ANNUAL REPORT 2008

A CATALYST FOR A SOUND ECONOMY

The purpose of Intrum Justitia is to facilitate business and help create sound economies by making trade simple, safe and fair.

Our complete line of credit management services will not only free up time and energy, they will also help our clients' work more efficiently, find new customers, build long-lasting relationships and improve their cash flow.

A TRUE PEOPLE COMPANY

When people deal with us they will not meet a company; they will meet a person who understands their needs and is dedicated to finding solutions. This is how we will grow our clients' business.

We aim to complete the transformation from a traditional debt collecting agency to a true people-focused company with a broader range of financial solutions by the end of 2011.

intrum justitia

Contents

LEADER IN EUROPE

Intrum Justitia is Europe's leading Credit Management Services (CMS) company. Founded in 1923, it has 3,300 employees.

TWO SYNERGISTIC AREAS:

Credit management

The company provides clients with a complete service solution covering everything from credit evaluations, invoicing, sales ledger services, reminders and debt collection to debt surveillance and collection of written-off receivables.

Purchased debt

The company buys portfolios of written-off receivables. Portfolio purchases are well-distributed geographically and by segment and consist largely of consumer bank loans and credit card debt.

HELPING OUR CLIENTS' BUSINESSES

The combination of pan-European coverage and local expertise makes us uniquely positioned to help clients do business internationally. By outsourcing credit management to Intrum Justitia, they free up resources, while improving cash flow and raising profitability.

CONTRIBUTING TO A SOUND ECONOMY

Professional credit management makes business easy, secure and fair, and thereby contributes to a sustainable society.

90,000 CLIENTS IN EUROPE

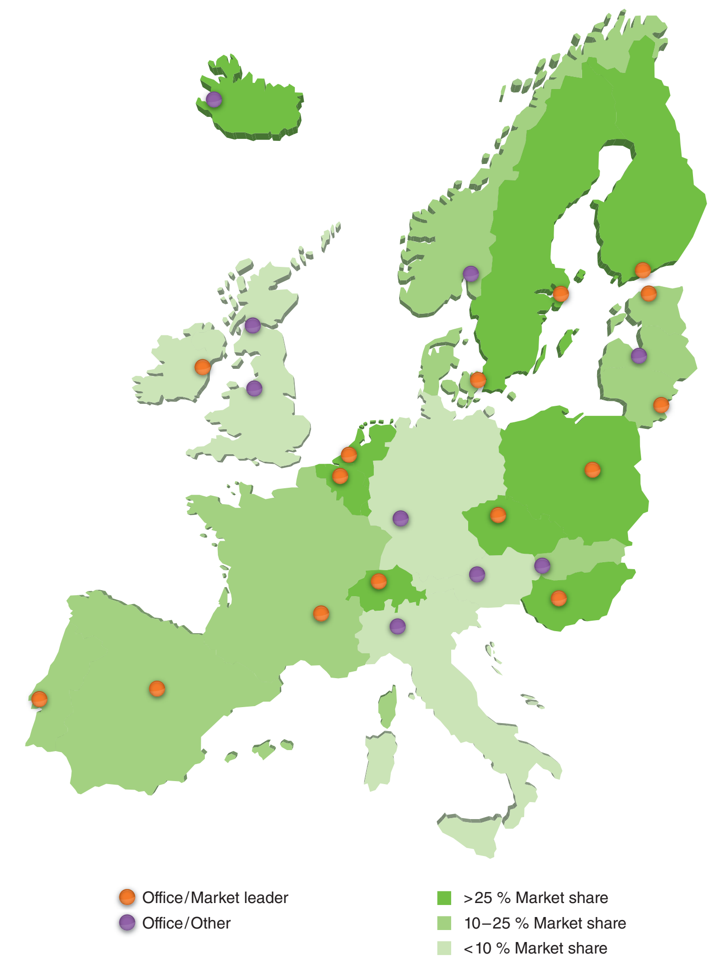
Intrum Justitia has over 90,000 clients in Europe. The largest industries represented are banking and finance, telecommunications and utilities.

90 PERCENT OF THE MARKET UNTAPPED

Today around 10 percent of the market is outsourced. In general, countries in northern Europe are more mature and hire outside specialists to a greater extent than those in southern Europe. The value of the outsourced market in Europe is estimated at SEK 30 billion and is expected to grow in pace with GDP.

THE SHARE IS LISTED ON NASDAQ OMX STOCKHOLM

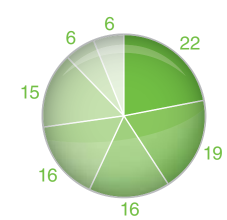
Intrum Justitia in brief



Broad geographical coverage

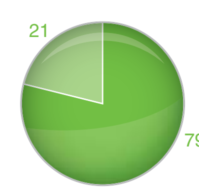
In addition to operations in 24 European markets, Intrum Justitia has a network of agents in 170 countries outside Europe, thanks to which it can offer services to clients in most global markets. All contacts are in the local language, and the methods and procedures used in each country conform to local rules.

