

ITAB

INTERIM REPORT
JANUARY - MARCH 2016

Q1

JANUARY – MARCH 2016

- ▶ Income amounted to SEK 1,089 million (1,151)
- ▶ Operating profit amounted to SEK 81 million (95)
- ▶ Profit after financial items amounted to SEK 76 million (90)
- ▶ Profit after tax amounted to SEK 58 million (68)
- ▶ Earnings per share amounted to SEK 1.64 (1.86)
- ▶ Cash flow from operating activities amounted to SEK 18 million (0)
- ▶ The company's net debt was SEK 731 million (931)

IMPORTANT EVENTS

- ▶ ITAB has signed a three-year agreement with Co-operative Group in the UK for the supply of shop fitting

IMPORTANT EVENTS AFTER THE PERIOD

- ▶ ITAB has through subsidiary signed an agreement to acquire LICHTSPIEL Lichtprojekte und Design GmbH in Germany
- ▶ ITAB delivers a test installation of the self-checkout system EasyFlow to a major grocery chain in the US
- ▶ ITAB has acquired MB Shop Design in Hillerstorp, Sweden

CEO ULF ROSTEDT'S COMMENTS

The Group has had one of its best first quarters ever, both in respect of sales and earnings. Despite slightly poorer growth compared to last year, we are continuing to advance our market position from a strategic perspective. Several of our customers are choosing to use a larger proportion of our all-inclusive offer in order to achieve a more efficient store refurbishment process, which is in line with our business concept of offering complete shop concepts. Our offer is competitive and we will continue to develop the concept in order to create more effective and more attractive shop environments for our customers.



Currency-adjusted sales during the first quarter of the year fell by 3% compared with last year. Sales have developed on a par with last year in Scandinavia and Central Europe, while other markets have not developed quite as well. Profit after financial items decreased by 16%. The poorer earnings trend can primarily be explained by the change in the exchange rate, which has had a negative impact on the Group's profit during the quarter of almost SEK 17 million. In addition, the calendar effect with the Easter holiday falling during the first quarter has also affected us negatively.

Gross margin is continuing to improve, which indicates that the long-term work aimed at streamlining all parts of our operation in order to improve our offer has produced results. We have more efficient capital management compared to last year, which is contributing to an improved cash flow from the operation.

MARKETING ACTIVITIES

There continues to be considerable interest in our self-checkout concept, as it provides the conditions for streamlining and cost savings in stores. Several self-checkout system installations were completed during the period in major chains around Europe.

At the start of the year, working alongside Toshiba, we participated with our self-checkout concept at NRF in New York, a major trade fair for technical solutions in the retail sector. Here we had the opportunity to present our products to the American market, the world's largest market for self-checkout solutions. Working alongside Toshiba, we are conducting intensive marketing work in the European and American markets. We have also taken part in EuroCis in Germany during the period, at which we were able to show off our self-checkout concept.

Over the past year, we have invested heavily in the development of our lighting systems, in order to be at the forefront with our products primarily in terms of efficiency, quality and de-

sign. Our product range is well adapted to the global market.

STRATEGIC APPROACH

During the quarter, we have entered into a three-year agreement with Co-operative in the UK regarding the delivery of shop fittings, project management and installation. The length of the agreement offers a good platform and stability for both the customer and ITAB over the next few years.

After the end of the period, we have acquired Lichtspiel Lichtprojekte und Design GmbH in Germany. This acquisition is a stage in the intensification of our marketing activities regarding lighting in the German and Central European market, as well as in the strengthening of ITAB's position. After the end of the period, we have also acquired MB Shop Design in Sweden. Through this acquisition, ITAB is strengthening its expertise and market position within concept sales in the Scandinavian market. The acquisitions are in line with the Group's continued focus on sales of shop fitting concepts to the retail trade.

After the end of the period, we have reached agreement on the delivery of a test installation of EasyFlow for a major supermarket chain in the USA in collaboration with Toshiba. This delivery is significant for us, as it is the first installation of ITAB's self-checkout system in the US market.

"The acquisitions are in line with the Group's continued focus on sales of shop fitting concepts to the retail trade."

