

Year-end report

2005

Net sales increased by 33% to SEK 1 269.5 million (953.2)

Profit after tax increased by 22% to SEK 46.0 million (37.7)

Earnings per share after estimated full tax amounted to SEK 6.87 (5.62)

Profit after financial items increased by 22% to SEK 66.0 million (54.2)

Structural changes has reduced the result



Year-end report 2005

Turnover and profit

The Group's net turnover increased by 33 per cent to SEK 1 269.5 million (953.2) and profit after net financial items increased by 22 per cent to SEK 66.0 million (54.2).

Share data and key ratios

Earnings per share after calculated full tax was SEK 6.87 (5.62) and equity per share amounted to SEK 29.72 (22.56). At the end of the period the assets-equity ratio was 26 per cent (22).

Investment

The Group's net investments amounted to SEK 26 million (131) of which SEK 9 million to property and SEK 17 million to machinery and equipment.

Financial and Liquidity

The group's liquid assets including granted but unutilised credit amounted to SEK 216 million on the balance sheet date. The Group has issued a convertible loan to the employees in ITAB Shop Concept at SEK 18.4 million for the period 30th of June 2005 to 1st of July 2008. The conversion price will be SEK 127. By full conversion the amount of shares will increase by 145.000 to 6.841.200.

Activities

ITAB Shop Concept supplies complete shop fittings for the convenience store and specialised retail trade in Europe. By taking care of the whole project from idea to the turnkey shop ITAB works as a complete concept supplier. The range includes shop fittings, mainly in wood and metal, and shop equipment such as checkouts and entrance systems. The Group has production units in Sweden, Norway, Denmark, Finland, the Netherlands and the Czech Republic. There are also units with sales and project management functions in the Baltic countries and Russia. ITAB also has partners in several European countries.

The Group's net turnover increased by 33 per cent to SEK 1 269.5 million (953.2) and organic growth is responsible for more than half of this increase. All countries have shown increases in volume and market success during the year. Contributing to the strong increase in volume are the long-term customer agreements that have developed in a positive way during the year. The increase in volume and cost efficient improvements in the production units have led to better results.

Sweden showed an increase in volume, most of this in checkouts and shop fittings for the retail trade, and in 2005 both Norway and Denmark have achieved good volume and results growth. Finland and the Netherlands have continued their positive trend and increased their volume and market shares while the Baltic States have been stable. During the year the Czech Republic increased its turnover by more than 50 per cent compared to last year, the increase coming from new customer agreements, mostly within shop fitting.

The mergers that have occurred in Sweden and the Czech Republic during the year have resulted in costs that are non-current. Despite the organisational changes which are underway, a number of initiatives have been adopted to improve both production capacity and productivity. Another step forward in achieving ITAB's goal: to become the market leader in Central Europe.

Important events

During the year ITAB has signed an agreement with Coop Norden about deliveries of shop fittings. ITAB is the main supplier in Norway and Sweden and complement supplier in Denmark. Agreement has been made with the ready-made clothing chain Cubus who is now established in the Swedish market and deliveries have started of complete stores to Finland's biggest retail chain in telecom equipments.

ITAB's position in the Netherlands is strengthening continuously, Schuitema being one of the convenience stores that has started a co-operation with ITAB in the Netherlands. Ahold and Albert Hein has

in cooperation with ITAB developed a new concept. This concept will be evaluated and continually developed during the first half-year of 2006, after which serial deliveries will start. One of Europe's fastest growing retail chains, Tesco, has selected ITAB as sole supplier of shop fittings for the Czech Republic, Slovakia, Hungary and Poland. This represents an important breakthrough in Central Europe and the order is a strategically important platform for ITAB's continued growth in Central Europe. Cora, one of Romania's biggest convenience stores, has chosen ITAB as a supplier of checkouts as well as Metro, who has convenience stores in Russia, the Netherlands, Central and Eastern Europe.

The trend seen during the last year is continuing: larger purchases, a reduction in the number of competitors in the marketplace who can cope with the volumes required, and an ever increasing pressure to keep prices low. The volumes and undertaking as a result of this will mean an increasing need of capacity, cost effective production, good co-operation partners and well developed logistics. These remain priorities for the ITAB Group, as does the strategy to strengthen activity in selected markets for selected customers. 2006 will be a year characterized by market efforts. The strong position that ITAB has in convenience stores in the Nordic countries shall remain with further growth in the specialised retail trade expected. In the Netherlands and Central Europe the positive trend is expected to continue.

Events after the end of the period

After the year end ITAB acquired one of the leading project management companies in the Netherlands. PremOers is well established in the field of concept development and project management of complete shop fittings, mainly to the specialised retail trade. The company will be merged with ITAB in the Netherlands and will strengthen their capabilities and market position in the Netherlands.

One further merger, Novena in Lithuania, has been made after the year end. Novena is a leading shop fitting company in Lithuania and has a strong position in the Baltic States. Novena has production of wood, metal and wire products. Through its flexibility it is well adapted for small and middle-sized series and will be an important complement to production in ITAB. Novena has a subsidiary with a production unit in Ukraine as well as sales and project units in Latvia and Lithuania. Novena will be integrated with ITAB Baltic during the coming year.