Sales by region, 2008, %



- Netherlands, Belgium, Germany
- Sweden, Norway, Denmark
- Switzerland, Austria, Italy
- France, Spain, Portugal
- Finland, Estonia, Latvia, Lithuania
- United Kingdom, Ireland
- Poland, Czech Republic, Slovakia, Hungary

Sales by service line, %



- Credit Management
- Purchased Debt

2008 in brief

- Consolidated revenues for 2008 amounted to SEK 3,678 M (3,225), an increase of 14 percent.
- Operating earnings (EBIT) amounted to SEK 697 M (668). Excluding goodwill impairment and net purchased debt revaluations of SEK 2.2 M (12), operating earnings amounted to SEK 756 M (656), an increase of 15 percent.
- Net earnings amounted to SEK 442 M (462) and earnings per share before dilution amounted to SEK 5.58 (5.86) for the full year.
- Investments in Purchased Debt amounted to SEK 872 M (996). The return on purchased debt was 17 percent (17).
- The company's strategy as a provider of complete credit management services was underscored through the strategic coordination of resources and functions in the organization and launch of a new graphic identity.
- Acquisitions of Solutius in Belgium and Cronos and SSE in France. Market shares increased to 25 percent in Belgium and 20 percent in France.
- Lars Wollung was named the new President and CEO in November and assumes his new post on February 1, 2009.
- The Board of Directors proposes a dividend of SEK 3.50 per share (3.25).

KEY FIGURES	2008	2007	2006	2005	2004
Revenues, SEK M	3,678	3,225	2,940	2,823	2,741
Organic growth, %	9.3	10.4	4.3	–0.2	0.0
Operating margin, %	20.6	20.7	20.0	17.8	15.7
Return on operating capital, %	17.2	21.1	21.5	22.3	21.6
Return on equity, %	20.8	27.8	28.9	23.0	23.2
Return on purchased debt, %	16.6	17.0	14.4	16.1	21.0
Net debt/equity, %	98.0	82.9	98.1	90.6	31.4
Equity/assets ratio, %	35.5	34.2	33.5	31.8	42.3
Interest coverage ratio, multiple	4.6	7.5	8.1	11.2	9.3
Total collection value, SEK billion	126.3	99.1	89.4	93.3	79.4
Average number of employees	3,318	3,093	2,954	2,863	2,945
Earnings per share after dilution, SEK	5.56	5.83	5.04	3.81	3.68

+14.0%
revenues

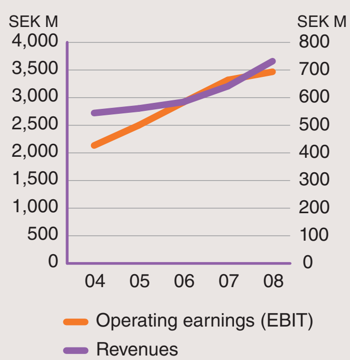
+9.3%
organic growth

16.6%
return on purchased debt

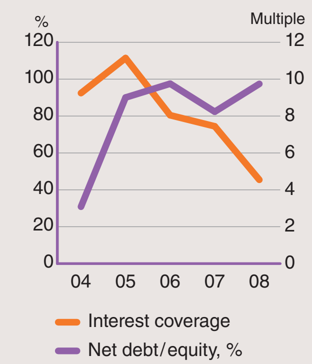
20.6%
operating margin

SEK 3.50
dividend per share

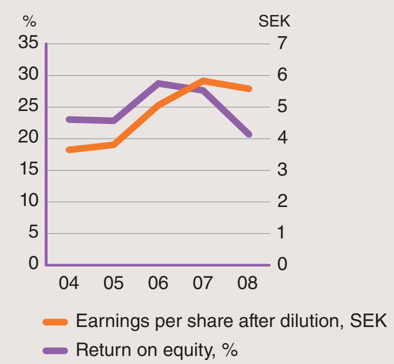
Sales and operating earnings



Interest coverage and net debt/equity



ROE and earnings per share



New conditions, new opportunities

Intrum Justitia is uniquely positioned in the business community and the economy. It is a privilege to lead a company in the middle of the action and with great opportunities to benefit businesses and society. With our services, we make our clients more competitive and at the same time contribute to a better economy.

We are resistant to economic slowdowns

The most acute problems in the credit market appear to be over, but a recovery is still far off. The effects of the financial crisis on the real economy became most evident during the fourth quarter of 2008. This year production, trade and employment are in decline practically worldwide.

Intrum Justitia's operations, by their very nature, can withstand economic downturns. The declining solvency of many in society means a larger caseload for our debt collection and surveillance services. But lower solvency also means that cases generally require more resources. To avoid downward pressure on our margins, we must compensate with higher productivity. For this reason, we have already launched an improvement program to adopt best practices throughout the Group.

Greater interest in our offering

We have good opportunities to improve our positions in both service lines. The financial crisis has underscored the deficiencies in credit management in many places. We are seeing greater interest in our offering in the market. We will offer complete CMS solutions that help our clients to sell more.

The crisis is also expected to lead to a greater supply of available portfolios of non-performing receivables.

Last year we invested SEK 872 M, exceeding our goal of SEK 700 M per year. Although we expect to continue to invest over and above our goal, we have raised our yield requirements in the current macroeconomic environment to offset the increased risk. We assume that solvency levels in society will continue to deteriorate and that the costs to achieve satisfactory collection results will rise. At the same time we feel that the price level for portfolios of written-off receivables is on the way down.

