

Interim report

January - September 2008

Third quarter 2008:

Net sales increased by 44 % to SEK 863.1 million (601.4)

Operating profit increased by 46 % to SEK 54.4 million (37.3)

Profit after financial items increased by 31 % to SEK 37.0 Mkr (28.3)

Net income increased by 33 % to SEK 26.0 million (19,5)

Earnings per share increased by 35 % to SEK 1.87 (1.39)

January - September 2008:

Net sales increased by 43 % to SEK 2,415.0 million (1,693.5)

Operating profit increased by 22 % to SEK 128.8 million (105.6)

Profit after financial items increased by 11 % to SEK 93.1 Mkr (84.0)

Net income increased by 11 % to SEK 66.4 million (59.6)

Earnings per share increased by 11 % to SEK 4.70 (4.22)

Earnings trend in the third quarter according to plan and stronger than last year

Items of a non-recurring nature had a negative influence on profits by approximately SEK 15 million (SEK -9 million)

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

New issue of convertible shares has secured the company a capital injection of about SEK 243 million before issue expenses

Trade with the ITAB B-share has been transferred from First North to OMX Nordic Exchange Mid Cap.

Interim report January - September 2008

SALES AND PROFIT

The Group's net sales increased by 43% to SEK 2,415.0 million (1,693.5) and the profit after financial items rose 11% to SEK 93.1 million (84.0). The profit for the period includes costs of a non-recurring nature amounting to approximately SEK 15 million, see below. The corresponding period in 2007 included items of a non-recurring nature amounting to approximately SEK -9 million comprising costs for capital gains from the sale of property and costs for the divestment of a product group.

THIRD QUARTER

Quarter three net sales amounted to SEK 863.1 million (601.4) and profit after financial items was SEK 37.0 million (28.3).

SHARE DATA AND KEY RATIOS

Earnings per share amounted to SEK 4.70 (4.22) and equity per share to SEK 32.50 (25.01).

INVESTMENTS

The Group's net investments amounted to SEK 388 million (159), of which SEK 303 million refers to corporate transactions.

FINANCING AND LIQUIDITY

The Group's cash and cash equivalents, including granted but unutilised credit facilities amounted to SEK 135 million on the closing day. The share of risk-bearing capital at the end of the period was 31% (24).

The 2005/2008 convertible debenture loan was converted in June. All owners of convertible debentures issued in 2005 converted their holding to new Class B shares. Through the conversion, 290,000 new Class B shares were issued in ITAB. The total number of shares after conversion amounts to 14,282,400, of which 3,900,000 are Class A and 10,382,400 are Class B.

During the June/July period, the company carried out a new issue of convertible shares (2008/2012) with preferential rights for the company's shareholders, providing the company with a capital injection of about SEK 243 million before issue expenses. Of the convertible shares offered in the new issue, about 93.6 per cent were subscribed for with preferential rights and about 6.4 per cent were subscribed for without preferential rights. Subsequently, the new share issue was fully subscribed. ITAB's convertible shares 2008/2012 are traded on OMX Nordic Exchange, with a trading lot of a nominal SEK 8,500.

PARENT COMPANY

The parent company's net sales amounted to SEK 17 million (9) and profit after financial items amounted to SEK 64 million (30). Net investments amounted to SEK 184 million (40).

ACCOUNTING PRINCIPLES

The interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The company has changed its accounting principle regarding the reporting of costs for outgoing transport as well as costs for finished stock. From 2008 these costs are being reported as sales expenses, they were previously reported as cost of goods sold. All comparison figures have been converted with regard to this. The same accounting principles have otherwise been used as in the most recent annual report. The acquisition calculations for the companies acquired during the year are preliminary and may be altered.

NEXT REPORT DATE

The year-end report for 2008 will be presented on Thursday, 12 February 2008

BUSINESS ACTIVITIES

ITAB Shop Concept is a concept and product supplier of shop fittings and equipment for food and non-food businesses in the Nordic region, the Baltic States, the Benelux countries, the United Kingdom and Central Europe. Wood and metal shop fittings, as well as checkouts and entrance systems, are designed and produced at the company's own facilities. ITAB's advanced project management model allows the company to be an all-inclusive contractor when it comes to building new shops and department stores or refitting existing ones. ITAB's production facilities are located in Sweden, Norway, Denmark, Finland, Lithuania, the UK, the Netherlands, the Czech Republic, Germany and Belgium. The units in Estonia, Latvia, Russia and the Ukraine have functions involving project management and purchasing. Service, installation, project management and sales are functions assigned to various partners throughout Europe. Business operations are founded on long-term business relationships and delivery reliability in combination with streamlined production resources.