THE FUTURE

Despite a slightly weaker start than last year, we are expecting a positive development in the future. Our situation could be affected by a "brent". We will continue our long-term work aimed at streamlining all parts of our operation, in order to improve our offer and retain

our profit level. In the long term, we believe that our customers will be on the look-out for more effective solutions, both for shops but also for the process of establishing shops.

Thanks to our experiences, we have considerable confidence in our self-checkout concept for the years ahead. We also consider that the Group is well prepared, both in terms of expertise and capacity, to meet the high rate of development being witnessed as regards LED products and systems in the lighting segment.

ITAB's global presence is becoming even more important, as several of our customers are expanding across large parts of the world. We currently enjoy a financial position that provides good opportunities for continued expansion in future. In line with increased globalisation for our customers, it is natural for us to become established in more markets. I am primarily thinking about southern Europe, bearing in mind our existing customers' development, similarities in culture and the proximity to these markets. We also have a well established network of production, logistics, installation and service in the area. In parallel with this, we can see continued opportunities to strengthen our position in existing markets. Our all-inclusive offer, which includes shop concepts, checkouts, self-checkout solutions and professional lighting systems, alongside our working model and geographic presence, will lead to better business both for ITAB and for our customers.

Jönköping, 11 May 2016

Ulf Rostedt,
Managing Director & CEO
ITAB Shop Concept AB

Q1 OVERVIEW

SUMMARY Q1

- ▶ Sales decreased by 5 % to SEK 1.089 million (1.151)
- ▶ Operating decreased by 15 % to SEK 81 million (95)
- ▶ Profit after financial items decreased by 16 % to SEK 76 million (90)
- ▶ Earnings per share decreased by 12 % to SEK 1.64 (1.86)

IMPORTANT EVENTS

- ▶ ITAB has through subsidiaries signed an agreement with The Co-operative Group in the UK with an estimated value of SEK 300 million over a three year period. ITAB will supply shop fittings to the chain's stores in the UK market. The agreement also includes installation and project management. The Co-operative Group operates over 3,500 stores and is one of the leading supermarket chains in the UK market.

IMPORTANT EVENTS AFTER THE PERIOD

- ▶ ITAB has signed an agreement to acquire LICHTSPIEL Lichtprojekte und Design GmbH in Germany. The company sells lighting products and light planning to retail chain stores primarily in Germany but also in the Central European market. The company is a sales company with expertise in light planning and design. The company reported sales of EUR 4 million and the cash consideration is EUR 2.3 million and an additional purchase price based on the company's profit for 2016 of max EUR 0.3 million. The takeover will be realized with immediate effect. The acquisition has a marginal positive impact on earnings per share.
- ▶ ITAB delivers a test installation of the fully automatic self-checkout system EasyFlow to a major grocery chain in the United States. The delivery will be made in cooperation with Toshiba. The test applies to the installation of two EasyFlow in store. The delivery is of importance for ITAB since it is the first installation of self-checkout in the US market.
- ▶ ITAB has signed an agreement to acquire MB Shop Design AB in Hillerstorp, Sweden. MB Shop Design has production in wood and metal, store-keeping and sales of shop fitting concepts to the retail chain stores in the Swedish and Danish market. The takeover will be realized with immediate effect and the cash consideration is SEK 106 million. In 2015 the company's turnover was SEK 140 million and the number of employees is 75. The acquisition is expected to have a positive effect of 0.4 SEK earnings per share in 2016.

ITAB GROUP IN FIGURES

	3 MONTHS JAN-MAR 2016	3 MONTHS JAN-MAR 2015	ROLLING 12 MONTHS APR-MAR 2015/2016	FULL YEAR JAN-DEC 2015
Net sales, SEK m	1,089	1,151	5,131	5,193
Operating profit, SEK m	81	95	494	508
Operating margin, %	7.4	8.2	9.6	9.8
Profit after net financial items, SEK m	76	90	462	476
Profit margin, %	7.0	7.8	9.0	9.2
Net profit after tax, SEK m	58	68	364	374
Earnings per share, SEK	1.64	1.86	10.10	10.32
Equity per share, SEK	44.43	38.50	44.43	43.15
Return on equity, %	15.0	19.9	24.6	26.2
Portion of risk-bearing capital, %	52.1	44.2	52.1	50.3
Cash flow from operating activities, SEK m	18	0	429	411
Average no. employees	2,836	2,843	2,826	2,829

JANUARY - MARCH

Net sales and income

The Group's net sales amounted to SEK 1,089 million (1,151), which is a decrease of 5%. The Group's currency-adjusted net sales have fallen by 3% during the year compared to last year. Sales have developed on a par with last year in Scandinavia and Central Europe, while other markets have not developed quite as well.

