

# Q2

## January – June 2009

- Income decreased by 13% to SEK 1,344.4 million (1,551.9)
- Operating profit decreased by 36% to SEK 47.4 million (74.4)
- Profit after financial items decreased by 28% to SEK 40.2 million (56.1)
- Profit after tax decreased by 27% to SEK 29.3 million (40.4)
- Earnings per share decreased by 28% to SEK 2.05 (2.86)
- Cash flow from operating activities increased by 27% to SEK 89.1 million (70.1)

# Interim report January – June 2009

## Important events

- Breakthrough order for ITAB's self-checkout system.
- Exclusive contract with Coop for checkout deliveries in Scandinavia.
- Contract with Statoil Europe for the delivery of a new shop concept.
- Contract with the Varner Group to supply shop fitting concept.
- Agreements with Tesco Central Europe, Spar Belgium, John Lewis Stores in England and Rimi in the Baltic countries for delivery of shop fittings.

## Important events after the period

- Contract with Coop for delivery of shop fittings and entrance systems.

### Income and profit

During the first half year the income was SEK 1,344.4 million (1,551.9) and the profit after financial items SEK 40.2 million (56.1).

### Income and profit

During the second quarter the income was SEK 673.2 million (833.1) and the profit after financial items SEK 22.6 million (41.1).

### Share data and key ratios

Earnings per share after estimated full tax amounted to SEK 2.05 (2.86) and equity per share to SEK 36.08 (30.29). The share of risk-bearing capital at the end of the period was 36 per cent (21).

### Investments

The Group's net investments amounted to SEK 31 million (375), of which SEK 0 million (303) refers to corporate transactions.

### Financing and liquidity

The Group's cash and cash equivalents, including granted but unutilised credit facilities amounted to SEK 281 million on the closing day. The company repurchased convertible debentures (ITAB KV2B) for a nominal SEK 15.8 million during the period. The transaction was conducted at 87 per cent of the nominal value. Following the transaction, total outstanding convertible debentures amount to SEK 226.7 million.

### Accounting principles

The consolidated accounts for the period 2009 have been prepared, as have the annual accounts for 2008, in accordance with International Financial Reporting Standards (IFRS) as they have been adopted by the EU, and the Swedish Annual Accounts Act.

A number of changes in existing standards, new interpretations and a new standard (IFRS 8) took effect on the 1st of January. As far as ITAB is concerned, only IFRS 8 Operating Segments and the amendments in IAS 1, Presentation of Financial Statements are deemed relevant. Effective 1 January 2009, a new standard took effect, IFRS 8, Operating Segments. IFRS 8 is purely a disclosure standard, meaning that it has no effect on the Group's reporting on total financial performance, financial position, cash flow and changes in equity. The application of IFRS 8 has not

entailed changes in the Group's reportable segments, meaning that the accounting principles applied as of 1 January 2009 coincide with those presented in the Annual Report for 2008. The amendment in IAS 1 has meant a change in how the financial statements are to be prepared. ITAB has in accordance with IAS 1 elected to present the Group's total financial performance divided into two reports, one income statement and one report covering all other financial performance.

The Parent company's accounts have been prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.2, Accounting for Legal Entities.

### Next report day

The interim report for January-September 2009 will be presented on Wednesday, 28 October 2009.

### Business activities

ITAB Shop Concept develops, markets, manufactures, sells and project manages shop fitting concepts for chain stores. Customers include the major players in both the food and non-food segments throughout most parts of Europe. Today, ITAB has organisations in 14 countries and production in ten of these countries. Service, installation, project management and sales are functions assigned to various partners throughout Europe.

ITAB's market is divided into five sales regions, namely Scandinavia, UK & Ireland, Benelux, Central Europe and North East. In close collaboration with its customers, ITAB contributes its 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 currently the dominant player in the Nordic region, the Baltic countries and the UK. In the Benelux countries and Central Europe, ITAB has assumed a leading market role. The market in Russia is maturing to systems and concept sales. ITAB's evaluation phase will therefore move in a more aggressive direction.

The Group's sales dropped by 13% compared with the previous year's first six months. Regions Scandinavia and North East report a positive growth rate. Central Europe and Ben-

elux report figures on par with last year while the UK & Ireland report a poorer growth rate relative to previous years. In terms of profits, North East reports positive growth while the other regions show slightly poorer growth compared with previous years.