ITAB is currently the dominant player in the Nordic region, the Baltic countries and the UK. ITAB has assumed a leading market role in the Benelux countries, Germany and Central Europe. The markets in Russia and the Ukraine are now more maturing to systems and concept sales. ITAB's evaluation of these markets will therefore move in a more offensive direction.

The Group's turnover increased by 43% during the first nine months of the year. Profit after financial items increased by 11% during the first nine months and 31% during the third quarter. Both sales and profits are in line with the company's expectations.

Growth in volume in comparable operations during the period was noted primarily in Sweden, Norway, Denmark, Finland, the Netherlands, the Czech Republic, the Baltic countries and the UK. The turnover related to the acquisition of Hansa Group in Germany has developed in line with expectations, although not in the UK and Belgium as a result of the weaker development of volume in Hansa UK.

In terms of profits, the trend has been favourable for comparable operations compared to the same period of last year in Sweden, Norway, the UK and the Baltic countries. In the Netherlands, profits are in line with last year. Finland and Denmark report weaker profits compared with last year while the figures for the Czech operations are still not satisfactory. Hansa Group's profits have developed according to plan in Germany, whereas development has been weaker than expected in Belgium and the UK.

The profit for the period includes costs of a non-recurring nature of approximately SEK 15 million. Mostly consisting of continued start-up costs for the new Czech production facility and costs for restructuring and reorganization in the Group. The increase noted in the Group's sales and administration costs is attributed to major marketing activities such as Euroshop and scheduled activities on new growth markets. The Group's long-term goal of strengthening the gross margin through investments, streamlining and more effective purchasing patterns has continued to develop positively. This is important for the Group's continued competitiveness and development. On the raw materials side, it appears as though metal prices are now stabilising, which is positive. The Group has only been affected to a very limited extent by the economic situation and the financial anxiety that has prevailed on the market during the period.

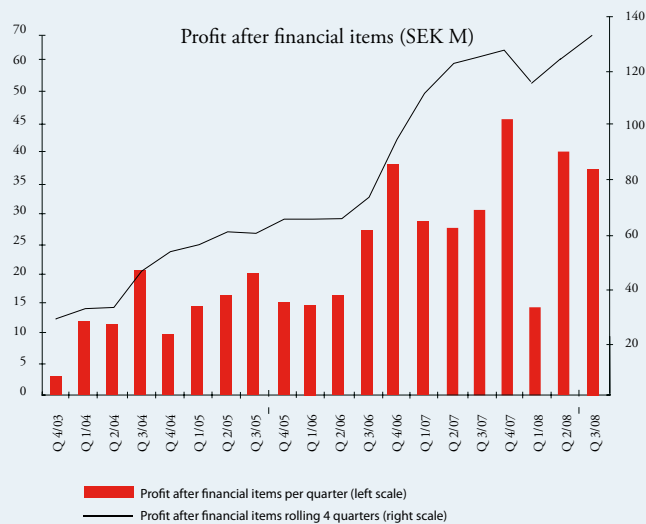
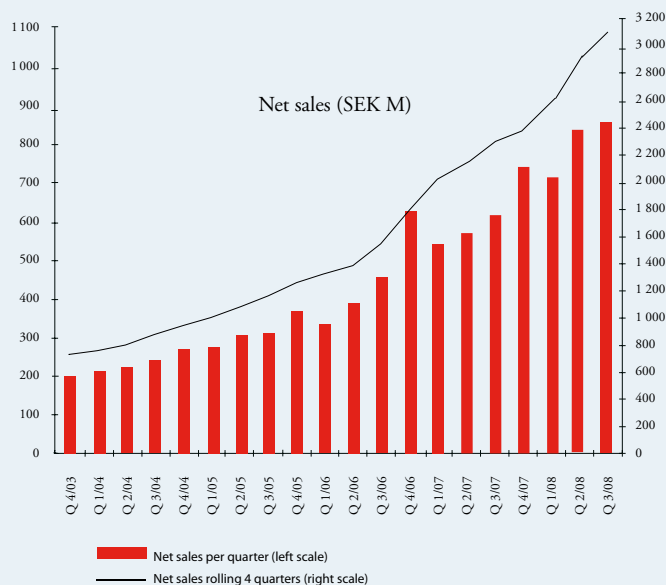
IMPORTANT EVENTS