The Group's operating profit amounted to SEK 81 million (95), a decrease of 15%. The poorer earnings trend can primarily be explained by the change in the exchange rate, which has had a negative impact on the Group's profit during the quarter of almost SEK 17 million. In addition, the calendar effect with the Easter holiday falling during the first quarter has also had a negative impact.

Financial position

The net debt was SEK 731 million (931). The Group's cash and cash equivalents, including undrawn committed credit facilities, amounted to SEK 586 million (388) on closing day. The equity/assets ratio was 48% (41%). Cash flow from current operations amounted to SEK 18 million (0). The improved cash flow is primarily due to more efficient capital management.

Investments

The Group's net investments amounted to SEK 24 million (67), of which SEK 0 million (53) are attributable to corporate transactions during the period. In the beginning of 2015 ITAB acquired all shares in JPD in Latvia. For more information on corporate transactions, see Note 1 page 9.

Employees

The average number of employees at the end of the period was 2,836 (2,843).

Parent Company

The Parent Company ITAB Shop Concept AB's operations consist primarily of Group-wide functions. The Parent Company's net sales amounted to SEK 10 million (9) and profit after financial items to SEK 129 million (36).

OTHER DISCLOSURES

Seasonal variations

ITAB's operations are affected to a certain extent by seasonal variations. The sales volumes are often lower at the start of the year and then gradually increase during the year. As a result, sales and earnings are generally higher during primarily the third but also the fourth quarter. The quarterly sales and earnings are presented in the diagrams on page 8.

Risks and uncertainties

The Group's significant risks and uncertainties include business risks and financial risks. The Group's significant financial risks are more fully discussed in Note 4 on page 60 of the 2015 Annual Report.

ITAB's business risks are associated with our own operations, customers and suppliers, as well as other external factors. Some of the most significant business risks are summarised on page 46 of the 2015 Annual Report. No further significant risks have been identified.

Convertible debenture loan

During the period 4 June to 14 June 2012, a subscription for convertible shares was carried out in which all ITAB employees had the right to subscribe, for a maximum total of SEK 40 million. The offer was considerably oversubscribed. The allocation was 650,406 convertibles that can be converted at a rate of SEK 61.50 during the period 1 June 2016 to 10 June 2016.

During the period 22 May to 2 June 2014, a subscription for convertible shares was carried out in which all ITAB employees had the right to subscribe, for a maximum total of SEK 30 million. The offer was considerably oversubscribed. The allocation totalled 100,334 convertibles, and during the period 1 June 2018 to 11 June 2018 each convertible can be converted to two Class B shares at a conversion rate of SEK 149.50 (the recalculation has taken place as a result of the implemented share split 2:1).

Accounting policies

ITAB applies the International Financial Reporting Standards (IFRS). This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1, additional accounting principles consolidated Group and RFR 2, Accounting for Legal Entities. The accounting policies that have been applied are consistent with the accounting policies used in the preparation

of the most recent annual report.

Estimates and judgements

The preparation of the interim report requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. However, the actual results may ultimately differ from those estimates and judgements. The critical judgements and sources of uncertainty in the estimates used in the preparation of this interim report are the same as in the most recent annual report.

Financial assets and liabilities

ITAB has derivative financial instruments measured at fair value. The derivative instruments consist of foreign exchange forward contracts and interest rate swaps used for hedging purposes.

All derivative instruments are categorised as Level 2 and the fair value is measured using discounted future cash flows according to the terms and due dates of the contracts where all variables, such as discount rates and exchange rates, are obtained from market listings for calculations.

Additional considerations are recognised as financial liabilities and are categorised as Level 3. These are based on each contract's parameters which are mainly linked to the anticipated performance of the acquired companies over the next few years. The additional considerations have been recognised at estimated fair value and are re-measured through the income statement.