Costs for redundancy have been taken from the period's profits. Lower raw material costs had a favourable affect on the Group's gross profit. On the other hand, purchases made in US dollars had a negative impact on profits. The Group's long-term goal of strengthening its gross margin through streamlining and more effective purchasing patterns continues to make progress. Intensified marketing activities in Central Europe and the North East in particular were charged for the period to sales and administration expenses. This applies also to marketing and development activities for the Group's self-scanning concept.

The currency effects had a positive impact on the Group's net financial income/expenses for the period in the amount of about SEK 8 million (8), as did the repurchase of convertible debenture loans in the amount of about SEK 2 million (-).

The Group's capital structure has strengthened during the period. Our focus on warehouse reductions gave results, and the total cash flow from operations improved relatively in terms of the previous year's first six months. During the period, the Swedish krona weakened, which had an impact on the balance sheet and the income statement alike.

### Important events

- An agreement was signed with City Gross in Sweden, part of the Bergendahls Group, for a first installation of the market's only complete multi-customer serving self-checkout system in the checkout aisles.
- An agreement was signed with one of Italy's largest food chain stores, Coop, for the delivery of complete self-checkout systems in the checkout aisles.
- During the period, ITAB signed an exclusive agreement with Coop for checkout deliveries for the Scandinavian market.
- ITAB has signed an extension agreement with Statoil Europe for the delivery

of Statoil Europe's new shop concept. Statoil Europe recognises the advantages of ITAB's extensive geographic presence.

- ITAB signed an agreement to extend its contract with the Varner Group to supply Cubus' new shop fitting concept. A contract was also signed to jointly design and develop BikBok's new shop fittings concept.
- During the period, ITAB signed agreements with Tesco Central Europe, Spar Belgium, John Lewis Stores in England and Rimi in the Baltic countries.
- After the close of the period, ITAB signed a 2.5-year agreement with Coop Trading for shop fittings and entrance systems in the Scandinavian countries.

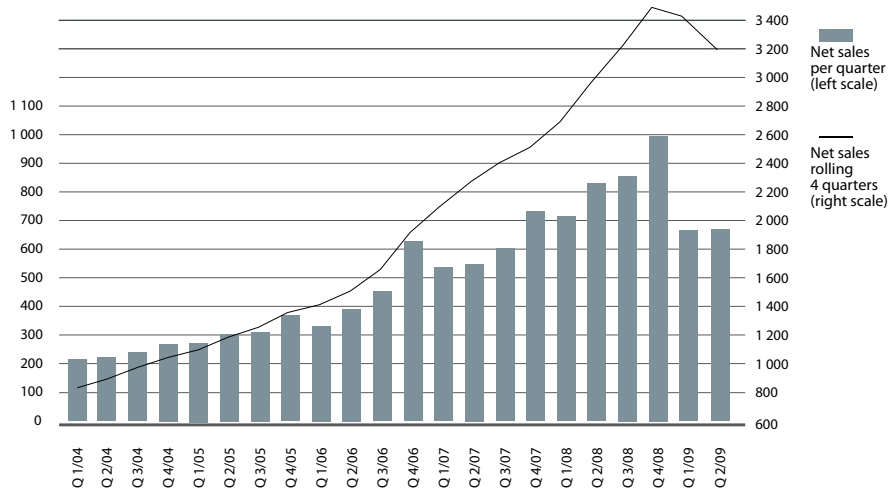
#### CEO Ulf Rostedt's comments

Throughout the period, the difficult current financial climate dominated the market situation. Competition and the market are even tougher, and some customers have been more reluctant than normal. These factors combined make the large-scale customer agreements signed at this time particularly significant.

