



INTERIM REPORT  
JANUARY – SEPTEMBER 2011

# Q3

JANUARY – SEPTEMBER 2011

- ▶ Acquisition of Nordic Light Group, a retail lighting company
- ▶ Income increased with 15 % to SEK 2,245.0 million (1,959.4)
- ▶ Operating profit increased with 113 % to SEK 103.6 million (48.6)
- ▶ Profit after financial items increased with 214 % to SEK 74.2 million (23.6)
- ▶ Profit after tax increased with 215 % to SEK 57.9 million (18.4)
- ▶ Earnings per share increased with 209 % to 3.96 (1.28)

# INTERIM REPORT JANUARY - SEPTEMBER 2011

- ITAB acquires Nordic Light – one of Scandinavia's major players in retail lightning. The company's turnover was SEK 553 million in 2010, with an operating profit of SEK 83 million. The acquisition is expected to have a positive influence with SEK 3 to 4 earnings per share over the coming 12 months.
- ITAB launched EasyFlow – the world's first fully automatic checkout based on barcode free identification.
- ITAB signed a pilot agreement for self-checkouts with Coop Stores and Supermarkets.
- ITAB signed a 5-year supply contract for shop fitting worth at least SEK 500 million with one of the UK's largest chain stores.

## SALES AND INCOME

During the year's first nine months, income amounted to SEK 2 245.0 million (1 959.4), an increase with SEK 286 million compared to corresponding period last year. Income has, compared to last year, been negatively affected by approximately SEK 120 million due to fluctuations in exchange rates. The acquisition of Nordic Light has been consolidated as from 1st of September.

ITAB's operating profit was SEK 103.6 million (48.6). Operating profit has been affected by acquisition costs of approximately SEK 5 million and last year's operating profit was affected by restructuring and once for all costs of approximately SEK 20 million. This periods operating profit has also been affected by a re-calculation of assets and liabilities in foreign currency and terminated foreign exchange contracts with SEK 2.2 million (14.2). Profit after financial items was SEK 74.2 million (23.6) and profit after tax was SEK 57.9 million (18.4).

## THIRD QUARTER

Third quarter income amounted to SEK 881.5 million (736.9), an increase with SEK 144.6 million compared to corresponding period last year. Operating profit was SEK 54.7 million (11.0), profit after financial items was SEK 43.7 million (2.9) and profit after tax was SEK 34.1 million (2.3).

## SHARE DATA AND KEY RATIOS

Earnings per share before dilution amounted to SEK 3.96 (1.28) and SEK 3.63 (1.26) after dilution. Equity per share amounted to SEK 36.56 (32.34). The share of risk-bearing capital at the end of the period was 29 % (32).

## INVESTMENTS

The Group's net investments, exclusive of corporate transactions, amounted to SEK 38 million (55). Net investments in corporate transactions were SEK 300 million (0), consisting of the purchase price for the shares in Nordic Light Group AB.

## ACQUISITION

During the period ITAB acquired the shares in Nordic Light Group AB. Nordic Light is one of Scandinavia's market leaders in retail lighting. The acquisition strengthens ITAB's overall offer in complete shop-fitting concepts to the food and non-food segments. Nordic Light Group AB has organizations in Sweden, China and the United States, with 650 employees, mostly in China and approximately 100 employees

in Sweden. The head quarter is located in Skellefteå where, among other things, functions of sales, logistics, development and design are located. In addition to the establishment in Sweden, the company have two large factories in Suzhou and Shenzhen, China, with production of lighting and some interior products.

In 2010 the company's turnover was SEK 553 million and operating profit was SEK 83 million. The Company had equity of 310 million and net cash of 45 million 31st of December 2010. The equity ratio was 72%. ITAB paid book value for the company's assets and liabilities. In addition, there is a small premium based on the financial statements of 31st of August 2011. Financing of the acquisition is made through bank loan and existing liquidity. Most of the purchase price was paid on closing day 1st of September and final set-off takes place in January 2012. The acquisition is expected to have a positive effect at 3 to 4 SEK earnings per share over the next 12 months.

## FINANCING AND LIQUIDITY

During the period, ITAB signed a credit agreement with its main bank, which secures liquidity resources. The agreement is valid until 2015. The Group's cash and cash equivalents, including granted but unutilized credit facilities amounted to SEK 198 million on closing day.