In a situation where many companies are under financial pressure and are being forced to seek capital, Intrum Justitia stands strong. Our net debt/equity ratio was 0.98 at year-end, far below our ceiling of 1.5. Our strong financial position puts us in an excellent position to make deals when opportunities arise.

Analysis 2008

Our 2008 results were in line with all our financial objectives. Revenues rose by 14 percent, of which slightly over 9 percent was organic growth. Excluding goodwill impairment and portfolio revaluations, operating earnings rose by 15.2 percent. The operating margin was 20.6 percent (20.7).

In Credit Management, revenues grew by 12.8 percent to SEK 3,218 M. The operating margin was 15.8 percent (17.3).

Revenues from Purchased Debt increased by 22.0 percent, while the operating margin was 49.9 percent (47.4) using comparable allocation principles. The return on our portfolio remains good, amounting to 16.6 percent in 2008, against 17.0 percent in 2007.

Successful product development

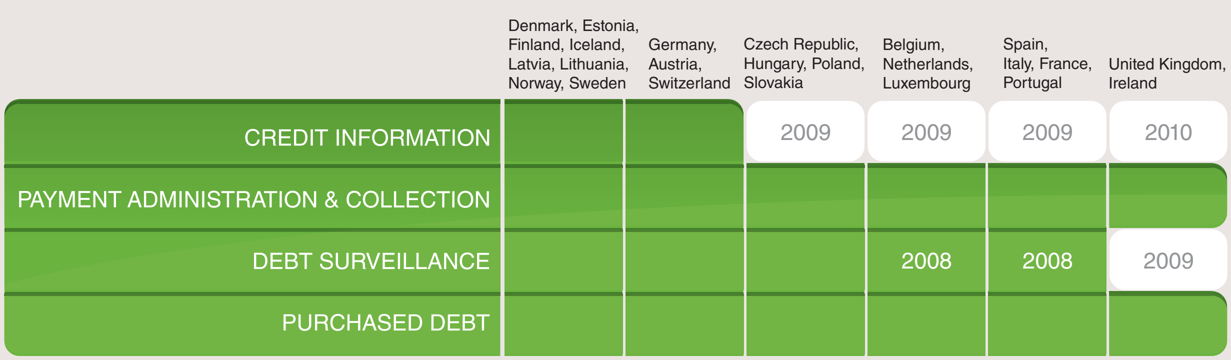
There is a lot about our business that we can be proud of. One of our successful pilot projects – in this case together with Sampo Bank and the IT company Logica – was to develop a complete CMS solution for e-commerce. See the case on page 22.

Good opportunities

We have an important role to play in the professionalization of credit management services. In the long term, our growth opportunities are very good. We are already Europe's leading CMS company, and it is a position we will defend and build on.

While most of our regions reported strong growth and profitability in 2008, it became clear that we face a number of challenges to raise other parts of the Group to the same level. France, Spain and Portugal, the Netherlands and Belgium, Switzerland, Austria, and Finland and the Baltic countries all reported good growth in 2008.

Toward a complete offering



Intrum Justitia's goal is to offer its entire range of services in the 24 markets in Europe where the Group operates. Services are implemented over time as internal and external conditions allow.

In other regions, we have to increase the tempo or take other measures. This includes a revitalization of sales in Sweden, improved earnings in Central Europe by creating a reasonable relationship between price and content, and once and for all taking the necessary strategic and operational measures to create an attractive position in the UK.

Europe's leading CMS company

We have chosen to take a leadership position because we see that our comprehensive offering clearly provides value for our clients and our shareholders.

An important reason is the continuing internationalization and integration of our markets in Europe. Our clients, large and small, are expanding geographically. As their advisor and supplier, we must have the same geographical coverage to remain a viable partner.

Moreover, our clients are continuously improving efficiencies in their business processes, from marketing to payments. Efficient processes allow them to concentrate on business development and customer relations. We help clients to improve these processes by offering a comprehensive approach to CMS. We are able to do so by virtue of our experience, databases and understanding of the situation our clients' customers face.

Our strategic journey, with an expanded offering and geographical coverage, is a response to client demand. Having been a debt collection specialist, we are now adding related credit management solutions that create value for our clients. At the same time we are establishing this offering in all of our geographical markets. Intrum Justitia will be a focused company with the market's most efficient and comprehensive range of credit management services.

The new brand

In 2008 Intrum Justitia launched its new brand identity. The key to the brand is our values and mission: to be a catalyst for a sound economy. The need for sound, sustainable lending is great, and Intrum Justitia has every opportunity to contribute by living up to its values on a daily basis:

- Committing to challenge
- Making a difference
- Seeking insight to feed innovation
- Understanding people

Outlook

We have a strong foundation in the form of an attractive offering, broad geographical coverage, committed employees and a strong financial position. I feel very confident in our ability to perform our role in the years ahead, while benefitting businesses and society.

Stockholm, March 2009

Lars Wollung
President and CEO

Lars Wollung,
President and CEO

Business concept, brand and strategies

As the leading CMS provider in Europe, Intrum Justitia intends to establish its offering in all its markets. The new trademark is a key element in Intrum Justitia's business strategy.

Business concept

Intrum Justitia is Europe's leading provider of credit management services (CMS) to businesses and government authorities. The Group helps its clients to improve their sales, profitability and cash flow. By combining pan-European coverage with local expertise, we are uniquely positioned to help clients do business internationally.

