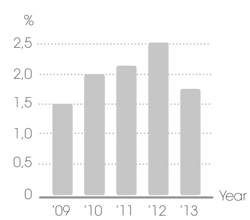


SHARE PRICE IN RELATION TO EQUITY



DIVIDENDS

DIRECT YIELD



SHARE DATA

	2013	2012
Average number of outstanding shares		
before dilution, shares	16,953,205	16,139,979
after dilution, shares	17,278,408	17,278,408
Actual number of shares at year-end		
before dilution, shares	16,953,205	16,953,205
after dilution, shares	17,278,408	17,278,408
Earnings per share		
before dilution, SEK	8.89	9.47
after dilution, SEK	8.88	8.88
Equity per share	58.78	52.17
Share price on closing day, SEK	172.00	101.50
Share price in relation to equity, %	293	195
Proposed dividend, SEK	3.00	2.50
Direct yield, %	1.7	2.5

SHARE CAPITAL TREND

Year	Transaction	Change in share capital (SEK thousands)	Total share capital (SEK thou-sands)	Total no. of shares	Nominal value per share (SEK)
1987	Forming of company	50	50	500	100
1997	New share issue	50	100	1,000	100
1998	New share issue	8,500	8,600	86,000	100
2004	Bonus issue	8,600	17,200	172,000	100
2004	20:1 split	-	17,200	3,440,000	5
2004	New share issue	16,281	33,481	6,696,200	5
2006	New share issue	1,500	34,981	6,996,200	5
2007	2:1 split	-	34,981	13,992,400	2.5
2008	New share issue	725	35,706	14,282,400	2.5
2008	Conversion	0	35,706	14,282,500	2.5
2009	Conversion	9	35,715	14,285,940	2.5
2010	Conversion	0	35,715	14,285,952	2.5
2012	Conversion	6,668	42,383	16,953,205	2.5

DISTRIBUTION OF SHARES 31.12.2013

Share holding	No. of shareholders	Per cent (%)	Number of shares	Per cent (%)	Class A shares	Class B shares
1-500	1,422	67.78	229,312	1,35		229,312
501-1,000	268	12.77	217,098	1,28		217,098
1,001-5,000	304	14.49	648,494	3,83		648,494
5,001-10,000	39	1.86	286,967	1,69		286,967
10,001-50,000	41	1.95	843,490	4,98	8,000	835,490
50,001-100,000	9	0.43	680,875	4,02		680,875
100,001-	15	0.72	14,046,969	82,85	3,892,000	10,154,969
TOTAL	**2,098**	**100.00**	**16,953,205**	**100,00**	**3,900,000**	**13,053,205**

DIVIDEND POLICY

The Board of Directors proposes to the Annual General Meeting a dividend of SEK 3.00 (2.50) per share for financial year 2013. The total dividend amounts to SEK 50,860 thousand (SEK 42,383 thousand) based on the number of shares on 31.12.2013.

It is the objective of the Board of Directors that dividends over an extended period will follow the company's results and correspond to about 20-40% of the company's profit after tax. The dividends will, however, be adjusted to the company's investment needs and share repurchase schemes when relevant.

SHAREHOLDERS, 31.12.2013

Name	Number of shares	Class A shares	Class B shares	No. of votes	Percentage (%) of votes	Percentage (%) of share capital
Tord Johansson with company and family	4,110,590	2,614,400	1,496,190	27,640,190	53.10%	24.25%
Pomonagruppen AB	5,023,508	1,080,000	3,943,508	14,743,508	28.32%	29.63%
Kennert Persson	639,200	156,200	483,000	2,045,000	3.93%	3.77%
Carnegie Fonder	1,280,017		1,280,017	1,280,017	2.46%	7.55%
Christer Persson with family	217,800	41,400	176,400	590,400	1.13%	1.28%
Stig-Olof Simonsson with company	537,383		537,383	537,383	1.03%	3.17%
Handelsbanken Fonder AB	503,439		503,439	503,439	0.97%	2.97%
Livförsäkrings AB Skandia	409,306		409,306	409,306	0.79%	2.41%
Petter Fägersten with family	325,729		325,729	325,729	0.63%	1.92%
Anna Benjamin with family	318,910		318,910	318,910	0.61%	1.88%
Försäkringsaktiebolaget, Avanza Pension	160,476		160,476	160,476	0.31%	0.95%
Svenska Handelsbanken SA	150,000		150,000	150,000	0.29%	0.88%
Skandinaviska Enskilda Banken	134,179		134,179	134,179	0.26%	0.79%
Gerald Engström with company	131,452		131,452	131,452	0.25%	0.78%
Sune Lantz	104,980		104,980	104,980	0.20%	0.62%
Christoffer Persson	32,012	8,000	24,012	104,012	0.20%	0.19%
Lancelot Avalon	92,635		92,635	92,635	0.18%	0.55%
Nordnet Pensionsförsäkring AB	92,272		92,272	92,272	0.18%	0.54%
Alf Svensson	90,000		90,000	90,000	0.17%	0.53%
Karl-Johan Wall	75,200		75,200	75,200	0.14%	0.44%
Other shareholders	2,524,117		2,524,117	2,524,117	4.85%	14.90%
	16,953,205	**3,900,000**	**13,053,205**	**52,053,205**	**100.00**	**100.00**

Class A shares grant entitlement to 10 votes and Class B shares grant entitlement to 1 vote. The proportion of institutional ownership as per 31.12.2013 was 4.74% (4.86%) of the voting rights and 14.55% (14.91%) of the share capital. Information about the number of shares refers to shareholdings as per 31 December 2013 and includes, where relevant, holdings via companies, spouses and minors.

BUSINESS CONCEPT, STRATEGIES AND GOALS

ITAB´S BUSINESS CONCEPT

ITAB will offer complete shop concepts for retail chain stores. With its expertise, long-term business relationships and innovative products, ITAB will secure a market-leading position in selected markets.

▲ **ITAB's GEOGRAPHIC LOCATION AND WORKING MODEL**
ITAB will develop and nurture long-term business relations with chain stores within the food and non-food segments by working closely with its customers and their markets.

ITAB´s STRATEGIC APPROACH

▶ LONG-TERM BUSINESS RELATIONS

ITAB will develop and nurture long-term business relations with chain stores within the food and non-food segments by working closely with its customers and their markets.

▶ COMPETENCE, COMMITMENT AND BUSINESSLIKE APPROACH

The competence, commitment and businesslike attitude that characterise the Group will instil trust and confidence in each and every customer.

▶ ALL-INCLUSIVE SOLUTIONS

ITAB will offer all-inclusive solutions by assuming responsibility for the entire process – from concept, design, project management and construction to production, logistics and installation.

▶ MARKET EXPERTISE AND INNOVATIVENESS

ITAB will develop new concepts, products and solutions by utilising its extensive market expertise and innovativeness while working closely with its customers.

▶ HIGHLY EFFICIENT AND FLEXIBLE PRODUCTION RESOURCES

ITAB will use its highly efficient and flexible production resources, assiduous logistics and selected partners to offer the market competitive terms coupled with precise delivery accuracy and quality.

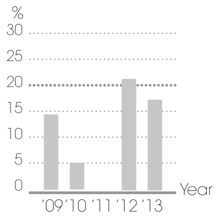
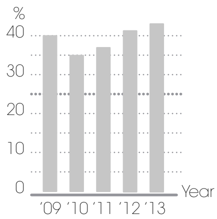
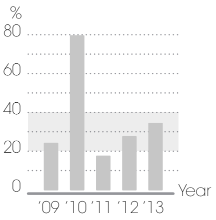
▶ EXPANSION IN SELECTED MARKETS

ITAB will use its leading position in Northern Europe to cultivate conditions for further growth and expansion in other selected markets.

ITAB's BUSINESS TARGETS

GROWTH GOALS	DESCRIPTION	REALISATION
ITAB will achieve an annual growth rate of at least 15% over an extended period.	The target includes both organic and acquired growth. Organic growth will be accomplished through greater market shares and product development. Acquisitions will be made of both complementary businesses and in new markets.	Sales increased by about 2% in 2013. Over the past five years, growth averaged about 6% per year.
ITAB will maintain and enhance its market-leading position in Northern Europe* and develop market shares in new markets. **Northern Europe includes the Nordic countries, the Baltic countries, the UK, Benelux, Poland, Germany, the Czech Republic, Slovakia, Hungary, Russia and Ukraine.*	This goal is linked to ITAB's business concept, which states "With its expertise, long-term business relationships and innovative products, ITAB will secure a market-leading position in selected markets". ITAB will use its strong position in the Northern European market to create and retain long-term business relations and follow major customers into new markets.	ITAB retained its leading position in Northern Europe during 2013. As part of its work of following major customers into new markets, ITAB now has operations in the USA, Asia, Chile and India.
ITAB will develop its all-inclusive offer of complete shop concepts through custom-made fitting concepts, innovative solutions for checkout aisles and professional lighting systems.	This goal is linked to ITAB's business concept, which states "ITAB will offer complete shop concepts for retail chain stores". ITAB will develop all-inclusive solutions for more effective and more attractive shops by utilising its extensive market expertise and innovativeness, while also working closely with its customers.	ITAB has been offering shop fitting concepts to retail chains for years. In recent years ITAB has extended its offer with both professional lighting systems and self-checkout systems. ITAB is now an all-inclusive supplier of complete shop concepts.

ITAB's FINANCIAL TARGETS

GOALS	DESCRIPTION	REALISATION	
RETURN ON EQUITY Over an extended period, ITAB will have a minimum 20% return on equity.	Generating good return on equity is a critical goal for ITAB. The level has been determined with consideration to ITAB's capital structure and expected earning capacity.	In 2013, return on equity reached 16.6%. Over the past five years, return on equity has averaged about 16%.	
RISK-BEARING CAPITAL ITAB will have at least 25% cent risk-bearing capital.	The risk-bearing capital goal should be viewed as an expression of the lowest acceptable level in terms of a stable financial position.	The proportion risk-bearing capital was 42.5% at 31 December 2013. Over the past five years, the proportion risk-bearing capital has varied between 35% and 42.5%.	
DIVIDENDS ITAB's share dividends will, over an extended period, mirror the company's earnings and correspond to between 20 and 40% of the company's profit after tax. The dividend will, however, be adjusted to the company's investment needs and share repurchase schemes when relevant.	The goal has been set to ensure a stable financial situation for continued expansion while concurrently giving shareholders a reasonable portion of the profits.	The proposed dividend for the 2013 financial year is SEK 3.00, which corresponds to 33% of the earnings per share. Over the past five years, the dividend proportion has varied between 18% and 80%.	

EXPANSION THROUGH ORGANIC GROWTH AND CORPORATE ACQUISITIONS

»Through the concept and product portfolio, working model and geographic presence, ITAB now has the capacity to offer all-inclusive solutions to major retail chains in Europe.«.

Through organic growth and strategically planned business acquisitions, ITAB is today one of Europe's leading players in custom-made shop fitting concepts, checkouts, self-checkout systems and professional lighting systems. Resolute and gradual growth has produced a group with market presence in large parts of Europe. ITAB is now one of the strongest players in Europe.

Throughout the start of the 21st century, ITAB has expanded substantially through organic growth and strategic business acquisitions. Through the concept and product portfolio, working model and geographic presence, ITAB now has the capacity to offer all-inclusive solutions to major retail chains in Europe. The Group is the market leader in the Nordic, Baltic and UK markets and one of the largest players in Central Europe and the Benelux countries.

HISTORIC FLASHBACK 1990-2013

1990–1998
ITAB Industri acquires the ABO Metall (currently ITAB Shop Concept Jönköping), a leading Swedish checkout supplier, as well as Legra (currently ITAB in Norway), one of the largest Norwegian players in shop fittings. ITAB also acquires a Danish checkout manufacturer and a Finnish shop fittings company (current operations in Denmark and Finland), as well as the Nordic region's largest company within entrance systems (ITAB Shop Products).

2003–2004
ITAB follows major customers into the Czech Republic, where it acquires a sales company. Apos and ABL in the Czech Republic are acquired, which facilitates the establishment and further development of ITAB in Central Europe and Benelux (now ITAB Shop Concept CZ). Svenska Stenestams Industri (now incorporated in ITAB Shop Concept Jönköping) and the Norwegian company Lindco AS (ITAB Lindco) are acquired. The organisation is hived off from ITAB Industri and forms the Group ITAB Shop Concept AB, which is listed on First North.

'98 '02 '04 '06

1999–2002
The companies in Sweden, Norway, Denmark and Finland form the business area ITAB Inredning to become the market leader in the Nordic countries. The company's growth strategy and ambition to work closely with its customers influences its expansion. One of these customers is the Ahold Group, which leads to the acquisition of companies in the Netherlands and the Baltic countries (now ITAB Shop Concept in the Netherlands and ITAB Baltic).

2005–2006
With the acquisitions of the shop fittings group City Group and the shop equipment company Radford CGC, ITAB moves into the UK market (current operation in the UK). Also acquired are the Norwegian pharmacy fittings company Pharma-Service (now ITAB Pharmacy Concept in Norway), the Dutch project management company PremOers (now incorporated in the Dutch operation), as well as the Lithuanian interior decorating company Novena (ITAB Novena), which has one of the Baltic countries' largest production units.

ITAB's MARKET PRESENCE AND BUSINESS ACTIVITIES 2013

▼ 1998

▼ 2004

▼ 2006

▼ 2008

▶ **2007**

The newly built production facility in Boskovice in the Czech Republic is taken into operation. ITAB's production capacity for standard fittings and checkouts triples. Sintek, one of Sweden's leading players within fittings for pharmacies, is acquired (which is now incorporated in ITAB Pharmacy Concept). ITAB acquires Hansa Kontor Shopfitting Group (current operation in Germany), thereby moving into the German market while simultaneously reinforcing its position in the UK. During the year, the Finnish checkout supplier Pan-Oston is also acquired (now ITAB Pan-Oston).

▶ **2009–2011**

A company is established in Poland in 2010 (ITAB Shop Concept Polska). ITAB further strengthens its all-inclusive customer offer in 2011 through its acquisition of the lighting group Nordic Light Group AB, headquartered in Skellefteå and with production in China.

'07 '08 '11 '13

▶ **2008**

During 2008 ITAB acquires the Dutch company Scangineers, which develops software systems for self-checkouts (which is now incorporated in ITAB Scanflow), as well as the Swedish company L-Form, which manufactures entrance and queue management systems (which is now incorporated in ITAB Shop Products). Transfer to OMX Nordic Exchange in Stockholm is carried out.

▶ **2012-2013**

Europa is acquired in the UK during 2013 (ITAB Europa) as well as the remainder of Prolight Försäljning. In line with our strategy of following major customers, ITAB establishes a company in Chile in 2012 and, at the end of 2013, commences the establishment of a company in India, both of which supply lighting. ITAB is now Europe's leading checkout manufacturer, the second-largest within all-inclusive shop fitting concepts and has strengthened its market position within self-checkout systems during the year.

BANK FASHION
Bank Fashion's shop fittings were specially designed to emphasise the chain's profile.

STRONG MARKET POSITION THROUGH LONG-TERM BUSINESS RELATIONS

ITAB's market position and growth are built on close, long-term collaboration with its customers. The Group's organisational structure, working model and ability to be an all-inclusive supplier make it possible to follow customers into new markets while retaining the same level of service.

GEOGRAPHIC PROXIMITY TO OUR CUSTOMERS

ITAB's geographic market extends to the Baltic countries, Benelux, the Nordic region, Poland, Russia, the UK, Germany, Ukraine and Hungary. ITAB is the market leader in the Nordic countries, the UK and the Baltic countries. The company also ranks among the top market players in Benelux, Germany and Poland. In line with our strategy of following major customers into new markets, ITAB now operates in Asia, the USA and Chile. At the end of the year, we also started establishing a company in India that will primarily supply lighting.

LONG-TERM CUSTOMER RELATIONS WITH EUROPE'S LARGEST PLAYERS

Market demand for shop fitting concepts is driven by start-ups and refurbishment of shops and chains in the food and non-food segments. Delivering to these customers means satisfying requirements in terms of market presence, production capacity and efficiency. ITAB has the strength and capacity to create long-term customer relationship and expand at a rate that matches the establishment of Europe's most attractive chain stores.

To create long-term customer relationships and utilise synergies, ITAB has a number of market area directors who are each in charge of areas covering several countries. Companies in various markets can then jointly co-operate and deliver to a customer that is established in several markets. The project manager serves as the hub and co-ordinates all aspects of the deal.

ITAB's customers include Europe's major retail chains, encompassing both international and domestic chains. Our customers include Albert Heijn, Asda, A.S. Watson Group, Axfood, Bank Fashion, Coop, Doc Morris, Edeka, Etos, Ica, Ikea, Hema, H&M, Homebase, John Lewis, Jysk, KappAhl, Kesko, Metro-Group, Morrisons, Netto, NorgesGruppen, Prisma, Real, Rewe, Rimi, Statoil, Tesco, Waitrose and Wilkinsons.

»ITAB has the strength and capacity to create long-term customer relationships and expand at a rate that matches the establishment of Europe's most attractive chain stores.«

MARKET TRENDS

In recent years, more and more convenience stores have been established in Europe. The customer agreements are becoming longer, and all-inclusive commitments are becoming increasingly common when establishing shop fitting concepts. There is generally a demand for more efficient products and more attractive shop fitting concepts, all with the aim of raising the shop experience.

»There is generally a demand for more efficient products and more attractive shop fitting concepts, all with the aim of raising the shop experience.«

INCREASE OF CONVENIENCE STORES

The establishment of convenience stores is increasing around Europe. Thanks to its range, ITAB has in recent years been able to offer concepts for smaller convenience stores including fitting products, self-checkout solutions, flexible queue management and entrance systems. ITAB can now offer efficient and attractive all-inclusive concepts to supermarket chains with both large and small shops.

STREAMLINING OPTIONS IN STORES

Several major retail chains in Europe have requested options for streamlining in their stores. The cost savings and efficiency improvements provided by ITAB's self-checkout systems are resulting in both larger chain stores and convenience stores displaying an interest in the systems.

SHOP ESTABLISHMENT

The rate of development for new shop concepts is increasing, and the set-up periods are becoming shorter and shorter. The geographic location of the production facilities has become an increasingly important aspect of the contract negotiations. Through a combination of local, flexible production alongside centralised volume production, strategically located in Europe, ITAB can contribute to increased delivery reliability and reduced transportation distances for customers.

FULL-SERVICE COMMITMENT

It has become increasingly common for customer agreements to run for a number of years, and at the same time customers are on the look-out for comprehensive and conceptual commitments from one business partner. ITAB can offer an all-inclusive concept including custom-made shop fitting concepts, checkouts, self-checkout systems and professional lighting systems. Through the concept and product portfolio, working model and geographic presence, ITAB now has the capacity to offer all-inclusive solutions to major retail chains.

RE-PROFILING

Shops and chain stores on the market are constantly merging, and this is leading to an increased need for refurbishment and re-profiling. Fitting solutions and shop concepts have a shorter lifecycle and are changed more frequently in the fashion and ready-to-wear segment. The shop experience has become increasingly important, and the level of the shop fitting concept has consequently been raised, both during refurbishment and re-profiling. As ITAB's operation is based on long-term customer relations, refurbishments and re-profiling of shop concepts are an important part of the business. ITAB's establishment in each market area also gives the customer a sense of security and facilitates extended partnerships in many different locations.

ENERGY-SAVING PRODUCTS AND LOWER MAINTENANCE COSTS

Lighting is an important aspect of the interior design concept for creating increased sales and attractive store environments. The right lighting also means substantial energy savings and lower maintenance costs for retail chains. Energy-saving products are set to become even more important in future, and are a priority investment area for many retail chains. Nordic Light is one of the leading suppliers of shop lighting in Europe, focusing on modern, energy-saving light sources. Product development takes place in Sweden and volume production in the company's two modern production facilities in China. ITAB's other products, such as checkouts and entrance systems, are being developed and designed to ensure low energy consumption.

BANK FASHION
ITAB has supplied an all-inclusive concept to the British clothes chain store.

MARKET 2013

By and large, the market has remained somewhat sluggish during the year, and the market situation is difficult to assess.

The lighting business has been established and integrated in a number of countries during the year. The purpose of these activities is to further strengthen our future market position as an all-inclusive supplier of store concepts. Our activities to integrate lighting in our all-inclusive offer to current customers in all markets will be further reinforced in future.

Several self-checkout system installations have been conducted during the year, and have been well received by the customers. The installations are strategically significant as several of them have been carried out within chain stores' new concept and are a central part of the checkout aisle. The first installation of the EasyFlow self-checkout system is operating in a store environment and two others in a test environment. The installations have met expectations and ITAB is now ready to take the next step in the process. The task of targeting a broader market is consequently under way. Several major retail chains in Europe have shown an interest in ITAB's self-checkout concept due to the increased productivity and cost-saving potential in stores.

▲ **SELF-CHECKOUT SYSTEMS**. Several installations of ITAB's self-checkout systems TwinFlow and MoveFlow have been implemented during the year.

SWEDEN, NORWAY AND DENMARK

ITAB is the market leader in the region within both the food and non-food segments. The market has remained sluggish during the year with regard to deliveries to smaller non-food chains. However, agreements that extend over a number of years have been entered into with customers within both the food and non-food segments. The integration of the lighting business has developed well, and sales to existing customers have increased. Installations of self-checkout systems have been carried out in the majority of the major food chain stores in Sweden and Norway, and they have continued to show an interest in the concept. Several of ITAB's customers are continuing to grow both locally and globally, causing international collaborations to develop further during the year. The all-inclusive offer comprising both lighting systems and self-checkout solutions is considered to have considerable potential in the future.

THE UK AND IRELAND

ITAB is the market leader in the food sector in this region, and one of the largest in the non-food sector. During the year, ITAB has continued to strengthen its leading position in the UK, providing a stable platform for the future.

The British market is leading the way in the development of efficiency improvements in a store environment. Several retail chains in the UK have demanded rationalisation and improvements to the store environment, and ITAB has developed its range to satisfy this need. Installation and project management have therefore become an increasingly important part of the offer. During the year, ITAB entered into an agreement with a major supermarket chain to supply their store of the future, including 18 TwinFlow self-checkout and one EasyFlow automated checkout. This delivery shows that ITAB is at the forefront as regards efficiency-improving products in the British market.

During the year, the work on integrating lighting systems into the all-inclusive offer for existing customers in the region has developed and sales have increased. In future, the work will continue to increase the customers' awareness of ITAB's capacity as an all-inclusive supplier of complete shop concepts. Our focus will be on long-term collaboration with both the food and non-food segments.

BELGIUM AND THE NETHERLANDS

ITAB is one of the largest players in the Benelux region when it comes to shop fittings for the food and non-food sectors. The market situation remains difficult and sluggish in the region. Over the course of two years, ITAB has conducted extensive restructuring in order to identify new working methods and efficiency improvements. Through the new organisation, the potential to grow exists when the rest of ITAB's range can be integrated, such as checkouts, self-checkout solutions and professional lighting systems.

▲ **EDEKA.** ITAB has supplied checkouts that fit the German supermarket chain's profile.

POLAND, CZECH REPUBLIC, GERMANY AND HUNGARY

ITAB is the market leader in checkouts and products in the region, and is one of the major players in shop fittings. The company's leading position in checkouts means that major supermarket chains are also displaying an interest in ITAB's self-checkout concept. Market development has remained stable over the past year.

The potential to win new market share is significant throughout the region, and agreements have been entered into with new customers during the year. Lighting sales have been integrated into the business and have been developed during the year. There are considerable opportunities in this area, as both self-checkout systems and professional lighting systems are now included in the all-inclusive offer.

THE BALTIC COUNTRIES, FINLAND, RUSSIA AND UKRAINE

ITAB has a strong position within the food sector in Finland, Latvia and Lithuania. In Estonia, Russia and Ukraine, however, ITAB is still a small player in the market. New-customer activities are in progress within both the non-food and food sectors throughout the region, and ITAB has entered into agreements with new customers in Finland and Russia during the year.