## ACCOUNTING PRINCIPLES

The interim report for the first quarter have been prepared in accordance with IAS 34, Interim Financial Reporting, the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.3, Accounting for Legal Entities. The accounting principles that have been applied coincide with those accounting principles used for preparing the latest Annual Report, with the exception of new standards, updates and amendments that have been applied since 1 January 2011. The new standards, updates and amendments endorsed by the EU for application effective 1 January 2011 include IAS 24 Related Party Disclosures (Amendment), IAS 32, Financial Instruments: Classification of Rights, IFRIC 14, Prepayment of a minimum funding requirement (Amendment), IFRIC 19, Extinguishing financial liabilities with equity instruments, and IFRS 7 Financial Instruments: information (amendment). The changes have to date not given rise to any accounting effects. The contents in these stan-

dards and statements have been described in the 2010 Annual Report and have not affected the financial reports

## NEXT REPORT

The interim report for the period January through December 2011 will be presented on Wednesday, 8th of February 2012

## BUSINESS ACTIVITIES

ITAB Shop Concept sells, develops, manufactures and installs shop fitting concepts and products for chain stores. Customers include the major players in both the food and non-food segments throughout most parts of Europe. ITAB has organizations in 19 countries and 13 production facilities in Europe and China. Service, installation, project management and sales are functions assigned to various partners throughout Europe. In close collaboration with its customers, ITAB contributes its extensive experience and expertise to the specific needs and requests of its customers. Business operations are founded on long-term business relationships and delivery reliability in combination with streamlined production resources. ITAB is the market leader in the Nordic countries and Baltic countries as well as in the UK, and one of the largest players in Benelux and Central Europe.

## DEVELOPMENT 2011

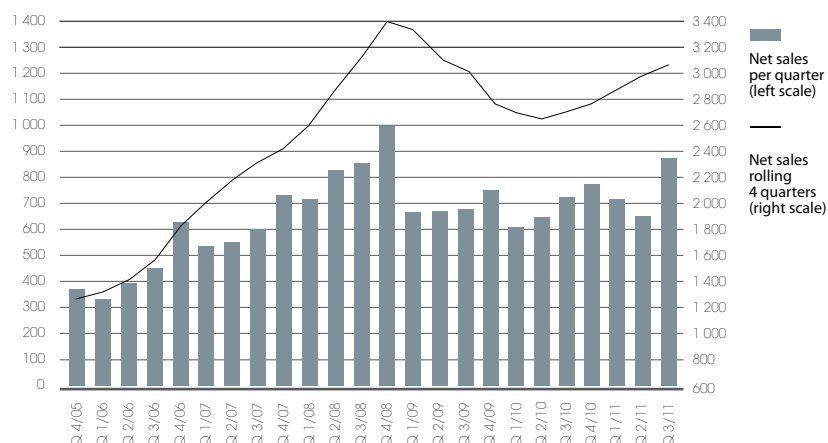
The group's sales, after currency adjustments, have increased with 21% during the first nine months compared to corresponding period 2010. Excluding the newly acquired Nordic Light, consolidated only by one month, the increase is 18 %. The largest increases in sales have been in sales regions Central Europe, UK & Ireland and Benelux. Sales regions Scandinavia's and North East's sales have been in parity with last year.

The Group's operating profit increased with SEK 55.0 million compared to last year. The period's operating profit has been affected by acquisition costs of approximately SEK 5 million whilst corresponding year's operating profit was affected by restructuring and once for all costs of approximately SEK 20 million. The operating profit has also been affected by a re-calculation of assets and liabilities in foreign currency and terminated foreign exchange forward contracts with SEK 2.2 million (14.2).

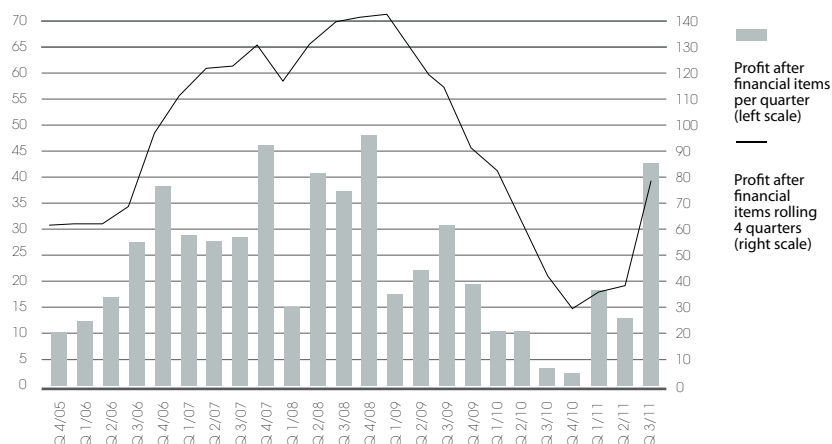
Sales regions Central Europe, UK & Ireland, Scandinavia and Benelux's performance has developed better than last year, whilst North East's performance has been lower than last year.