Intrum Justitia's strategic journey

Intrum Justitia has a long history. Since 1923, the company has provided debt collection services, initially in Sweden and then gradually in the rest of Europe.

Earlier in the decade it became obvious that Intrum Justitia and its clients would both benefit from the coordination of the Group's operations and an expanded offering.

The formal decision in 2007 to begin the strategic transformation from a group with local debt collection operations to a European CMS company was based on year-long preparations that involved all stakeholders, not least employees. In 2008 the work entered a more intense stage with the external launch of the new Group's identity.

The goal is a harmonious company with a uniform organization and a shared vision: to be the leading CMS company in Europe.

The Intrum Justitia brand

The Intrum Justitia brand stands at the center of the transformation from traditional debt collection to a company with a broad-based offering of credit management services.

Mission, values and vision

Extensive internal and external branding work produced Intrum Justitia's mission, values and vision:

Mission

We are a catalyst for a sound economy. We are here to facilitate business and help create sound economies by making trade smooth, safe and fair.

Values

Four values distinguish the brand and Intrum Justitia's actions:

- Committing to challenge
- Making a difference
- Seeking insight to feed innovation
- Understanding people

The key for Intrum Justitia is to benefit businesses and society through a thorough understanding of people. This includes our clients, their customers and employees. Business acumen and insight into current trends are critical to the innovative solutions Intrum Justitia's clients expect. Challenges are our lifeblood – Intrum Justitia wants to make a difference not only for our clients, employees and shareholders, but society as a whole.

Vision

By year-end 2011 Intrum Justitia will fully be a "true people company" that offers comprehensive financial solutions in all its geographical markets.

The brand's importance to customers

Clients are offered the resources of a large company with the local expertise of a small firm. Intrum Justitia's holistic approach to credit management leads to higher profitability and cash flow. Through its services, clients also have better sales prospects and the opportunity to improve customer relations by prudently managing their brands.

Intrum Justitia's position

Its position as Europe's leading CMS company gives Intrum Justitia a considerable competitive advantage. The European market offers great opportunities for a player with Intrum Justitia's experience, offering and geographical coverage. The new Intrum Justitia's offering opens totally new market segments and provides access to new categories of decision-makers within our clients' organizations. Few of Intrum Justitia's

THE PERSON

For Intrum Justitia's offering to truly be successful, the emphasis must always be on the person. Intrum is therefore symbolized by what appears to be a welcoming person with open arms.

JUSTITIA

The previous symbol contained longitudinal and latitudinal lines that symbolized a globe and the international operations. The lines have been recast to form the letter J, which stands for Justitia.

HOLISTIC APPROACH

The globe stands for Intrum Justitia's international operations and its holistic view.

GROWTH

The warm green color stands for growth. It also distinguishes Intrum Justitia from other companies in the financial sector, which often use a generic blue.

current competitors are considered capable of matching Intrum Justitia's position if the strategy is implemented successfully.

New graphic and verbal identity

Intrum Justitia's new logo manifests the strategic transformation and serves as a symbol of the new identity. The trademark ensures a uniform appeal and image in the market and with other stakeholders. The change in color from blue to green signals growth and that Intrum Justitia puts people at the center.

The brand's verbal identity is summarized in the phrase, "Better business for all," and is reflected in all our marketing communications. It says that our clients, their customers and society as a whole benefit from Intrum Justitia's credit management services.

Employee commitment is key factor

Successful branding is built on the experience and ambition of our employees. To implement our strategies, Intrum Justitia must make sure its values are embraced by every employee and expressed in how they treat clients and colleagues.

Activities are continuously conducted at every level of the Group to get employees involved. For example, the meaning of the brand's values is discussed in workshops and on our intranet. The aim is to build a consensus within the Group and at the same time capitalize on local know-how, initiative and energy. This process is the basis of sustainable, long-term branding work.

Strategies

Complete credit management services

A comprehensive range of credit management services and efficient processes benefit Intrum Justitia's clients in relationships with their customers. This leads to stronger relationships and greater opportunities for added sales by using Intrum Justitia's information on payment habits and credit utilization, for example.

Through its local presence, Intrum Justitia can offer clients and debtors services tailored to the local market's level of maturity, regulations and practices. The company also has well-established systems and processes for efficient credit management across borders within Europe. With a global network of agents, Intrum Justitia can provide credit management services in 170 countries outside Europe.

Improved quality and efficiency

By improving efficiencies in management processes and through greater utilization of shared IT systems, Intrum Justitia can increase productivity. In addition, the Group has a number of centers of excellence to identify best practices for specific tasks or processes and ensure that they are applied throughout the Group. Intrum Justitia also utilizes its own analysis models to optimize collection operations.

Complement organic growth with acquisitions

In addition to growing organically, Intrum Justitia has the opportunity to actively participate in the industry's consolidation and growth through selective acquisitions. The key criteria for any acquisition is that it complements the service offering in established markets, strengthens our market position and creates better cost efficiencies, broadens the client base or establishes Intrum Justitia in new markets.

Strengthen the brand

By improving its recognition in the market, Intrum Justitia can cut the costs to launch various services while improving the prospects of sustainable profitability. Greater recognition will be achieved through a distinctive graphic identity and coordinated brand-building using channels such as advertising, sponsorships and the Internet. The marketing communications strategy and platform are developed centrally, after which the Group's subsidiaries adapt them to the local market.