Recognised value is considered to constitute a reasonable estimate of the actual value of all financial assets and liabilities. For other financial assets and financial liabilities, please refer to the most recent annual report. No financial assets or financial liabilities have been transferred between the valuation categories and the same valuation techniques have been used throughout the year. Otherwise refers to the most recent annual report.

Related party transactions

ITAB has not entered into any related party transactions that have significantly affected the company's financial position and results.

Next reporting date

The year-end report for the period January through June 2016 will be presented on the 12 July 2016.

This interim report has not been subject to a general review by the company's auditor.

THE GROUP

INCOME STATEMENT - SUMMARY

(SEK m)	3 MONTHS JAN-MAR 2016	3 MONTHS JAN-MAR 2015	ROLLING 12 MONTHS APR-MAR 2015/2016	FULL YEAR JAN-DEC 2015
Net sales	1,089	1,151	5,131	5,193
Cost of goods sold	-772	-823	-3,678	-3,729
Gross profit	317	328	1,453	1,464
Selling expenses	-179	-184	-752	-757
Administrating expenses	-55	-56	-220	-221
Other operating income and expenses ¹⁾	-2	7	13	22
Operating profit	81	95	494	508
Financial income	2	3	3	3
Financial expenses	-7	-8	-35	-35
Profit after financial items	76	90	462	476
Tax expenses	-18	-22	-98	-102
NET PROFIT FOR THE PERIOD	58	68	364	374
Net profit for the period attributable to:				
Parent Company shareholders	56	63	343	350
Non-controlling interests	2	5	21	24
Depreciation/amortisation for the period	24	21	91	88
Tax expense for the period amounts to	24%	24%	22%	22%
Earnings per share				
basic, SEK	1.64	1.86	10.10	10.32
diluted, SEK	1.61	1.82	9.90	10.11
Average number of outstanding shares ²⁾				
basic (thousands)	33,906	33,906	33,906	33,906
diluted (thousands)	34,757	34,757	34,757	34,757

The Group has two outstanding convertible debenture schemes. In the first scheme, which runs during the period 1 July 2012 to 30 June 2016, conversion to a maximum of 650,406 Class B shares can take place during the period 1 to 10 June 2016 at a subscription price of SEK 61.50. In the second scheme, a subscription for convertible shares for employees was carried out during June 2014. The scheme runs during the period 1 July 2014 to 30 June 2018 and conversion to a maximum of 200,668 Class B shares can take place during the period 1 to 11 June 2018 at a subscription price of SEK 149.50. The total number of shares after full dilution will then be 34,757,484.

STATEMENT OF OTHER COMPREHENSIVE INCOME - SUMMARY

(SEK m)	3 MONTHS JAN-MAR 2016	3 MONTHS OCT-DEC 2015	ROLLING 12 MONTHS APR-MAR 2015/2016	FULL YEAR JAN-DEC 2015
Net profit for the period	58	68	364	374
Other comprehensive income:				
Items that will not be reclassified to the income statement				
Actuarial gains and losses on defined-benefit pension commitments	-	-	1	1
Tax on items that will not be reclassified	-	-	0	0
	-	-	1	1
Items that may be reclassified to the income statement				
Translation differences	-11	23	-66	-32
Hedging of net investments, net	3	2	6	5
Cash flow hedges, net	-8	-1	-7	0
Tax on items that may be reclassified	1	0	0	-1
	-15	24	-67	-28
Total other comprehensive income after tax	-15	24	-66	-27
Comprehensive income for the period	43	92	298	347
Comprehensive income for the period attributable to:				
Parent Company shareholders	43	81	285	323
Non-controlling interests	0	11	13	24

STATEMENTS OF FINANCIAL POSITION - SUMMARY

(SEK m)	2016 31-MAR	2015 31-MAR	2015 31-DEC
Assets			
Non-current assets			
Goodwill	619	635	623
Other intangible assets	129	127	132
	748	762	755
Property, plant and equipment	551	541	549
Deferred tax assets	47	49	47
Financial non-current assets	2	2	1
Total non-current assets	1,348	1,354	1,352
Current assets			
Inventories	899	911	859
Current receivables	841	883	844
Cash and cash equivalents	194	254	258
Total current assets	1,934	2,048	1,961
TOTAL ASSETS	3,282	3,402	3,313
Equity and liabilities			
Equity attributable to Parent Company's shareholders	1,506	1,306	1,463
Non-controlling interests	83	74	83
Deferred tax liabilities	52	56	52
Other non-current liabilities	229	282	193
Current liabilities	1,412	1,684	1,522
TOTAL EQUITY AND LIABILITIES	3,282	3,402	3,313
Interest-bearing net debt represents	731	931	721
of which convertible debenture loans make up	69	69	69

The Group's pledged assets and contingent liabilities refer to the most recent annual accounts, as no major changes have occurred during the year.