Currency effects have had an impact on the Group's net financial income for the period in the amount of SEK 1.3 million (0.3). Cash flow and capital has mainly been affected by larger payments of the existing payables from the beginning of the period, but also by a build-up of stock for deliveries during autumn.

Net sales (SEK M)



Profit after financial items (SEK M)



#### CEO ULF ROSTEDT'S COMMENTS

Sales during the year's first nine months were in parity with our expectations and in local currencies, approximately 21% higher than corresponding period last year. The largest increases in sales have been in sales regions Central Europe, UK & Ireland and Benelux. Scandinavia's and North East's sales have been in parity with last year.

The Group's operating profit developed positively compared to corresponding period last year. Many of the companies in the group have had a positive development in profitability. The measures taken in cost-savings and streamlining the business have resulted in improved results.

During the third quarter, ITAB acquired Nordic Light Group, NLG, one of Scandinavia's market leaders in retail lighting. The acquisition is in line with our strategy to offer our customers a complete shop-fitting concept. Lighting is becoming an even more important factor in the store's shop-fitting concept in both planning and design, as well as in energy-savings, areas where NLG is prominent. Through the acquisition both NLG and ITAB strengthen their overall offer to customers and will be able to effectively meet the market demand for complete concepts from one partner. The most important synergy

that will be processed is to offer lighting to a large amount of ITAB's existing customers. NLG will therefore be able to increase their sales in the European market. The ambition is to also increase production in NLG's facilities in China, mostly in lighting both also in shop-fitting. The lighting industry is facing a shift in technology, the LED technique. This is an area where we consider us well positioned for the future.

There is still a strong interest in self-scanning and according to our evaluation this will be a prioritized investment area for many of our customers during the coming years. We have great expectations for our fully-automatic check-out Easyflow, launched earlier this year. An attractive investment in combination with, amongst other things, the increased security in the shop that our system offers, lead to that different self-scanning concepts have good potential in becoming the new standard in the future.

The third quarter was a good quarter for the ITAB Group with good development in both sales and results. The market and the order situation for the coming quarter seem to be to our satisfaction. Bearing in mind the political and financial turbulence on the market we are well prepared to take appropriate measures if needed. Many of our customers will decide

on their future establishments within the near future.

During some time now, we have focused on strengthening our overall offer and our competitiveness, through investments and complementary inputs on the technology intense areas of self-scanning and lighting. We are therefore well positioned in the areas that have the potential of constituting the largest investment areas for our customers in the future. In the long term, this will lead to better business for both ITAB and our customers!

Jönköping 26 October 2011

Ulf Rostedt,  
CEO ITAB Shop Concept

# THE GROUP

## INCOME STATE

(SEK M)	3 MONTHS JUL-SEP 2011	3 MONTHS JUL-SEP 2010	9 MONTHS JAN-SEP 2011	9 MONTHS JAN-SEP 2010	12 MONTHS JAN-DEC 2010	12 MONTHS OCT/SEP 10/11
Net sales	881.5	736.9	2,245.0	1,959.4	2,747.5	3,033.1
Cost of goods sold	-656.1	-556.7	-1,671.7	-1,471.2	-2,085.7	-2,286.2
Gross profit	225.4	180.2	573.3	488.2	661.8	746.9
Selling expenses	-137.0	-126.4	-377.9	-354.4	-494.1	-517.6
Administrative expenses	-34.5	-37.1	-94.5	-99.2	-126.3	-121.6
Other operating income/expenses	0.8	-5.7	2.7	14.0	20.3	9.0
Operating profit	54.7	11.0	103.6	48.6	61.7	116.7
Financial income	0.9	1.3	1.4	2.0	1.8	1.3
Financial costs	-11.9	-9.4	-30.8	-27.0	-34.4	-38.3
Profit after financial items	43.7	2.9	74.2	23.6	29.1	79.7
Tax on the period's profit	-9.6	-0.6	-16.3	-5.2	-6.5	-17.6
PROFIT FOR THE PERIOD	34.1	2.3	57.9	18.4	22.6	62.1
Profit for the period attributable to:						
Parent company's shareholders	32.9	2.2	56.7	18.3	22.5	60.9
Minority shareholders	1.2	0.1	1.2	0.1	0.1	1.2
Depreciation represents	20	18	57	54	73	76
Tax on the periods profit amounts to	22 %	22 %	22 %	22 %	22 %	22 %
Earnings per share						
before dilution, SEK	2.30	0.15	3.96	1.28	1.57	4.25
after dilution, SEK	2.04	0.15	3.63	1.26	1.57	3.94
Average number of outstanding shares						
before dilution, thousands	14,286	14,286	14,286	14,286	14,286	14,286
after dilution, thousands	16,953	16,953	16,953	16,953	16,953	16,952