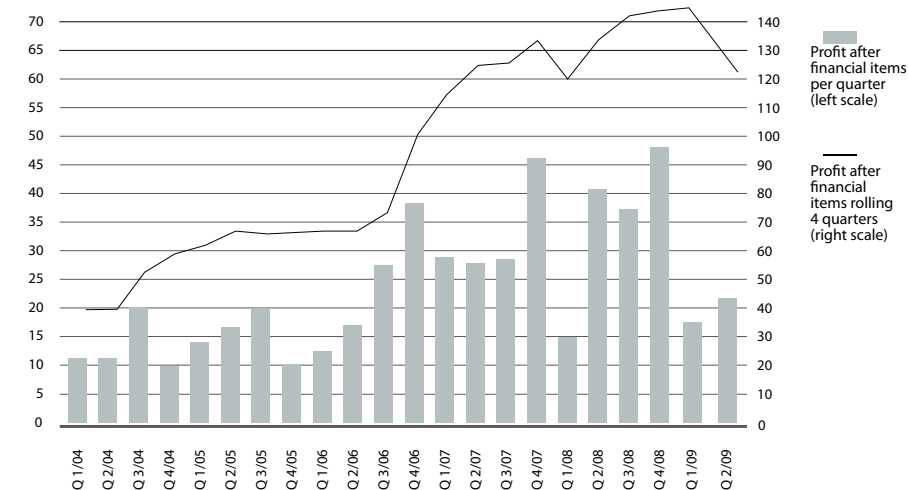
We estimate that our 13% drop in sales is slightly less than the overall market decline. This indicates that we withstood the general market decline relatively well, which can probably be ascribed to our customer mix, and our focus on the food sector and the broad non-food sector. The pattern of shrinking volumes is relatively clear. We see that smaller chains and customers lose more than the larger ones. Most of our customers continue to have good sales and earnings trends, but opt nonetheless to proceed more cautiously in terms of investments than before.

Region North East's market reports positive growth, particularly in Finland and the Baltic countries. Scandinavia shows positive growth and stability. Benelux opened solidly but the market had grown more lacklustre by the end of the period. As for Central Europe, the economic situation has primarily afflicted the eastern parts. The UK & Ireland has seen the worst, and some of the Region's largest customers have shown a slow start. Escalat-

Net sales (SEK M)



Profit after financial items (SEK M)



ing market activities were however evident towards the close of the period in both Region Central Europe and Region UK & Ireland.

The company streamlined production and reinforced its margins somewhat during the first quarter due, in part, to lower raw material prices and lower overhead. Projects carried out last year and the first six months of this year have been productive, which is particularly apparent in the figures for the second quarter. Further streamlining projects were launched in the sales regions Benelux and UK & Ireland that primarily target reductions in overhead. The Group's headcount today is about 200 fewer compared with the same time last year.

Projects aimed at developing and marketing our self-scanning concept continued throughout the six-month period. The market is interested in new payment methods for store items. At the start of 2009, we landed a breakthrough order from Coop in Italy which has been successfully installed and implemented according to plan. We will continue to market this new concept in most of our markets. The Swedish parliament has resolved to deregulate the Swedish pharmacy market. The Group is well

prepared with products and services and feels confident in terms of this market.

Despite the current recession, ITAB is able to put behind us a six-month period of stable earnings, improved cash flow and an available liquidity of SEK 280 million. This gives us security and future chances for expansion in our markets. From my perspective, I believe that the customers we have today and our potential customers appreciate the way we work and the products and services we offer. The customers past years' purchasing patterns, distinguished by a quiet start of the year and escalating volumes in the second half, are expected to repeat it this year too.

Jönköping 10 July 2009

Thord Johansson  
*Chairman of the Board*  
 Anna Benjamin  
 Johan Rapp  
 Per Rodert  
 Stig-Olof Simonsson  
 Lottie Svedenstedt

Ulf Rostedt

# The Group

## Income statement

(SEK M)	3 months Apr-Jun 2009	3 months Apr-Jun 2008	6 months Jan-Jun 2009	6 months Jan-Jun 2008	12 months Jan-Dec 2008	12 months Jul-Jun 08/09
Net sales	673.2	833.1	1,344.4	1,551.9	3,412.3	3,204.8
Cost of goods sold	-491.4	-614.6	-992.8	-1,161.1	-2,577.0	-2,408.7
<b>Gross profit</b>	<b>181.8</b>	<b>218.5</b>	<b>351.6</b>	<b>390.8</b>	<b>835.3</b>	<b>796.1</b>
Selling expenses	-114.7	-130.0	-229.5	-238.5	-502.5	-493.5
Administrative expenses	-37.7	-35.3	-77.3	-74.0	-136.8	-140.1
Other operating income/expenses	3.5	-0.3	2.6	-3.9	-1.2	5.3
<b>Operating profit</b>	<b>32.9</b>	<b>52.9</b>	<b>47.4</b>	<b>74.4</b>	<b>194.8</b>	<b>167.8</b>
Financial income	0.5	5.5	14.5	12.6	8.1	10.0
Financial cost	-10.8	-17.3	-21.7	-30.9	-62.7	-53.5
<b>Profit after financial items</b>	<b>22.6</b>	<b>41.1</b>	<b>40.2</b>	<b>56.1</b>	<b>140.2</b>	<b>124.3</b>
Tax on the period's profit	-6.1	-11.5	-10.9	-15.7	-37.3	-32.5
<b>PROFIT FOR THE PERIOD</b>	<b>16.5</b>	<b>29.6</b>	<b>29.3</b>	<b>40.4</b>	<b>102.9</b>	<b>91.8</b>
Profit for the period attributable to:						
Parent company's shareholders	16.5	29.4	29.3	40.1	102.9	92.1
Minority shareholders	0.0	0.2	0.0	0.3	0.0	-0.3

Depreciation represents SEK 36 million (36) during January-June. Tax on the periods profit amounts to 27 percent (28).