STATEMENT OF CHANGES IN EQUITY - SUMMARY

(SEK m)	Share capital	Other contributed capital	Other reserves ^{*)}	Profit brought forward	Attributable to the Parent Company's shareholders	Attributable to non-controlling interests	Total equity
SHAREHOLDERS' EQUITY 1 JANUARY 2015	42	291	-23	915	1,225	63	1,288
Net profit for the period				63	63	5	68
Other comprehensive income			18	0	18	6	24
COMPREHENSIVE INCOME JAN-MAR 2015			18	63	81	11	92
SHAREHOLDERS' EQUITY 31 MARCH 2015	42	291	-5	978	1,306	74	1,380
Net profit for the period				287	287	19	306
Other comprehensive income			-46	1	-45	-6	-51
COMPREHENSIVE INCOME APR-DEC 2015			-46	288	242	13	255
Dividend				-85	-85	-4	-89
SHAREHOLDERS' EQUITY 31 DECEMBER 2015	42	291	-51	1,181	1,463	83	1,546
Net profit for the period				56	56	2	58
Other comprehensive income			-12	-1	-13	-2	-15
COMPREHENSIVE INCOME JAN-MAR 2016			-12	55	43	0	43
SHAREHOLDERS' EQUITY 31 MARCH 2016	42	291	-63	1,236	1,506	83	1,589

* Other reserves comprise a translation reserve and a hedging reserve.

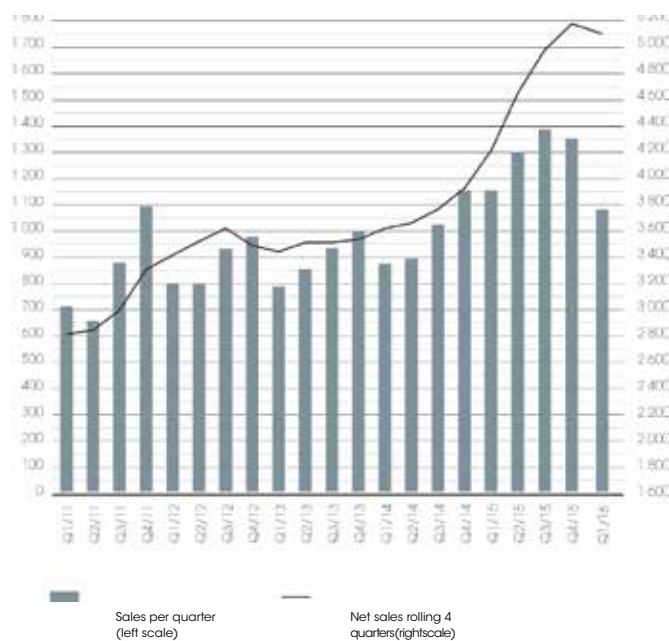
STATEMENTS OF CASH FLOWS - SUMMARY

(SEK m)	3 MONTHS JAN-MAR 2016	3 MONTHS JAN-MAR 2015	ROLLING 12 MONTHS APR-MAR 2015/2016	FULL YEAR JAN-DEC 2015
Operating profit	81	95	494	508
Interest paid and received, tax paid and adjustments for items not included in the cash flow	-10	-11	-42	-43
Cash flow from operating activities before changes in working capital	71	84	452	465
Change in working capital				
Change in inventories	-49	-54	-26	-31
Change in operating receivables	-19	-38	6	-13
Change in operating liabilities	15	8	-3	-10
Cash flow from operating activities	18	0	429	411
Investing activities				
Acquisition of companies and businesses, note 1	-	-53	-3	-56
Other net investments	-24	-14	-120	-110
Cash flow after investing activities	-6	-67	306	245
Financing activities				
Paid dividend to shareholders	-	-	-85	-85
Paid dividend to non-controlling interests	-	-	-4	-4
Cash flow from other financing activities	-51	182	-253	-20
Cash flow for the period	-57	115	-36	136
Cash and cash equivalents at the start of the period	258	124	254	124
Translation differences on cash and cash equivalents	-7	15	-24	-2
Cash and cash equivalents at the end of the period	194	254	194	258
Cash flow from operating activities per share	0,54	0,00	12,66	12,12