The lighting business has developed well in the Finnish market. However, the market has not yet displayed the same level of interest in self-checkout solutions. The market situation is still considered uncertain, even though ITAB recorded a small increase during the year. Customers are cautious in their investment programmes, and planning with regard to new projects is only short-term in nature.

In the Russian market, ITAB has expanded alongside major existing customers as a part of its strategy. The establishment has the potential to be a platform for increasing sales to local retail chains as well in Russia in the future. During the year, ITAB has supplied self-checkout systems to one of the leading supermarket chains in Russia.

COMPETITORS

ITAB has competitors in most markets and in several product areas. Our competitors include Eden, Expedit, Fagerhult, Hermes Metal, HMY/Radford, IBM, Linde, Lival, Mago, NCR, New Store Europe, ROL, Store Best, Tego Metal, Umdasch, van Keulen, Wanzl and Wincor Nixdorf.

WORKING MODEL WITH THE FOCUS ON PROJECT MANAGEMENT

»The working model, with the central project management function, is helping to create security and confidence in every customer.«

In order to develop and nurture long-term business relations, ITAB has long worked according to a model that is aimed at working closely with its customers and their markets. The project management function, which is a central element in the model, makes it possible to offer all-inclusive solutions with responsibility for the entire process – from concept to ready-made shop. ITAB is developing new concepts, products and solutions by utilising its extensive market expertise and innovativeness while also working closely with its customers. The working model, with the central project management function, is helping to create security and confidence in every customer.

PROJECT MANAGEMENT

CREATES SECURITY AND CONFIDENCE

ITAB's working model is based on a project management function, making it possible to offer all-inclusive solutions with responsibility for the entire process. For those customers that have operations in several countries, one project manager is responsible for all installation and may therefore utilise all companies in the Group in order to achieve geographic proximity to the customer and local knowledge about the market.

CONCEPT, DESIGN & CONSTRUCTION

UNIQUE CONCEPT AND PRODUCT PORTFOLIO

Through extensive market expertise, ITAB is developing custom-made shop concepts and innovative products in order to improve and streamline the shop environment for major retail chains. ITAB has been strategically developing and expanding its concept and product portfolio for a number of years, and is now an all-inclusive supplier of complete shop concepts.

This development work is taking place in the company's own product companies and in close co-operation with the customer. Lighting systems are being developed in Skellefteå and self-checkout systems in Jönköping.

The Group has local in-house design teams as well as a design company in Oslo, Norway. ITAB also works with external architects and its customers' own design agencies. The focus is on well-thought-out solutions, good features,

user friendliness, ergonomics and efficiency. ITAB is constantly striving to realise its customers' ideas and works on the basis of its profile and sales strategy.

PRODUCTION

LOCAL, FLEXIBLE PRODUCTION UNITS IN COMBINATION WITH CENTRAL VOLUME PRODUCTION

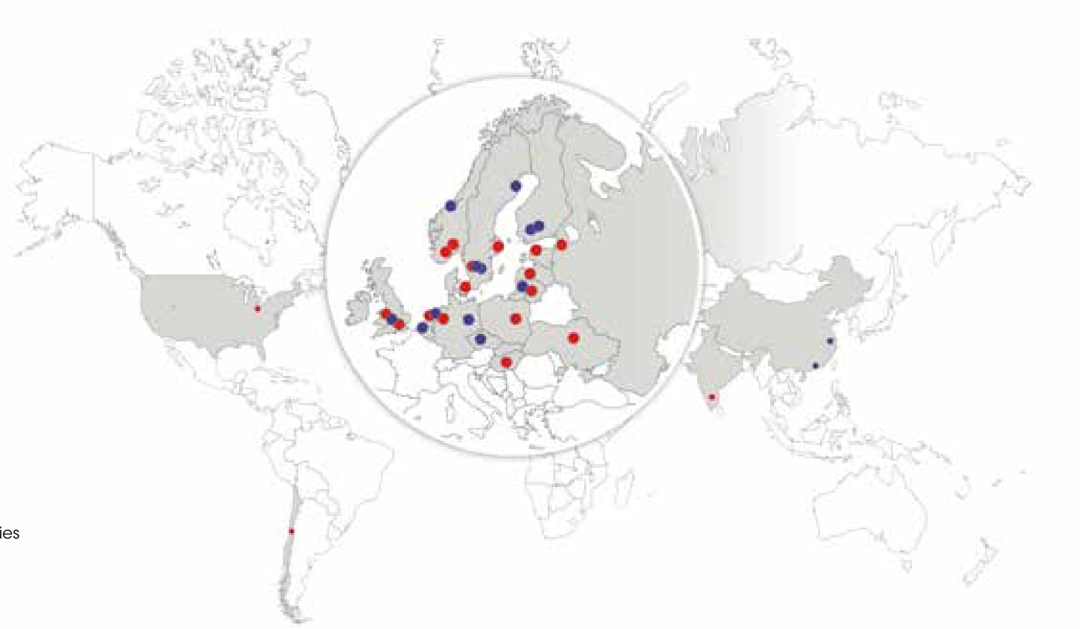
ITAB's production is primarily made-to-order but also covers production of select standard products. A combination of local and flexible production coupled with centralised volume production enables the Group to meet specific requirements and preferences from different customers in different markets.

Environmentally-adapted production facilities make it possible to satisfy customers' increasing demand for sustainable, long-term production. The Group has production facilities in several European countries as well as in China, with a total area of approximately 260,000 m^2.

The largest production facilities are in Belgium, China and the Czech Republic. The units primarily manufacture a basic range of fittings and equipment for ITAB's other companies. Volume production of lighting systems takes place in China, and customised lighting products are manufactured in Skellefteå.

The co-ordination of the Group's volume production generates cost-effective production with high availability, while local, flexible production facilities are adapted to the different market areas' specific needs. Purchasing expenditure for the Group's larger volume purchases are controlled by a central purchasing and logistics function, which is capable of working both centrally and locally.

▲ **WORKING MODEL**
ITAB's working model makes it possible to offer all-inclusive solutions with responsibility for the entire process.



LOGISTICS

EFFECTIVE LOGISTICS SOLUTIONS FOR PRECISE DELIVERY RELIABILITY

Shop concepts are largely customised, which means that the majority of the items are not held in stock as production is made-to-order. The co-ordination of the products at the time of delivery is therefore very important, as they have to be delivered at exactly the right time. Production, purchasing and logistics have to function well and be synchronised in order to deliver an entire concept at the right time.

Effective logistics solutions with a high level of delivery reliability are decisive for the implementation of a project. By having its own production units, ITAB can control production and thereby ensure that the agreed delivery times are met. Thanks to its organisational structure, with several major production facilities strategically located around Europe, ITAB can help reduce transportation distances for the Group's customers. The strategic location of the Group's production facilities has grown increasingly important during major contract negotiations. When transports are arranged from China, ITAB works to maximise shipments in order to optimise deliveries from an environmental and cost perspective.

»ITAB's ambition is to work with the customer to improve the store experience for the consumer, by creating effective and attractive shop fitting concepts.«

INSTALLATION & SERVICE

EFFICIENT INSTALLATION PROCESS

Installation and service are carried out by ITAB's own technicians and certified installation teams. Installations can be performed in the shop while business is in progress. ITAB's service team can provide service and maintenance of fittings and equipment through regular visits. ITAB's installation team always works efficiently to meet the agreed times.

COMPLETE SHOP ENVIRONMENT & FURTHER DEVELOPMENT

IMPROVING THE SHOP EXPERIENCE...

Through its working model, ITAB manages the projects all the way from concept to finished shop. Once the last screw is in place, the customer has a finished product, a new concept or an all-inclusive shop ready for business. For customers with short set-up periods, ITAB manufactures and stocks a number of all-inclusive shops for immediate delivery. New ideas and needs often crop up while working on a shop concept, product or solution. The co-ordinated project management function means that these ideas and needs are smoothly and naturally implemented in future projects. ITAB's ambition is to work with the customer to improve the store experience for the consumer, by creating effective and attractive shop fitting concepts.

BANK FASHION
ITAB UK has supplied both the standard fittings and specially adapted fittings for the British clothes chain store.

CUSTOM-MADE SHOP CONCEPT
ITAB has supplied and installed the custom-made shop fitting concept for the clothes chain Bank Fashion.

CUSTOM-MADE SHOP CONCEPTS

ITAB Shop Concept sells, develops, manufactures and installs custom-made shop concepts for chain stores in the food and non-food segments across large parts of Europe. ITAB has extensive experience of working as an all-inclusive contractor in charge of building new or refurbishing individual shops or entire chains of stores. The Group is currently the second-largest supplier of shop concepts in Europe.

To meet the market's needs, ITAB has been strategically developing and expanding its concept and product portfolio for many years. ITAB is now an all-inclusive shop concepts supplier.

CUSTOM-MADE SHOP CONCEPTS

Shop concepts are a vital element in chain stores' profile and brand strategies, and include all types of fittings and equipment designed to expose and store goods. The shop concept can consist of both customised fittings and basic fittings. The basic range comprises standard fittings. In addition, ITAB offers custom-made fitting details that reflect the customer's profile. ITAB also provides completely custom-made fittings.

The food segment uses both standard fittings and custom-made fittings for various product categories. Standard fittings have exact measurements and are assembled and mounted according to a given system. The solutions that are used vary from market to market, and between different retail chains. ITAB has therefore developed a range comprising many different solutions, and currently has the systems the market is requesting.

Fittings for the non-food segment are usually custom-made according to the individual chain's preferences. The shape, colour and choice of material for shelves and product stands emphasise the store's profile in harmony with colour schemes and lighting. Products are made mainly of metal, wood, plastic and glass.

The concept is then supplemented with checkouts, entrance systems, self-checkout systems and professional lighting systems made by the Group's own product companies.

FITTINGS FOR PHARMACIES

ITAB has long experience of supplying fittings for pharmacies. Demand for customised pharmacy concepts has increased greatly in recent years in conjunction with deregulation in Norway and Sweden.

ITAB currently delivers modern fittings to both large pharmacy chains and small independent pharmacies all over Europe – always uniquely adapted to the pharmacy's profile and individual specifications.

»To meet the market's needs, ITAB has for many years strategically developed and expanded its concept and product portfolio. ITAB is today an all-inclusive shop concepts supplier.«

INNOVATIVE PRODUCTS FOR EFFECTIVE FLOWS

▲ **ALPHAGATE MKII**
ITAB's fully automatic Alphagate MKII functions both as an entrance gate and as an exit gate to improve self-checkout security.

ITAB sells, manufactures and supplies checkouts to large retail chain stores, primarily in the food sector. The Group has been developing and manufacturing self-checkout solutions as an alternative to staffed checkouts for years. The result is a complete concept adapted for retail checkout arena. The Group is Europe's biggest checkout supplier today.

BIGGEST IN CHECKOUTS IN EUROPE

As Europe's leading supplier, ITAB has the experience and expertise to help retail chains choose the right equipment for the checkout arena based on the shop's size, flow of goods and number of visitors. The design of checkouts varies between different countries and is also influenced by the shop's size. Shops in urban areas require efficient solutions for rapid flows and maximum utilisation of the shop space, while supermarkets on the outskirts of town can prioritise larger, effective facilities.

▶ **CHECK MATE 500**
The Check Mate checkout has been specially designed to generate good ergonomics and a high level of efficiency.

ITAB's checkouts are optimised based on the shop's flow of customers and goods. For shops that stock a lot of products and where speed is a decisive factor, ITAB manufactures highly effective, ergonomic checkout systems equipped with conveyor belt scales and patented third-customer features. The latter feature means that a third customer can start his or her purchase while the two previous customers are still packing. ITAB primarily supplies compact checkout systems for smaller shops. The checkouts are also adapted for different cash register and payment systems.

SELF-CHECKOUT SYSTEMS.

Interest in new methods for reliable checkout and payment in shops has increased in recent years. As an alternative to staffed checkouts, ITAB has developed efficient self-checkout solutions in recent years, which mean that consumers can quickly, conveniently and reliably scan their items themselves at the checkout. ITAB's self-checkout concept includes products for cash payment, customer support, surveillance and exiting. The system produces costs savings and frees up resources.

The self-checkout solutions are available in several alternatives. One for a high flow of items that is adapted for larger retail chains, and one for convenience stores that often use shopping baskets for a few items. ITAB's software is compatible with most known POS systems today.

▲ **CHECKOUT ARENA**
The combination of several different checkout solutions provides the store with a flexible solution for effective flows.

As part of the concept, ITAB's fully automatic EasyFlow self-checkout system has been launched. The technology and method is groundbreaking since the checkout does not only use an item's barcode to identify it – even items sold by weight such as fruit and vegetables. The technology is unique in the market, and is based on a unique combination of different identification methods. EasyFlow has been taken into operation for the first time in a shop environment during the year. ITAB is extremely confident that this product has the potential to make a breakthrough in the retail trade's rapidly growing self-checkout sector.

STREAMLINING OPTIONS

The improvements in efficiency brought about by self-checkout systems make it possible to make significant cost savings and increase sales for both large chain stores and smaller convenience stores. The self-checkout systems also save space in shops, leaving room for more items and exit checkouts. Accessibility is increased as the self-checkouts can be open at all times, helping to optimise the customer flow in the shop.

The combination of traditional staffed checkouts and self-checkout solutions provide the shop with a flexible solution for the checkout arena that is suitable for several different customer groups.

ITAB believes this will be a high priority area of investment for the retail segment over the next few years. An attractive investment sheet combined with the improved shop safety and access that a self-checkout system provides means there is a good chance that this will become a new industry standard. ITAB's self-checkout systems and market position in the checkout sector constitute an exceptionally competitive combination.

ENTRANCE AND QUEUE MANAGEMENT SYSTEMS

As part of the shop concept, ITAB also develops, manufactures and markets flexible entrance and exit systems intended to optimise the flow of customers and improve security. The Group is now Europe's second largest supplier of entrance and queue management systems on the market. There is a wide selection of options in terms of function, security and design.

▼ **EASYFLOW**
The EasyFlow self-checkout system is fully automatic and based on barcode-free identification of items.

PROFESSIONAL LIGHTING SYSTEMS

Through the acquisition of Nordic Light, ITAB develops, manufactures and sells complete professional lighting systems, light planning and light service for the food and non-food sectors. Nordic Light has its own in-house product development in order to adapt its lighting systems to the customer needs in the various markets, and is now one of the largest suppliers in Europe.

PROFESSIONAL LIGHTING SYSTEMS

Nordic Light is one of the leading suppliers of professional lighting systems in Europe. The company focuses on modern, energy-saving light sources such as ceramic high-intensity discharge lamps (HID) and LEDs (light-emitting diodes or solid state lighting (SSL)). Nordic Light is one of only a few international manufacturers that develop and produce their own driving mechanisms alongside optical solutions for the aforementioned light sources. Product development takes place in Sweden, where small batches are also produced. Volume production takes place in the company's own two modern production facilities in China, where in addition to installing light fittings, the production of electronics for driving mechanisms and LED-PCBs also takes place. The lighting systems are third-party certified internationally, which makes it easier for chain stores that are expanding into other countries. The development of LEDs means that new types of tests are performed to check how the eye is affected by the light.

Nordic Light sells and distributes lighting products to around 60 countries and, in addition to the companies in the ITAB Group, also works with some 20 national distributors to provide customers with local support in respect of imports and service.

▲ **PROFESSIONAL LIGHTING SYSTEMS.** Nordic Light sells, develops and manufactures modern energy-saving light sources such as HID, T5 and LED.

PRODUCT DEVELOPMENT

The development of components for LED products is proceeding rapidly. New and improved LED chip are continually being released on the market, above all with improvements in relation to CRI (colour rendering index) and efficiency. In addition to the existing product range of single chip products, an alternative range of COB products (chip on board) will also be developed and launched in 2014. In terms of appearance, the COB products will be more like discharge products. A wider range of linear LED products for the replacement of fluorescent lamp products will also be developed during the year.

ENERGY-SAVING LIGHT SOURCES

Lighting has become an increasingly important part of today's stores. From a design perspective, the right lighting can lift a shop concept to an entirely new level. From a cost-effectiveness perspective, the right lighting means major energy savings and lower maintenance costs. Energy consumption represents a large proportion of the shop's costs, and the lighting systems' energy requirements and efficiency have a direct impact on this. The amount of heat generated by the systems also affects the cost for ventilation in the shop. These are two areas where Nordic Light's products and systems are outstanding.

Shops often use more than one type of lighting to create the right atmosphere. Through its range of lighting solutions, ITAB can be an all-inclusive supplier for retail shops and chains.

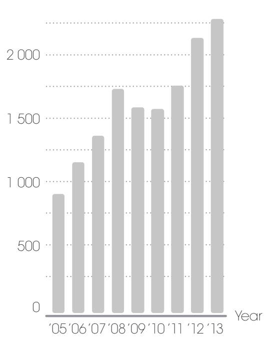
NORDIC LIGHT. Through its range of lighting solutions, Nordic Light can be an all-inclusive supplier for retail shops and chains.

CONTINUED ACTIVITIES IN PROGRAMMES FOR INTERNAL KNOWLEDGE

In recent years, ITAB has expanded and the number of employees has increased in line with the expansion. ITAB's internal programmes has becoming more important for increasing awareness about the Group's organisational structure and work process.

ITAB is active in a total of 20 countries and has 14 production facilities. At the closing day, the Group had 2,306 employees. The Group has operations in Belgium, Chile, Denmark, Estonia, Finland, India, China, Latvia, Lithuania, the Netherlands, Norway, Poland, Russia, the UK, Sweden, the Czech Republic, Germany, Ukraine, Hungary and the USA.

▼ AVERAGE NO. OF EMPLOYEES



DECENTRALISED WORKING METHOD WITH UNIFORM GUIDELINES

ITAB has expanded dramatically in recent years through organic growth and strategically planned corporate acquisitions. This expansion has resulted in the average number of employees having increased from 549 when the company was first listed on the stock exchange in 2004, to 2,277 employees in 2013.

ITAB is striving to ensure that all employees feel they are part of the Group and receive clear information about the business, working model and market position. As the Group has grown, the work to strengthen the identity and the brand within the organisation has intensified. A couple of years ago, extensive brand work was carried out in which uniform, clear guidelines were developed. This work also gave rise to "Improving the Shop Experience...", which means that ITAB is constantly working to develop and improve the shopping experience by supplying effective and attractive shops to major retail chains in Europe.

ITAB has an Executive Committee, which includes the Group management, the sales area directors and the product managers for lighting systems and self-checkout systems. These individuals have an insight into the whole Group's business activities, which contributes to a decentralised working method and helps to strengthen strategic development.

ITAB ACADEMY 2010

▶ CLAY GRIFFITHS, PRODUCTION DIRECTOR, ITAB SHOP CONCEPT UK LTD, UK

Clay participated in the internal programme ITAB Academy in 2010. Through the Academy he acquired increased knowledge and understanding of ITAB's business, greater knowledge of leadership and business development, as well as expanding his network within the Group. He also gained greater understanding of the various cultures that exist in the Group.

The organisational structure, along with the working model, provide the potential for synergy effects between the companies and across national borders.

RECRUITMENT AND CAREERS

The will to participate and a strong drive are among the most important parameters when ITAB recruits employees. ITAB strives to uphold good contact with colleges and universities in order to find tomorrow's employees.

TRAINEE PROGRAMME

For several years, ITAB has run a regular trainee programme that gives young graduates the opportunity to work for one year in different areas of the Group. An additional programme will commence in 2014, and the number of places on the programme has been increased this time. Following this trainee period, the participants are usually offered employment at one of the Group's companies. Further training is available as well as several career opportunities within the Group.

ITAB ACADEMY

To further co-operation between the companies and countries, ITAB has an internal programme called ITAB Academy. Key individuals from most of the companies in the Group are given the opportunity to increase their knowledge about ITAB and about leadership and business development. A further group have completed the programme during the year.

The programme is tailored for every occasion by professional organisational developers alongside the Group management in order to adapt the content to the current conditions. ITAB Academy lasts for a year, and the group meets in different locations in the Group on several different occasions. The programme results in increased understanding and knowledge about the operations of the various companies in the Group, which has proven to promote collaboration between them. ITAB Academy creates a network between employees from different companies in different countries. The programme aims to increase understanding of ITAB and its market, and the participants also gain increased knowledge about the working model, the geographic location and the long-term customer relations.

▲ **ITAB ACADEMY** During 2013, the group has attended the internal training programme.

CONVERTIBLE DEBENTURE SCHEME FOR GROUP EMPLOYEES

In order to provide employees at ITAB with the potential to participate in the Group's development, all employees in 2012 were offered the chance to participate in a convertible debenture scheme running from 1 July 2012 until 30 June 2016. The offer was heavily over-subscribed, and a total of 325,203 convertible debentures were allocated at a conversion rate of SEK 123. For more information about the convertible debenture scheme, see Note 30 on page 67.

»The programme is resulting in increased understanding and knowledge about the operations of the various companies in the Group, which has proven to promote collaboration between them.«

ITAB ACADEMY 2013

▸ NILS LINDQVIST, PROJECT MANAGER, NORDIC LIGHT, CHINA

Nils participated in the internal programme ITAB Academy in 2013. He has been working at ITAB since 2011, and through the programme he has extended his network within the Group, which has made it easier to collaborate with ITAB companies in other countries. Through Academy he also acquired increased knowledge and understanding of ITAB's business operations.

LONG-TERM WORK FOR THE FUTURE

ITAB has long conducted long-term quality and environmental activities. The Group's companies continuously strive to reduce their environmental impact by making environmentally conscious choices in terms of raw materials, production processes and transportation alternatives. The Group will be sensitive to the wishes of its customers and comply with the market's environmental requirements.

»The Group will be sensitive to the wishes of its customers and comply with the market's environmental requirements.«

Four of the Group's companies, ITAB Shop Concept Jönköping AB, ITAB UK Ltd in the UK, AB ITAB Novena in Lithuania and ITAB Shop Concept CZ A.S. in the Czech Republic, have environmental certification in line with the environmental management system ISO 14001:2004. This certification guarantees that the companies commit to develop and manufacture products and services under controlled resource usage and with minimum impact on the environment. The certification process also includes environmental training for all employees. This means that employees have documented training in such environmental aspects as waste management, transport and the impact on the environment that stems from metals and power consumption.

ITAB Sintek AB in Sweden, ITAB Shop Concept CZ A.S. in the Czech Republic, AB ITAB Novena in Lithuania and Nordic Light Suzhou in China have quality certification in accordance with ISO 9001:2000. ITAB Sintek AB and ITAB Shop Concept CZ A.S. in the Czech Republic are also quality certified in line with ISO 9001:2008. The working environment work of ITAB UK Ltd in the UK is certified in accordance with ISO 18001:2007. ITAB UK Ltd in the UK and ITAB Shop Concept CZ A.S. in Czech Republic are also members of Sedex.

FACTORS THAT AFFECT THE ENVIRONMENT

Factors in ITAB's business activities that have an environmental impact include emissions to air and water, wastewater, noise, packaging, waste and transport. The Group's business activities, manufacturing processes and products are such that the environmental risks are deemed to be limited. The organisation's ambition is to work constantly to minimise its impact on the environment.

RECYCLING SYSTEMS

Materials such as metal, plastic, cardboard, glass and paper are recycled in line with existing recycling systems. Leftover electronics are also recycled or resold to the supplier. To a large extent, the Group uses advanced water-based surface treatment for wood products, in which all wastewater is purified and powder from the coating process is reused.

▲ **EUROSHOP 2014**
ITAB participated at the fair at the beginning of 2014, and was once again able to present its all-inclusive offer. ITAB was one of the larger players present, and part of ITAB's stand can be seen above.

ACTIVITIES REQUIRING PERMITS/DISCLOSURE

In accordance with the Swedish Environmental Code, business activities that are deemed to have a particular impact on the environmental are subject to disclosure requirements. The ITAB Group conducts activities that require disclosure at its Swedish subsidiaries ITAB Shop Concept Jönköping AB, ITAB Shop Concept Nässjö AB and Skelack AB. The disclosure obligation is primarily intended to inform the Environment and Health Administration of details concerning planned or existing activities that have an impact on the environment, the effects of these activities on the surroundings, and whether protective measures have been taken to the extent stipulated in the Swedish Environmental Code.