Outstanding number of shares amounts to 14, 285, 952 In July 2008, the company issued convertible debenture loans amounting to SEK 242.8 million, corresponding to 2,856,480 shares, of which 3,552 shares have been converted to date. At the start of 2009 convertible debentures, corresponding to 186,118 shares, were repurchased. The total number of shares after full dilution will then be 16,952,762.

## STATEMENT OF COMPREHENSIVE INCOME

(SEK M)	3 MONTHS JUL-SEP 2011	3 MONTHS JUL-SEP 2010	9 MONTHS JAN-SEP 2011	9 MONTHS JAN-SEP 2010	12 MONTHS JAN-DEC 2010	12 MONTHS OCT/SEP 10/11
Net profit for the period	34.1	2.3	57.9	18.4	22.6	62.1
Exchange rate differences, net after tax	20.0	-15.4	32.7	-58.5	-78.5	12.6
Currency derivatives, net after tax	-8.0	0.5	-7.9	-14.9	-4.2	2.8
Incentive expenses, net after tax	-	-0.1	-	-0.1	0.2	0.3
Actuarial profits and losses for defined benefit pension plans, net after tax	-	-	-	-	0.5	0.5
RECOGNISED INCOME AND EXPENSES FOR THE PERIOD	46.1	-12.7	82.7	-55.1	-59.4	78.3
Statement of comprehensive income attributable to:						
Shareholders of the Parent Company	44.9	-12.8	81.5	-55.2	-59.4	78.2
Minority interest	1.2	0.1	1.2	0.1	0.0	0.1

## STATEMENT OF FINANCIAL POSITION

(SEK M)	2011 30-SEP	2010 30-SEP	2010 31-DEC
Assets			
Intangible fixed assets	559.3	482.5	482.9
Tangible fixed assets	578.0	566.3	547.0
Financial fixed assets	29.7	18.9	21.2
Total fixed assets	1,167.0	1,067.7	1,051.1
Stock	808.7	481.8	490.8
Current receivables	929.0	703.8	545.0
Cash and bank balance	0.8	0.8	0.3
Total current assets	1,738.5	1,186.4	1,036.0
TOTAL ASSETS	2,905.5	2,254.1	2,087.1
Equity and liabilities			
Equity related to the Parent company's shareholder	522.2	462.0	458.6
Minority shareholders	36.1	0.7	0.7
Long-term liabilities	723.9	659.7	446.1
Current liabilities	1,623.3	1,131.7	1,181.7
TOTAL EQUITY AND LIABILITIES	2,905.5	2,254.1	2,087.1
Interest-bearing liabilities amount to:	1,541	1,121	1,036
of which convertible debenture loans make up	226	227	226

## STATEMENT OF CHANGES IN EQUITY

(SEK M)	2011 30-SEP	2010 30-SEP	2010 31-DEC
Opening balance	458.6	533.1	534.1
Statement of comprehensive income attributable to shareholders	81.5	-55.2	-59.4
Dividend paid	-17.9	-17.9	-17.9
Paid warrant premiums	0.0	2.0	1.8
Closing balance	522.2	462.0	458.6