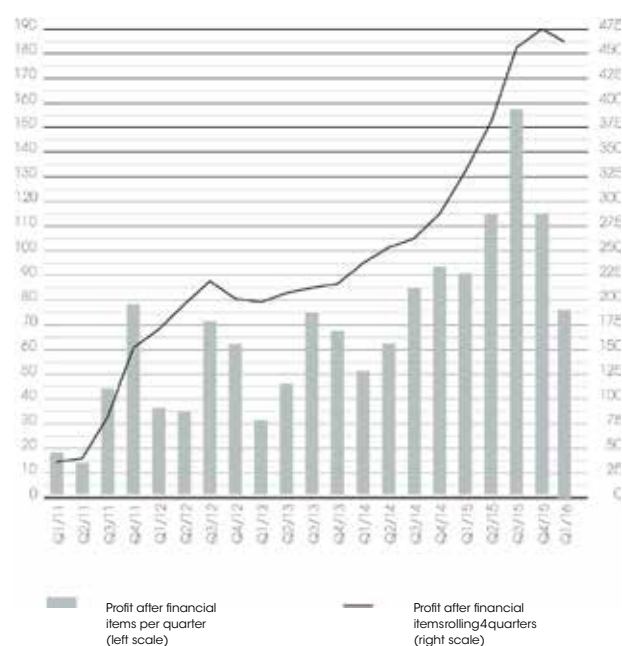
KEY RATIOS

	3 MONTHS JAN-MAR 2016	3 MONTHS JAN-MAR 2015	ROLLING 12 MONTHS APR-MAR 2015/2016	FULL YEAR JAN-DEC 2015
Operating margin, %	7.4	8.2	9.6	9.8
Profit margin, %	7.0	7.8	9.0	9.2
Share price at end of period, SEK	255.00	156.50	255.00	302.00
Basic earnings per share, SEK	1.64	1.86	10.10	10.32
Diluted earnings per share, SEK	1.61	1.82	9.90	10.11
Cash flow from operating activities per share, SEK	0.54	0.00	12.66	12.12
Balance sheet total, SEK m	3,282	3,402	3,282	3,313
Interest-bearing net debt, SEK m	731	931	731	721
Equity attributable to the Parent Company's shareholders, SEKm	1,506	1,306	1,506	1,463
Equity per share, SEK	44.43	38.50	44.43	43.15
Equity/assets ratio, %	48.4	40.6	48.4	46.7
Share of risk-bearing capital, %	52.1	44.2	52.1	50.3
Return on equity, %	15.0	19.9	24.6	26.2
Return on capital employed, %	13.1	16.0	13.9	20.0
Return on total capital, %	10.0	12.1	14.3	15.0
Interest-coverage ratio, multiple	12.5	13.1	16.6	16.6
Net investments, SEK m	24	67	123	166
Net investments (excl. business acquisitions), SEK m	24	14	120	110
Average number of employees	2,836	2,843	2,826	2,829

▼ SALES (SEK m)



▼ PROFIT/LOSS (SEK m)