LONG-TERM WORK

ITAB's work is conducted in a responsible way in order to achieve a sustainable business. Over the course of several years, ITAB has invested in more energy-saving units within the Group. For example, systems that reduce power and gas consumption have been introduced and residual heat from production facilities is used to heat up other offices. This includes surplus heat from our powder coating facilities.

The Group carries out projects in the product development phase aimed for example at optimising the use of raw materials with consideration to their environmental impact. The environmental aspect is a critical factor as early as the design phase when materials, construction and energy consumption solutions are determined.

Through its organisational structure comprising several large production facilities, centrally located in Europe, ITAB has helped to reduce transportation distances for many of the Group's customers. The strategic location of the Group's production facilities has grown increasingly important during major contract-negotiations. When transports are arranged from China, ITAB works to maximise shipments in order to optimise deliveries from an environmental and cost perspective.

FINANCIAL INFORMATION

This document is a translation of the official annual report for ITAB Shop Concept AB published in Swedish.
In the event of discrepancy between the English text and the Swedish, the Swedish text shall prevail.

DEFINITIONS

Operating margin: Operating profit in relation to sales.

Profit margin: Profit after financial items in relation to sales.

Return on equity: The profit for the year attributable to the Parent Company's shareholders in relation to average equity attributable to the Parent Company's shareholders.

Return on total capital: Profit after financial items plus financial expenses in relation to average total capital.

Return on capital employed: Income after financial items plus financial expenses in relation to average balance sheet total minus non interest-bearing liabilities and interest-bearing assets.

Interest coverage ratio: Profit after financial items plus financial expenses in relation to financial expenses.

Equity/assets ratio: Equity in relation to total capital.

Portion of risk-bearing capital: Equity plus provisions for taxes as well as convertible debenture loans in relation to total capital.

Earnings per share: Net profit for the year attributable to the Parent Company's shareholders in relation to average number of shares.

Equity per share: Equity at the end of the period attributable to the Parent Company's shareholders in relation to the number of shares at the end of the period.

Direct yield: Proposed dividend in relation to the share price on the closing day.

Discount rate (WACC): Weighted Average Cost of Capital – weighted required return for equity and borrowed capital against the company's future earnings.

Average no. of employees: Number of working hours divided by normal annual working time.

DIRECTORS' REPORT

The Board of Directors and the CEO of ITAB Shop Concept AB (publ), 556292-1089, with its registered office in Jönköping, hereby submit the annual report and consolidated accounts for the 2013 financial year.

BUSINESS ACTIVITIES

ITAB Shop Concept sells, develops, manufactures and installs complete shop fitting concepts for retail chain stores. The all-inclusive offer includes custom-made fitting concepts, innovative solutions for checkout aisles and professional lighting systems. Customers include the major players throughout most parts of Europe. ITAB has operations in 20 countries and 14 production facilities in Northern Europe and China. ITAB also has a network of partners across large parts of Europe. ITAB has subsidiary companies in Belgium, Chile, Denmark, Estonia, Finland, India, China, Latvia, Lithuania, the Netherlands, Norway, Poland, Russia, the UK, Sweden, the Czech Republic, Germany, Ukraine, Hungary and the USA.

Working in close collaboration with the customer, ITAB contributes its experience and expertise to the customer's specific needs and requests. Business operations are founded on long-term business relationships and delivery reliability in combination with streamlined production resources. ITAB is now a leader in the market for retail checkouts in Europe, as well as being one of Europe's largest suppliers of shop fittings and lighting systems.

SALES AND PROFIT

The year's sales amounted to SEK 3,574.0 million (3,511.4), an increase of SEK 62.6 million compared with last year. ITAB's operating profit amounted to SEK 245.8 million (235.2). Profit after financial items amounted to SEK 217.1 million (202.5), while net profit after tax stood at SEK 162.2 million (161.8).

SEASONAL VARIATIONS

ITAB's activities are affected to a certain extent by seasonal variations. The sales volumes are often lower at the start of the year, before gradually increasing during the year. As a result, sales and earnings are generally higher during the third and fourth quarters. Diagrams showing quarterly sales and earnings can be seen on page 7.

CASH FLOW, FINANCING AND LIQUIDITY

Cash flow from current operations amounted to SEK 136.7 million (271.8) during the year. The weaker cash flow in 2013 can be explained by the stock build-up and higher trade receivables as a consequence of a shift in revenue during the last quarter of the year. Tax payments for the year were higher than for the comparable period in the previous year, which also had a negative impact on cash flow. The company's net debt shrank to SEK 890 million (896), The Group's cash and cash equivalents, including undrawn committed credit facilities, amounted to SEK 428 million (539) on closing day.

SHARE DATA

Earnings per share before dilution amounted to SEK 8.98 (9.47), and SEK 8.88 (8.88) after dilution. Equity per share amounted to SEK 58.78 (52.17). The share of risk-bearing capital at the end of the period was 42.5% (40.6).

INVESTMENTS

The Group's net investments amounted to SEK 91 million (91), of which SEK 3 million (27) can be attributed to corporate transactions conducted during the period.

ACQUISITIONS

All the shares in the company Ingebrigtsvoll Lys AS in Norway were acquired during the year. The company subsequently changed its name to ITAB Prolight AS. ITAB Prolight AS sells lighting products on the Norwegian market. The acquisition was incorporated as of 1 August 2013.

EMPLOYEES

The average number of employees at the end of the period amounted to 2,277 (2,194). For more information, see Note 4.

PARENT COMPANY

The Parent Company's net sales amounted to SEK 34.6 million (35.1) and profit after financial items amounted to SEK 19.2 million (49.7). Net investments amounted to SEK 0.5 million (0.2).

IMPORTANT EVENTS

- ITAB's fully automatic EasyFlow self-checkout system is now in operation in a store environment.
- Agreement regarding the installation of a self-checkout system with one of the major food chain stores in Sweden.
- Breakthrough orders for ITAB's self-checkout system on the Russian and British markets.

IMPORTANT EVENTS AFTER THE END OF THE PERIOD

There have been no important events after the end of the period.

COMMENTS ON THE GROUP'S DEVELOPMENT

The Group's currency-adjusted sales figures have risen by approximately 5% during the year compared with last year. Sales in the UK & Ireland have increased compared with last year. In the Benelux region, there has been a reduction in sales compared to last year, while the other countries have performed on par with last year. The Group's operating profit amounted to SEK 245.8 million (235.2), an increase of 5% compared with last year. The profit increase is primarily due to an improved gross margin as well as somewhat increased sales volumes. The profits have been negatively affected by exchange rate fluctuations of more than SEK 20 million and intensified marketing activities primarily in respect of lighting and self-checkouts. The results in UK & Ireland were better than last year, while Benelux has reported figures below those of last year. Other countries have performed on a par with last year.

FUTURE PROSPECTS

As in previous years, volumes are expected to be lower at the start of the year before gradually increasing. By and large, the market has remained somewhat sluggish during 2013. The market situation is difficult to judge, but parts of the markets are indicating a somewhat improved trend.

In the long term, ITAB believes that its customers will be on the look-out for more effective solutions, both for stores but also for the process of establishing stores. The processes, geographical presence and the all-inclusive offer, which now also includes professional lighting systems and self-checkout solutions – prioritised investment areas for several of ITAB's customers – will lead to better business for both ITAB and ITAB's customers.

RISKS AND UNCERTAINTY FACTORS

The Group's significant risk and uncertainty factors include business risks associated with customers and suppliers, as well as other external factors such as price risks for input goods. In addition, there are the financial risks linked to changes in exchange rates and interest levels. A more detailed account of the Group's significant financial risks can be found in Note 28.

ENVIRONMENTAL IMPACT

The Group conducts activities that require disclosure in accordance with the Environmental Code at three Swedish subsidiaries. The Parent Company does not conduct any notifiable activities. An account of the Group's environmental activities can be found on pages 34-35.

RESEARCH AND DEVELOPMENT

ITAB has no research activities. The Group's companies conduct ongoing product development projects, in part alongside customers and in part in-house in order to develop new and improve existing products. Expenses for major development projects are capitalised as intangible assets in the balance sheet and written off during their useful life. Development expenses, which are not of a significant amount, are expensed as they occur.

SHARES AND OWNERSHIP STRUCTURE

The company was listed for trade on First North in 2004. Since July 2008, the company has been listed on OMX Nordic Exchange Stockholm. The number of shares on closing day amounted to 16,953,205, of which 3,900,000 are Class A shares and 13,053,205 are Class B shares. Class A shares grant entitlement to ten votes and Class B shares grant entitlement to one vote. All shares have equal rights to dividends.

At present there are two shareholders who each own and control more than 10 per cent of the votes for all the shares in the company. Tord Johansson controls 24.25 per cent of the capital and 53.10 per cent of the votes via his own via holdings and holdings of related parties. The Pomona Group holds 29.63 per cent of the capital and 28.32 per cent of the votes. The number of shareholders at closing day was 2,098 (1,855). See also the section on the distribution of shares and shareholders on pages 10-11.

THE WORK OF THE BOARD IN 2010

ITAB's Board of Directors consists of six ordinary members. The AGM-elected Board includes members who represent ITAB's major shareholders as well as independents. For more information, see the table on page 73.

The CEO and other Group officials participate at Board meetings, either to present reports or in an administrative capacity.

The Board of Directors held seven meetings during the 2013 financial year. In addition to operational information, predetermined reports and resolution items are addressed at every regular meeting in accordance with the Board's rules of procedure. The Board also takes decisions on issues of a general nature, such as the Group's strategy, structural and organisational issues and major investments. The Board's control function is handled by the Audit Committee. One of the company's auditors participates in at least one of the Board's meetings every year. At this time, the auditor presents observations made when auditing the company's accounts, procedures and internal audits.

NOMINATION COMMITTEE

At the 2013 AGM, a Nomination Committee was appointed comprising Anders Rudgård as Chairman, Fredrik Rapp and Johan Storm. The Nomination Committee's task for the 2014 AGM is to propose candidates for Chairman of the Board and other Board members, auditors, AGM meeting chairman, as well as fees and other remuneration for Board, committee and auditing work. Prior to the 2014 AGM, the Nomination Committee has held one minuted meeting to date. In addition, the Nomination Committee has a number of contacts.

CORPORATE GOVERNANCE

ITAB's corporate governance is based on Swedish legislation and the listing agreement with NASDAQ OMX Stockholm. Directives issued by authorities and stakeholders within Swedish business and on the financial market are also applied to various issues. Governance, management and control are distributed between the shareholders at the AGM, the Board of Directors and the CEO in accordance with the Swedish Companies Act as well as the company's Articles of Association and rules of procedure. From 1 July 2008, all companies listed on NASDAQ OMX Stockholm shall follow the "Swedish Code of Corporate Governance" (the Code). ITAB's corporate governance report is drawn up separately from the Directors' report and can be found on pages 70-73.

AUTHORISATION TO THE BOARD OF DIRECTORS

The Annual General Meeting decided to authorise the Board of Directors on one or more occasions through to the next Annual General Meeting, with or without deviating from shareholders' preferential rights, to decide on a new issue of shares and/or convertibles for a maximum one tenth of the company's issued shares.

The Annual General Meeting also decided to authorise the Board of Directors to decide on the purchase and transfer of company-owned shares. The authorisation is intended to give the Board more room for manoeuvre in dealing with the company's capital structure and, if deemed appropriate, to facilitate a convertible bond scheme for the Group's employees or the acquisition of businesses paid for with company shares. The Board is authorised to take such decisions on one or more occasions for execution before the 2014 Annual General Meeting.

PRINCIPLES FOR REMUNERATION TO SENIOR EXECUTIVES

Guidelines for terms of remuneration and other terms of employment for senior executives were unanimously adopted by the AGM in line with the Board's proposal.

The Board of Directors determines the principles for remuneration to senior executives. The purpose is to offer a market-related remuneration package that enables the company to recruit and retain senior executives. Remuneration to the Group management consists of the following: basic salary, variable result-based salary and pension.

The basic salary for Group management is to be market-rate in relation to position, individual qualifications and performance. The size of the variable salary depends on ITAB's results. Pension is covered by a premium-based pension system. The basic salary is reviewed annually by the Board's Remuneration Committee. The Remuneration Committee consists of the Board members Lottie Svedenstedt (Chair), Tord Johansson and Stig-Olof Simonsson, with CEO Ulf Rostedt as an additional member. The CEO is not present when issues regarding remuneration to the CEO are handled. See also under Note 4 – Employees and personnel costs.

PROPOSAL FOR THE APPROPRIATION OF PROFITS, ETC.

PARENT COMPANY

The following amounts are at the disposal of the Annual General Meeting: (SEK thousands)

Share premium reserve	285,378
Profit brought forward	223,502
Net profit for the year	52,059
TOTAL	**560,939**

The Board of Directors and CEO propose that these funds be distributed as follows: (SEK thousands)

To be paid as dividends to shareholders at SEK 3.00 per share (16,953,205 shares)	50,860
To be carried forward to a new account	510,079
TOTAL	**560,939**

The Board's statement regarding the proposed dividends

After the proposed dividends, the equity/assets ratio is secure since the company's and Group's business activities continue to be run profitably. The Board feels the company's and Group's liquidity can be maintained at a secure level.

It is the Board's standpoint that the proposed dividends will not prevent the Parent Company or other Group companies from fulfilling their obligations in the short and long term, nor from making any necessary investments. The Board of Directors considers the proposed dividend justifiable in terms of the requirements set out in the Swedish Companies Act, Chapter 17 §3 sections 2-3 (prudence concept).

FINANCIAL REVIEW – FIVE YEARS IN SUMMARY

Income statements (SEK m)	2013	2012	2011	2010	2009[1]
Sales	3,574	3,511	3,341	2,748	2,776
Cost of goods sold	-2,628	-2,614	-2,477	-2,086	-2,055
GROSS PROFIT	**946**	**897**	**864**	**662**	**721**
Selling expenses	-525	-521	-537	-494	-466
Administrative expenses	-166	-152	-142	-126	-142
Other operating income and expenses	-9	11	6	20	1
OPERATING PROFIT	**246**	**235**	**191**	**62**	**114**
Financial items	-29	-32	-39	-33	-23
PROFIT AFTER FINANCIAL ITEMS	**217**	**203**	**152**	**29**	**91**
Tax on the year's income	-55	-41	-29	-6	-17
NET PROFIT FOR THE YEAR	**162**	**162**	**123**	**23**	**74**
Related to:					
Parent Company's shareholders	152	153	120	23	74
Holding without controlling influence	10	9	3	0	0

Balance sheets (SEK m)					
Assets					
Intangible assets	613	583	576	483	487
Tangible fixed assets	501	516	542	547	646
Long-term receivables and deferred tax claims	25	22	26	21	23
FIXED ASSETS	**1,139**	**1,121**	**1,144**	**1,051**	**1,156**
Inventories	710	682	682	491	361
Current receivables	664	573	644	545	480
Cash and cash equivalents	142	134	1	0	0
CURRENT ASSETS	**1,516**	**1,389**	**1,327**	**1,036**	**841**
TOTAL ASSETS	**2,655**	**2,510**	**2,471**	**2,087**	**1,997**
Equity and liabilities					
Equity related to the Parent Company's shareholders	997	885	559	459	534
Equity related to shareholders without controlling influence	42	31	39	1	1
Long-term liabilities	219	304	427	446	483
Current liabilities	1,397	1,290	1,446	1,181	979
TOTAL EQUITY AND LIABILITIES	**2,655**	**2,510**	**2,471**	**2,087**	**1,997**

Cash flow (SEK m)					
Cash flow from current operations	137	271	205	20	294
Cash flow from investing activities	-91	-91	-403	-76	-72
CASH FLOW AFTER INVESTMENTS	**46**	**180**	**-198**	**-56**	**222**
Cash flow from financing activities	-39	-41	199	56	-237
CASH FLOW FOR THE YEAR	**7**	**139**	**1**	**0**	**-15**

Key ratios						
Operating margin	%	6,9	6,7	5,7	2,2	4,1
Profit margin	%	6,1	5,8	4,6	1,1	3,3
Interest coverage ratio	multiple	7,5	6,7	4,5	1,8	3,3
Depreciation according to plan	SEK million	77	83	79	73	73
Average no. of employees	no.	2,277	2,194	1,751	1,512	1,555
Return on equity	%	16,6	20,7	24,1	4,6	14,3
Return on capital employed	%	13,4	12,9	11,4	4,1	7,9
Return on total capital	%	9,5	9,4	8,3	3,0	6,0
Equity related to the Parent Company's shareholders	SEK million	997	885	559	459	534
Equity/assets ratio	%	39	37	24	22	27
Portion of risk-bearing capital	%	43	41	36	35	40
Interest-bearing net liability	SEK million	890	896	1,183	1,036	982
Net investments	SEK million	91	91	402	76	72
of which, related to corp. transactions	SEK million	3	27	354	0	0

[1] Adjustment of comparative figures for 2009 refers to a correction of transaction expenses related to convertible debenture loans that in 2008 were incorrectly recognised against equity instead of against the convertible debenture loan and then spread over the expected term of the loan. As per 2009, profit brought forward has increased by SEK 1.3 million, the convertible loan has decreased by SEK 0.9 million, and financial expenses have increased by SEK 0.4 million. In 2009, a reversal of part of the previously incorrectly recognised listing expenses was recognised directly in equity. This has now been adjusted by increasing the financial expenses by SEK 1.1 million for 2009.

Definitions, see page 37.

COMMENTS ON FINANCIAL PERFORMANCE

SALES

During the period 2009-2013, ITAB's sales increased from SEK 2,776 million to SEK 3,574 million. This corresponds to an average annual sales increase of 6%. In addition to organic growth, the acquisition of Nordic Light in particular has contributed positively to the change in sales, while exchange rate fluctuations have had a negative impact.

During the period, a number of long-term agreements have been concluded with leading chain stores within the food segment. These have laid the foundation for the company's position as the leading all-inclusive supplier of shop fittings in Northern Europe, and also provide a foundation for growth. Concurrently, significant efforts have been devoted to increasing sales to the non-food segment.

In 2009, sales were down by SEK 636 million, a decline of 19%. No business acquisitions or divestments were made in 2009. The reduction in sales, due to the global recession, was greatest on the British and Dutch markets.

In 2010, sales were down by SEK 28 million, a decline of 1%. No business acquisitions or divestments were made in 2010. Foreign currency fluctuations had a negative impact on turnover in the amount of SEK 180 million, compared with 2009. Sales, measured in local currency, declined in the Dutch market while sales in most of ITAB's other markets rose. Sales to the pharmacy sector rose markedly during the period, primarily due to the deregulation of the Swedish pharmacy market.

In 2011, sales increased by SEK 593 million, an increase of 22%. Foreign currency fluctuations had a negative impact on turnover in the amount of about SEK 140 million compared with 2010. Currency-adjusted sales rose by 27%. Two-thirds of the increase was organic growth, with the largest increases stemming from Central Europe and UK & Ireland. Growth via acquisitions refers to Nordic Light Group, which was incorporated as of 1 September 2011.

In 2012, sales increased by SEK 170 million, an increase of 5%. Currency-adjusted sales rose by 6%. Organic growth was negative, principally due to a marked reduction in sales for Central Europe, while Scandinavia's sales also decreased compared to 2011. Europa Shopfitting in the UK was acquired during 2012, and was incorporated as of June 2012.

In 2013, sales increased by SEK 63 million, an increase of 2%. The currency-adjusted increase was 5%, primarily due to the growth in sales in the UK & Ireland. Sales decreased in the Benelux countries, while sales in other countries was on a par with 2012.

PROFITABILITY

Operating profit during the five-year period varied between a minimum of SEK 62 million (2010) and a maximum of SEK 246 million (2013). The operating margin during the five-year period was stable within an interval of 2.2% and 6.9%. profit after net financial items reached between SEK 29 million (2010) and SEK 217 million (2013). The five-year period's profit margin has fluctuated between 1.1% and 6.1%. In 2009, profitability was affected primarily by volume downturns due to the recession. Costs for redundancy and intensified marketing activities burdened the year's income. Profitability was negative in the Netherlands and in the Scandinavian countries. The weak profitability reported for 2010 is attributed primarily to fact that only a limited share of the substantial increase in raw material expenses could be transferred to customers. Profit was also burdened by restructuring and one-off expenses of about SEK 30 million, which largely consisted of expenses for organisational changes and expenses for the liquidation of inventory in Denmark. The improvement in profitability for 2011 was primarily due to the volume growth reported in all market areas combined with the streamlining and cost-saving measures implemented in 2010, which had an impact in the early part of 2011. The acquisition of Nordic Light Group also contributed to improving profitability. Profitability improved further during 2012, which can primarily be explained by a modified sales mix, streamlining measures and lower cost base in several units. In 2013, the operating margin improved to 6.9% compared to 6.7% in 2012, despite the negative exchange rate impact as well as intensified marketing activities in lighting and self-checkouts. The improvement is also due to the fact that the effects of the long-term work aimed at strengthening the gross margin, primarily through efficiency improvements, have had a positive impact on earnings.

The Group's return on equity after tax has averaged approximately 16% over the past five years. Over an extended period, the Group's goal is to achieve a minimum 20% return on equity.

INVESTMENTS

Net investments, excluding business acquisitions, amounted to between one and three per cent of sales during the period 2009-2013.

The Group's investments during the period have principally consisted of machinery with the focus on unmanned operations, high utilisation of resources and leading technical advances. ITAB is consequently well equipped to face the future with limited investment requirements over the next few years. For 2009-2013, a significant share of the net investments also refers to development of various self-checkout solutions for shops.

The five-year period's investments related to business acquisitions have centred on reinforcing the company's position as an all-inclusive shop fittings supplier to the Group's selected markets, and reinforcing and adding to the contents of the product portfolio in certain areas.

FINANCIAL PERFORMANCE

The balance sheet total has climbed from SEK 1,997 million in 2009 to SEK 2,655 million in 2013. This increase is in part due to the investments in both production facilities and equipment, and in part to the period's corporate acquisitions. Expansion has been realised with the aid of a positive cash flow from current activities as well as a new issue of convertible debentures, which have been converted to equity during 2012. At the same time, this has meant that the interest-bearing net liability has been reduced from SEK 982 million in 2009 to SEK 890 million in 2013.

The Group's equity/assets ratio has stood at between 22% and 39% over the last five years, and the proportion of risk-bearing capital has varied between 35% and 43%. The Group's goal is to have risk-bearing capital of at least 25%.

INCOME STATEMENT - GROUP

(SEK thousands)	Notes	2013	2012
Sales	3	3,573,959	3,511,446
Cost of goods sold	4, 5, 6	-2,627,593	-2,614,432
GROSS PROFIT		**946,366**	**897,014**
Selling expenses	4, 5, 6	-525,418	-521,075
Administrative expenses	4, 5, 6	-165,680	-151,959
Other operating income	7	22,078	21,643
Other operating expenses	7	-31,555	-10,439
OPERATING PROFIT		**245,791**	**235,184**
Financial income	9	4,616	2,813
Financial expenses	10	-33,325	-35,461
PROFIT AFTER FINANCIAL ITEMS		**217,082**	**202,536**
Tax expenses for the year	12	-54,909	-40,718
NET PROFIT FOR THE YEAR		**162,173**	**161,818**
Related to:			
Parent Company's shareholders		152,280	152,798
Holding without controlling influence		9,893	9,020
EARNINGS PER SHARE	32		
before dilution, SEK		8.98	9.47
after dilution, SEK		8.88	8.88
AVERAGE NUMBER OF OUTSTANDING SHARES			
before dilution, shares		16,953,205	16,139,979
after dilution, shares		17,278,408	17,278,408
ACTUAL NUMBER OF SHARES AT YEAR-END			
before dilution, shares		16,953,205	16,953,205
after dilution, shares		17,278,408	17,278,408

During June 2012, a subscription for convertible shares was carried out, in which 325,203 convertible shares were subscribed for. The scheme will run during the period 1 July 2012 to 30 June 2016. One convertible can be converted to one share during the period 1 June 2016 to 10 June 2016 at a conversion price of SEK 123. The total number of shares after full dilution will then be 17,278,408.