A number of important deals were made and agreements signed during the period. For example, ITAB has entered into agreements with MQ, Coop Norge, Systembolaget, IKEA, Germany's largest food chain Edeka and one of the Nordic region's largest ready-to-wear clothing chains.

The company participated at Euroshop in Düsseldorf in February. Euroshop is Europe's largest shop fitting trade fair. Three separate stands totalling 1,200 m² demonstrated that ITAB is one of the sector's market leaders. The trade fair was a success, totalling more than 100,000 visitors.

The new company, ITAB Shop Products based in Jönköping, has developed well. The company is the result of a merger of ITAB's entrance system operations in the UK and Sweden, along with a company acquired at the start of the year, L-Form in Reftele. The purpose is to focus the Group's resources on entrance systems in terms of product development, co-ordination and streamlining in order to achieve further market success. The merger of our British operations in Hemel Hempstead and Milton Keynes was carried out according to plan during the period. The merger has further streamlined the units and strengthened the customer focus, employing a slightly different working method than previously. The addition of 4,000 m² production space in Niedergurig, Germany, has been completed. A new powder painting line is being commissioned and will raise both product quality and production efficiency. Additional investments, for example in our Czech operation, will be implemented in the near future with the aim of further improving efficiency and quality.

During September, ITAB launched a new organisational structure. The aims of the new organisation are to get even closer to our customers, to achieve a more cost-effective organisation and to focus further on collaboration between the own companies. The organisation is based on five sales-oriented regions and one production region. The regions are Scandinavia (Sweden, Norway and Denmark), North East (Finland, the Baltic States, Russia and the Ukraine), Benelux (the Netherlands and Belgium), UK & Ireland and Central Europe. The Production region comprises ITAB's industries in the Czech Republic, Germany and Belgium. Other industries currently supply the majority of their products within their own region, while the facilities included in the production region supply the majority of their products to most of the regions. In parallel with this organisation, a number of development activities are being conducted across regional borders, as well as more product-related sales and the development of self-



scanning and entrance systems, for example.

On 8 July, ITAB transferred from First North to OMX Nordic Exchange Mid Cap. This listing is expected to improve the share's liquidity and strengthen the company's reputation in general. During the June/July period, the company carried out a new issue of convertible shares (2008/2012) with preferential rights for the company's shareholders, providing the company with a capital injection of about SEK 243 million.

After the end of the period, ITAB has commenced the establishment of its own purchasing office in Suzhou, China. Having our own operation in China will make it easier to find new suppliers in the region, manage contract negotiations and quality checks. This is very important, as ITAB has a number of important subcontractors in this region.

At the Annual General Meeting on 3 June, it was decided to introduce a performance-based incentive programme for senior executives and other key individuals employed within the ITAB Group. A total of 46 people are participating in the incentive programme with a maximum of 420,000 options, including options with the aim of financing costs that have arisen for the programme. This corresponds to at most 2.9 % of the capital at full take-up, calculated on the basis of the current number of shares. The programme is running with effect from October 2008, with the potential for subscription during the period September 2011 to March 2012.

ACQUISITION

In May, ITAB acquired the assets and liabilities of Scangineers, which is based in the Netherlands. Scangineers develops and markets software for different self-checkout systems that are installed in checkouts. The company currently has some 300 systems in the European markets and their software is compatible with all known checkout systems today. ITAB has developed two types of self-scanning checkouts – a larger one with a conveyor belt intended for customers with shopping trolleys, and a smaller unit adapted to customer baskets. Scangineers' software and ITAB's expertise and market position in the checkout sector make this an exceptionally interesting combination. After the acquisition, Scangineers changed its name to Scanpoint.