Balance the service lines

Offering a combination of credit management services and purchased debt creates significant benefits for both clients and Intrum Justitia. As a result, Intrum Justitia is not totally dependent on any one business.

Credit management services and purchased debt support each other. The portfolios of written-off receivables provide information for Intrum Justitia's databases. By managing written-off receivables, it achieves economies of scale. The capability to buy non-performing receivables means that Intrum Justitia can help its clients not only to collect their receivables, but also to take them over completely.

Coordination makes Intrum Justitia more competitive

The new Intrum Justitia's goal is to have a complete service offering in all its markets. By consolidating 24 countries into seven regions, platforms are created for complete offerings and shared support functions (Sales, IT, HR, Finance and Legal Affairs). This is an important step on the road to a uniform, cost-effective group.

Best practices at both a general and detailed level have been identified, documented and circulated in the organization through several different channels: handbooks, programs and meetings to share experience. Countries with experience offering full-service concepts serve as mentors to others that have not yet come as far in this respect.

A Group-wide IT center opened in Amsterdam in 2008 is creating a more cost-effective and secure IT infrastructure.

Financial objectives:

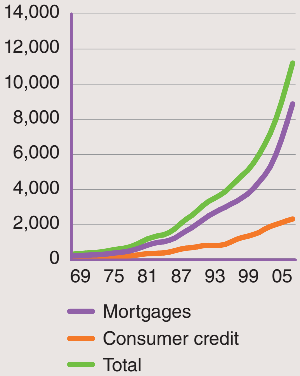
- Intrum Justitia will achieve organic growth of 10 percent per year and generate pre-tax earnings which are at least in line with annual organic growth.
- The Group will achieve an annual return on investments in Purchased Debt of at least 15 percent.
- The net debt/equity ratio (interest-bearing net debt as a percentage of shareholders' equity and minority interests) will not exceed 150 percent over the long term.
- Intrum Justitia will also actively seek out opportunities to grow through selective acquisitions.

Dividend policy

Intrum Justitia's Board of Directors has as its aim to annually propose that shareholders receive a dividend or its equivalent that over time averages at least half of net earnings for the year, after tax. Decisions relating to the dividend proposal take into account the company's future revenues, financial condition and capital requirements.

Growing demand for professional credit management

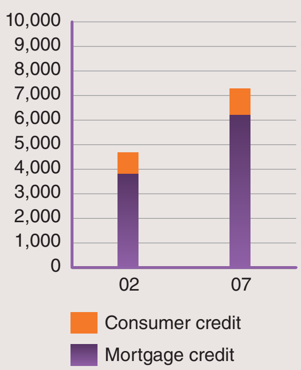
U.S. household debt by debt type, USD billion



SOURCE: U.S. FEDERAL RESERVE

Mortgages have accounted for the largest increase in U.S. consumer credit in the last 40 years. Loose monetary policy during the decade drove property prices to record levels.

European household debt by debt type 2002 and 2007, billion euro



The huge lending increase in Europe has raised debt levels in several countries to between 100 and 140 percent of GDP. Economies that have been driven by aggressive lending are in a poorer position to handle a slowdown.

From rich access to credit to a shortage. The credit markets have ridden a roller coaster in recent years. There are many interwoven causes, which vary by country. A common denominator is the high level of debt taken on by households.

Better business for all

A dynamic economy would not be possible without credit. Credit is imperative for economic growth.

With its advice and services, Intrum Justitia helps its clients to make sound credit decisions and manage their credit portfolios professionally. The result is better business for them and their customers as well as a more efficient economy – better business for all.

Household debt has increased

The debt carried by American and European households has increased substantially in the last decade. Americans, in particular, have dominated the news coverage.

Total debt held by European households increased by nearly 10 percent per year, or twice as fast as nominal GDP, in 2002–2007. Consumer debt rose fastest in the growing economies of the Czech Republic, Hungary, Poland, Russia and Turkey, where the increase was approximately 50 percent per year. In Europe's more mature economies, the growth rate was slightly over 9 percent per year.

Mortgages account for most of the rapid increase in credit in mature economies. In emerging economies, consumer credit and mortgages have grown equally as fast.

The increase in mortgages in mature economies was driven by rising real estate prices. In countries such as France, Spain, the UK and Ireland, as well as in Scandinavia, housing prices rose by an average of more than 10 percent per year between 2002 and 2006.

In emerging economies, the rapid increase in debt was driven by nominal economic growth of 17 percent per year during the period.

The increase has led to higher risk

The huge amount of lending to consumers has raised the level of indebtedness in several European countries to between 100 and 140 percent of GDP. In the UK, for example, the number of people who spend more than 50 percent of their salary to pay interest and amortization has tripled in the last year.

Poorer credit environment in large parts of Europe

A survey by Intrum Justitia and the management consultancy Oliver Wyman, published in July 2008, ranked the credit environment in 25 European countries as either stable, potentially volatile or rapidly deteriorating. The evaluation was based on the likelihood of a recession in the near term and the aggressiveness of the credit strategy in those countries.

The survey concluded that 75 percent of people in Europe live in countries where the credit environment is rapidly deteriorating or runs the risk of deteriorating in 2008 and 2009. In other countries, the credit environment can be considered stable.