STATEMENT OF EARNINGS AND OTHER COMPREHENSIVE INCOME – GROUP

(SEK thousands)	2013	2012
NET PROFIT FOR THE YEAR	**162,173**	**161,818**
OTHER COMPREHENSIVE INCOME		
Items that are not to be reclassified to the income statement:		
Actuarial gains and losses on defined-benefit pension commitments	-2,317	15,272
Tax on items that will not be reclassified	650	-4,276
	-1,667	10,996
Items that may be reclassified to the income statement:		
Translation difference when translating foreign operations	6,232	-22,308
Change in fair value of hedges of net investments	-1,189	11,170
Change in fair value of hedges in net investments transferred to the year's profit or loss	-5,869	-
Change in fair value of cash flow hedges	-15,214	-4,416
Change in fair value of cash flow hedges transferred to the year's profit or loss	20,444	-7,780
Tax on items that may be reclassified*	403	-1,052
	4,807	-24,386
OTHER COMPREHENSIVE INCOME	3,140	-13,390
YEAR'S COMPREHENSIVE INCOME	**165,313**	**148,428**
The year's comprehensive income related to:		
Parent Company's shareholders	154,468	140,929
Holding without controlling influence	10,845	7,499

*) Of the tax on entries that can be reclassified, -1,150 (1,396) is carried over to cash flow hedges and 1,553 (-2,448) to hedging of net investments.

STATEMENT OF FINANCIAL POSITION – GROUP

(SEK thousands)	Notes	2013	2012
ASSETS			
FIXED ASSETS			
Intangible assets			
Patents, licenses, trademarks and similar rights		110,084	89,405
Goodwill		502,648	494,037
	13	**612,732**	**583,442**
Tangible assets			
Buildings and land		273,109	286,452
Plant and machinery		165,953	166,417
Equipment, tools and installations		59,428	57,685
Construction in progress and advance payments for tangible assets		2,170	5,507
	3, 14, 26	**500,660**	**516,061**
Deferred tax claims	12	25,040	21,148
Financial non-current receivables	28	527	874
		25,567	**22,022**
TOTAL FIXED ASSETS		**1,138,959**	**1,121,525**
CURRENT ASSETS			
Inventories	16	710,100	681,892
Accounts receivable	28	564,593	480,545
Current tax claims		-	8,573
Derivative instruments	28	-	7,092
Other receivables	28	47,901	30,152
Prepaid expenses and accrued income	17, 28	50,954	46,979
Cash and cash equivalents	28	142,382	133,661
TOTAL CURRENT ASSETS		**1,515,930**	**1,388,894**
TOTAL ASSETS		**2,654,889**	**2,510,419**

STATEMENT OF FINANCIAL POSITION – GROUP

(SEK thousands)	Notes	2013	2012
EQUITY AND LIABILITIES			
EQUITY	18		
Share capital		42,383	42,383
Other contributed capital		290,851	290,851
Other reserves		-100,345	-104,200
Profit brought forward including net profit for the year		763,680	655,450
Equity related to the Parent Company's shareholders		**996,569**	**884,484**
Holding without controlling influence		42,256	31,411
TOTAL EQUITY		**1,038,825**	**915,895**
LONG-TERM LIABILITIES			
Liabilities to credit institutions	21, 28	113,365	181,295
Convertible debenture loan	30, 21, 28	39,806	39,729
Provisions for pensions and similar obligations	29	7,045	7,375
Deferred tax liability	12	49,298	63,576
Other provisions	20	9,112	12,254
		218,626	**304,229**
CURRENT LIABILITIES			
Liabilities to credit institutions		161,873	129,036
Overdraft facilities	22	684,727	649,178
Derivative liabilities		32,569	37,833
Advance payments from customers		40,831	581
Accounts payable, trade		272,246	248,749
Actual tax liabilities		6,856	-
Other liabilities		58,421	48,379
Accrued expenses and prepaid income	23	139,915	176,539
	21, 28	**1,397,438**	**1,290,295**
TOTAL EQUITY AND LIABILITIES		**2,654,889**	**2,510,419**

For information about the Group's pledged assets and contingent liabilities, see notes 24 and 25.

STATEMENT OF CHANGES IN EQUITY – GROUP

(SEK thousands)	Share capital	Other contributed capital	Other reserves See Note 18	Profit brought forward	Related to the Parent Company's shareholders	Related to holdings without controlling influence	Total equity
EQUITY 1 JANUARY 2012	**35,715**	**70,556**	**-81,335**	**533,970**	**558,906**	**38,661**	**597,567**
Net profit for the year				152,798	152,798	9,020	161,818
Other comprehensive income			-22,865	10,996	-11,869	-1,521	-13,390
YEAR'S COMPREHENSIVE INCOME			**-22,865**	**163,794**	**140,929**	**7,499**	**148,428**
Dividends				-24,999	-24,999	-1,933	-26,932
Acquisition of holdings without controlling influence				-10,384	-10,384	-12,816	-23,200
Subscription for shares due to warrants	51	1,938			1,989		1,989
Repurchase of warrants				-6,931	-6,931		-6,931
Conversion of convertible debenture loan KV 2B	6,617	218,357			224,974		224,974
EQUITY 31 DECEMBER 2012	**42,383**	**290,851**	**-104,200**	**655,450**	**884,484**	**31,411**	**915,895**
Net profit for the year				152,280	152,280	9,893	162,173
Other comprehensive income			3,855	-1,667	2,188	952	3,140
YEAR'S COMPREHENSIVE INCOME			**3,855**	**150,613**	**154,468**	**10,845**	**165,313**
Dividends				-42,383	-42,383		-42,383
EQUITY 31 DECEMBER 2013	**42,383**	**290,851**	**-100,345**	**763,680**	**996,569**	**42,256**	**1,038,825**

STATEMENT OF CASH FLOWS – GROUP

(SEK thousands)	Notes	2013	2012
Operating activities			
OPERATING PROFIT		**245,791**	**235,184**
depreciation charged to operating profit		77,304	82,808
interest received		1,225	1,339
interest paid		-26,015	-34,086
changes in provisions		-23,034	-8,150
tax paid		-39,718	-18,786
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		**235,553**	**258,309**
Change in working capital			
inventories		-25,631	-11,963
current receivables		-102,434	62,211
current liabilities		29,212	-36,758
CASH FLOW FROM CURRENT OPERATIONS		**136,700**	**271,799**
Investing activities			
acquisition of subsidiaries	27	-3,203	-26,782
purchase of intangible fixed assets	13	-25,964	-18,068
purchase of buildings and land	14	-1,334	-2,407
purchase of machinery and other technical facilities	14	-39,111	-29,925
purchase of equipment, tools and installations	14	-23,966	-14,114
purchase of construction in progress	14	-2,712	-4,132
sale of fixed assets	14	5,849	3,476
CASH FLOW FROM INVESTING ACTIVITIES		**-90,441**	**-91,952**
CASH FLOW AFTER INVESTING ACTIVITIES		**46,259**	**179,847**
Financing activities			
convertible debenture loan	30	-	40,000
repurchase of warrants		-	-6,931
paid warrant premiums		-	1,989
repayment of loan		-106,065	-62,773
repayment of non-current receivables		347	317
raised loans		108,862	11,182
dividend paid		-42,383	-24,999
CASH FLOW FROM FINANCING ACTIVITIES		**-39,239**	**-41,215**
CASH FLOW FOR THE YEAR		**7,020**	**138,632**
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR		133,661	1,384
TRANSLATION DIFFERENCES IN CASH AND CASH EQUIVALENTS		1,701	-6,355
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**142,382**	**133,661**

INCOME STATEMENT - PARENT COMPANY

(SEK thousands)	Notes	2013	2012
Net sales		34,644	35,147
Cost of goods sold	4, 5, 6	-7,537	-8,377
GROSS PROFIT		**27,107**	**26,770**
Selling expenses	4, 5, 6	-15,911	-18,229
Administrative expenses	4, 5, 6	-18,801	-20,478
Other operating income	7	4,564	9,378
Other operating expenses	7	-20,101	-386
OPERATING PROFIT		**-23,142**	**-2,945**
Profit from participation in Group companies	8	47,163	64,749
Financial income	9	22,810	19,150
Financial expenses	10	-27,619	-31,284
PROFIT AFTER FINANCIAL ITEMS		**19,212**	**49,670**
Year-end appropriations	11	34,313	7,941
PROFIT BEFORE TAX		**53,525**	**57,611**
Tax expenses for the year	12	-1,466	1,769
NET PROFIT FOR THE YEAR 1)		**52,059**	**59,380**

1) Net profit for the year corresponds with comprehensive income for the year

BALANCE SHEET – PARENT COMPANY

(SEK thousands)	Notes	2013	2012
ASSETS			
FIXED ASSETS			
Equipment, tools and installations	14	840	686
Participations in Group companies	15	1,155,904	1,142,844
Deferred tax claims	12	1,198	2,517
TOTAL FIXED ASSETS		**1,157,942**	**1,146,047**
CURRENT ASSETS			
Receivables from Group companies		344,291	267,136
Current tax claims		4,283	4,283
Other receivables		17	186
Prepaid expenses and accrued income		10,569	2,440
Cash and bank balance		35	42
TOTAL CURRENT ASSETS		**359,195**	**274,087**
TOTAL ASSETS		**1,517,137**	**1,420,134**

BALANCE SHEET – PARENT COMPANY

(SEK thousands)	Notes	2013	2012
EQUITY AND LIABILITIES			
EQUITY	18		
Restricted equity			
Share capital		42,383	42,383
Statutory reserve		6,996	6,996
		49,379	**49,379**
Non-restricted equity			
Share premium reserve		285,378	285,378
Profit brought forward		223,502	206,505
Net profit for the year		52,059	59,380
		560,939	**551,263**
TOTAL EQUITY		**610,318**	**600,642**
UNTAXED RESERVES	19	77	90
LONG-TERM LIABILITIES			
Liabilities to credit institutions		117,566	216,981
Convertible debenture loan	30	39,806	39,729
	21	**157,372**	**256,710**
CURRENT LIABILITIES			
Liabilities to credit institutions		55,000	55,000
Overdraft facilities	22	621,405	406,062
Accounts payable, trade		5,083	2,577
Liabilities to Group companies		55,968	84,683
Other liabilities		1,614	1,928
Accrued expenses and prepaid income		10,300	12,442
	21	**749,370**	**562,692**
TOTAL EQUITY AND LIABILITIES		**1,517,137**	**1,420,134**
Pledged assets	24	**753,497**	**753,497**
Contingent liabilities	25	**159,449**	**225,888**

STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY

(SEK thousands)	Share capital	Statutory reserve	**Total restricted equity**	Share premium reserve	Profit brought forward	**Total non-restricted equity**	**Total equity**
EQUITY 1 JANUARY 2012	35,715	6,996	**42,711**	65,083	238,435	**303,518**	**346,229**
Profit for the year					59,380	59,380	59,380
YEAR'S COMPREHENSIVE INCOME					59,380	**59,380**	**59,380**
Subscription for shares due to warrants	51		51	1,938		1,938	1,989
Repurchase of warrants					-6,931	-6,931	-6,931
Conversion of convertible debenture loan KV 2B	6,617		6,617	218,357		218,357	224,974
Dividends					-24,999	-24,999	-24,999
EQUITY 31 DECEMBER 2012	42,383	6,996	**49,379**	285,378	265,885	**551,263**	**600,642**
Profit for the year					52,059	52,059	52,059
YEAR'S COMPREHENSIVE INCOME					52,059	**52,059**	**52,059**
Dividends					-42,383	-42,383	-42,383
EQUITY 31 DECEMBER 2013	42,383	6,996	**49,379**	285,378	275,561	**560,939**	**610,318**

STATEMENT OF CASH FLOWS – PARENT COMPANY

(SEK thousands)	Notes	2013	2012
Operating activities			
OPERATING PROFIT		**-23,142**	**-2,944**
depreciation charged to operating profit		378	544
dividends received from subsidiaries		51,963	93,380
interest received		8,496	8,539
interest paid		-28,299	-27,056
tax paid		-147	-
CASH FLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN WORKING CAPITAL		**9,249**	**72,463**
Change in working capital			
current receivables		-7,960	4,662
current liabilities		807	-8,979
CASH FLOW FROM CURRENT OPERATIONS		**2,096**	**68,146**
Investing activities			
acquisition of subsidiaries	27	-15	-
purchase of equipment	14	-536	-176
sale of equipment	14	4	-
CASH FLOW FROM INVESTING ACTIVITIES		**-547**	**-176**
CASH FLOW AFTER INVESTING ACTIVITIES		**1,549**	**67,970**
Financing activities			
convertible debenture loan	30	-	40,000
repurchase of warrants		-	-6,931
paid warrant premiums		-	1,989
repayment of loans		-103,011	-55,000
change of financial liabilities		218,939	-194,147
lending to Group companies		-109,401	-
repayment from Group companies		-	163,158
Group contributions		34,300	7,939
dividend paid		-42,383	-24,999
CASH FLOW FROM FINANCING ACTIVITIES		**-1,556**	**-67,991**
CASH FLOW FOR THE YEAR		**-7**	**-21**
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR		42	63
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**35**	**42**

NOTES (all amounts are in SEK thousands unless otherwise stated.)

NOTE 1. GENERAL INFORMATION

ITAB Shop Concept AB, corporate identity number 556292-1089, is a Swedish registered limited liability company with its registered office in Jönköping, Sweden. The address of the company's head office is Instrumentvägen 2, Jönköping, Sweden. The Parent Company's shares are listed on OMX Nordic Exchange Stockholm, Nordic List. The consolidated accounts include the Parent Company and its subsidiaries, jointly referred to as the Group. Holdings in associated companies are also included in the Group. These consolidated accounts were approved for publication by the Board of Directors on 17 March 2014.

NOTE 2. ACCOUNTING PRINCIPLES

BASIS FOR PREPARATION OF THE STATEMENTS
The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1 has been applied. The Parent Company applies the same accounting principles as the Group except for the instances described in the section "Parent company's accounting principles". The Parent Company's functional currency is the Swedish krona (SEK). This means that the financial reports are presented in the presentation currency Swedish krona, rounded off to the nearest thousand. Assets and liabilities are recognised at their historic cost values, except certain financial assets and liabilities that are measured at fair value.

AMENDED ACCOUNTING POLICIES AND DISCLOSURES FOR THE GROUP

Adopted new and amended IFRS:
During the year, the Group has applied the following new IFRS effective 1 January 2013:

Amendments in IAS 1, Presentation of Financial Statements. Presentation of other comprehensive income is amended so that items that are to be reclassified as profit are reported separately from items that will never be reclassified.

NEW AND AMENDED IFRS EFFECTIVE 1 JANUARY 2013 THAT CAN AFFECTACCOUNTING OF FUTURE TRANSACTIONS AND BUSINESS EVENTS:

Amendments in IFRS 7 Financial instruments: Disclosures, introducing new disclosure requirements relating to offsetting of financial assets and financial liabilities.

IFRS 13 Fair value measurement contains uniform rules for the way fair values are to be measured, as other standards require reporting at or information about the fair values of assets and liabilities. The purpose of the standard is to ensure that valuations at fair value become more consistent and less complex in that the standard provides a precise definition and a common source in IFRS in respect of fair value valuations and associated information.

PUBLISHED AMENDMENTS OF ACCOUNTING STANDARDS TO BE APPLIED FROM 1 JANUARY 2014 OR THEREAFTER

ITAB Shop Concept AB is currently conducting additional work to evaluate the potential effects of the following determined although not yet implemented new and amended standards.

IFRS 9, Financial instruments. IFRS 9 Intended to replace IAS 39 and to date subprojects regarding the recognition and valuation of financial assets and financial liabilities have been published. IFRS 9 will be applied from 1 January 2018.

IFRS 10, Consolidated financial statements describes when controls exist and consequently when a company is to be included in the consolidated financial statements. The standard provides guidance for assessing when controls exist. The standard enters into force on 1 January 2013. The EU has approved the standard, to enter into force on 1 January 2014.

IFRS 11, Joint arrangements identifies two types of joint arrangement: joint operations, where the parties have rights to assets and obligations for liabilities, and joint ventures, where the parties have rights to the net assets. In a joint operation, the parties must present their respective assets, liabilities, income and expenses. In a joint venture, the equity method must be applied. As regards the effective date, see above under IFRS 10.

IFRS 12, Disclosures of interests in other entities includes disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated "structured entities". As regards the effective date, see above under IFRS 10.

IAS 27 Separate financial statements. Recognition and disclosures in legal entities of subsidiaries, "joint arrangements", associates and "unconsolidated structured entities". As regards the effective date, see above under IFRS 10.

IAS 28, Investments in associates and joint ventures describes the application of the equity method, both as regards the recognition of associates and joint ventures. As regards the effective date, see above under IFRS 10.

Amendments in IFRS 32 Financial instruments: Classification introduces a clarification in the section "Application guidance" in respect of the offsetting of financial assets and financial liabilities. The amendments enter into force on 1 January 2014.

The amendment in IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets" will apply from the financial year starting 1 January 2014 or later. In brief, the amendment means that further disclosures shall be provided regarding fair value when the recovery value of an asset that has been written down is based on fair value minus sales expenses.

The amendment in IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting", which will apply from the financial year starting 1 January 2014 or later, introduces leniency when hedge accounting by allowing hedge accounting to continue even when a derivative, which is designed as a hedging instrument, is transferred to a central counterparty if certain terms are satisfied, including that it is required by law or according to other regulations, for example EMIR. The amendment does not cover transactions when derivatives are voluntarily transferred to the central counterparty.

IFRIC 21, Levies will apply from the financial year starting 1 January 2014 or later. The interpretation clarifies when a liability for "levies" is to be recognised. "Levies" are fees/taxes that government or equivalent bodies impose on companies in accordance with laws/ordinances, with the exception of income tax, penalties and fines.

CONSOLIDATED ACCOUNTS
The consolidated final accounts include the Parent Company, ITAB Shop Concept AB, and companies in which ITAB Shop Concept AB, directly or indirectly, has a controlling influence as per the closing day. A controlling influence is defined as the right to dictate a company's financial and operative strategies in order to receive economic benefits. This is normally achieved if the holding corresponds to more than 50 per cent of the votes.

The consolidated accounts have been prepared in accordance with the acquisition method of accounting. This means that shares ▶

in subsidiaries are replaced in the consolidated accounts with the subsidiaries' identifiable assets, liabilities and contingent liabilities, measured at an estimated fair value at the time of acquisition. The acquired subsidiaries' equity is eliminated in full, which means that the Group's equity includes only the portion of the subsidiary's equity earned after the acquisition.

If the Group-related cost for the shares exceeds the value entered for the company's net assets in the acquisition balance, the difference is recognised as Group goodwill. If the Group-related cost for the shares instead is lower than the value of the company's net assets, the difference is recognised directly in the income statement. Holdings without a controlling influence are valued on acquisition as a proportional share of the fair value of identifiable net assets. Subsidiaries are consolidated from the date the Group first has a controlling influence over the company until such time as this control ceases.

ASSOCIATED COMPANIES ACCOUNTS

Associated companies are companies for which the Group has a significant influence, but not a controlling influence. A significant influence means the opportunity to influence operating and financial governance of the company, and is normally achieved when the Group's participation amounts to between 20 and 50 per cent of the votes. From the time the significant influence is achieved, participation in associated companies is recognised in accordance with the equity method in the consolidated accounts. The equity method means that participations in an associated company are recognised at cost at the time of acquisition, which is thereafter adjusted with the Group's portion of the change in the associated company's net assets.

TRANSLATION OF FOREIGN CURRENCY

Functional currency and presentation currency

Items in the financial statements for the various Group units are measured in the currency used in the financial climate where each company primarily conducts its business (functional currency). The consolidated accounts employ SEK, which is the Parent Company's functional currency and presentation currency.

Transactions and balances in foreign currencies

Transactions in foreign currencies are translated to the functional currency at the exchange rate value on the transaction day.

Exchange rate gains and losses incurred when paying such transactions and when converting monetary assets and liabilities in foreign currency to closing day rates are reported in the income statement. Exceptions include when monetary assets and liabilities comprise hedging of net investments in foreign operations, when profits/losses are recognised in Other comprehensive income, see also the section Foreign Group companies.

Foreign Group companies

The earnings and financial position of all Group companies (of which none have a hyperinflation currency) that have a functional currency other than the presentation currency are translated to the Group's presentation currency as follows:

(i) assets and liabilities for each of the balance sheets are translated at closing day rate, (ii) income and costs for each of the income statements are translated at average exchange rate (unless the average rate is not a reasonable approximation of the accumulated effect of the rates valid on transaction day, in which case income and costs are translated as per transaction day rates), (iii) all translation differences that arise are recognised in Other comprehensive income.

During consolidation, exchange rate differences that arise as a consequence of the translation of net investments in foreign operations and from borrowings and other currency instruments identified as hedging of such investments, are charged to Other comprehensive income. Exchange rate differences that arise when divesting foreign businesses are recognised in the income statement as part of the capital gains/losses. Goodwill and other assets and liabilities that arise when acquiring a foreign business are treated as assets and liabilities for this business and translated at the closing day rate.

REVENUE RECOGNITION

The Group's revenue consists primarily of the sale of goods. Revenue recognition takes place when significant risks and benefits associated with ownership of the products are transferred to the buyer. Revenue is not recognised unless it is probable that economic benefits will flow to the Group. Revenue is recognised after value-added tax, discounts, returns and exchange rate differences in the case of sales in foreign currencies. Internal Group sales are eliminated in the consolidated accounts.

LEASING

Leases are classified as either financial leases or operating leases. Financial leasing is when the financial risks and benefits associated with the ownership are essentially transferred to the lessee. If this is not the case, the contract relates to operating leasing. Any variable expenses are expensed in the periods in which they occur.

Financial leases

Financial leasing means that the object in question is reported as a tangible fixed asset, at the same time as a corresponding borrowing is recognised. The lease payment is allocated between a depreciation segment and an interest expenses segment in the income statement.

Operating leases

Expenses for operating leases are recognised in the income statement on a straight-line basis over the period of the lease. Benefits received in connection with signing a lease are recognised in the income state on a straight-line basis over the period of the lease.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses comprise interest income from money in the bank, receivables and interest-bearing securities, interest expenses on borrowings, dividend income, exchange rate differences and changes in the value of derivative instruments. Borrowing costs are expensed to earnings for the period to which they are attributable.

INCOME TAX

Recognised income tax includes tax to be paid or received for the year in question, adjustments for previous years' tax and changes in deferred tax. Deferred tax is reported on temporary differences that exist between fiscal and recognised values of assets and liabilities, as well as on fiscal deficit deductions that are considered possible for future use. Temporary differences are not considered for differences that arise when goodwill is recognised the first time. Measurement of deferred tax is based on how assets or liabilities are expected to be recovered or settled.

Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the closing day. Deferred tax assets are recognised to the extent that it is probable that the future taxable profit will be available, against which the temporary differences can be utilised. Deferred tax assets and liabilities are offset where there is a legally enforceable right to do so and when the deferred taxes relate to the same tax authority.

PENSIONS

The Group's pension plans are almost entirely defined-contribution plans. The costs for these plans are recognised during the period the employees perform the services to which the contribution refers. The Swedish subsidiaries have a pension arrangement via Alecta in a benefit-based ITP plan. Alecta can at present not provide information for the Group to report this plan in the balance sheet in accordance with IAS 19, Employee Benefits. Pension commitments that have not been taken over by insurance companies or secured in some other way with an external party are reported as provisions in the balance sheet.