On 1 January, ITAB acquired the German group Hansa Kontor Shopfitting Group, the Finnish company Pan-Oston and the Swedish company L-Form. The acquisition of Hansa Kontor Shopfitting is ITAB's largest ever and positions ITAB as the second largest shop interiors supplier on the European market. Hansa Group consists of four companies. Germany-based Hansa Harr is the European market leader in checkouts and Hans Kontor is a well-known concept supplier of complete shops, particularly to the German food segment. Belgium is home to Hansa Mertens, a prominent player in Belgium in terms of shop fittings with production facilities that focus on flexibility and customised shelving and shop fittings. Hansa GWS is located in England and is one of the largest shop fitting and checkout suppliers in the UK. The company has a highly experienced project management organisation and extremely strong installation and service organisations in England. The Group, which has about 400 employees, reported sales in the range of SEK 850 million. Not only will the acquisition position ITAB as the largest checkout supplier in Europe, it will also generate new sales channels for shop fittings and entrance systems.

Pan-Osten is one of the leading checkout and entrance system suppliers in Finland. The company also has considerable export to Denmark and Russia in particular. The acquisition of Pan-Osten further reinforces ITAB's position as the largest checkout manufacturer in the Nordic countries.

L-Form is a smaller company active in the area of entrance and queue management systems. The company's product portfolio is an excellent complement to the rest of ITAB's collection in this niche. The acquisition will also provide market shares on markets that are new for ITAB. L-Form will

be fully integrated in ITAB's newly formed product company, ITAB Shop Products.

CEO ULF ROSTEDT'S COMMENTS

On the whole, the sales and profits during the period have developed in line with our expectations and better than last year, despite a rather weak start of the year. The anxiety that the financial and economic expectations has created has not affected the period appreciably. The majority of our customers are large chains of stores in the food segment and the wider part of the non-food segment. For chains of these types, an economic downturn can generally entail new business opportunities instead. This is one reason why ITAB has not historically been particularly dependent on the economic situation. It should be stated, however, that the financial crisis and the economic situation we are currently experiencing makes the future outlook somewhat uncertain. We are therefore monitoring the market closely and making preparations for the future market situation.

The acquisitions of L-Form in Sweden and PanOston in Finland have developed well during the year, providing us with a stronger position as regards checkouts primarily in Finland, and through L-Form we have gained a very good product in the entrance system programme. Our new acquisition Scangineers, which develops self-scanning checkouts, is an exciting company that can provide us with considerable future success. The Hansa Group, however, has not developed as well as we had anticipated during the third quarter. The problem is primarily declining sales in the British section, which is having knock-on effects in the Belgium operation. Operations in Germany have developed largely in line with our expectations and on all the markets on which Hansa operates we can see good future growth potential and, as has previously been stated, the acquisition is of considerable strategic importance for our continued development.

The acquisition of Hansa Group will entail a profit for the current year that is lower than the figure of SEK 1/share that was previously communicated, however the ITAB operations excluding the Hansa Group developed more strongly during the period than last year as regards both sales and profits. The order situation for the immediate future is satisfactory, and activity on the market is currently intense.

In order to further increase the emphasis on cultivating new customers and streamlining our operations, as described above, a major restructuring process been launched. The principal element of this entails focusing on regions instead of individual companies. The strength of the Group's activities can be discerned even more strongly following the regional division we have now commenced. The new organisational structure will be implemented fully by the end of the year.

This interim report has been subject to a general review by the company's auditors. The review report can be found on page 7.