Earnings per share						
before dilution, SEK	1.15	2.10	2.05	2.86	7.28	6.47
after dilution, SEK	1.07	2.06	1.93	2.82	6.94	6.05
Average number of outstanding shares						
before dilution, thousands	14,283	13,992	14,283	13,992	14,137	14,260
after dilution, thousands	16,953	14,282	17,006	14,282	15,711	16,847

Outstanding number of shares amounts to 14,285,640. In July 2008, the company issued convertible debenture loans amounting to SEK 242.8 million, corresponding to 2,856,480 shares, of which 100 were converted during the autumn of 2008. At the start of 2009 convertible debentures, corresponding to 186,118 shares, were repurchased. A further 3,140 shares were converted in June 2009. The total number of shares after full dilution will then be 16,952,762.

## Statement of comprehensive income

(SEK M)	3 months Apr-Jun 2009	3 months Apr-Jun 2008	6 months Jan-Jun 2009	6 months Jan-Jun 2008	12 months Jan-Dec 2008	12 months Jul-Jun 08/09
Net profit for the period	16.5	29.6	29.3	40.4	102.9	91.8
Exchange rate differences, net after tax	3.5	8.4	2.8	-2.7	17.9	24.0
Currency derivatives, net after tax	-1.1		-4.8			-5.4
Received warrant premiums					2.7	2.7
Actuarial profits and losses for defined benefit pension plans, net after tax					-4.5	-4.5
<b>Recognised income and expenses for the period</b>	<b>18.9</b>	<b>38.0</b>	<b>27.3</b>	<b>37.7</b>	<b>119.0</b>	<b>108.6</b>
Statement of comprehensive income attributable to:						
Shareholders of the Parent Company	18.9	37.8	27.3	37.4	119.0	108.9
Minority interest	0.0	0.2	0.0	0.3	0.0	-0.3

## Statement of financial position

(SEK M)	2009 30-Jun	2008 30-Jun	2008 31-Dec
Assets			
Intangible fixed assets	490.4	477.5	473.1
Tangible fixed assets	696.4	633.9	689.3
Financial fixed assets	19.2	22.8	19.8
<b>TOTAL FIXED ASSETS</b>	<b>1,206.0</b>	<b>1 134.2</b>	<b>1 182.2</b>
Stock	423.3	488.6	446.9
Current receivables	573.6	627.5	599.0
Cash and bank balance	2.0	5.7	15.3
<b>TOTAL CURRENT ASSETS</b>	<b>998.9</b>	<b>1 121.8</b>	<b>1 061.2</b>
<b>TOTAL ASSETS</b>	<b>2,204.9</b>	<b>2 256.0</b>	<b>2 243.4</b>
Equity and liabilities			
Equity related to the Parent company's shareholder	515.4	432.6	506.0
Minority shareholders	0.6	3.1	2.7
Long-term liabilities	512.1	488.9	535.9
Current liabilities	1,176.8	1,331.4	1,198.8
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,204.9</b>	<b>2,256.0</b>	<b>2,243.4</b>
Interest-bearing liabilities amount to:	1,161	1,219	1,191

## Statement of changes in equity

(SEK M)	2009 30-Jun	2008 30-Jun	2008 31-Dec
Opening balance	506.0	390.8	390.8
Statement of comprehensive income attributable to shareholders	27.3	37.4	119.0
Dividend paid	-17.9	-14.0	-14.0
Conversion of convertible debenture loan KV 1B	-	18.4	18.4
Issue expenses, convertible debenture KV 2B	0.0	-	-8.2
<b>Closing balance</b>	<b>515.4</b>	<b>432.6</b>	<b>506.0</b>