INTANGIBLE ASSETS

Development expenses incurred to realise new or improved products are recognised as an asset in the balance sheet from the time when technical and economical feasibility has been established, the company has the resources to complete the development process in order thereafter to use or sell the intangible asset, and it is feasible that the product will generate future economic benefits. The recognised value includes expenses for material, direct expenses and indirect expenses that can reasonably and consistently be attributed to the asset.

Intangible assets other than goodwill are recognised at cost less accumulated depreciation and any impairment.

Depreciation is recognised in the income statement over the estimated useful lives of the intangible assets. Depreciation commences from the date the assets are available for use. Estimated useful lives are tested every year.

Goodwill represents the difference between cost and fair value of the acquired assets, transferred liabilities and contingent liabilities. The factors that constitute recognised goodwill are primarily synergy effects in product supply, staff, know-how, customer contacts of strategic significance, and market leading position in selected markets. Recognised goodwill is tested for impairment annually or when there is an indication of possible impairment; see the section on Impairment. A cash-generating unit is defined in IAS 36 as the smallest identifiable group of assets that, in continuous use, generates cash inflows that are essentially independent of other assets or groups of assets. No distribution of the Group's goodwill has been performed because all Group companies' activities and their cash inflow are to a great extent dependent on each other.

The recoverable value for this unit has been determined based on the unit's value in use, which consists of the present value of the estimated future cash flows. Identification of projected cash flows is based in part on an assessment of the expected rate of growth of the business in accordance with forecasts prepared for the next four years. The company uses weighted average cost of capital (WACC) to discount projected cash flows and estimate the cash-generating unit's value in use, see also Note 12.

TANGIBLE FIXED ASSETS

Tangible fixed assets are recognised as assets in the balance sheet if it is probable that future economic benefits will flow to the company and that cost can be reliably estimated. Assets are valued at cost, minus deductions for accumulated depreciation according to plan and any impairment. Cost includes the purchasing price and costs directly related to transporting the asset to site and in a condition that it can be utilised. Expenses for improving the performance of tangible fixed assets, beyond the normal level, increase the asset's value and are recognised in the balance sheet as a part of the original investment. Expenses for repairs and maintenance are expensed when incurred. Depreciation is carried out systematically over the assets' expected useful life and commences after the non-current asset has been taken into operation. The Group applies component depreciation, which means that each part of a tangible fixed asset with a cost value that is significant in relation to the combined cost of the asset, is depreciated separately. Land is not depreciated.

Depreciation plan

Buildings	10-40 years
Land improvement	10-20 years
Improvements to others' property	10-20 years
Machinery and equipment	3-10 years

Leased assets

See previous section concerning Leasing. Assets' utilisation period and residual value are reviewed regularly and adjusted regularly as needed.

FINANCIAL INSTRUMENTS

Financial instruments are every form of contract that gives rise to a financial asset, financial liability or an equity instrument in another company. This includes cash and cash equivalents, interest-bearing receivables, accounts receivable, accounts payable, current and long-term borrowing and derivative instruments. Cash and cash equivalents include cash in hand and bank balance.

CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

A financial instrument is classified at the first accounting instance according to the purpose for which the instrument was acquired. The Group classifies its financial assets and liabilities in the following categories.

Financial assets measured at fair value via the year's profit or loss include financial assets available for sale and financial assets that are classified to be recognised at fair value in the income statement. Financial derivatives recognised as assets and liabilities respectively are measured at fair value in the profit or loss. The result of the change in fair value of financial instruments in this category is included in the year's profit or loss for the period in which it arises. Assets in this category are classified as current assets if they are expected to be settled within 12 months. Otherwise, they are classified as non-current assets.

Investments held to maturity are non-derivative financial assets with payments that are defined or can be established, and with fixed durations, which the Group intends to hold to maturity. ITAB has no financial assets classified in this category.

Loans, trade receivables and accrued income are non-derivative financial assets with payments that are defined or can be established and that are not listed for trade on an active market. Receivables of this type normally arises when the Group pays cash to a counterparty or supplies a customer with goods or services without the intent of converting the receivable that arises. Loans and trade receivables are recognised at accrued cost, which means the amount that is expected to be received after deductions for doubtful receivables. All loans and trade receivables are appraised individually. The anticipated duration of a trade receivable is short, which is why the value is recognised at the nominal amount.

Financial assets available for sale include non-derivative financial assets that are either classified as available for sale or which have not been classified in any of the other categories. ITAB has no financial assets that fall under this category.

Financial liabilities measured at fair value via the year's profit or loss, include financial liabilities that have initially been attributed to the relevant category. Changes in fair value of financial instruments are recognised in the income statement for the period in which they arise as financial income or financial expense. Financial derivatives recognised as assets and liabilities respectively are measured at fair value in the profit or loss.

Other financial liabilities This category includes loans, other financial liabilities and accounts payable and accrued expenses. Liabilities are measured at accrued cost in accordance with the effective interest method. A financial asset or financial liability is recognised in the balance sheet when the company is party to the instrument's contractual terms and conditions. Trade receivables are recognised in the balance sheet when the invoice has been sent and supplier invoices are recognised when the invoice has been received. The financial asset is eliminated from the balance sheet when the right to receive cash flow from the asset expires or is transferred to a third party by transferring all risks and benefits associated with the asset to the third party. A financial liability is eliminated from the balance sheet when the obligation has been fulfilled, revoked or expired.

The defining of boundaries between and recognition of current and non-current balance sheet items is consistently applied for all financial instruments. When settlement or disposal is expected to occur more than 12 months after the closing day, a financial asset is recognised as a non-current asset. Financial assets that are expected to be settled or disposed of within 12 months after the closing day are consequently classified as current assets. Financial liabilities that fall due later than 12 months after the closing day are recognised as long-term liabilities and those that fall due for payment within 12 months after the closing day are recognised as short-term liabilities.

Hedging of net investments

Investments in foreign subsidiaries (net assets including goodwill) have to a certain extent been hedged through loans in foreign currency. Exchange rate differences regarding borrowings are recognised as Other comprehensive income In addition to loans in foreign currencies, the Group uses currency swaps contracts to hedge net assets in foreign currencies. The fair value of the currency hedges is recognised against comprehensive income and reclassified as a financial gain or loss when the contract is terminated.

Derivative instruments – cash flow hedging

The derivative instruments used for hedging projected interest expenses and forecast cash flow in a foreign currency are recognised in the balance sheet at fair value. Any gain or loss is recognised in Other comprehensive income until the hedged flow is recognised in the income statement, at which time the hedged instruments' accumulated gain or loss is transferred to the year's profit or loss as "other gains/losses net".

INVENTORIES

Inventories are measured in accordance with the lowest value principle and the first-in-first-out (FIFO) method. This means that inventories are entered at the lowest cost according to the FIFO method and net selling value. For manufactured goods and work in progress, cost includes a ▶

reasonable portion of the indirect costs based on a normal capacity. Deductions are made for internal gains that arise through sales between companies in the Group.

IMPAIRMENT

The recognised values of the Group's assets, excluding inventories, assets available for sale and deferred tax claims, are tested to determine any requirement for impairment when an indicator of a reduction in value has been identified. Measurement of goodwill, other intangible assets with an indeterminable useful life and intangible assets in the form of capitalised development projects are to be tested for impairment at least once a year.

Impairment testing for other assets is tested in accordance with IAS 39, Financial Instruments - Recognition and Measurement, refer to section Financial instruments. An asset is written down if the recognised value exceeds its recoverable value, where the recoverable value is defined as the asset's net sales value or the value in use, whichever is the higher. To estimate the value in use, projected cash flows that the asset is expected to generate is discounted with an interest rate that corresponds to external assessors' estimated required return. If an asset cannot be tested for impairment separately, it is to allocated to the lowest possible common denominator where independent cash flows can be determined, known as a cash-generating unit, to test these together for impairment. In cases where the conditions for an impairment change, it is possible to reverse conducted impairments. Impairment losses are expensed to the income statement. The impairment of assets attributed to a cash-generating unit is initially distributed to goodwill. A proportional impairment of other assets included in the unit is then performed. See the section Intangible non-current assets.

The recognised value of inventories, assets available for sale and deferred tax claims tested in accordance with the relevant standard.

For information regarding cash-generating units and recognised value of goodwill and other intangible assets, refer to Note 13.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and bank as well as current investments of temporary surplus from cash and bank.

PROVISIONS

A provision is recognised in the balance sheets when the company has a formal or informal commitment that is a consequence of an incident and it is probable that an outflow of resources will be required to regulate the commitment and a reliable estimate of the amount is possible.

CONVERTIBLE DEBENTURE LOAN

A convertible debenture loan is a combined financial instrument that is both liability and equity. In accordance with IAS 32, Accounting for Legal Entities, these are recognised divided into financial liability and equity instrument. This is achieved by deducting the fair value of the financial liability from that which was received when the convertible was issued. The fair value of the liability is estimated by discounting the future payment flows by what is deemed to be market interest for a similar liability. The expenses for issuing the convertible debenture are distributed proportionally in relation to the estimated value of the financial liability and the equity instrument.

TRANSACTIONS WITH RELATED PARTIES

Related companies are defined as those companies included in the Group as well as companies in which related physical persons have a controlling, joint controlling or significant influence. Related physical persons are defined as Board members, senior executives and close family members of such persons. Information about transactions with related parties is presented in Note 33.

OPERATING SEGMENTS

IFRS 8 requires companies to provide information about operating segments. An operating segment is, according to the definition in IFRS 8, a component of a company

(i) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same company)

(ii) whose operating results are reviewed regularly by the company's chief operating decision-maker as a basis for decisions about the allocation of resources to the segment and to assess its performance, and

(iii) for which discrete financial information is available.

Identification of the operating segments has been performed in four stages: identifying the company's chief operating decision-maker, identifying the business activities, determining whether discrete financial information is available for the business activities, and determining whether this information is reviewed regularly by the company's chief operating decision-maker. The definition according to IFRS 8 has thereafter been used to define the Group's operating segments. Because the operating results are not used as the basis for decisions about the allocation of resources to different parts of the company, there is only one operating segment in the Group. Refer also to Note 3.

THE PARENT COMPANY'S ACCOUNTING PRINCIPLES

The Parent Company has prepared its annual accounts in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation, RFR 2. The Swedish Financial Reporting Board's recommendations for listed companies have also been applied. The application of RFR 2 means that the Parent company, in the annual report for the legal entity, applies all IFRS and statements approved by the EU to the extent possible within the framework of the Annual Report Act, the Act on Safeguarding of Pension Commitments, and with respect to the correlation between accounting and taxation. The recommendation explains which exceptions and additions to IFRS should be applied. The accounting policies stipulated below for the Parent Company have been consistently applied for all periods as presented in the Parent Company's financial statements.

Layout for income statement and balance sheet

The financial statements include an income statement including comprehensive income, a balance sheet, a cash flow statement and a statement of changes in equity. The Parent Company uses the layouts specified in the Annual Accounts Act, which means for example that a different presentation of shareholders' equity is applied and that provisions are reported under a separate heading in the balance sheet. For the Parent Company, shareholders' equity is presented divided into unrestricted and restricted equity.

Leasing

In the Parent Company, all leasing agreements are presented according to the rules for operational leasing.

Group contributions and shareholder contributions

Group contributions are recognised according to RFR 2's alternative rule, which means that received and paid Group contributions are recognised as year-end appropriations in the income statement. Shareholders' contribution is expensed directly against equity for the recipient and capitalised in shares and participations for the giver, to the extent impairment is not required.

Taxes

In the Parent company, untaxed reserves including deferred tax liabilities are recognised. In the consolidated statement, however, untaxed reserves are divided up into deferred tax liability and equity.

Participations in subsidiaries

Participations in subsidiaries and associated companies are recognised in the Parent Company according to the acquisition method. Dividends from subsidiaries are recognised as income. When dividends stem from gains earned before the acquisition, the item is to be tested for impairment.

Internal Group transactions

Of the Parent Company's invoiced sales, 100 per cent consisted of invoicing to subsidiaries. No goods were purchased from subsidiaries. Financial income and expenses from Group companies are presented in Notes 8-10.

NOTE 3. BUSINESS SEGMENTS AND GEOGRAPHIC AREAS

The ITAB Group comprises of some forty operating companies that sell, develop, produce and distribute shop fittings and equipment to chain-based customers. The largest customer accounts for 17% of external sales, although none of the ITAB Group's other customers account for more than 10 per cent of external sales. Most of ITAB's customers are major chain stores that operate internationally and have stores in several countries. Several of the Group's companies are involved in most business deals. Because sales largely involve different customised shop concepts, customer sales are often conducted with resources from several Group companies in order to fulfil the customer's various needs in the best possible way. Development and production of the different shop concept segments is carried out by different Group companies depending on where the best conditions exist. The business model means that a large portion of the decisions that affect the Group's different companies are taken centrally. Because the necessary information regarding sales per product or product group is not available since the greatest proportion of sales take the form of concept sales, with a mix of several products and services, ITAB performs no division between product groups. These circumstances mean that operating profit or loss is not used as a basis for deciding on the allocation of resources to different parts of the company, and that ITAB makes no allocation according to operating segment or business segments. See also section "Business activities", pages 16-31.

External sales[1)]

The Group	2013	2012
UK	984,393	870,163
Sweden	546,190	467,254
Norway	425,377	509,955
Germany	261,014	249,312
Finland	142,127	144,625
China	119,247	80,585
The Netherlands	103,522	162,285
Russia	88,858	46,818
Poland	88,344	92,816
Denmark	85,419	116,686
Belgium	74,937	74,630
North America	67,612	83,010
France	50,854	82,842
Czech Republic	48,972	60,342
Lithuania	46,366	45,618
Other	440,727	424,505
	3,573,959	**3,511,446**

1) The allocation basis for deciding the country for external sales is the country where the product is delivered and/or service is performed.

Tangible fixed assets

The Group	2013	2012
Czech Republic	135,929	158,181
Norway	55,589	49,890
Sweden	53,860	54,073
UK	51,969	51,356
Germany	50,224	52,001
Finland	46,932	48,779
Belgium	44,420	46,055
Other	61,737	55,726
	500,660	**516,061**

NOTE 4. EMPLOYEES AND PERSONNEL COSTS

Average number of employees		2013	of which men	2012	of which men
Parent Company	Sweden	13	54%	15	67%
Subsidiaries	Belgium	75	88%	90	83%
	Chile	1	100%	-	-
	Denmark	10	60%	11	45%
	Estonia	3	100%	2	100%
	Finland	78	73%	84	74%
	The Netherlands	67	82%	76	80%
	China	699	40%	593	36%
	Latvia	28	86%	23	87%
	Lithuania	114	82%	119	82%
	Norway	131	79%	130	78%
	Poland	11	64%	8	75%
	Russia	14	71%	10	90%
	UK	286	80%	252	80%
	Sweden	352	76%	360	76%
	Czech Republic	245	76%	272	74%
	Germany	143	83%	143	83%
	Ukraine	3	67%	3	67%
	USA	4	25%	3	0%
TOTAL IN SUBSIDIARIES		**2,264**	**68%**	**2,179**	**66%**
THE GROUP TOTAL		**2,277**	**68%**	**2,194**	**66%**

…CONT. NOTE 4. EMPLOYEES AND PERSONNEL COSTS

Salaries, other remuneration and social security expenses (SEK thousands)	**2013 Salaries and remuneration**	**2013 Social security expenses**	**2012 Salaries and remuneration**	**2012 Social security expenses**
Parent Company	16,002	9,971	16,877	9,794
(of which pension costs)[1]		3,982		3,569
Subsidiaries	561,039	135,292	545,293	137,306
(of which pension costs)		29,830		30,589
GROUP TOTAL	**577,041**	**145,263**	**562,170**	**147,100**
(of which pension costs)[2]		33,812		34,158

[1] Of the Parent Company's pension costs, SEK 742 thousand (SEK 693 thousand) pertain to the Board and CEO. The company's outstanding pension commitments to these persons amount to SEK 0 thousand (0).
[2] Of the Group's pension costs, SEK 6,123 thousand (SEK 6,615 thousand) pertain to the Board and CEO. The Group's outstanding pension commitments to these persons amount to SEK 0 thousands (0).

Salaries and other remunerations distributed per country and between Board members/CEO and other employees	**2013 Board of Directors and CEO**	**2013 Other employees**	**2012 Board of Directors and CEO**	**2012 Other employees**
PARENT COMPANY SWEDEN	**4,354**	**11,648**	**4,901**	**11,976**
(of which bonuses)	*53*		*1,130*	
SUBSIDIARIES IN SWEDEN	**7,746**	**125,048**	**7,526**	**120,597**
SUBSIDIARIES, OTHERS				
Belgium	1,055	24,677	2,152	33,768
Chile	216	-	-	-
Denmark	1,477	6,018	2,625	5,787
Estonia	-	355	-	244
Finland	2,249	25,654	3,012	28,640
The Netherlands	1,704	23,768	1,297	28,736
China	302	33,526	308	26,504
Latvia	518	4,489	562	4,794
Lithuania	481	11,159	484	16,742
Norway	4,379	87,362	8,863	72,432
Poland	544	2,567	437	2,155
Russia	560	2,112	-	1,232
UK	1,732	104,338	1,675	86,900
Czech Republic	1,454	32,591	2,067	37,164
Germany	3,356	47,554	3,378	44,292
Ukraine	-	498	-	188
USA	-	1,550	-	732
SUBSIDIARIES TOTAL	**27,773**	**533,266**	**34,386**	**510,907**
(of which bonuses)	*1,671*		*2,502*	
GROUP TOTAL	**32,127**	**544,914**	**39,287**	**522,883**
(of which bonuses)	*1,724*		*3,632*	

REMUNERATION TO SENIOR EXECUTIVES

The Board's fees
ITAB's Board of Directors comprises six members (see also the presentation of the Board on page 74). In accordance with the resolution at the 2013 AGM, the fee to the elected Board members amounts to a total of SEK 1,050 thousand, with SEK 300 thousand to the Chairman of the Board and SEK 150 thousand to each of the other five Board members. During 2013, the Chairman has carried out consultancy assignments for the company to the value of SEK 909 thousand. In addition, select Board members received a fee for their work in the Remuneration Committee and the Audit Committee totalling SEK 100 thousand per committee, which is distributed between the members. Besides these fees, ITAB has paid no other remuneration to Board members.

Principles for remuneration to senior executives
Principles for remuneration to senior executives is determined by the Board of Directors based on the guidelines for terms of remuneration adopted by the AGM. The purpose is to offer a market-related remuneration package that enables the company to recruit and retain senior executives.

Remuneration to Group management comprises of the following:

1. Basic salary
2. Variable, result-based salary
3. Pension

Remuneration to Group management is to be market-rate in relation to position, individual qualifications and performance. The variable salary for senior executives is founded on improvements based on the budgeted Group earnings for a maximum three months' salary. ▶

Pension is covered by a premium-based pension system. The CEO and other senior executives are covered by a defined contribution pension system that corresponds to the ITP plan for pension insurance. Remuneration is reviewed annually by the Board's Remuneration Committee.

The Remuneration Committee consists of Lottie Svedenstedt (Chair), Tord Johansson, Stig-Olof Simonsson and the CEO as an additional member. The CEO is not present when issues regarding remuneration to the CEO are handled.

Other terms and conditions for the CEO and other senior executives.
The reciprocal period of notice between the company and CEO is six months. In the event of notice from the company's side, a severance payment corresponding to 18 months of salary will be paid. Severance pay is offset against other income. No severance pay will be paid in the event of notice from the CEO.

The reciprocal period of notice between the company and other senior executives is six months. In the event of notice from the company's side, a severance payment corresponding to six months of salary will be paid. Severance pay is offset against other income. No severance pay will be paid in the event of notice being given by the executive.

Remuneration to senior executives (SEK thousands)	**Basic salary**	**Variable salary**	**Other remunerations[1)]**	**Total salary and fees[2)]**	**Pension costs**	**Total incl. pension**
CEO	2,849	53	140	3,042	742	3,784
Other senior executives in Group management (2 executives)	3,459	65	152	3,676	1,054	4,730
TOTAL	**6,308**	**118**	**292**	**6,718**	**1,796**	**8,514**

[1)] Other remunerations refer to taxable benefits for cars, newspapers, etc.
[2)] Salary and fees are recognised above less employers' contribution. Pension costs are recognised less special payroll tax.

Fees and remuneration to auditors **The Group** (SEK thousands)	**2013 Fees to Ernst & Young AB**	**2013 Fees to other auditors**	**2012 Fees to Ernst & Young AB**	**2012 Fee to other auditors**
Audit assignments	2,704	753	3,796	548
Audit activities other than audits	235	-	288	-
Tax consultancy	1,038	74	865	-
Other services	700	207	233	-
	4,677	**1,034**	**5,182**	**548**

Above are the fees for audit assignments and other assignments that are expensed during the year. An audit assignment refers to reviewing the annual accounts and the management of the Board of Directors and the CEO.

Gender distribution of Board members/senior executives

The Group	**2013 Share of men**	**2012 Share of men**
Board members	91%	93%
Senior executives	82%	82%
Parent Company		
Board members	67%	71%
Senior executives	100%	100%

Personnel expenses distributed per function

The Group	**2013**	**2012**
Cost of goods sold	-397,523	-400,784
Selling expenses	-254,427	-245,482
Administrative expenses	-89,629	-79,889
	-741,579	**-726,155**
Parent Company		
Cost of goods sold	-4,481	-4,638
Selling expenses	-9,459	-9,792
Administrative expenses	-10,953	-11,337
	-24,893	**-25,767**

NOTE 5. DEPRECIATION

Depreciation divided per function

The Group	2013	2012
Cost of goods sold	-61,910	-66,718
Selling expenses	-8,053	-8,725
Administrative expenses	-7,341	-7,365
	-77,304	**-82,808**

Parent Company		
Administrative expenses	-378	-544

NOTE 6. OTHER EXPENSES

Other expenses distributed per function

The Group	2013	2012
Cost of goods sold	-182,000	-190,497
Selling expenses	-135,099	-143,766
Administrative expenses	-68,710	-64,705
	-385,809	**-398,968**

Parent Company		
Cost of goods sold	-3,056	-3,739
Selling expenses	-6,452	-8,437
Administrative expenses	-7,471	-8,597
	-16,979	**-20,773**

NOTE 7. OTHER OPERATING INCOME AND OTHER OPERATING EXPENSES

Other operating income

The Group	2013	2012
Operation's exchange rate differences	11,096	11,374
Other	10,982	10,269
	22,078	**21,643**

Parent Company		
Operation's exchange rate differences	4,564	9,037
Other	-	341
	4,564	**9,378**

Other operating expenses

The Group	2013	2012
Operation's exchange rate differences	-21,716	-5,121
Other	-9,839	-5,318
	-31,555	**-10,439**

Parent Company		
Operation's exchange rate differences	-19,945	-339
Other	-156	-47
	-20,101	**-386**

NOTE 8. PROFIT FROM PARTICIPATIONS IN GROUP COMPANIES

Parent Company	2013	2012
Dividends received	51,963	93,380
Write-down of shares in subsidiaries	-4,800	-28,631
	47,163	**64,749**

NOTE 9. FINANCIAL INCOME

The Group	2013	2012
Interest income	1,225	1,339
Result from participations in Group companies	129	-
Exchange rate differences	3,262	1,474
	4,616	**2,813**

Parent Company		
Interest income, Group companies	7,351	7,459
Interest income, others	1,145	1,080
Exchange rate differences	14,314	10,611
	22,810	**19,150**

NOTE 10. FINANCIAL EXPENSES

The Group	2013	2012
Interest expenses [1]	-32,342	-34,086
Other financial expenses	-983	-1,375
	-33,325	**-35,461**

Parent Company		
Interest expenses, Group companies	-457	-574
Interest expenses, others	-27,085	-30,496
Other financial expenses	-77	-214
	-27,619	**-31,284**

[1] This includes profit from interest rate swaps reversed from other comprehensive income amounting to SEK -1,178 thousand (-1,189)

NOTE 11. YEAR-END APPROPRIATIONS

Parent Company	2013	2012
Changes in excess depreciation	13	2
Received Group contributions	70,161	37,400
Group contributions paid	-35,861	-29,461
	34,313	**7,941**

NOTE 12. TAX

The Group	2013	2012
Current tax expenses		
Tax expenses for the period	-58,370	-43,806
Adjustment of tax attributable to previous years	-12,723	685
	-71,093	**-43,121**
Deferred tax expenses (-)/tax income (+)		
Deferred tax attributable to temporary differences	3,282	164
Deferred tax income attributable to value of tax losses capitalised during the year	7,131	2,631
Deferred tax expenses due to utilisation of previously capitalised value of tax losses	-3,278	-392
Deferred tax due to reassessment of opening deficit deduction	-173	0
Deferred tax relating to adjustment of previous year's tax	9,223	0
	16,185	**2,403**
TAX EXPENSES FOR THE YEAR	**-54,908**	**-40,718**

Parent Company	2013	2012
Current tax	-147	-
Deferred tax	-1,319	1,769
	-1,466	**1,769**

Difference between Swedish income tax rate and the effective tax rate

The Group	2013	2013	2012	2012
Reported income before tax	217,082		202,536	
Tax at Swedish income tax rate	-47,758	-22,0%	-53,267	-26,3%
Tax effect of				
Effect of foreign tax rates	-2,936	-1,4%	7,118	3,5%
Utilised non capitalised deficit	0	0,0%	1,108	0,5%
Tax effect of deficit for which tax claims are not considered	-1,853	-0,9%	-427	-0,2%
Tax effect of reassessment of opening deficit deduction	-432	-0,2%	-	
Deductible goodwill	2,433	1,1%	3,937	1,9%
Tax effect of altered tax rates	-101	0,0%	3,134	1,5%
Adjustment of previous year's tax	-3,500	-1,6%	685	0,3%
Tax effect of other non-taxable or non-deductible	-761	-0,4%	-3,006	-1,5%
RECOGNISED TAX EXPENSE	**-54,908**	**-25,3%**	**-40,718**	**-20,1%**

Changes in deferred tax

The Group	2013	2012
At the start of the year	-42,428	-38,125
Acquisitions	0	-218
Items booked directly against equity	652	0
Translation differences	1,333	-1,682
Recognised in the year's profit/loss	16,185	-2,403
AT THE CLOSE OF THE YEAR	**-24,258**	**-42,428**

The deferred tax assets and liabilities recognised in the balance sheet are attributed to:

The Group	Assets 2013	Assets 2012	Liabilities 2013	Liabilities 2012
Current assets	7,880	6,545	-	-
Non-current assets	864	-	22,994	53,105
Pensions	860	2,561	-	-
Deficit deductions	14,711	10,289	-	-
Untaxed reserves	-	-	24,770	10,240
Other	725	1,753	1,534	231
	25,040	**21,148**	**49,298**	**63,576**

Of the deferred tax assets for deficit deductions recognised in the balance sheet, there is a deficit deduction of SEK 28.2 million, the utilisation of which is subject to time restrictions. These mature in 2022. The Group has a deficit deduction corresponding to SEK 29.3 million that is not recognised in the deferred tax assets. These mature at SEK 1.3 million in 2016 and SEK 1.0 million in 2018; there are no time restrictions for the remaining SEK 27.0 million.