Jönköping, 22 October 2008

Ulf Rostedt
Manager Director

INCOME STATEMENTS

(SEK M)	3 months	3 months	9 months	9 months	12 months	12 months
	Jul-Sep 2008	Jul-Sep 2007	Jan-Sep 2008	Jan-Sep 2007	Jan-Dec 2007	Oct-Sep 07/08
Net sales	863.1	601.4	2,415.0	1,693.5	2,429.8	3,151.3
Cost of goods sold	-660.0	-470.2	-1,821.1	-1,314.1	-1,878.1	-2,385.1
Gross profit	203.1	131.2	593.9	379.4	551.7	766.2
Selling expenses	-120.4	-71.3	-358.9	-210.7	-306.0	-454.2
Administrative expenses	-23.9	-22.3	-97.9	-65.9	-91.7	-123.7
Other operating income/expenses	-4.4	-0.3	-8.3	2.8	2.5	-8.6
Operating profit	54.4	37.3	128.8	105.6	156.5	179.7
Financial items	-17.4	-9.0	-35.7	-21.6	-26.4	-40.5
Profit after financial items	37.0	28.3	93.1	84.0	130.1	139.2
Tax on the period's profit	-11.0	-8.8	-26.7	-24.4	-35.4	-37.7
PROFIT FOR THE PERIOD	26.0	19.5	66.4	59.6	94.7	101.5
Profit attributable to:						
Stockholders of the Parent Company	26.0	19.5	66.1	59.6	94.7	101.2
Minority interest	-	-	0.3	-	-	0.3
PROFIT FOR THE PERIOD	26.0	19.5	66.4	59.6	94.7	101.5

Depreciation represents SEK 49 million (28) of the profit for the interim period.

Tax on the periods profit amounts to 29 percent (29).

The company has changed its accounting principle regarding the reporting of costs for outgoing transport as well as costs for finished stock. From 2008 these costs are being reported as sales expenses, they were previously reported as cost of goods sold. All comparison figures have been converted with regard to this.

SHARE DATA

	3 months	3 months	9 months	9 months	12 months	12 months
	Jul-Sep 2008	Jul-Sep 2007	Jan-Sep 2008	Jan-Sep 2007	Jan-Dec 2007	Oct-Sep 07/08
Average number of shares, thousands	14,065	13,992	14,065	13,992	13,992	14,065
Number of shares after dilution, thousands	15,235	14,282	15,235	14,282	14,282	15,235
Earnings per share, SEK 1)	1.87	1.39	4.70	4.22	6.71	7.19
Earnings per share after dilution, SEK 1)	1.71	1.38	4.50	4.19	6.65	6.96
Equity capital per share, SEK 1)			32.50	25.01	27.68	32.50
Quotation on closing day, SEK 1)			84.00	130.83	126.86	84.00

Outstanding number of shares amounts to 14.282.400. As per 30 June 2005, the company issued a three-year convertible debenture loan for SEK 18,4 million, which corresponds to 290,000 shares. Full conversion to shares was completed as of 30 June 2008.

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

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

KEY RATIOS

	9 months Jan-Sep 2008	9 months Jan-Sep 2007	12 months Jan-Dec 2007	12 months Oct-Sep 07/08
Operating margin, %	5.3	6.2	6.4	5.7
Profit margin, %	3.9	5.0	5.4	4.4
Return on equity capital p.a., %	21.0	24.1	28.7	24.9
Return on capital employed p. a., %	11.7	14.9	17.0	13.2
Return on total capital p. a., %	8.5	9.9	11.3	9.5
Interest-coverage ratio, multiple	3.2	4.4	4.7	3.6
Equity, SEK M	464.2	353.0	390.8	464.2
Equity/assets ratio ¹⁾ , %	19.4	21.2	25.2	19.4
Proportion of risk-bearing capital ²⁾ , %	30.9	23.5	27.7	30.9
Net investments, SEK M	388.0	158.7	207.8	437.1
Average number of employees	1,677	1,297	1,294	1,579

1) Excluding financial debt of convertible loan

2) Including financial debt of convertible loan

BALANCE SHEETS

(SEK M)	2008 30-Sep	2007 30-Sep	2007 31-Dec
ASSETS			
Intangible fixed assets	479.0	262.9	266.4
Tangible fixed assets	640.7	437.9	461.2
Financial fixed assets	16.1	7.7	5.3
TOTAL FIXED ASSETS	1,135.8	708.5	732.9
Stock	495.0	388.6	345.6
Current receivables	756.5	558.8	465.1
Cash and bank balance	16.3	11.8	7.9
TOTAL CURRENT ASSETS	1,267.8	959.2	818.6
TOTAL ASSETS	2,403.6	1,667.7	1,551.5
EQUITY AND LIABILITIES			
Equity	464.2	353.0	390.8
Minoritetsandel	3.1	-	-
TOTAL CURRENT ASSETS	467.3	353.0	390.8
Long-term liabilities	512.4	250.1	243.9
Current liabilities	1,423.9	1,064.6	916.8
TOTAL EQUITY AND LIABILITIES	2,403.6	1,667.7	1,551.5

Interest-bearing liabilities amount to SEK 1,306 million (765).