Economies where aggressive credit strategies led to high levels of indebtedness are in a poorer position to manage an economic slowdown. According to the survey, losses by European banks on consumer and mortgage loans were expected to reach 120 billion euro in 2008. The countries with the worst outlook are Denmark, the UK, Spain and Ireland.

Big gap to best practices

As part of the survey, the credit management routines used by around 40 European financial institutions were compared with best practices.

As the credit environment has worsened, the surveyed credit institutions have placed more emphasis on the later stages of the value chain, such as collections. Nevertheless, the survey noted that only 60 percent of the institutions had centralized their debt collection units and fewer than half use scoring or other forms of analysis to improve the efficiency of the process.

Credit management will contribute to a recovery

For lenders in countries with deteriorating or risky credit environments, credit management is that much more important today. This applies to every level of the credit cycle – from prospecting to collection.

On-time payment is a matter of survival for many small and medium-sized enterprises. For companies that provide consumer credit, knowing the credit ratings and payment habits of their customers helps to reduce risk and promotes higher sales. Specialized credit management will accelerate the economic recovery in these countries.

Intrum Justitia plays a unique role

Intrum Justitia wants to play an active role and contribute its expertise and services to a sounder economy. We are uniquely positioned to assist companies throughout Europe with professional credit management.

[1] Household credit includes consumer credit, i.e., credit without security, and secured credit, such as mortgages.

Intrum Justitia influences and educates

In its public affairs operations, Intrum Justitia encourages the regulation of CMS markets to promote competition and equal treatment. The company also works actively to inform and educate various groups in society about managing their money.

Intrum Justitia is an opinion maker at every level of European society. The purpose of its public affairs operations is to increase awareness of the importance of credit management and point out the risks associated with high levels of debt.

Because of its leading position, Intrum Justitia is sought after as a representative of the CMS industry in situations where politicians need discussion partners, for example. Intrum Justitia is consulted by the EU Commission on various drafts of new European directives and regulations in the credit area.

Support for a sound economy

Intrum Justitia tries to influence politicians at a national and European level on matters involving legislation and regulation of credit management. Several links in the CMS chain are subject to various types of regulations.

This applies, for example, to privacy protection in connection with the collection and processing of personal information or regulation of collection procedures. Computer-based information on the credit ratings and payment habits of consumers and businesses provides a good basis for decision-making, but is restricted by provisions that protect the integrity of these individuals and companies.

Some countries in Europe have laws that grant certain groups a monopoly on debt collection, which prevents professional CMS firms from competing freely in the market. Not only do monopolies lead to higher prices and poorer service, they may also violate the EU's basic principle of free movement of goods and services.

The focus of Intrum Justitia's public affairs work is on the harmonization of debtors' fees in Europe on the collection of late or non-payments. Rules currently differ substantially between countries, and in several markets public debt collectors (enforcement agencies) traditionally have the right to charge such fees for their work, but not private collection firms. This distorts competition.

Intrum Justitia also wants to increase awareness about consumers' over-indebtedness, including by providing decision-makers with information on the adverse effects of excessive debt levels. In Sweden alone, the societal costs of over-indebtedness are estimated at between SEK 30–50 billion annually.[2]

Late payments on the agenda

Illuminating the problems with late payments is an important part of Intrum Justitia's public affairs work. Late or non-payments limit trade between EU member states and thereby restrict economic growth. Intrum Justitia is working to put the problem of late payments higher up on the EU's Lisbon Agenda for economic growth.

In recent years the EU Commission has been working on a revision of its directive on late payment in commercial transactions (2000/35). The revision is not expected to be completed before 2010 at the earliest, however. In 2008 the EU Commission presented a new Small Business Act. It mentions, for the first time in such an EU document, the importance of drawing attention to the problems faced by small European businesses owing to late payments.

Information to the public

Intrum Justitia is also working actively, through information and education, to increase the financial acumen of consumers, particularly young people. This includes personal presentations as well as providing information in books and online.

Switzerland

Since 2005 Intrum Justitia has hosted the "Swiss School Award – Students, Debt and Money." Consumer organizations, the media, politicians, teachers and teen idols help young people to understand the importance of spending responsibly. The project has won the prestigious "Golden Communication Award." Intrum Justitia has also produced a documentary for Swiss television on young people and debt.

The company has created the website www.fairpay.ch, which provides financial advice with an emphasis on debt and collection.

Scotland

In 2006 Intrum Justitia introduced a collaboration with the Scottish Centre for Financial Education (SCFE) to provide financial education to children.

Sweden

Intrum Justitia has contributed to the publication of a book on personal finances and everyday legal advice for students ages 16–19.

The company has expanded its participation in book publishing and educational assistance and launched a website, www.mymoney.intrum.se, to answer the public's questions on personal finance.

Finland

In Finland, Intrum Justitia has visited students ages 16–19 and during the summers has put up an information tent in busy locations in Helsinki to provide the public with advice on personal finance issues.

Netherlands

Intrum Justitia makes monthly presentations to students with the invitation of their schools. The program includes financial games, discussions and a virtual wallet.

www.mymoney.intrum.se

In December 2008 Intrum Justitia launched a website, www.mymoney.intrum.se, with financial information for young adults ages 16-30. Unlike similar sites, it is less focused on savings and more on managing money. The aim is to offer advice on personal finance, loans, credit and debt in an easily accessible way.