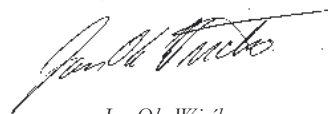
Accounting principles

As of 2005, ITAB Shop Concept reports in accordance with IFRS (International Financial Reporting Standards). The accounting principles compared with the most recent annual report have changed as a result of the transition to IFRS. The new principles and the effect of the transition to IFRS are described in Note 1. This Interim Report is established in accordance with IAS 34 Interim Financial Reporting, which is in accordance with Redovisningsrådets rekommendation RR 31 Delårsrapportering för koncerner.

Next reporting date

The interim report for the period January to March 2006 will be submitted on Thursday, 11 May 2006.

Jönköping 9 February 2006



Jan-Ola Wiréhn
Managing Director

INCOME STATEMENTS	3 months Oct-Dec	3 months Oct-Dec	12 months Jan-Dec	12 months Jan-Dec
(SEK million)	2005	2004	2005	2004
Net sales	371.9	272.0	1 269.5	953.2
Cost of goods sold	-307.9	-220.9	-1 033.4	-758.5
<i>Gross profit</i>	<i>64.0</i>	<i>51.1</i>	<i>236.1</i>	<i>194.7</i>
Selling expenses	-33.5	-26.5	-113.2	-90.4
Administrative expenses	-12.7	-11.6	-47.8	-40.2
Items affecting comparability	0.0	0.0	0.0	0.0
Other operating income/expenses	1.0	-0.3	2.8	-0.7
<i>Operating profit</i>	<i>18.8</i>	<i>12.7</i>	<i>77.9</i>	<i>63.4</i>
Financial items	-3.6	-2.8	-11.9	-9.2
Profit after financial items	15.2	9.9	66.0	54.2
Tax	-4.7	-3.9	-20.0	-16.5
Net profit for the period	10.5	6.0	46.0	37.7

Depreciation represents SEK 28 million (21) of the profit for the year.

Estimated full tax amounts to 30 per cent (30%) for the year.

SHARE DATA	3 months Oct-Dec	3 months Oct-Dec	12 months Jan-Dec	12 months Jan-Dec
	2005	2004	2005	2004
Average number of shares, thousands	6 696	6 696	6 696	6 696
Average number of shares after dilution, thousands	6 841	6 696	6 769	6 696
Earnings per share, SEK	1.56	0.89	6.87	5.62
Earnings per share after dilution, SEK	1.56	0.89	6.86	5.62
Equity capital per share, SEK	-	-	29.72	22.56
Quotation on closing day, SEK	-	-	128.50	73.00

Outstanding number of shares amount to 6.696.200. The 30th of June 2005 the Group issued a convertible loan of SEK 18.4 million, 145.000 shares by full conversion, the total amount of shares will then be 6.841.200.

KEY FIGURES	12 months Jan-Dec	12 months Jan-Dec
	2005	2004
Liquidity Operating margin, %	6.1	6.6
Profit margin, %	5.2	5.7
Return on equity capital p.a., %	26.3	29.0
Return on capital employed p.a., %	15.3	17.3
Return on total capital p.a., %	10.6	11.9
Interest coverage ratio, multiple	5.5	6.3
Equity, SEK m	199.0	151.1
Equity/assets ratio 1), %	25.9	22.3
Proportion on risk-bearing capital 2), %	31.0	25.6
Net investments, SEK m	26.1	130.9
Average number of employees	880	549

1) Excluding financial debt of convertible loan

2) Including financial debt of convertible loan

BALANCE SHEETS (SEK million)	2005 31-Dec	2004 31-Dec
ASSET		
Intangible fixed assets	76.1	66.8
Tangible fixed assets	250.1	242.2
Financial assets	2.1	4.6
<i>Total fixed assets</i>	<i>328.3</i>	<i>313.6</i>
Stock	204.0	174.6
Current receivables	228.4	183.4
Cash and bank balances	7.9	4.9
<i>Total current assets</i>	<i>440.3</i>	<i>362.9</i>
Total assets	768.6	676.5
EQUITY AND LIABILITIES		
Equity	199.0	151.1
Provisions	29.8	29.7
Long-term liabilities	257.2	202.0
Current liabilities	282.6	293.7
Total equity and liabilities	768.6	676.5

Interest-bearing liabilities amount to SEK 353 million (309).