CHANGE IN EQUITY

(SEK M)	2008 30-Sep	2007 30-Sep	2007 31-Dec
Opening balance	390.8	302.1	302.1
Dividend paid	-14.0	-14.0	-14.0
Conversion of convertible debenture loan	18.4	-	-
Issue expenses of convertible debenture loan	-5.4	-	-
Actuarial profits and losses	-	-	-1.0
Translation difference	8.0	5.3	9.0
Profit for the period	66.4	59.6	94.7
CLOSING BALANCE	464.2	353.0	390.8

CASH FLOW STATEMENT

(SEK M)	9 months Jan-Sep 2008	9 months Jan-Sep 2007	12 months Jan-Dec 2007	12 months Oct-Sep 07/08
Operating profit	128.8	105.6	156.5	179.7
Adjustments for items not included in cash flow	13.5	-24.0	-32.6	4.9
Change in working capital	-85.3	-95.1	-5.1	4.7
<i>Cash flow from operating activities</i>	<i>57.0</i>	<i>-13.5</i>	<i>118.8</i>	<i>189.3</i>
Investments	-388.0	-158.7	-207.8	-437.1
<i>Cash flow after investments</i>	<i>-331.0</i>	<i>-172.2</i>	<i>-89.0</i>	<i>-247.8</i>
Financing	339.4	168.2	81.1	265.3
Change in liquid assets	8.4	-4.0	-7.9	4.5

QUARTERLY INCOME STATEMENTS

	2008 Jul-Sep	2007 Jul-Sep	2008 Apr-Jun	2007 Apr-Jun	2008 Jan-Mar	2007 Jan-Mar	2007 Oct-Dec	2006 Oct-Dec
(SEK M)								
Net sales	863.1	601.4	833.1	553.0	718.8	539.1	736.3	631.5
Cost of goods sold	-660.0	-470.2	-614.6	-428.2	-546.5	-415.7	-564.0	-485.5
Gross profit	203.1	131.2	218.5	124.8	172.3	123.4	172.3	146.0
Selling expenses	-120.4	-71.3	-130.0	-70.3	-108.5	-69.1	-95.3	-78.9
Administrative expenses	-23.9	-22.3	-35.3	-21.8	-38.7	-21.8	-25.8	-21.3
Other operating income/expenses	-4.4	-0.3	-0.3	1.0	-3.6	2.1	-0.3	-0.9
Operating profit	54.4	37.3	52.9	33.7	21.5	34.6	50.9	44.9
Financial items	-17.4	-9.0	-11.8	-6.6	-6.5	-6.0	-4.8	-6.5
Profit after financial items	37.0	28.3	41.1	27.1	15.0	28.6	46.1	38.4
Tax on the period's profit	-11.0	-8.8	-11.5	-7.6	-4.2	-8.0	-11.0	-9.8
PROFIT FOR THE PERIOD	26.0	19.5	29.6	19.5	10.8	20.6	35.1	28.6
Profit attributable to:								
Stockholders of the Parent Company	26.0	19,5	29.4	19.5	10.7	20.6	35.1	28.6
Minority interest	-	-	0.2	-	0.1	-	-	-
PROFIT FOR THE PERIOD	26.0	19,5	29.6	19.5	10.8	20.6	35.1	28.6

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 the period from January 1, 2008 to September 30, 2008. 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, issued by the Federation of Authorized Public Accountants. 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 22nd October 2008

Rolf Engdahl
Certified Public Accountant

Stefan Engdahl
Certified Public Accountant

The logo for ITAB, consisting of the letters 'ITAB' in a bold, red, outlined font. The letter 'A' has a small triangle inside it.

ITAB Shop Concept AB (publ)
Box 9054
SE-550 09 Jönköping
Visiting address: Instrumentvägen 2
Tel: +46 (0)36 31 73 00
Fax: +46 (0)36 31 73 73
info@itab.se
www.itab.se