Swiss school award

Intrum Justitia in Switzerland reaches out to students through the annual "Swiss School Award – Students, Debt and Money."

[2] According to a report from the Swedish Enforcement Agency in January 2008.

Sanoma focuses on its magazines...

…Intrum Justitia takes care of its credit management

Intrum Justitia has two assignments for the Dutch publisher Sanoma Uitgevers. One is to manage its corporate customers, the other its consumers. The multi-service solution Intrum Justitia designed includes collection services as well as advice and expanded credit management services. As a result, Sanoma doesn't have to worry about credit management and can instead focus on its core business.

Sanoma publishes 80 magazines and sends out five million invoices to subscribers each year. Invoices are managed through an automated service that, after the third reminder, forwards the claim to Intrum Justitia for collection.

"We decided to hire Intrum Justitia's specialists for collections, since we don't want to and can't do it as efficiently ourselves," says Harry de Nijs, Payments Project Manager at Sanoma Uitgevers. "The full-service solution Intrum Justitia offers for credit management and consumer collection helps us turn receivables that have been hard to collect into cash."

Sanoma also relies on Intrum Justitia for credit evaluations of its customers, which, according to Harry de Nijs, works well. In this way, Sanoma can prevent future collections and ensure a better credit management flow.

Sensitive assignment

The assignment with corporate customers and other advertisers in Sanoma's publications is more complex, personal and sensitive, and involves considerably larger sums. It entails collecting debts at the same time that Intrum Justitia must not drive away these customers.

"These consultants not only need the right skills to do their jobs. They also have to know how to keep our customers satisfied," stresses Harry de Nijs. "We always feel secure in knowing that Intrum Justitia's consultants treat our customers in a friendly, respectful manner."

> "Like any company, we want to concentrate on our core business"

The offering for Sanoma's corporate customers includes consulting and advisory services as well as CMS. Two consultants from Intrum Justitia work on site with Sanoma and maintain continuous contact with customers. The solution is customized for Sanoma and requires a high level of specialized expertise.

Focus on core business

One of the reasons why Sanoma decided to outsource to Intrum Justitia was that its own finance department isn't big enough. It would be far too time-consuming for the company to manage the entire process itself. It is also very difficult to recruit the right people for this type of specialized service. During extremely busy periods, Intrum Justitia can immediately free up additional resources in a way that would be impossible for Sanoma to do itself.

"Our cooperation with Intrum Justitia works very well, and they truly offer the best and most effective support for the way we work. Their consultants know the right way to motivate our debtors to pay," adds Harry de Nijs.

Although Sanoma is pleased with the service it provides, Intrum Justitia is always trying to improve and rationalize its credit management processes. Discussions are regularly held on how practical solutions can be developed to handle any bottlenecks.

The cooperation is also based on detailed agreements with specific targets. This is done by formulating measurable goals that are evaluated monthly.

As a result, processes can be adjusted quickly when needed. Harry de Nijs would recommend to anyone considering an outside CMS consultant to do the same thing.

"Like any company, we mainly want to concentrate on our core business," he says. "And we can do so because Intrum Justitia provides the right expertise to rationalize our processes. Our collaboration has developed over time into a successful partnership that is producing good results."

Sanoma is the leading publisher of consumer magazines in the Netherlands, with around popular magazines and 125 websites. The company employs 1,100 people at its headquarters in Hoofdorp as well as 750 through a number of subsidiaries. Sanoma Uitgevers is part of Sanoma Magazines, which annually releases more than 300 titles in 13 countries.

Deferred payment options help e-businesses grow

E-commerce is growing throughout Europe and has become an increasingly popular form of shopping for many consumers. It has been shown, however, that many customers cancel their purchases because they do not want to use their credit or debit card online. Intrum Justitia can help e-businesses boost their sales by allowing customers to defer payment instead.

Fewer cancellations

Surveys show that cancellations due to dissatisfaction with payment options can be reduced by 81 percent if customers are offered credit at the point of sale. This means e-commerce could grow even faster if consumers could pay by invoice instead of a credit or debit card.

Great uncertainty in France and Germany

In Germany, no less than 40 percent of online shoppers decide against purchases because they are unhappy with the payment options. Consumers in Sweden, the UK and the Netherlands feel most secure. Shoppers in France, Germany, Italy and Spain are the least secure about paying by card. On average, only 25 percent of European online shoppers are satisfied with being able to pay only by debit or credit card.

Major potential for Intrum Justitia

What is keeping online businesses from allowing their customers to defer payment is the risk of credit losses. But by integrating Intrum Justitia's credit evaluations in their ordering process, these companies can obtain information on a customer's credit rating in real time. In addition, the customer receives an immediate response whether he or she will be offered credit.

Services for cross-border commerce

Online businesses that want to grow internationally have to adapt their marketing and processes to various cultures and rules. Intrum Justitia is the perfect partner for e-businesses that want to expand across borders in Europe. Intrum Justitia operates in 24 markets throughout Europe and can help online businesses with credit information to make better credit decisions, along with other services in the credit management chain.

Who shops the most online in Europe and how much do they spend?

One of the reasons for the growth in online shopping is the increased number of available product categories. CDs, books and tickets have long been top-sellers, but now sales are growing for spare parts, luxury goods and appliances as well.