NOTE 13. INTANGIBLE ASSETS

Patents, licenses, trademarks and similar rights

The Group	**2013**	**2012**
Accumulated acquisition values		
At the start of the year	100,671	82,780
New acquisitions	25,964	18,068
Translation differences for the year	492	-177
	127,127	**100,671**
Accumulated depreciation according to plan		
At the start of the year	-11,266	-5,823
Depreciation according to plan for the year	-5,546	-5,199
Translation differences for the year	-231	-244
	-17,043	**-11,266**
RECOGNISED VALUE AT THE CLOSE OF THE YEAR	**110,084**	**89,405**

Goodwill

The Group	**2013**	**2012**
At the start of the year	494,037	499,193
Acquisitions of subsidiaries	3,223	4,162
Translation differences for the year	5,388	-9,318
RECOGNISED VALUE AT THE CLOSE OF THE YEAR	**502,648**	**494,037**

The Group's goodwill constitutes primarily synergy effects in product supply, staff, know-how, effective organisation, customer contacts of strategic significance, and a market leading position in select markets.

IMPAIRMENT TESTING FOR GOODWILL

The Group tests goodwill for impairment annually, or more often if there are any indications of impairment. No distribution of the Group's goodwill has been performed because all Group companies' activities and their cash inflow are to a great extent dependent on each other.

The recoverable value for this unit has been determined based on the value in use, which consists of the present value of the estimated projected cash flow. The estimate of projected cash flow is based on an assessment of expected growth in accordance with prepared forecasts for the coming four years. The forecasts are based on experience from previous years, but with consideration for future expected developments. Market shares are expected to increase marginally in the forecast period. Average growth in the organisation is deemed according to the forecast to reach 6% (6%) per year during the coming four years. The estimated sustainable rate of growth is 2% (2%) per year. The assumption of projected growth is the most important assumption and is based on external assessments of the market's growth, past trends and the management's assessment of market shares. The margins in the business are an estimate that also has an impact on testing. The gross profit margins are assumed to reach the same level as the outcome for 2013. The forecast cash flows have been converted to present value using a discount rate of 10.23% (9.72%) before tax, which corresponds to 8.0% (8.0%) after tax. The discount factor, WACC, has been determined through the capital asset pricing model (CAPM). As a part of the discount factor, a risk-free rate of interest corresponding to ten-year government bond is used, with an addition for the equity market's average risk premium and an addition for risk premiums for small companies. Required return is also affected by the debt/equity ratio at optimal capital structure. The risk-free interest and the risk premium have increased during the year, at the same time as the premium for small companies has fallen as ITAB's market capitalisation has increased. In total this has resulted in a smaller increase, which in turn is producing a higher outcome from the discount rate before tax compared to 2012.

The recoverable value exceeds the recognised value by a significant amount, so there is no need for impairment.

A sensitivity analysis in which the sustainable rate of growth is set at 0% or the gross profit margin is lowered by two percentage points still indicates no impairment need.

NOTE 14. TANGIBLE ASSETS

2013 The Group	Buildings	Machinery	Equipment	Construction in progress
Accumulated acquisition values				
At the start of the year	466,968	605,060	288,758	5,507
New acquisitions	1,334	39,111	23,966	2,712
Sales and disposals	-8,612	-23,741	-11,203	-
Reclassifications	4,815	61	1,186	-6,062
Translation differences for the year	-1,286	-1,553	3,329	13
	463,219	**618,938**	**306,036**	**2,170**
Accumulated depreciation according to plan				
At the start of the year	-180,516	-438,643	-231,073	-
Sales and disposals	4,833	23,589	9,285	-
Depreciation according to plan for the year	-12,644	-37,777	-21,337	-
Translation differences for the year	-1,783	-154	-3,483	-
	-190,110	**-452,985**	**-246,608**	**-**
RECOGNISED VALUE AT THE CLOSE OF THE YEAR	**273,109**	**165,953**	**59,428**	**2,170**

2012 The Group	Buildings	Machinery	Equipment	Construction in progress
Accumulated acquisition values				
At the start of the year	462,192	601,787	279,036	2,755
Acquisitions, subsidiaries	12,911	3,300	2,222	-
New acquisitions	2,407	29,925	14,114	4,132
Sales and disposals	-	-17,199	-6,673	-
Reclassifications	-1,318	-352	2,935	-1,266
Translation differences for the year	-9,224	-12,401	-2,876	-114
	466,968	**605,060**	**288,758**	**5,507**
Accumulated depreciation according to plan				
At the start of the year	-172,109	-419,827	-211,569	-
Acquisitions, subsidiaries	-	-2,438	-1,737	-
Sales and disposals	-	15,560	4,836	-
Depreciation according to plan for the year	-11,596	-41,528	-24,485	-
Translation differences for the year	3,189	9,590	1,882	-
	-180,516	**-438,643**	**-231,073**	
RECOGNISED VALUE AT THE CLOSE OF THE YEAR	**286,452**	**166,417**	**57,685**	**5,507**

Parent Company	2013 Equipment	2012 Equipment
Accumulated acquisition values		
At the start of the year	6,106	5,940
New acquisitions	536	176
Sales and disposals	-13	-10
	6,629	**6,106**
Accumulated depreciation according to plan		
At the start of the year	-5,420	-4,886
Depreciation according to plan for the year	-378	-544
Sales and disposals	9	10
	-5,789	**-5,420**
RECOGNISED VALUE AT THE CLOSE OF THE YEAR	**840**	**686**

NOTE 15. PARTICIPATIONS IN GROUP COMPANIES

Parent Company	2013	2012
Opening recognised value	1,142,844	1,171,475
Company start-ups	15	-
Shareholder contribution to ITAB Holding BV	40,393	-
Repayment of shareholder contribution, ITAB Shop Concept s.r.o	-22,548	-
Write-downs for the year [1]	-4,800	-28,631
CLOSING RECOGNISED VALUE	**1,155,904**	**1,142,844**

[1] Write-downs have taken place in ITAB Holding BV in 2013 and in ITAB Shop Concept CZ a.s in 2012.

Subsidiaries	Corp. reg.no.	Reg. office		Number of shares	Holding	2013 Book value	2012 Book value
AB ITAB Novena	233393310	Kaunas	Lithuania	635,350	100%	20,006	20,006
ITAB Baltic SIA, LV	50003567701	Riga	Latvia	100	100%	2,674	2,674
ITAB Belgium N.V.[2]	0807.621.010	Antwerp	Belgium	1,000	100%	-	616
ITAB Germany Gmbh	HR 61998	Cologne	Germany	2	100%	16,674	16,674
ITAB GWS UK Ltd.	2154020	Gravesend	England	3,544,684	100%	20,641	20,641
ITAB Holding B.V.	32082085	Woundenberg	The Netherlands	180	100%	35,750	157
ITAB Konsult AB	556554-1520	Jönköping	Sweden	1,000	100%	309	309
ITAB Shop Concept Belgium N.V[2]	0413.792.003	Antwerp	Belgium	279,295	100%	82,546	81,930
ITAB Pan-Oston Oy	1569393-8	Villähde	Finland	1,165	100%	25,925	25,925
ITAB Pharmacy AB	556603-8245	Stockholm	Sweden	40,000	100%	22,206	22,206
ITAB Scanflow AB	556270-5367	Jönköping	Sweden	10,000	100%	992	992
ITAB Shop Concept AS	960912624	Oslo	Norway	1,534,500	100%	54,640	54,640
ITAB Shop Concept CZ a.s	255 68,663	Blansko	Czech Republic	2,210	100%	276,753	276,753
ITAB Shop Concept Denmark A/S	13769893	Allerød	Denmark	500	100%	22,218	22,218
ITAB Shop Concept Finland Oy	0719064-4	Järvenpää	Finland	77,000	100%	18,097	18,097
ITAB Shop Concept Jönköping AB	556132-4046	Jönköping	Sweden	1,000	100%	9,362	9,362
ITAB Shop Concept Nässjö AB	556474-2244	Nässjö	Sweden	2,000	100%	10,904	10,904
ITAB Shop Concept Polska Sp Zoo	338168	Warsaw	Poland	1,250	100%	42	42
ITAB Shop Concept s.r.o	283 13,518	Boskowice	Czech Republic	0	100%	78	22,626
ITAB Shop Concept Hungary LLC	24685113-2-43	Budapest	Hungary	1	100%	15	-
ITAB Shop Products AB	556065-3866	Jönköping	Sweden	10,000	100%	5,000	5,000
ITAB Shop Products Ltd	5822228	Milton Keynes	England	2,500,000	100%	34,722	34,722
ITAB Eesti OÜ	10994786	Tallinn	Estonia	400	100%	249	249
ITAB UK Ltd	4135080	Hemel Hempstead	England	4,638,740	100%	118,634	118,634
ITAB Ukraine LLC	37102073	Kiev	Ukraine	1	100%	281	281
Nordic Light Group AB	556306-5373	Skellefteå	Sweden	1,000	100%	376,743	376,743
ZAO ITAB Shop Concept Russia	1057811914808	St Petersburg	Russia	100	100%	443	443
TOTAL						**1,155,904**	**1,142,844**

[2] During 2013 the subsidiary ITAB Belgium N.V has merged with the subsidiary ITAB Mertens NV, which has subsequently changed its name to ITAB Shop Concept Belgium N.V.

NOTE 16. INVENTORIES

The Group	2013	2012
Raw materials and supplies	358,854	341,936
Products in progress	50,895	64,228
Finished products and trading goods	268,174	252,116
Work in progress for other parties	30,737	23,040
Advance payment to suppliers	1,440	572
	710,100	**681,892**

The year's impairment of finished products and trading goods expensed to the year's income totalled SEK 15.1 million (16.4) for the Group.

NOTE 17. PREPAID EXPENSES AND ACCRUED INCOME

The Group	2013	2012
Prepaid rent and leasing fees	12,536	12,978
Prepaid insurance premiums	3,663	3,327
Other prepaid expenses	28,419	18,420
Accrued income	6,336	12,254
	50,954	**46,979**

NOTE 18. SHAREHOLDERS' EQUITY

THE GROUP

Share capital
For information regarding share capital and the share capital trend, see the Parent Company's details below.

Other contributed capital.
Refers to equity that is contributed by the shareholders. This includes a portion of share premium reserves transferred to the statutory reserve as of 31 December 2005 Provisions to the share premium reserve as of 1 January 2006 and thereafter are also recognised as contributed capital.

Other reserves
Other reserves in equity comprise translation reserve and hedging reserve.

Translation reserve
According to IAS 21, translation differences for investment activities abroad are to be recognised as a separate item in equity. The translation reserve includes all exchange rate differences that arise when translating financial statements from foreign operations that have prepared their financial statements in a currency other than the Group's functional currency. The Parent Company and the Group present their financial statements in Swedish kronor (SEK). In addition, the translation reserve comprises exchange rate differences that arise when translating liabilities that have been entered as hedging instruments for a net investment in a foreign operation.

When foreign operations are divested, the accumulated exchange rate differences are to be recognised as part of the earnings from the sales. There have been no sales in 2013 and 2012.

Accumulated translation reserve, recognised in comprehensive income as of 2004, amounts to the following:

Translation reserve related to the Parent Company's shareholders	2013	2012
Opening balance	-71,345	-59,280
Translation differences for the year	-225	-12,065
Closing balance	**-71,570**	**-71,345**

Translation reserve related to holdings without controlling influence	2013	2012
Opening balance	558	2,079
Translation differences for the year	952	-1,521
Closing balance	**1,510**	**558**

Hedging reserve
The hedging reserve includes the accumulated net change in the fair value of cash flow hedging instruments attributable to hedging transactions that have not yet taken place.

	2013	2012
Opening balance	-32,855	-22,055
Net change for the year	4,080	-10,800
Closing balance	**-28,775**	**-32,855**
Total other reserves related to the Parent Company's shareholders	**-100,345**	**-104,200**
Total other reserves relating to holdings without a controlling influence	**1,510**	**558**

Profit brought forward
Profit brought forward, including profit for the year, includes earned gains in the Parent Company and its subsidiaries as well as associated companies. Previous provisions to the statutory reserve, excluding transferred share premium reserves, are included in this separate capital item.

PARENT COMPANY

Share capital
The share capital in ITAB Shop Concept AB amounts to SEK 42,383 thousand distributed between 3,900,000 Class A shares and 13,053,205 Class B shares. Each Class A share entitles the holder to ten votes and each Class B share to one vote. All shares have equal rights to dividends. The nominal value is SEK 2.50 per share. With regard to the share capital trend, refer to pages 10-11.

Statutory reserve
The purpose of the statutory reserve has been to save a portion of the net profit, which is not used for coverage of loss brought forward.

Share premium reserve
When shares are issued at a share premium, i.e. it is necessary to pay more than the shares' nominal value for the shares, an amount corresponding to the received amount over and above the nominal value for the shares must be transferred to the share premium reserve.

Profit brought forward
Profit brought forward comprises the previous year's profit brought forward, including the previous year's profit after payment of any dividends. Together with the profit for the year and the share premium reserve, this constitutes total unrestricted equity, i.e. the amount that is available for dividends to the shareholders. Previous provisions to the statutory reserve, excluding transferred share premium reserves, are included in this separate capital item.

NOTE 19. UNTAXED RESERVES

Parent Company	2013	2012
Accumulated excess depreciation	77	90
	77	**90**
Deferred tax included at 22%	*17*	*20*

NOTE 20. OTHER PROVISIONS

The Group	2013	2012
Guarantee fund	3,701	5,039
Environmental reserve	662	2,326
Other provisions	4,749	4,889
Closing balance	**9,112**	**12,254**

The Group	Guar-antee fund	Environ-mental reserve	Other provi-sions
Opening balance as per 1 Jan 2013	**5,039**	**2,326**	**4,889**
The year's provisions	-	-	45
Utilised provisions	-1,340	-1,753	-365
Translation differences	2	89	180
Closing balance as per 31 Dec 2013	**3,701**	**662**	**4,749**
of which, current provisions	**-**	**-**	**-**
of which, long-term provisions	**3,701**	**662**	**4,749**

NOTE 21. FINANCIAL LIABILITIES

The Group	2013	2012
Maturity date		
within 1 year	1,254,756	1,117,957
between 1 and 5 years	153,171	221,024
	1,407,927	**1,338,981**
Financial liabilities include:		
Liabilities to credit institutions	275,238	310,331
Convertible debenture loan	39,806	39,729
Overdraft facilities	684,727	649,178
Derivative liabilities	32,569	37,833
Advance payments from customers	40,831	581
Accounts payable, trade	272,246	248,749
Other liabilities	58,421	48,379
Accrued interest expenses	4,089	4,201
	1,407,927	**1,338,981**

Parent Company	2013	2012
Maturity date		
within 1 year	742,328	554,266
between 1 and 5 years	157,372	256,710
	899,700	**810,976**
Financial liabilities include:		
Liabilities to credit institutions	172,566	271,981
Convertible debenture loan	39,806	39,729
Overdraft facilities	621,405	406,062
Accounts payable, trade	5,083	2,577
Liabilities to Group companies	55,968	84,683
Other liabilities	1,614	1,928
Accrued interest expenses	3,258	4,016
	899,700	**810,976**

Some of the company's bank loans are restricted with covenants, stipulated in the loan contract. The restrictions mean that ITAB has committed to keeping the company's interest-bearing net liability in relation to EBITDA and the portion of risk-bearing capital within certain stipulated levels. None of these covenants have been breached during the year.

NOTE 22. BANK OVERDRAFT FACILITIES

The Group	2013	2012
Granted overdraft facility	1,015,938	1,049,334
Utilised overdraft facility	684,727	649,178
Unutilised overdraft facility	**331,211**	**400,156**
Parent Company		
Granted overdraft facility	775,776	723,540
Utilised overdraft facility	621,405	406,062
Unutilised overdraft facility	**154,371**	**317,478**

NOTE 23. ACCRUED EXPENSES AND PREPAID INCOME

The Group	2013	2012
Payroll and vacation expenses	57,343	59,292
Accrued social security fees, including pension and payroll tax	23,619	23,527
Accrued sales commissions	12,242	14,614
Accrued service-related expenses	1,816	1,525
Accrued interest expenses	4,089	4,201
Other accrued expenses	37,593	53,006
Prepaid income	3,213	20,374
	139,915	**176,539**

NOTE 24. PLEDGED ASSETS

The Group	2013	2012
Pledges for own liabilities		
Property mortgages	79,999	81,691
Business mortgages	260,087	293,120
Shares in subsidiaries	1,005,577	936,279
TOTAL PLEDGED ASSETS	**1,345,663**	**1,311,090**
Parent Company		
Pledges for own liabilities		
Shares in subsidiaries	753,497	753,497

NOTE 25. CONTINGENT LIABILITIES

The Group	2013	2012
Other contingent liabilities	1,376	716
Parent Company		
Sureties for subsidiaries	159,449	225,888

NOTE 26. LEASING

Financial leasing	2013	2012
Plant and machinery		
Accumulated acquisition values		
At the start of the year	53,375	53,341
New acquisitions	6,823	-
Sales and disposals	-6,921	-7
Translation differences for the year	-42	41
	53,235	**53,375**
Accumulated depreciation according to plan		
At the start of the year	-41,938	-36,345
Depreciation according to plan for the year	-4,472	-5,585
Sales and disposals	6,921	7
Translation differences for the year	14	-15
	-39,475	**-41,938**
RECOGNISED RESIDUAL VALUE AT THE CLOSE OF THE YEAR	**13,760**	**11,437**
Borrowing, financial leasing		
Current portion, maturity date within one year	3,197	3,059
Non-current portion, maturity date between one and five years	8,985	8,551
Non-current portion, maturity date over five years	3,069	950
	15,251	**12,560**

Operating leases

During the year, leasing fees for operating leases were paid amounting to SEK 83,963 thousand (83,896).

Contracted future fees for operating leases		
Maturity date within one year	70,743	69,156
Maturity date between one and five years	175,233	171,172
Maturity date more than five years	160,808	174,959
	406,784	**415,287**

The Group's significant financial leases refer to some ten machines in Jönköping and Nässjö in Sweden, and Järvenpää in Finland. No variable fees are included in leasing costs for the period.

NOTE 27. ACQUISITIONS AND DIVESTMENTS OF SUBSIDIARIES

Purchase price	2013	2012
Total purchase price excluding acquisition expenses	3,246	45,466
of which unpaid purchase sum during the year	3,214	7,200

Acquisitions in 2013

All the shares in the company Ingebrigtsvoll Lys AS in Norway were acquired during the year. The company subsequently changed its name to ITAB Prolight AS. ITAB Prolight AS sells lighting products on the Norwegian market. The acquisition was incorporated as of 1 August 2013.

Acquisitions in 2012

During 2012, the company acquired all the shares in Maxted Holdings Ltd in the UK with the subsidiary Europa Shopfitting and Interiors Ltd. Europa conducts the sale, project management, installation and production of joinery on the UK market. On acquisition, the company had net cash of SEK 11,482 thousand. The acquisition was consolidated as of 1 June 2012.

During 2012, the subsidiary Nordic Light AB has acquired the remaining outstanding holding without a controlling influence, corresponding to 49% of the shares in Prolight Försäljning AB. Prolight sells lighting products, primarily in the Nordic markets. The supplementary acquisition affects equity as of 1 April 2012.

Divestments in 2013 and 2012

No divestments were made in 2013 or 2012.

The total value of acquired/divested assets and liabilities in 2013, purchase sums and the impact on the Group's liquid assets were:

Acquired values – ITAB Prolight AS [1]	Fair value
Intangible assets	3,222
Current assets	32
Current liabilities	-8
Acquired net assets	**3,246**
Regulated purchase sum for the year	32
Cash and cash equivalents in the acquired company	-
Impact on the Group's cash and cash equivalents from the year's acquisitions	**32**
Additional purchase sum from previous years' acquisitions in Prolight Försäljnings AB	**3,171**
Impact for the year on the Group's cash and cash equivalents	**3,203**

[1] exchange rate on acquisition NOK 1.0714

The total value of acquired/divested assets and liabilities in 2012, purchase sums and the impact on the Group's liquid assets were:

Acquired values - Maxted Holdings Ltd[1]	Fair value
Intangible assets	4,162
Tangible fixed assets	14,258
Current assets	17,376
Cash and bank balance	11,483
Provisions	-218
Current liabilities	-24,795
Acquired net assets	**22,266**

Prolight försäljnings AB

The cash consideration for the remaining shares is SEK 16,000 thousand, which is slightly more than the visible net asset value, plus an additional consideration that will be paid within two years.

Regulated purchase sum for the year, Maxted Holding Ltd	22,266
Regulated purchase sum for the year, Prolight försäljnings AB	23,200
Expensed unpaid purchase sum, Prolight försäljnings AB	-7,200
Cash and cash equivalents in acquired companies	-11,483
Impact on the Group's cash and cash equivalents from the year's acquisitions	**26,783**

[1] Exchange rate on acquisition GBP 11.2058

NOTE 28. FINANCIAL RISKS

ITAB's risk management aims to identify, control, prevent and minimise the Group's risk picture.