QUARTERLY FINANCIAL STATEMENTS AND KPIS

(SEK m)	2016 JAN-MAR	2015 JAN-MAR	2015 OCT-DEC	2014 OCT-DEC	2015 JUL-SEP	2014 JUL-SEP	2015 APR-JUN	2014 APR-JUN
Net sales	1,089	1,151	1,354	1,151	1,389	1,025	1,299	899
Cost of goods sold	-772	-823	-985	-840	-986	-732	-935	-637
Gross profit	317	328	369	311	403	293	364	262
Selling expenses	-179	-184	-195	-181	-184	-141	-194	-140
Administrating expenses	-55	-56	-57	-63	-54	-48	-54	-48
Other operating income and expenses	-2	7	5	37	3	-9	7	-6
Operating profit	81	95	122	104	168	95	123	68
Financial items	-5	-5	-8	-11	-11	-11	-8	-7
Profit after financial items	76	90	114	93	157	84	115	61
Tax expenses	-18	-22	-15	-23	-38	-20	-27	-15
NET PROFIT FOR THE PERIOD	58	68	99	70	119	64	88	46
Net profit for the period attributable to:								
Parent Company shareholders	56	63	95	68	112	60	80	42
Non-controlling interests	2	5	4	2	7	4	8	4
Operating margin, %	7.4	8.2	9.0	9.0	12.1	9.3	9.5	7.6
Basic earnings per share, SEK	1.64	1.86	2.80	1.99	3.30	1.76	2.36	1.25
Diluted earnings per share, SEK	1.61	1.82	2.74	1.95	3.24	1.73	2.31	1.23
Return on equity, %	15.0	19.9	26.6	22.9	33.4	22.0	24.7	16.4
Equity per share, SEK	44.43	38.50	43.15	36.14	41.19	33.49	37.94	30.78
Cash flow from operating activities per share, SEK	0.54	0.00	7.04	4.91	3.45	1.90	1.62	1.96

PARENT COMPANY

INCOME STATEMENT - SUMMARY

(SEK m)	3 MTHS	3 MTHS	12 MTHS
	JAN-DEC	JAN-DEC	JAN-DEC
	2016	2015	2015
Net sales ¹⁾	10	9	40
Cost of goods sold	-3	-2	-10
Gross profit	7	7	30
Selling expenses	-7	-5	-21
Administrating expenses	-8	-6	-25
Other operating income and expenses	2	7	14
Operating profit	-6	3	-2
Profit from participations in Group companies	129	61	135
Financial income and expenses	6	-28	-31
Profit after financial items	129	36	102
Year-end appropriations	-	-	15
Profit before tax	129	36	117
Tax expenses for the period	0	-	4
NET PROFIT FOR THE PERIOD	129	36	121
STATEMENT OF OTHER COMPREHENSIVE INCOME			
Net profit for the period	129	36	121
Other comprehensive income	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	129	36	121

1) 100% of the parent company's net sales comes from subsidiary companies.

BALANCE SHEET - SUMMARY

(SEK m)	2016	2015	2015
	31-MAR	31-MAR	31-DEC
Non-current assets			
Property, plant and equipment	7	1	6
Financial assets	1,350	1,224	1,350
Deferred tax assets	17	13	17
Total non-current assets	1,374	1,238	1,373
Current assets			
Current receivables	413	523	290
Cash and bank balance	0	0	0
Total current assets	413	523	290
TOTAL ASSETS	1,787	1,761	1,663
Equity			
Restricted equity	49	49	49
Non-restricted equity	745	616	616
TOTAL EQUITY	794	665	665
Liabilities			
Untaxed reserves	0	0	0
Non-current liabilities	52	72	52
Current liabilities	941	1 024	946
TOTAL EQUITY AND LIABILITIES	1,787	1,761	1,663

NOTE 1. ACQUISITION

At the start of the year 2015, all the shares in JPD in Latvia were acquired. JPD focuses principally on concept sales to the non-food segment in the European market, and comprises three companies whose operations are sales, warehousing and wood based production. The acquisition has been integrated with ITAB's existing operation in Latvia and is in line with the Group's continued focus on concept and lighting sales, and further strengthens ITAB's customer offer in the European market. JPD reported sales of SEK 105 million at the time of acquisition and the average number of employees was 97.

The cash consideration amounted to SEK 60 million with an additional consideration based on the companies' performance over the next two years. Final liquidity

will be regulated in 2017, and expenditure in connection with the acquisition has been reported continually as costs. The acquisition was incorporated as of 1 January 2015. The acquired net assets at their estimated fair value amounted to SEK 100 million at the time of the acquisition, of which goodwill made up SEK 82 million. Goodwill primarily comprises synergy effects in product supply, staff, customer contacts of strategic significance and a market leading position in select markets.

The net investments for the full year 2015 include acquired cash and cash equivalents totalling SEK 7 million, as well as additional liquidity from acquisitions in 2013 and 2014 amounting to SEK 3 million.