## STATEMENT OF CASH-FLOW

(SEK M)	3 MONTHS JUL-SEP 2011	3 MONTHS JUL-SEP 2010	9 MONTHS JAN-SEP 2011	9 MONTHS JAN-SEP 2010	12 MONTHS JAN-DEC 2010	12 MONTHS OCT/SEP 10/11
Operating profit	54.7	11.0	103.6	48.6	61.7	116.7
Adjustments for items not included in cash flow	9.7	27.6	21.0	26.5	16.6	11.1
Change in working capital	-136.7	-52.7	-281.5	-150.4	-58.2	-189.3
Cash flow from operating activities	-72.3	-14.1	-156.9	-75.3	20.1	-61.5
Investments	-311.8	-11.9	-337.5	-55.5	-75.6	-357.6
Cash flow after investments	-384.1	-26.0	-494.4	-130.8	-55.5	-419.1
Financing	384.5	26.5	494.9	131.3	55.5	419.1
Change in liquid assets	0.4	0.5	0.5	0.5	0.0	0.0

## KEY RATIOS

	3 MONTHS JUL-SEP 2011	3 MONTHS JUL-SEP 2010	9 MONTHS JAN-SEP 2011	9 MONTHS JAN-SEP 2010	12 MONTHS JAN-DEC 2010	12 MONTHS OCT/SEP 10/11
Operating margin, %	6.2	1.5	4.6	2.5	2.2	3.8
Profit margin, %	5.0	0.4	3.3	1.2	1.1	2.6
Return on equity capital p.a., %	26.3	1.9	15.6	5.0	4.6	12.7
Return on capital employed p.a., %	12.0	3.1	8.2	4.3	4.1	7.0
Return on total capital p. a., %	8.7	2.2	6.0	3.2	3.0	5.1
Interest-coverage ration, multiple	4.7	1.3	3.4	1.9	1.8	3.1
Equity, %	19.2	20.5	19.2	20.5	22.0	19.2
Proportion of risk-bearing capital, %	28.8	32.4	28.8	32.4	34.9	28.8
Equity related to the Parent company's shareholders, SEK M	522.2	462.0	522.2	462.0	458.6	522.2
Equity capital per share	36.56	32.34	36.56	32.34	32.10	36.56
Quotation on closing day	81.50	74.00	81.50	74.0	62.00	81.50
Earnings per share before dilution	2.30	0.15	3.96	1.28	1.57	4.25
Earnings per share after dilution	2.04	0.15	3.63	1.26	1.57	3.94
Net investments, SEK M	12	12	38	55	76	58
Average number of employees	1,622	1,508	1,610	1,486	1,512	1,590

## QUARTERLY INCOME STATEMENTS

(SEK M)	2011 JUL-SEP	2010 JUL-SEP	2011 APR-JUN	2010 APR-JUN	2011 JAN-MAR	2010 JAN-MAR	2010 OCT-DEC	2009 OCT-DEC
Net sales	881.5	736.9	657.0	619.5	706.5	603.0	788.1	748.6
Cost of goods sold	-656.1	-556.7	-486.6	-462.8	-529.0	-451.7	-614.5	-563.9
Gross profit	225.4	180.2	170.4	156.7	177.5	151.3	173.6	184.7
Selling expenses	-137.0	-126.4	-118.5	-112.6	-122.4	-115.4	-139.7	-124.1
Administrative expenses	-34.5	-37.1	-29.0	-29.5	-31.0	-32.6	-27.1	-34.7
Other operating income/expenses	0.8	-5.7	-1.0	4.3	2.9	15.4	6.3	2.2
Operating profit	54.7	11.0	21.9	18.9	27.0	18.7	13.1	28.1
Financial items	-11.0	-8.1	-8.7	-8.5	-9.7	-8.4	-7.6	-8.2
Profit after financial items	43.7	2.9	13.2	10.4	17.3	10.3	5.5	19.9
Tax on the period's profit	-9.6	-0.6	-2.9	-2.3	-3.8	-2.3	-1.3	2.3
PROFIT FOR THE PERIOD	34.1	2.3	10.3	8.1	13.5	8.0	4.2	22.2
Profit attributable to:								
Parent company's shareholders	32.9	2.2	10.3	8.1	13.5	8.0	4.2	22.1
Minority shareholders	1.2	0.1	0.0	0.0	0.0	0.0	0.0	0.1