## Statement of cash-flow

(SEK M)	3 months Apr-Jun 2009	3 months Apr-Jun 2008	6 months Jan-Jun 2009	6 months Jan-Jun 2008	12 months Jan-Dec 2008	12 months Jul-Jun 08/09
Operating profit	32.9	52.9	47.4	74.4	194.8	167.8
Adjustments for items not included in cash flow	-1.2	12.1	13.3	18.5	-14.7	-19.9
Change in working capital	46.2	46.1	28.4	-22.8	18.3	69.5
<b>Cash flow from operating activities</b>	<b>77.9</b>	<b>111.1</b>	<b>89.1</b>	<b>70.1</b>	<b>198.4</b>	<b>217.4</b>
Investments	-12.7	-45.3	-31.0	-374.5	-417.6	-74.1
<b>Cash flow after investments</b>	<b>65.2</b>	<b>65.8</b>	<b>58.1</b>	<b>-304.4</b>	<b>-219.2</b>	<b>143.3</b>
Financing	-65.4	-94.4	-71.4	302.2	226.6	-147.0
<b>Change in liquid assets</b>	<b>-0.2</b>	<b>-28.6</b>	<b>-13.3</b>	<b>-2.2</b>	<b>7.4</b>	<b>-3.7</b>

## Key ratios

	6 months Jan-Jun 2009	6 months Jan-Jun 2008	12 months Jan-Dec 2008	12 months Jul-Jun 08/09
Operating margin, %	3.5	4.8	5.7	5.2
Profit margin, %	3.0	3.6	4.1	3.9
Return on equity capital p.a., %	11.5	19.5	23.6	18.9
Return on capital employed p.a., %	7.3	10.5	12.9	10.5
Return on total capital p. a., %	5.6	7.7	9.5	7.8
Interest-coverage ratio, multiple	2.8	2.8	3.2	3.3
Equity, %	23.4	19.3	22.7	23.4
Proportion of risk-bearing capital, %	35.9	20.7	35.6	35.9
Equity related to the Parent company's shareholders, SEK M	515.4	432.6	506.0	515.4
Equity capital per share <sup>1)</sup>	36.08	30.29	35.43	36.08
Quotation on closing day <sup>1)</sup>	91.50	94.75	55.00	91.50
Earnings per share before dilution <sup>1)</sup>	2.05	2.86	7.28	6.47
Earnings per share after dilution <sup>1)</sup>	1.93	2.82	6.94	6.05
Net investments, SEK M	31	375	418	74
Average number of employees	1,610	1,687	1,658	1,641

## Quarterly income statements

(SEK M)	2009 Apr-Jun	2008 Apr-Jun	2009 Jan-Mar	2008 Jan-Mar	2008 Oct-Dec	2007 Oct-Dec	2008 Jul-Sep	2007 Jul-Sep
Net sales	673.2	833.1	671.2	718.8	997.3	736.3	863.1	601.4
Cost of goods sold	-491.4	-614.6	-501.4	546.5	-755.9	-564.0	-660.0	-470.2
<b>Gross profit</b>	<b>181.8</b>	<b>218.5</b>	<b>169.8</b>	<b>172.3</b>	<b>241.4</b>	<b>172.3</b>	<b>203.1</b>	<b>131.2</b>
Selling expenses	-114.7	-130.0	-114.8	-108.5	-143.6	-95.3	-120.4	-71.3
Administrative expenses	-37.7	-35.3	-39.6	-38.7	-38.9	-25.8	-23.9	-22.3
Other operating income/expenses	3.5	-0.3	-0.9	-3.6	7.1	-0.3	-4.4	-0.3
<b>Operating profit</b>	<b>32.9</b>	<b>52.9</b>	<b>14.5</b>	<b>21.5</b>	<b>66.0</b>	<b>50.9</b>	<b>54.4</b>	<b>37.3</b>
Financial items	-10.3	-11.8	3.1	-6.5	-18.9	-4.8	-17.4	-9.0
<b>Profit after financial items</b>	<b>22.6</b>	<b>41.1</b>	<b>17.6</b>	<b>15.0</b>	<b>47.1</b>	<b>46.1</b>	<b>37.0</b>	<b>28.3</b>
Tax on the period's profit	-6.1	-11.5	-4.8	-4.2	-10.6	-11.0	-11.0	-8.8
<b>Profit for the period</b>	<b>16.5</b>	<b>29.6</b>	<b>12.8</b>	<b>10.8</b>	<b>36.5</b>	<b>35.1</b>	<b>26.0</b>	<b>19.5</b>
Profit attributable to:								
Parent company's shareholders	16.5	29.4	12.8	10.7	36.8	35.1	26.0	19.5
Minority shareholders	0.0	0.2	0.0	0.1	-0.3	-	-	-