ITAB IN BRIEF



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.

GEOGRAPHIC PRESENCE

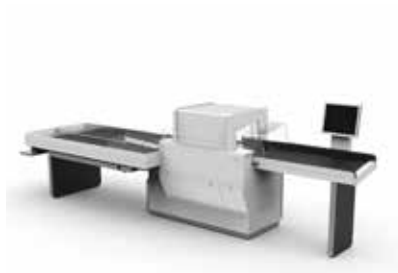
- Market presence
- ITAB Offices/Production

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 of Europe.

ITAB has operations in 22 countries and 18 production facilities in Northern Europe and China. ITAB also has a network of partners across large parts of Europe. 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.

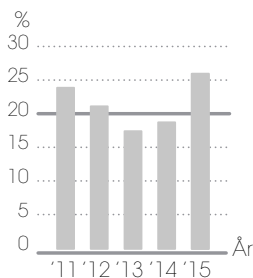


▲ ITAB Shop Concept is a leader in the market for retail checkouts in Europe and is also one of Europe's largest suppliers of shop fittings and lighting systems.

ITAB'S FINANCIAL TARGETS

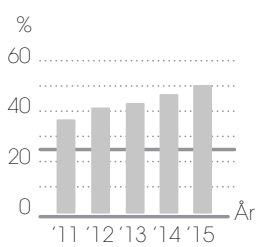
RETURN ON EQUITY

Over an extended period, ITAB will have a minimum 20% return on equity.



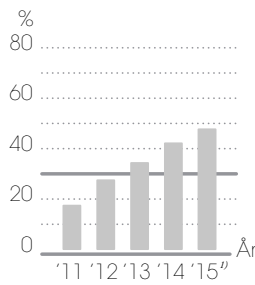
RISK-BEARING CAPITAL

ITAB will have at least 25% risk-bearing capital.



DIVIDENDS

ITAB's share dividends will, over an extended period, mirror the company's earnings and correspond to at least 30% 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.



1) The Board propose a dividend of SEK 5.00 per share for the financial year 2015.

SHARE INFORMATION

- ▶ LISTING
Nasdaq Stockholm
Mid Cap list
- ▶ TICKER SYMBOL
ITAB B
- ▶ TRADING LOT
1 share
- ▶ SECTOR CLASSIFICATION
Industrial Goods
& Services
- ▶ ISIN CODE
SE0005992567
- ▶ SHARE PRICE ON
THE BALANCE SHEET DATE
SEK 255 (156,50)

ITAB'S BUSINESS GOALS

▶ GOALS

ITAB will achieve an annual growth rate of at least 15% over an extended period.

▶ REALISATION

Sales increased by approximately 32% in 2015. Over the past five years, average growth was about 12% per year.

▶ GOALS

ITAB will maintain and enhance its market-leading position in Northern Europe* and develop market share 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.

▶ REALISATION

ITAB retained its leading position in Northern Europe during 2015. As part of its work of following major customers into new markets, ITAB now has operations in the USA, Asia, Chile, India and Brazil. At the end of 2015, we also started the establishing of a company in France.

▶ GOALS

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.

▶ REALISATION

ITAB has been offering shop fitting concepts to retail chains for many years. In recent years, ITAB has extended its offer with both professional lighting systems and self-checkout systems. ITAB is now a one-stop supplier of complete shop concepts.

STRATEGIC DIRECTION

▶ 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.

▶ END-TO-END SOLUTIONS

ITAB will offer end-to-end solutions with responsibility for the entire process from concept, design, project management and construction to production, logistics and installation.

▶ MARKET EXPERTISE AND INNOVATIVE ABILITIES

ITAB will develop new concepts, products and solutions by utilising its extensive market expertise and innovative abilities 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 ON SELECTED MARKETS

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

B



This report contains information that ITAB Shop Concept AB (publ) is required to disclose under the Swedish Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for publication in Swedish at 01.00 pm on 11 May 2016.

ITAB
SHOP CONCEPT

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FINANCIAL INFORMATION

Annual General Meeting	11 May 2016
Interim report Jan-Jun	12 July 2016
Interim report Jan-Sep	2 November 2016
Year-end report 2016	7 February 2017