FINANCIAL RISKS

The financial risks are managed by the finance policy adopted by the Board of Directors. Financial activities such as risk management, liquidity management and borrowing are handled centrally by the Parent Company. This allows the Group to optimise the financial risks and make use of economies of scale and synergy effects. Examples of financial risks include currency, interest, credit and liquidity risks.

Currency risk

ITAB Shop Concept is exposed to currency risks through its international business activities. These can be divided into transaction risks, risk when translating foreign subsidiaries' income statements and risk when translating foreign subsidiaries' balance sheets.

Transaction risk

Commercial payment flows that occur in a currency other than the respective subsidiary's local currency entail a transaction risk. To reduce currency exposure, attempts are made to match the inflow and outflow in different currencies by, for example, issuing invoices in the same currency in which purchases are made. In line with the finance policy, it is up to each individual Group company to decide on whether to hedge transaction exposure, which normally occurs with ITAB Shop Concept AB as the counterparty. External currency exposure hedging is thereafter performed by ITAB Shop Concept AB, with consideration for the Group's currency exposure. Hedging activities to reduce transaction exposure are classified as cash flow hedges. At the end of 2013, there were cash flow hedges of projected flows in EUR, GBP, USD and CZK. The fair value of the forward agreements used to hedge forecasted flows amounted to net SEK -6.1 million (-3.3). The year's change in fair value, SEK -2.7 million (-5.9) after tax, has been recognised in Comprehensive income. The recovered results of the forward agreements amounted to SEK -19.1 million (9.0) before tax for 2013, which is recognised as Other income in the income statement.

Risks when translating the income statements of foreign subsidiaries

The foreign subsidiaries' income statements are translated at the average exchange rate for the respective period. Given the invoicing and net earnings of 2013, a 5 per cent change in the Swedish krona exchange rate would affect invoicing by about SEK 138 million and net earnings by about SEK 9 million.

Risks when translating the balance sheets of foreign subsidiaries

The foreign subsidiaries' balance sheets are translated at the exchange rate on the closing day. The translation risks relate to exchange rate fluctuations that affect the value of the net foreign assets when translating to SEK. The value of net foreign assets amounted to SEK 527 million (430) on closing day. Investments in net foreign assets are partly financed by taking loans in foreign currencies, which reduces the translation risks. To reduce the net assets in foreign currencies and thereby reduce the currency risks, assets are financed locally in the foreign subsidiaries, in local currency, where it is commercially possible. Some financing is arranged via the Parent Company ITAB Shop Concept AB, however. In addition to loans in foreign currencies, the Group uses currency swaps contracts to hedge net assets in foreign currencies. The fair value of the currency hedges are recognised against comprehensive income and reclassified as a financial gain or loss when the contract is terminated and the results recovered. Recovered results from currency swap contracts amounted to SEK 5.9 million (0.0) before tax in 2013, recognised as financial expenses in the income statement. Exchange rate fluctuations in 2013 had an impact on the Group's comprehensive income in the amount of SEK 0.7 million (-13.6). At the close of 2013, the fair value of the currency swap contracts was estimated at SEK 3.4 million (8.9).

The value of the Group's foreign net assets per currency, 31.12.13:

Currency	SEK m
CNY	188
CZK	109
NOK	92
GBP	85
EUR (1)	47
USD (2)	-7
Other	13
	527

1) EUR refers also to currencies linked to EUR.
2) USD refers also to currencies linked to USD.

Currency hedges

At the close of 2013, the Group had hedged the following net amount via currency swap contracts. The amounts are stated below per currency in the local currency (million) measured at nominal value.

Currency	Nom. amount
SEK	177
USD	17
CZK	188
GBP	-4
EUR	-34

INTEREST RISK

The interest risk consists of interest rate changes having a negative impact on the Group's results through increased loan costs. The Group's interest-bearing net liability refers to borrowing excluding cash from banks, other credit institutions and convertible debenture loans, and amounted to SEK 890 million on the closing day. SEK 530 million is financed with variable interest. The remaining SEK 360 million has an average fixed rate period of 57 months. The average interest rate for outstanding interest-bearing liabilities was 3.45% at year-end. A one percentage point increase in interest would affect net earnings by approximately SEK 3.9 million annually.

Derivative instruments

Interest rate swap agreement	Nom. amount (SEK million) 2013	Nom. amount (SEK million) 2012
Duration < 1 year	22	-
Duration 1-2 years	22	22
Duration 3-5 years	203	175
Duration 6-10 years	113	164
	360	361

Liquidity risk

Liquidity risk refers to the risk that a company cannot borrow money to fulfil its obligations. ITAB Shop Concept strives to maintain a high level of financing readiness, for example by monitoring and managing the Group's combined capital financing centrally within the parent company. Most of the Group's borrowing is arranged through banks in each respective company's local currency. ITAB Shop Concept AB does lend some funds to subsidiaries at market conditions.

Credit risk

Credit risk refers to the risk that the counterparty in a financial transaction is unable to fulfil its obligations. ITAB Shop Concept's credit risk lies almost exclusively in trade receivables. The Group has historically had low losses on trade receivables. The company's customers are primarily large, well-established companies with sound payment capacity distributed across several geographical markets. The risk of losses on trade receivables is handled through fixed routines for credit restrictions, reminder procedures and penalty interest invoicing. Credit insurance policies exist in conjunction with sales to customers in certain countries. The amount that best represents the maximum exposure to credit losses, without consideration for any security provisions and VAT, is the outstanding accounts receivable on the closing day of SEK 565 million (523).

Time analysis of current financial receivables	2013 Due	2013 Not due	2013 Total	2012 Due	2012 Not due	2012 Total
Trade receivables, not written down						
less than 30 days old	64,887	450,953	515,840	71,683	364,632	436,315
31-60 days old	20,907		20,907	26,048		26,048
more than 60 days old	27,846		27,846	18,182		18,182
Trade receivables written down						
more than 60 days old	18,389		18,389	4,102		4,102
TOTAL TRADE RECEIVABLES	**132,029**	**450,953**	**582,982**	**120,015**	**364,632**	**484,647**
Deduction for reserves	-18,389		-18,389	-4,102		-4,102
Other receivables		47,901	47,901		30,152	30,152
Accrued income		6,336	6,336		12,254	12,254
BOOK VALUE CURRENT FINANCIAL TRADE RECEIVABLES	**113,640**	**505,190**	**618,830**	**115,913**	**407,038**	**522,951**

The receivable is reserved as doubtful in the case of a suspected bad debt loss. The appraisal is individual and performed on a case-by-case basis.

The following table shows the Group's financial assets and liabilities	Derivatives that are applied in hedge accounting	Loans and trade receiva-bles	Other financial liabilities	Total recog-nised value	Fair value[1]	Derivatives that are applied in hedge accounting	Loans and trade receiva-bles	Other financial liabilities	Total recog-nised value	Fair value[1]
2013						**2012**				
Financial assets										
Financial non-current receivables		527		527	527		874		874	874
trade receivables		564,593		564,593	564,593		480,545		480,545	480,545
Derivative instruments				-	-	7,092			7,092	7,092
Other receivables		47,901		47,901	47,901		30,152		30,152	30,152
Accrued interest income		5		5	5		0		0	0
Cash and cash equivalents		142,382		142,382	142,382		133,661		133,661	133,661
TOTAL FINANCIAL ASSETS		**755,408**	**-**	**755,408**	**755,408**	**7,092**	**645,232**	**-**	**652,324**	**652,324**
Financial liabilities										
Liabilities to credit institutions			275,238	275,238	275,238			310,331	310,331	310,331
Convertible debenture loan			39,806	39,806	39,806			39,729	39,729	39,729
Overdraft facilities			684,727	684,727	684,727			649,178	649,178	649,178
Derivative liabilities	32,569			32,569	32,569	37,833			37,833	37,833
Advance payments from customers			40,831	40,831	40,831			581	581	581
Accounts payable, trade			272,246	272,246	272,246			248,749	248,749	248,749
Other liabilities			58,421	58,421	58,421			48,379	48,379	48,379
Accrued interest expenses			4,089	4,089	4,089			4,201	4,201	4,201
TOTAL FINANCIAL LIABILITIES	**32,569**	**-**	**1,375,358**	**1,407,927**	**1,407,927**	**37,833**	**-**	**1,301,148**	**1,338,981**	**1,338,981**

[1] For current receivables and liabilities with a lifetime of less than six months, the reported value is considered to reflect the fair value. For interest rate swaps and currency swaps, the fair value is calculated through discounted future cash flows according to the contracts' terms and due dates, where all variables, such as discount rates and exchange rates, are obtained from market listings for calculations.

Valuation hierarchy.

The Group recognises financial instruments that are valued at fair value in the statement of financial position. This requires information about valuation at fair value per level in the following fair value hierarchy:

Level 1: Listed prices (unadjusted) on active markets for identical assets or liabilities. Financial instruments valued at fair value based on level 1 comprise cash and cash equivalents as well as long-term and current interest-bearing liabilities.

Level 2: Observable input data for assets or liabilities other than listed prices included in level 1, either direct (i.e. as price quotations) or indirect (i.e. derived from price quotations). Financial instruments valued at fair value based on level 2 comprise derivatives that are applied in hedge accounting.

Level 3: Input data for the asset or liability that are not based on observable market data (i.e. non-observable input data). The ITAB Group has no financial instruments valued at fair value based on this level.

NOTE 29. PROVISIONS FOR PENSIONS

The following tables are an overview of the items included in the net costs for remuneration recognised in the consolidated income statement for defined benefit pension plans. Certain information concerning the outcome of capital management and amounts reported in the Group's balance sheets for these pension plans is also provided. Amendments of IAS 19 as from 1 January 2013 have not affected the ITAB Group.

Defined-benefit pension plans	**2013**	**2012**
Net costs		
Interest on the year's increase of present value of pension commitments	636	1,169
Net of earned pensions and paid premiums during the year	-2,480	-176
Expected return on management assets	-555	-759
RECOGNISED PENSION COSTS, NET	**-2,399**	**234**
Recognised provisions per 31 December		
Pension commitments' present value	20,337	25,889
Management asset's fair value	-13,292	-18,514
RECOGNISED PROVISIONS PER 31 DECEMBER	**7,045**	**7,375**
The net amount is distributed between the following countries		
Norway	3,757	3,614
Sweden	2,292	2,281
Belgium	930	1,241
Other	66	239
OBLIGATIONS RECOGNISED IN THE BALANCE SHEET	**7,045**	**7,375**
Change in recognised provision		
Opening net liability	7,375	22,150
Actuarial gains and losses	2,318	-15,272
Realignment	-249	263
Pension costs, net	-2,399	234
RECOGNISED PROVISIONS PER 31 DECEMBER	**7,045**	**7,375**
The most important assumptions used for determining commitments for pensions (%)		
Discount factor	4.10%	3.90%
Future wage increases	3.75%	3.50%
Future pension increases	3.50%	3.25%
Expected yield	4.10%	3.90%

DEFINED-CONTRIBUTION PENSION PLANS

Pension plans according to ITP are safeguarded through an insurance policy in Alecta. Alecta is a defined-benefit plan but, because Alecta is presently unable to provide information for the Group to report this plan in the balance sheets in accordance with IAS 19, Employee Benefits, the plan is recognised as a defined-contribution plan.

The year's fees in Alecta amount to SEK 3,383 thousand (3,727). Alecta's surplus can be distributed to the policy holders and/or the insured. At the close of 2013, Alecta's surplus in the form of collective solvency level was 148% (129). The collective solvency level comprises the market value of Alecta's assets as a percentage of the insurance commitments calculated according to Alecta'sinsurance-related calculation assumptions, which do not coincide with IAS 19.

NOTE 30. CONVERTIBLE DEBENTURE LOAN

The company has a reported outstanding convertible loan of SEK 39,806 thousand. During June 2012, a subscription for convertible shares for employees was carried out, in which 325,203 convertible shares were subscribed for at a conversion rate of SEK 123. The nominal amount is SEK 40,000 thousand, which corresponds to 325,203 shares. Transaction expenses that arise in connection with the convertible loan are spread over the term of the loan and expensed as financial expense. The convertible loan will run until 30 June 2016 at an annual interest rate of STIBOR 3 months plus 2.55 percentage points. The interest rate is determined annually and is judged to be the market-going rate. During the period 1 June 2016 to 10 June 2016, the convertible debenture can be converted to shares at a conversion rate of SEK 123 per share. The loan's nominal amount is SEK 123.

At the start of 2012, the company had a reported outstanding convertible debenture loan of SEK 226,465 thousand. The original nominal amount was SEK 242,800 thousand, of which SEK 15,820 thousand was repurchased and SEK 302 thousand was converted up to and including 2011. During 2012, SEK 224,974 thousand was converted and the remaining SEK 1,705 thousand was amortised. Transaction expenses that arose in connection with the convertible loan were spread over the term of the loan and expensed as financial expense. The convertible loan ran until 31 July 2012 at an annual interest rate of STIBOR 12M plus 1.5 percentage points, which is judged to be the market-going interest rate. During the period 1 August 2008 to 29 June 2012, the convertible debenture could be converted to shares at a conversion rate of SEK 85 per share. The loan's nominal amount was SEK 85 per convertible debenture.

NOTE 31. INCENTIVE SCHEME

The 2010 AGM decided to introduce an incentive scheme for all employees within the ITAB Group. 118 employees opted to participate in the scheme involving 467,250 warrants, in which each warrant gave the right to subscribe for one Class B share at a price of SEK 92.50 during November 2012. The employees paid a price of SEK 4.32 for the warrants, a market-rate price calculated according to the Black & Scholes method. In the calculation, the average price during the period 6 May to 12 May 2010, SEK 71.17, has been used as the share price, the 2-year Swedish government bond interest, which was 1.47%, was used as risk-free interest, an analysis of the historic volatility of the ITAB share, which was 25%, was used as volatility, and assumed discounted dividends during the duration of the warrants, SEK 2.69, was used as the dividend. On 5 September 2012, the Board decided on a repurchase offer in which the company offered to buy back warrants from warrant holders. Repurchases were conducted on four occasions. On 10 September, 315,000 warrants were repurchased based on the closing price on 6 September. On 17 September, the next repurchase of 31,300 warrants was conducted, based on the closing price on 13 September. On 24 September, 3,750 warrants were repurchased, based on the closing price on 20 September. On 30 November, the final repurchase of 117,200 warrants was conducted, based on the closing price on 29 November. As a result, all the warrants, i.e. 467,250, were repurchased by the company during 2012.

The 2008 Annual General Meeting decided to introduce a performance-based incentive scheme for senior executives and other key individuals employed within the ITAB Group. Some fifty employees participated in the incentive scheme with a total of 420,000 options, divided into 233,500 warrants, 166,500 employee options and 20,000 hedging options, aimed at financing expenses for the scheme. The programme ran with effect from October 2008, with the potential for subscription during the period September 2011 to 23 March 2012 at a subscription rate of SEK 97 per share. Because the scheme's performance-based target was not met, employee options could not be utilised and therefore matured without value for the employees. Warrants numbering 233,500 remained as per 31 December 2011. The employees paid a price of SEK 11.50 for the warrants, a market-rate price calculated according to the Black & Scholes method. In the calculation, the average price during the period 3 September to 17 September 2008, SEK 84.36, has been used as the share price, the market interest on Swedish government bond series no 1,046, which was 3.61%, was used as risk-free interest, an analysis of the historic volatility of the ITAB share, which was 25%, was used as volatility, and assumed discounted dividends during the duration of the warrants, SEK 5.64, was used as the dividend. On 8 February 2012, the Board decided on a repurchase offer in which the company offered to buy back warrants from warrant holders at a price of SEK 17, which was based on the share's closing price on 9 February 2012. Employees holding 213,000 warrants accepted this offer, and 20,500 warrants were used to subscribe for shares during April 2012.

NOTE 32. EARNINGS PER SHARE

The Group	2013	2012
Earnings per share before dilution		
Net profit for the period, SEK thousands	152,280	152,798
Average number of outstanding shares	16,953,205	16,139,979
EARNINGS PER SHARE BEFORE DILUTION, SEK	**8.98**	**9.47**
Earnings per share after dilution		
Net profit for the period, SEK thousands	152,280	152,798
Net interest expenses on convertible debentures, SEK thousands	1,212	673
Adjusted profit, SEK thousands	**153,492**	**153,471**
Number of outstanding shares as per the closing day	16,953,205	16,953,205
Adjustment for assumed conversion of convertible debentures	325,203	325,203
Number of shares after dilution	**17,278,408**	**17,278,408**
EARNINGS PER SHARE AFTER DILUTION, SEK	**8.88**	**8.88**

NOTE 33. RELATED PARTY DISCLOSURES

The ITAB Group's related parties refer to Group management, the Parent Company's Board and companies under the controlling influence of these parties. Transactions of significance with related parties refer to transactions with a value of more than SEK 1 million with the Group's aforementioned related parties. Details regarding salary and remuneration to senior executives, see note 4.

TRANSACTIONS WITH RELATED PARTIES

Transactions between ITAB's subsidiaries and companies under the controlling influence of ITAB's Board members do take place. These transactions are part of the company's standard operations and are conducted at market conditions.

- Rent and other property expenses in the amount of SEK 21 million (21) for the properties in Jönköping and Nässjö were paid in 2013 to Tosito AB, owned by Board member Stig-Olof Simonsson. Prepaid rent affects the balance sheet by SEK 5 million (5).
- Purchases at a value of SEK 3 million (3) were made by ITAB Shop Concept AB Nässjö from Arion Sweden AB, owned by Pomonagruppen AB, in 2013.
- Purchases at a value of SEK 1 million (2) were made by ITAB Shop Products AB and ITAB Shop Concept Jönköping AB from companies in the XANO Group, which is under the controlling influence of Tord Johansson, in 2013.

NOTE 34. EVENTS AFTER CLOSING DAY

No significant events after the closing day have occurred in either the Group or the Parent company.

The Board of Directors and the CEO hereby verify that the consolidated accounts and the annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act, and provide a true and fair view of the Group's and the Parent Company's financial position and results, and that the Directors' Report presents a true and fair view of the Group's and the Parent Company's business activities, position and financial results and describes significant risks and uncertainties that the Parent Company and companies within the Group face.

The annual accounts and the consolidated accounts have been approved for issue by the Board of Directors on 17 March 2014. The Group's income statement and the statement of financial position, as well as the Parent Company's income statement and balance sheet, will be subject to adoption at the Annual General Meeting on 7 May 2014.

Jönköping, 17 March 2014

Tord Johansson Chairman	Anna Benjamin Board member	Anders Moberg Board member	
Fredrik Rapp Board member	Stig-Olof Simonsson Board member	Lottie Svedenstedt Board member	Ulf Rostedt CEO

Our audit was submitted on 26 March 2014

Ernst & Young AB

Håkan Sundberg
Authorised Public Accountant

AUDITORS' REPORT

To the Annual General Meeting of ITAB Shop Concept AB (publ)
Corporate identity number 556292-1089

STATEMENT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have carried out an audit of the annual accounts and consolidated accounts for ITAB Shop Concept AB (publ) for the 2013 financial year. The company's annual accounts and consolidated accounts are included in the printed version of this document on pages 38-68.

Board of Directors' and CEO's responsibility for the annual accounts and consolidated accounts

The Board of Directors and CEO are responsible for the preparation and fair presentation of the annual accounts in accordance the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, the Annual Accounts Act, and for such internal control as the Board of Directors and CEO determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free of material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts and the consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by the Board of Director and CEO, as well as evaluating the overall presentation of the annual accounts and consolidated accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of 31 December 2013 and its financial performance and cash flows for the year in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2013 and their financial performance and cash flows for the year in accordance with the International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory Directors' Report is consistent with the other parts of the annual accounts and the consolidated accounts.

We therefore recommend to the Annual General Meeting of shareholders that the income statement and balance sheet of the Parent Company and the income statement and statement of financial position for the Group be adopted.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and CEO of ITAB Shop Concept AB (publ) for the year 2013.

Responsibilities of the Board of Directors and CEO

The Board of Directors is responsible for the proposed appropriations of the company's profit or loss, and the Board of Directors and CEO are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the CEO is liable to the company. We also examined whether any member of the Board of Directors or the CEO has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinions

We recommend to the Annual General Meeting of shareholders that the profit be appropriated in accordance with the proposal in the Directors' Report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Jönköping, 26 March 2014

Ernst & Young AB

Håkan Sundberg
Authorised Public Accountant

CORPORATE GOVERNANCE REPORT

COMMENTS BY THE CHAIRMAN OF THE BOARD OF ITAB

ITAB's business concept is to offer complete shop concepts for retail chain stores. With its expertise, long-term business relationships and innovative products, ITAB will secure a market-leading position in selected markets.

The task of the Board is, based on a long-term perspective, to make decisions that create the conditions for the Group to be able to work and develop in accordance with the business concept and thereby to satisfy established goals. We have to be very knowledgeable about the sector and the market situation. We have to be able to lift our gaze and make decisions that have the correct strategic focus in the long term. We also have to be able to reconsider when conditions change. Our Board constitutes a good combination of abilities, the skills we possess complement each other and several of the members have solid experience from relevant sectors. Decisions are made after discussions in which several perspectives are taken into account, and in this way we achieve a transparent discussion regarding various areas.

The Board members are charged with managing the company's and the owners' interests in a reliable way. At the same time, we have to be sensitive to all the company's stakeholders in order to maintain the trust that the company enjoys.

The Board is confident of the market position ITAB possesses, and considers that the Group's offer will continue to have considerable potential in the future. Maintaining a long-term approach has always been an important part of ITAB's strategic focus and we believe it is resulting in stable growth. We are looking to the future with confidence.

Tord Johansson
Chairman of the Board

INTRODUCTION

Corporate governance in Swedish companies listed on the Stock Exchange is regulated by a combination of written rules and practice. The regulations are made up in the first instance of the Swedish Companies Act and the rules that apply on the regulated market on which the company's shares are listed for trading. In addition, all listed Swedish companies have been covered by the Swedish Code for Corporate Governance ("the Code") since 1 July 2008.

The Swedish Companies Act stipulates that there must be three decision-making bodies in the company: Annual general meeting, board of directors and CEO. There must also be a control body, an auditor, that is appointed by the annual general meeting. The Act specifies the duties of each body and the responsibility of the individuals included in the company's bodies. The Code supplements the Act by imposing more stringent demands in various areas, but at the same time makes it possible for companies to deviate from these if it is considered that this would result in better corporate governance in the individual case in question.

CORPORATE GOVERNANCE IN ITAB

ITAB Shop Concept AB (publ) is a Swedish registered limited liability company, whose overall ambition is to create long-term value for shareholders and other stakeholders. The ITAB share is listed on NASDAQ OMX Stockholm in the Mid Cap segment. The information requirements that ITAB consequently has to fulfil are set out in the "Regulations for issuers" issued by the Stock Exchange. The provisions of the Code apply to ITAB as of July 2008. This Corporate Governance Report describes ITAB's corporate governance, management and administration as well as internal controls regarding financial reporting.

This corporate governance report is not part of the Directors' Report. The report is examined by the company's auditor in accordance with the Annual Accounts Act, see separate statement attached to this Corporate Governance Report on page 73.

SHAREHOLDERS

At the end of 2013, the number of shareholders in ITAB amounted to 2,098 (1,855). Institutional ownership made up 4.74 per cent of the votes and 14.55 per cent of the capital. The ten largest shareholders were responsible for 92.97 per cent of the votes and 78.84 per cent of the capital. At present there are two shareholders who each own and control more than 10 per cent of the votes for all the shares in the company. Tord Johansson controls 24.25 per cent of the capital and 53.10 per cent of the votes via his own via holdings and holdings of related parties. Pomonagruppen AB holds 29.63 per cent of the capital and 28.32 per cent of the votes.