## PARENT COMPANY

### INCOME STATEMENT

	3 MONTHS JUL-SEP 2011	3 MONTHS JUL-SEP 2010	9 MONTHS JAN-SEP 2011	9 MONTHS JAN-SEP 2010	12 MONTHS JAN-DEC 2010
(SEK M)					
Income	5.2	3.7	15.7	10.6	30.2
Cost of goods sold	-2.0	-1.4	-5.5	-4.9	-6.6
Gross profit	3.2	2.3	10.2	5.7	23.6
Selling expenses	-4.2	-2.9	-11.7	-10.3	-17.5
Administrative expenses	-4.9	-3.3	-13.5	-11.9	-16.2
Other operating income/expences	0.0	-2.6	2.5	14.9	20.9
Operating profit	-5.9	-6.5	-12.5	-1.6	10.8
Result from participations in Group companies	0.0	-	13.1	50.4	28.2
Financial items	-12.5	-3.2	-27.3	-7.1	-6.2
Profit after financial items	-18.4	-9.7	-26.7	41.7	32.8
Year-end appropriations	-	-	-	-	1.4
Profit after financial items	-18.4	-9.7	-26.7	41.7	34.2
Tax on the period's profit	-	-0.1	-	-0.1	-1.9
PROFIT FOR THE PERIOD	-18.4	-9.8	-26.7	41.6	32.3
Group contribution net	-	-	-	-	-4.1
RECOGNISED INCOME AND EXPENSES FOR THE PERIOD	-18.4	-9.8	-26.7	41.6	28.2

### STATEMENT OF FINANCIAL POSITION

	2011 30-SEP	2010 30-SEP	2010 31-DEC
(SEK M)			
Tangible fixed assets	1.1	1.5	1.5
Financial fixed assets	1,065.3	743.6	721.4
Total fixed assets	1,066.4	745.1	722.9
Current receivables	419.1	381.9	399.2
Cash and bank balance	0.1	0.0	0.0
Total current assets	419.2	381.9	399.2
TOTAL ASSETS	1,485.6	1,127.0	1,122.1
Equity and liabilities			
Equity	313.6	371.8	358.2
Untaxed reserves	8.4	9.8	8.4
Longterm liabilities	589.7	552.7	338.8
Current liabilities	573.9	192.7	416.7
TOTAL EQUITY AND LIABILITIES	1,485.6	1,127.0	1,122.1

### STATEMENT OF CHANGES IN EQUITY

	2011 30-SEP	2010 30-SEP	2010 31-DEC
(SEK M)			
Opening balance	358.2	346.1	346.1
Net profit for the period	-26.7	41.6	28.2
Group contribution net	-17.9	-17.9	-17.9
Dividend paid	-	2.0	1.8
Conversion of convertible debenture loan KV 2B	-	0.0	0.0
Closing balance	313.6	371.8	358.2

### STATEMENT OF CASH-FLOW

	3 MONTHS JUL-SEP 2011	3 MONTHS JUL-SEP 2010	9 MONTHS JAN-SEP 2011	9 MONTHS JAN-SEP 2010	12 MONTHS JAN-DEC 2010
(SEK M)					
Operating profit	-5.9	-6.5	-12.5	-1.6	10.8
Adjustments for items not included in cash flow	-6.4	-5.1	-3.2	35.0	30.3
Change in working capital	-5.9	-34.8	-14.7	-57.4	-8.4
Cash flow from operating activities	-18.2	-46.4	-30.4	-24.0	32.7
Investment	-344.2	0.0	-344.0	-0.8	-1.0
Cash flow after investment	-362.4	-46.4	-374.4	-24.8	31.7
Financing	362.5	46.4	374.5	24.8	-31.7
Change in liquid assets	0.1	0.0	0.1	0.0	0.0

The information above is such information that ITAB Shop Concept AB (publ) shall publish in accordance with the Swedish Securities Markets Act and/or the Financial Instruments Trading Act. The information was published at xx a.m. October 26, 2011.

#### Review Report

To the Board of Directors of ITAB Shop Concept AB (publ)

Org.no. 556292-1089

#### Introduction

We have reviewed the interim report for ITAB Shop Concept AB (publ) for September 30 and the nine month period preceding this date. It is the Board of Directors and the Managing Director who are responsible for the presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

#### The Scope of the Review

We conducted our review in accordance with the Standard on Review Engagements, SÖG 2410, Review of the Interim Financial Information Performed by the Independent Auditor of the Entity. A review of the interim report consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review substantially smaller less in scope compared to an audit conducted according to Standards on Auditing in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, the conclusion expressed based on a review does not constitute the same level of assurance as an conclusion based on an audit.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report, in all material respects, is not prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the parent company in accordance with the Swedish Annual Accounts Act.

Jönköping the 26th of October 2011

Stefan Engdahl

Certified Public Accountant

Håkan Sundberg

Certified Public Accountant

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