## Parent company

### Income statement

(SEK M)	3 months	3 months	6 months	6 months	12 months
	Apr-Jun 2009	Apr-Jun 2008	Jan-Jun 2009	Jan-Jun 2008	Jan-Dec 2008
Income	7.5	9.8	16.1	13.0	43.7
Cost of goods sold	-2.4	-3.1	-5.0	-5.0	-9.1
<b>Gross profit</b>	<b>5.1</b>	<b>6.7</b>	<b>11.1</b>	<b>8.0</b>	<b>34.6</b>
Selling expenses	-5.0	-6.6	-10.5	-10.6	-19.2
Administrative expenses	-5.7	-7.7	-12.1	-12.3	-22.3
<b>Operating profit</b>	<b>-5.6</b>	<b>-7.6</b>	<b>-11.5</b>	<b>-14.9</b>	<b>-6.9</b>
Result from participations in Group companies	1.6	-8.7	94.9	56.6	56.6
Financial items	-19.6	-7.3	-17.3	0.6	-25.8
<b>Profit after financial items</b>	<b>-23.6</b>	<b>-23.6</b>	<b>66.1</b>	<b>42.3</b>	<b>23.9</b>
Year-end appropriations	-	-	-	-	-4.1
<b>Profit after financial items</b>	<b>-23.6</b>	<b>-23.6</b>	<b>66.1</b>	<b>42.3</b>	<b>19.8</b>
Tax on the period's profit	-	-	-	-	12.5
<b>PROFIT FOR THE PERIOD</b>	<b>-23.6</b>	<b>-23.6</b>	<b>66.1</b>	<b>42.3</b>	<b>32.3</b>

### Statement of financial position

(SEK M)	2009 30-Jun	2008 30-Jun	2008 31-Dec
Assets			
Tangible fixed assets	1.9	2.5	2.0
Financial fixed assets	744.0	535.4	743.2
<b>Total fixed assets</b>	<b>745.9</b>	<b>537.9</b>	<b>745.2</b>
Current receivables	433.2	567.0	478.7
Cash and bank balance	0.0	0.0	0.0
<b>Total current assets</b>	<b>433.2</b>	<b>567.0</b>	<b>478.7</b>
<b>TOTAL ASSETS</b>	<b>1,179.1</b>	<b>1,104.9</b>	<b>1,223.9</b>
Equity and liabilities			
Equity	304.5	238.8	262.0
Untaxed reserves	6.9	2.8	6.9
Longterm liabilities	373.0	335.1	383.4
Current liabilities	494.7	528.2	571.6
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,179.1</b>	<b>1,104.9</b>	<b>1,223.9</b>

### Statement of changes in equity

(SEK M)	2009 30-Jun	2008 30-Jun	2008 31-Dec
Opening balance	262.0	192.1	192.1
Net profit for the period	66.1	42.3	32.3
Group contribution net	-	-	41.0
Currency derivatives, net after tax	-5.7	-	0.4
Dividend paid	-17.9	-14.0	-14.0
Conversion of convertible debenture loan KV 1B	-	18.4	18.4
Issue expenses, convertible debenture loan KV 2B	-	-	-8.2
<b>Closing balance</b>	<b>304.5</b>	<b>238.8</b>	<b>262.0</b>

### Statement of cash-flow

(SEK M)	3 months	3 months	6 months	6 months	12 months
	Apr-Jun 2009	Apr-Jun 2008	Jan-Jun 2009	Jan-Jun 2008	Jan-Dec 2008
Operating profit	-5.6	-7.6	-11.5	-14.9	-6.9
Adjustments for items not included in cash flow	2.3	21.2	88.2	82.5	81.1
Change in working capital	-1.8	2.6	-24.1	0.5	20.1
<b>Cash flow from operating activities</b>	<b>-5.1</b>	<b>16.2</b>	<b>52.6</b>	<b>68.1</b>	<b>94.3</b>
Investment	-0.8	-1.5	-1.1	-180.8	-390.4
<b>Cash flow after investment</b>	<b>-5.9</b>	<b>14.7</b>	<b>51.5</b>	<b>-112.7</b>	<b>-296.1</b>
Financing	5.9	-14.7	-51.5	112.7	296.1
<b>Change in liquid assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

The Group's auditors have not examined this report.

The logo for ITAB, consisting of the letters 'ITAB' in a bold, red, outlined font. The 'I' and 'A' are connected, and the 'B' has a distinct shape with a horizontal bar.

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