CHANGES IN EQUITY (SEK million)	2005 31-Dec	2004 31-Dec
Opening balance	151.1	95.6
Effects of the transition to IFRS	-	-1.7
Effects of adjusted pension liabilities	-1.1	-0.8
Dividend paid	-8.4	-
New share issue	-	20.0
Equity-part of convertible loan	1.7	-
Cost of issue of convertible loan	-0.4	-
Translation differences	10.1	0.3
Net profit for the period	46.0	37.7
CLOSING BALANCE	199.0	151.1

CASH-FLOW ANALYSES (SEK million)	12 months Jan-Dec 2005	12 months Jan-Dec 2004
Operating profit	77.9	63.3
Adjustments for items not affecting liquidity	-2.0	5.0
Change in working capital	-67.9	-11.5
<i>Cash flow from operating activities</i>	<i>8.0</i>	<i>56.8</i>
Investments	-26.1	-130.9
<i>Cash flow after investments</i>	<i>-18.1</i>	<i>-74.1</i>
Financing	21.1	64.3
Change in liquid assets	3.0	-9.8

QUARTERLY INCOME STATEMENTS	2005	2004	2005	2004	2005	2004	2005	2004
	Oct-Dec	Oct-Dec	Jul-Sep	Jul-Sep	Apr-Jun	Apr-Jun	Jan-Mar	Jan-Mar
(SEK million)								
Net sales	371.9	272.0	313.0	242.3	307.4	223.3	277.2	215.6
Cost of goods sold	-307.9	-220.9	-256.0	-189.8	-246.7	-176.6	-222.8	-171.2
<i>Gross profit</i>	<i>64.0</i>	<i>51.1</i>	<i>57.0</i>	<i>52.5</i>	<i>60.7</i>	<i>46.7</i>	<i>54.4</i>	<i>44.4</i>
Selling expenses	-33.5	-26.5	-24.7	-21.0	-27.9	-21.8	-27.1	-21.1
Administrative expenses	-12.7	-11.6	-9.0	-8.6	-14.9	-10.4	-11.2	-9.6
Items affecting comparability	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income/expenses	1.0	-0.3	0.4	-0.1	0.6	-0.6	0.8	0.3
<i>Operating profit</i>	<i>18.8</i>	<i>12.7</i>	<i>23.7</i>	<i>22.8</i>	<i>18.5</i>	<i>13.9</i>	<i>16.9</i>	<i>14.0</i>
Financial items	-3.6	-2.8	-3.7	-2.2	-2.3	-2.3	-2.3	-1.9
<i>Profit after financial items</i>	<i>15.2</i>	<i>9.9</i>	<i>20.0</i>	<i>20.6</i>	<i>16.2</i>	<i>11.6</i>	<i>14.6</i>	<i>12.1</i>
Tax	-4.7	-3.9	-6.1	-5.8	-4.8	-3.3	-4.4	-3.5
Net profit	10.5	6.0	13.9	14.8	11.4	8.3	10.2	8.6

NOTE 1 TRANSITION TO REPORTING IN ACCORDANCE WITH IFRS

IFRS BRIDGES. FULL-YEAR 2004

Only items affected by the transition to IFRS are reported.

Consolidated income statement	SwGAAP	IFRS	IFRS
	Full-year 2004	adjustment	Full-year 2004
Selling expenses	-94.5	4.1	-90.4
Operating profit	59.3	4.1	63.4
Profit after net financial items	50.1	4.1	54.2
Tax	-16.5	-	-16.5
Net profit	33.6	4.1	37.7
Depreciation included above	25.1	4.1	21.0

Consolidated balance sheet	CB SwGAAP	IFRS	CB IFRS
	041231	adjustment	041231
Other intangible assets	62.7	4.1	66.8
Equity	149.5	1.6	151.1
Provisions	27.2	2.5	29.7
Balance sheet total	672.4	4.1	676.5

SwGAAP = Swedish Financial Accounting Standards Council's recommendations

Application of IFRS was implemented as of January 1, 2005 and the comparative year has been restated. The change in accounting policies that has affected the numbers mostly is that goodwill is not going to be depreciated yearly, instead it is going to be tested yearly in an Impairment Test. There are no significant differences between the cash-flow statement in accordance with IFRS and the cash-flow statement in accordance with SwGAAP.



Proposal for dividend

The board proposes to the annual general meeting a dividend of SEK 1.50 per share for the 2005 financial year. Total dividend amounts to SEK 10.0 million based on the number of shares at the end of the financial year.

Repurchase of own shares

The board will propose to the annual general meeting that it be authorized to make decisions on repurchasing of the company's shares. Such a mandate would allow the board being to make decisions on repurchasing of the company's shares until the next ordinary annual general meeting. Any purchase could be made at the stock market or through offers to shareholders. It will also be suggested that the board's mandate include the ability to transfer repurchased shares within the limits permitted by legislation.

Nomination of members of the board

Shareholders wishing to nominate candidates for the board ahead of the Annual General Meeting may contact Thord Johansson, Chairman of the Board, +46 (0)36-31 73 00 or Johan Rapp, Board Member: +46 (0)8-679 13 50.

Annual general meeting

The ordinary annual general meeting will be held on Thursday, 11 May 2006 at 3 p.m. at ITAB's premises at Instrumentvägen 2 in Jönköping. The annual accounts for 2005 will be available at the middle of April at ITAB Shop Concept's head office. The annual accounts will be sent out to shareholders at the same time.

Jönköping, 9 February
The Board

ITAB

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