THE ANNUAL GENERAL MEETING

The Annual General Meeting is the forum where the shareholders exert their influence. The Annual General Meeting is the company's highest decision-making body and has a senior position in relation to the company's Board of Directors and CEO. According to the Articles of Association, the notice of the Annual General Meeting must be published by means of an announcement in Post och Inrikes Tidningar and on the company's website. Information notifying that the announcement has been made in Post och Inrikes Tidningar and on the company's website must be advertised in Dagens Industri.

ANNUAL GENERAL MEETING

The Annual General Meeting convenes once a year in order to decide on whether to adopt the income statement and balance sheet, on the discharge of liability for members of the Board and the CEO, and on the appropriation of profits or losses. The Meeting also elects the Board and, when required, the auditors.

All shareholders registered in the shareholders' register and who have given notice of attendance may participate in the Meeting and vote according to the number of shares owned. Shareholders who are unable to attend in person may exercise their rights by proxy.

ANNUAL GENERAL MEETING 2013

ITAB's 2013 Annual General Meeting was held Tuesday 14 May. Attending the Meeting were 54 shareholders representing 87.73 per cent of the votes and 64.94 per cent of the total number of shares. ITAB's Board of Directors, management, auditors and representatives from the Nomination Committee were present at the Meeting. The following decisions were taken:

- Dividends to the shareholders of SEK 2.50 per share, for a total of SEK 42.4 million.
- Anna Benjamin, Tord Johansson, Anders Moberg, Stig-Olof Simonsson and Lottie Svedenstedt were re-elected as members of the Board, and Fredrik Rapp was elected for the first time.
- Tord Johansson was elected Chairman of the Board. Anders Rudgård (Chairman), Fredrik Rapp and Johan Storm were elected to the Nomination Committee ahead of the 2014 Annual General Meeting.
- The registered auditing company Ernst & Young AB was selected as auditor, with authorised public accountant Håkan Sundberg as auditor with overall responsibility.
- Fees to the Board of Directors and auditors, as well as guidelines for remuneration to senior executives.
- Authorisation to the Board to decide on the purchase and transfer of the company's own shares.

ANNUAL GENERAL MEETING 2014

ITAB's 2014 Annual General Meeting will be held on Wednesday 7 May at 3 pm in the company's offices at Instrumentvägen 2 in Jönköping, Sweden. Further information can be found on page 79.

NOMINATION COMMITTEE

The Nomination Committee is the Meeting's body for proposing the AGM's decisions regarding appointment issues that provides conditions for well-informed decision-making in these issues.

Following a proposal from the largest shareholders as of 31 December 2012, Tord Johansson and Pomonagruppen AB, who jointly represent 81.42 per cent of the votes and 53.88 per cent of the capital in ITAB, the 2013 Annual General Meeting appointed Anders Rudgård (Chairman), Fredrik Rapp and Johan Storm as members of the Nomination Committee.

The Nomination Committee's task for the 2014 AGM is to propose candidates for Chairman of the Board and Board members, AGM meeting chairman and auditors, as well as fees and other remuneration for Board, committee and audit work. The Nomination Committee has evaluated relevant aspects of the work of the Board and, prior to the AGM, has held one minuted meeting with all members present, as well as several other contacts.

THE BOARD OF DIRECTORS

The tasks of the Board of Directors are to manage the company's affairs on behalf of the shareholders. According to ITAB's Articles of Association, the Board of Directors must comprise at least three and at most eight members with at most eight deputies. According to the Code, deputies will not be appointed to those members elected by the Annual General Meeting. ITAB's Board of Directors currently comprises six ordinary members. Tord Johansson (Chairman), Anna Benjamin, Anders Moberg, Fredrik Rapp, Stig-Olof Simonsson and Lottie Svedenstedt. A more detailed presentation of the Board members can be found on page 74.

The Board members elected by the AGM include individuals representing ITAB's major shareholders as well as independents (see table on page 73). The Articles of Association contain no special provisions regarding the appointment and dismissal of Board members or changes to the Articles of Association. In addition to current laws and recommendations, ITAB's Board work is governed by the Board's rules of procedure stipulated once a year. The rules of procedure include rules for the division of responsibilities between the Board and the CEO, financial reporting and investments.

In 2013, the Board convened for a total of seven board meetings, all of which were ordinary board meetings. In addition to operational information, predetermined reports and resolution items are addressed at every regular meeting, such as a review of the previous meeting's minutes, a general review of Group companies including following up the most recent accounts and comparisons with forecasts, as well as financing and liquidity, in accordance with the Board's rules of procedure.

The Board also takes decisions on issues of a general nature, such as the Group's strategy, structural and organisational issues, policies and guidelines, as well as major investments. The company's auditors participate in at least one of the Board's meetings every year. At this time, the auditor presents observations made when auditing the company's accounts, procedures and internal audits. The Board of Directors continually evaluates the work of the CEO.

In addition to fixed points as above, the programme for 2013 also covered the following:

1. **5 February.** Year-end report 2012, report from the Audit Committee in which the auditors' overall observations during the audit of the 2012 accounts were presented, evaluation of the Board's work in 2012.
2. **14 May.** Interim report, three months, conditions ahead of Annual General Meeting.
3. **14 May.** Statutory Board meeting.
4. **9 July.** Half-yearly report.
5. **3 September.** Group strategy, year plan for 2014.
6. **5 November.** Interim report, nine months.
7. **11 December.** Forecast for 2014.

AUDIT COMMITTEE

The Audit Committee will prepare the Board of Directors' work of quality-assuring the company's financial reporting, continually meet the company's auditors to obtain information about the focus and scope of the audit, as well as discuss co-ordination between the external audit and the internal control and views of the company's risks, establish guidelines regarding which services other than audits the company may procure from the company's auditors, evaluate audit work and notify the company's Nomination Committee about the results of the evaluation, as well as assist the Nomination Committee in the drawing up of proposals for auditors and the payment of fees for the audit work.

ITAB's Audit Committee in 2013 comprised the Board members Anna Benjamin (Chair of the committee), Tord Johansson and Fredrik Rapp. During 2013, the Audit Committee has held two minuted meetings in which all the members have participated, and has maintained ongoing contact with the company's auditors. The Audit Committee has also had a number of contacts with the Group management.

REMUNERATION COMMITTEE

The Remuneration Committee's primary tasks are preparing the Board's decisions on issues regarding remuneration principles, remunerations and other terms of employment for corporate management, monitoring and evaluating ongoing schemes and schemes concluded during the year regarding variable remuneration to corporate management, as well as monitoring and evaluating the application of the guidelines for remuneration to senior executives decided by the Annual General Meeting, as well as current remuneration structures and remuneration levels in the company.

ITAB's Remuneration Committee has also been tasked with preparing issues regarding remuneration and other employment terms for CEOs in other companies in the Group. In 2013, ITAB's Remuneration Committee comprised the Board members Lottie Svedenstedt (Chair of the committee), Tord Johansson and Stig-Olof Simonsson, with CEO Ulf Rostedt as an additional member.

CEO

The Chief Executive Officer is appointed by the Board to be responsible for the company's day-to-day management in line with the Board's guidelines and instructions. The current CEO Ulf Rostedt took up his position in February 2008, after having been Deputy CEO since 2004.

GROUP MANAGEMENT

The Group management coprises CEO Ulf Rostedt, Deputy CEO Mikael Gustavsson and CFO Samuel Wingren.

GROUP STAFF

Reporting directly to the CEO is a staff that has responsibility within business development, finance, insurance, purchasing, IT, information, ▶

law, communications, consolidated accounts and Group-wide administration. Projects that cover all or the majority of the Group's companies are controlled and co-ordinated from here. Within each area, handbooks and policies are drawn up that regulate the work in the subsidiaries.

AUDITOR

The auditors examine the company's annual accounts, consolidated accounts and accounting records as well as the administration of the Board of Directors and CEO.

To examine the company's annual accounts, consolidated accounts and accounting records as well as the administration of the Board of Directors and CEO, a registered auditing company or one or two auditors, of whom at least one must be authorised, with or without deputy auditors, shall, according to the Articles of Association, be appointed by the Annual General Meeting. The auditors report to the owners at the Annual General Meeting via their auditor's report. The auditors are appointed by the shareholders at the AGM. The election of auditors within ITAB took place at the 2013 Annual General Meeting and related to the term up to and including the 2014 Annual General Meeting. The company's auditor is the registered auditing company Ernst & Young AB, with authorised public accountant Håkan Sundberg as auditor with overall responsibility. Alongside his duties for ITAB Shop Concept AB, Håkan Sundberg also has auditing assignments for e.g. EAB AB and Gislaved Gummi AB.

DEVIATIONS FROM THE CODE

There are no deviations to report for 2013.

PRINCIPLES FOR REMUNERATION TO SENIOR EXECUTIVES, INCENTIVE SCHEMES, ETC.

The Board proposes that the AGM should decide on guidelines for determining salary and other remuneration to the CEO and other members of the executive management. The guidelines decided at the 2013 AGM stipulate that the terms should be market rate. In addition to a basic salary, members of the executive management may receive variable remuneration that is limited to a maximum of three months of salary and result-based against stipulated targets.

Senior executives are to have market-rate, premium-based pension terms and conditions. All members of corporate management may terminate their employment with six months notice. In the event the CEO is given notice by the company, a severance payment corresponding to 18 months of salary will be paid. The Board has the right to deviate from the guidelines should mitigating circumstances so require.

At the 2012 Annual General Meeting, it was decided to issue convertible debentures to employees, which also includes the Group management. There are no outstanding share or share price related incentive schemes.

INTERNAL CONTROLS FOR FINANCIAL REPORTING

According to the Companies Act and the Swedish Code of Corporate Governance, the Board is responsible for internal controls aimed at protecting the company's assets and thereby the investments of its owners. ITAB's tool for internal controls is based on the COSO framework. The framework streamlines the work with the internal controls.

During 2013, ITAB has decided to clarify the internal audit function and has further released it from current operations. During the year, the internal controls have focused primarily on formalities, procedures and processes linked to relevant authorisation arrangements and rules of procedure.

FINANCIAL REPORTING

All companies submit monthly reports concerning economic outcomes. The reporting is consolidated and constitutes the basis for quarterly reports and operative follow-up. Operative follow-up follows an established structure in which orders received, invoicing, liquidity, earnings, capital tied-up and other key ratios of importance for the Group are compiled and constitute the basis for analysis and measures from management and controllers at various levels. Other important, Group-wide parts of the internal control include business plans and the annual forecast process. For communication with external parties, the Group has an information policy intended to ensure that all information obligations are complied with, correctly and in full.

CONTROL ENVIRONMENT

The Audit Committee's primary task is to monitor the accounting and reporting processes and to ensure the quality of these reports and processes. The responsibility for maintaining an effective control environment, day-to-day risk management and internal controls in terms of financial reporting has been delegated to the CEO. Executives at various levels of the company are in turn responsible within their respective areas. Responsibility and authorisation are defined in the instructions to the CEO, instructions for approval lists, handbooks and other policies and procedures. The Board determines the Group's important policies regarding information, credit and finance. The Group management determines other instructions, and the responsible Group functions issue guidelines and oversee the application of the regulatory framework. The Group's accounting and reporting rules are stipulated in an economy handbook that is available to all accounting staff. Together with laws and other external regulatory frameworks, the organisational structure and internal regulatory frameworks constitute the control environment.

RISK ASSESSMENT

ITAB performs regular risk analyses in which the risks of errors in the financial reporting of significant income statement and balance sheet items are examined. Operational risks are also mapped.

CONTROL ACTIVITIES

The purpose of control activities is to discover, prevent and correct errors and deviations. Policies and guidelines are particularly important for accurate accounting, reporting and information dissemination and define also which control activities should be conducted. Within ITAB, policies and guidelines are regularly updated, both in writing and at meetings. Control activities include approval routines, reconciliation of accounts, analytical follow-up and control of IT systems.

FOLLOW UP

Corporate management and controllers regularly follow-up economic and financial reporting, as well as key business events. At each Board meeting, economic performance is monitored against forecasts, and examinations are conducted looking at how well investments are following prepared plans. The Audit Committee regularly evaluates the internal control, the code of corporate governance and significant accounting issues.

OPINION CONCERNING INTERNAL AUDIT

During 2013, ITAB has decided to clarify the internal audit function and has released it from current operations. The work with internal control takes place in an internal audit programme that covers all Group companies according to a pre-determined plan. Parts of the internal control are regularly examined by the auditors.

THE COMPOSITION OF THE BOARD OF DIRECTORS AND COMMITTEES, 2013

Name	Commissions	Remunerations Committee	Audit Committee	Independent in relation to the company and corporate management	Independent in relation to major shareholders	Participation in Board meetings	Participation in Remuneration Committee	Participation in Remuneration Committee	Board fee including committee remuneration (SEK)
Tord Johansson	Chairman	Board member	Board member	No [1]	No [2]	7 (7)	1(1)	2 (2)	360,000
Anna Benjamin	Board member	-	Chair	Yes	Yes	7 (7)	-	2 (2)	190,000
Anders Moberg	Board member	-	-	Yes	Yes	6 (7)	-	-	150,000
Fredrik Rapp [3]	Board member	-	Board member	Yes	No [2]	5 (5)	-	1 (1)	120,000
Per Rodert [3]	Board member	-	Board member	Yes	Yes	2 (2)	-	1 (1)	60,000
Stig-Olof Simonsson	Board member	Board member	-	Yes	Yes	7 (7)	1(1)	-	180,000
Lottie Svedenstedt	Board member	Chair	-	Yes	Yes	6 (7)	1(1)	-	190,000
Ulf Rostedt	CEO	-	-	No	Yes	6 (6) [4]	1(1) [4]	-	-
									1,250,000

1) Tord Johansson works for the company on a consultancy basis.
2) Tord Johansson and Fredrik Rapp each controlled, via their own holdings and holdings through companies, more than ten per cent of the shares and votes in ITAB, which according to the Code is not to be considered as independent in relation to larger shareholders.
3) Per Rodert resigned his position and Fredrik Rapp was elected to the Board in conjunction with the 2013 Annual General Meeting.
4) Ulf Rostedt has participated as deputy at Board meetings and at the Remuneration Committee's meeting.

More information about the Board and corporate management is provided on pages 74-75.

Jönköping, 17 March 2014

Tord Johansson
Chairman

Anna Benjamin
Board member

Anders Moberg
Board member

Fredrik Rapp
Board member

Stig-Olof Simonsson
Board member

Lottie Svedenstedt
Board member

Ulf Rostedt
CEO

AUDITOR'S STATEMENT CONCERNING THE CORPORATE GOVERNANCE REPORT

To the Annual General Meeting of ITAB Shop Concept AB (publ), corporate reg. no. 556292-1089

The Board of Directors is responsible for the Corporate Governance Report for 2013 on pages 70-73 and for ensuring that it is prepared in accordance with the Annual Accounts Act.

We have read the Corporate Governance Report and, based on this and our knowledge of the company and the Group, believe we have sufficient grounds for our opinion. This means that our statutory review of the Corporate Governance Report has a different focus and a significantly reduced scope compared with the focus and scope of an audit in accordance with Internal Standards on Auditing and generally accepted auditing standards in Sweden.

We consider that a Corporate Governance Report has been prepared, and that its statutory information is consistent with the annual accounts and the consolidated accounts.

Jönköping, 26 March 2014
Ernst & Young AB

Håkan Sundberg
Authorised Public Accountant

BOARD OF DIRECTORS

TORD JOHANSSON
(born 1955)
Chairman of the Board since 2004
(also Board member 1987-1998)
Degrees: Degree from
Technical University of Linköping
Principal work experience:
CEO ITAB Industrier
Commissions: Chairman of the Board of XANO Industri AB, Kieryd Gård AB, SW Exergon AB. Board member of Blue Wall Construction AB, Eolus Vind AB, Prolight AB, and others.
Shareholding in ITAB Shop Concept AB:
Class A: 2,614,400 shares
Class B: 1,496,190 shares

ANNA BENJAMIN
(born 1976)
Board member since 2004
Degrees: Master in Economics and Finance, Jönköping International Business School
Principal work experience:
Business developer ICA Sverige AB, Manager, Pricewaterhouse Coopers and Controller Nobina
Shareholding in ITAB Shop Concept AB:
Class B: 318,910 shares

ANDERS MOBERG
(born 1950)
Board member since 2011
Principal work experience:
CEO of the IKEA Group, Royal Ahold N.V. and Majid Al Futtaim Group LLC
Commissions: Chairman of the Board of Clas Ohlson AB and OBH Nordica AB. Board member of Bergendahl & Son AB, Husqvarna AB, Byggmax AB, Ahlstrom Corporation, Hema B.V, ZetaDisplay AB, Rezidor AB, Amor GMBH and Suomen Lähikauppa OY
Shareholding in ITAB Shop Concept AB:
Class B: 150,000 shares, via endowment policy

FREDRIK RAPP
(born 1972)
Board member since 2013
Degrees: Economics graduate
Principal work experience:
CEO Pomonagruppen, CEO Telecom
Commissions: Board Chairman of Binar AB, Eesti Höövelliist AS, Serica Consulting AB, etc. Board member of Nordic Flow Group AB, PrimeKey Solutions AB, TM Web Express AB, XANO Industri AB, etc.
Shareholding in ITAB Shop Concept AB:
1,080,000 Class A shares
3,951,908 Class B shares

STIG-OLOF SIMONSSON
(born 1948)
Board member since 2004
Degrees: Bachelor of Arts
Principal work experience:
CEO SYSteam
Commissions: Chairman of the Board of Simonssongruppen AB, TOSITO Invest AB, and others.
Board member of XANO Industri AB, and others.
Shareholding in ITAB Shop Concept AB:
Class B: 537,383 shares

LOTTIE SVEDENSTEDT
(born 1957)
Board member since 2009
Degrees: Master of Law, Uppsala University
Principal work experience: Regional manager H&M, CEO Inter Ikea Systems A/S, business area manager Ikea of Sweden and CEO Kid Interiør A/S
Commissions: Board Chairman of MiL Institute
Board member of Byggmax AB, Decidokompensor AB, Liberala Tidningar i Mellansverige AB, Mediebolaget Promedia i Mellansverige AB, Stampen AB, Swedavia AB and Vanna AB
Shareholding in ITAB Shop Concept AB:
Class B: 10,000 shares

GROUP MANAGEMENT

ULF ROSTEDT
(born 1967)
CEO since 2008
and member of the Group management
Employed since 1997
Degrees: Graduate engineer in Mechanical Engineering
Institute of Technology, Linköping University
Principal work experience:
Deputy CEO ITAB Shop Concept AB,
Production & Logistics Manager Eldon
Shareholding in ITAB Shop Concept AB:
Class B: 39,600 shares
Convertibles corresponding to
Class B shares: 12,600 shares

MIKAEL GUSTAVSSON
(born 1964)
Deputy CEO since 2008
and member of the Group management
Employed since 2003 (previously employed 1995-1999)
Degrees: B.Sc. Economics, Uppsala University
Principal work experience:
CEO Holmbergs Industri, CEO Bladhs Medical and Deputy CEO Bladhs plast
Shareholding in ITAB Shop Concept AB:
Class B: 24,300 shares
Convertibles corresponding to
Class B shares: 12,600 shares

SAMUEL WINGREN
(born 1971)
CFO since 2013 and member
of the Group management. Employed in ITAB since 2003.
Degrees: M.Sc. in Business and Economics
Jönköping International Business School
Principal work experience:
Group Business Controller ITAB,
Controller Axenti and Isaksson Gruppen
Shareholding in ITAB Shop Concept AB:
Class B: 13,970 shares
Convertibles corresponding to
Class B shares: 12,600 shares

AUDITORS

The auditors are appointed by the shareholders at the AGM. The auditors examine the company's annual accounts, consolidated accounts and accounting records as well as the administration of the Board of Directors and CEO.

The company's auditor is the registered auditing company Ernst & Young AB, with authorised public accountant Håkan Sundberg as auditor with overall responsibility. The appointment is valid until and including the 2014 AGM. Alongside his duties for ITAB Shop Concept AB, Håkan Sundberg also has auditing assignments for EAB AB and Gislaved Gummi AB.

Håkan Sundberg
(born 1970)
Auditor to ITAB since 2009
Authorised Public Accountant
Member of FAR SRS, Ernst & Young AB

Information about the number of shares refers to shareholdings as per 31 December 2013 and includes, where relevant, holdings via companies, spouses and minors.

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GLOSSARY

Conveyor belt scales
A scale in the conveyor belt that automatically weighs the item at checkout.

Shop Concept
A shop concept comprises all types of fittings and equipment intended for displaying and storing goods in shops.

CAD system
A CAD system is an advanced piece of software for producing product drawings.

EasyFlow
A fully automatic self-checkout system that is based on barcode-free identification of goods.

Entrance systems and Queue management systems
Entrance systems comprise e.g. gates, posts and partitions commonly found in shop entrances. Queue management systems are systems of rails and posts that guide customers to the checkout.

ExitFlow
An automatic gate specially adapted for ITAB's self-checkout system.

MoveFlow
A self-checkout system specially designed for stores where customers primarily use shopping baskets and the number of items per customer is low.

Radar systems, Photocell systems and Ceiling or movement sensors
Radar systems, photocell systems and ceiling or movement sensors are different names for movement detectors that open the entrance gates.

SCO
SCO stands for Self Checkout.

Self-checkout
Self-checkout lets the consumer quickly, conveniently and reliably check and scan their items themselves at the checkout.

Third-customer feature
The third-customer feature is a support system for the checkout that allows a third customer to start the purchasing process while the first two customers are still packing their items.

TwinFlow
A self-checkout system adapted for retail chains where customers primarily use shopping trolleys and the number of items per customer is high.

itab.se

▶ Download or order copies of the financial statements on ITAB's website.

WELCOME TO THE 2014 ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Wednesday 7 May 2014, at 3 pm in ITAB's offices at Instrumentvägen 2 in Jönköping, Sweden.

NOTIFICATION OF PARTICIPATION

Shareholders wishing to participate in the Annual General Meeting must be registered in the shareholders register maintained by the securities register centre Euroclear Sweden AB (formerly VPC AB) on Wednesday 30 April 2014, and must notify the company of their intention to participate in the Meeting not later than 4 pm on Tuesday 30 April 2014 to the address ITAB Shop Concept AB, Box 9054, SE-550 09 Jönköping, by phone on +46-36 31 73 00 or by email at ir@itab.se or via the form at www.itab.se. The notification is to include the participant's name, social security number/corporate identity number, address, daytime telephone number and the number of owned shares. Shareholders whose shares are registered in the names of trustees must have their shares re-registered temporarily in their own names before Wednesday 30 April 2014 to be eligible to participate in the Meeting.

DIVIDENDS

The Board of Directors proposes a dividend of SEK 3.00 per share for financial year 2013. The record date will be Monday 12 May 2014. Subject to the Meeting's approval of the proposal, it is expected that dividends will be remitted by Euroclear Sweden AB on Thursday 15 May 2014.

NOMINATION COMMITTEE

At the 2013 AGM, a Nomination Committee was appointed comprising Anders Rudgård as Chairman, Fredrik Rapp and Johan Storm. The Nomination Committee's task for the 2014 AGM is to propose candidates for Chairman of the Board and Board members, auditors, AGM meeting chairman, as well as fees and other remuneration for Board and audit work.

AGENDA

The Meeting will address the issues that the Swedish Companies Act and the Articles of Association require be brought before an Annual General Meeting, such as presentation of the annual report and auditors' report, resolutions on the adoption of the income statements and balance sheet, discharge from liability for Board members and the Managing Director, and the election of Board members. Other matters are presented in the agenda, which will be sent together with the invitation to the Annual General Meeting.

FINANCIAL STATEMENTS FOR 2014

Interim report, January – March	7 May
Annual General Meeting 2014	7 May
Interim report, January – June	9 July
Interim report, January – September	4 November
Year-end report 2014	February 2015
Annual Report 2014	March/April 2015
Annual General Meeting 2015	May 2015

Fru Berg | Photo: Patrik Svedberg and others. | Printed by: Danagård LITHO

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