The UK and Sweden have the highest e-commerce penetration, measured as the share of respondents who said that they had purchased a product or service online in the last three months; 74 percent of Brits and 73 percent of Swedes responded yes when asked in late 2008, according to the market research firm Forrester.

Nearly 60 percent of those who shop online in Europe live in Germany and the UK. In Spain and Italy, only 29 and 22 percent said they buy online.

Complete CMS solutions

Intrum Justitia's offering spans the entire credit management chain, from credit information and invoicing through sales ledger and reminder services and collection. Intrum Justitia also buys non-performing receivables and offers various specialized services related to credit management.

Prospecting & segmentation

Risk assessment means that different groups of consumers are judged based on historical and statistical data. Being aware of payment patterns before a sale can conserve resources and reduce risks.

Credit information provides guidance for credit decisions and can be an important component in companies' sales work. Prospective customers can be targeted more precisely with accurate information, improving the efficiency of sales efforts.

Credit advice provides clients with a detailed recommendation whether credit should be granted or denied. Interpretations are tailored to each company.

Payment administration

Financing allows clients, through invoice factoring and purchases, to free up working capital from accounts receivable.

Invoicing and notification services help clients free up resources. Electronic and paper invoices are sent out automatically through quality-assured routines.

Sales ledger and reminder services mean that Intrum Justitia receives and books payments and offers efficient routines for reminders.

Interest invoicing means that Intrum Justitia ensures payment for extended credit on overdue receivables.

Customer services mean that all contacts with customers regarding invoices and claims are handled by Intrum Justitia in a customer-oriented, efficient manner.

Collection process

Commercial and consumer collection utilizes Intrum Justitia's experience, proven processes and analysis methods to effectively get paid, even on debts that are long overdue.

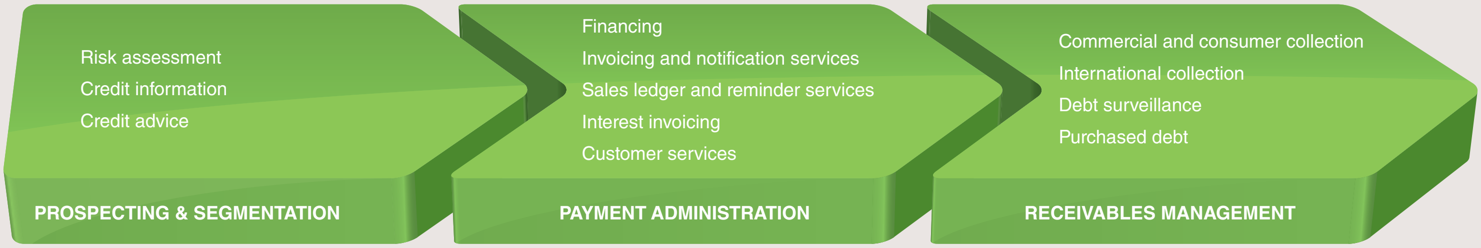
International collection helps companies get paid from debtors in other countries. Its presence and qualified partners in a large number of markets are an important reason for Intrum Justitia's success.

Debt surveillance means that Intrum Justitia monitors its clients' written-off receivables. The right measures significantly increase the likelihood of getting paid.

Purchased debt means that Intrum Justitia purchases written-off receivables, freeing up assets for clients and accelerating cash flows.

Other services
Intrum Justitia also offers credit process analysis, security management, VAT refunds and legal advice on CMS-related issues.

Credit management chain



Intrum Justitia offers solutions for every stage of the credit management chain. By starting the process early, information can be combined with experience, and the most effective measures can be taken each step along the way. Knowledge about payment habits and credit processes can then be used to ensure more secure sales.

Respectful approach to credit management

Successful credit management is built on a combination of knowledge, information and understanding. By putting people at the center of everything it does, Intrum Justitia can offer CMS services that work.

Intrum Justitia offers full-service solutions

Our full-service offering is based on thorough knowledge and understanding, years of experience, effective support systems, comprehensive databases of credit information, an extensive portfolio of services, and situational and individualized methods.

Intrum Justitia's goal is to offer its entire range of services in the 24 European markets where the Group is active. The offering is continuously expanded as internal and external conditions allow.

The value of an integrated CMS offering

A full-service offering not only means the client can meet all their CMS needs from a single supplier. Intrum Justitia also provides and interprets information from its databases, from clients and from outside sources. By combining different perspectives in a comprehensive overview, Intrum Justitia tells clients what they need to know to make decisions that will grow their sales and cash flow, reduce credit losses and improve customer relations.

Information is key to success

Prospecting

The foundation for successful credit management is laid long before the first invoice is sent out. In most cases, clients already have good information about their customers. Simply by analyzing current customers' payment habits, they can make significant strides toward better credit decisions.

But with the support of information from various sources and Intrum Justitia's analysis model, companies can make risk assessments even easier and lending to new and current customers more secure. The selling company can make the right credit decision with the right credit level. If the seller is too restrictive, it will lose a customer, but if its lending is too generous it could wind up with a credit loss. Intrum Justitia helps its clients to decide who to sell to and on what terms.

Payment administration

Information is no less important after an invoice is sent. By outsourcing its sales ledger to Intrum Justitia, the seller can professionally manage late payments and reminders. Intrum Justitia helps the client shorten payment times and avoid collections by making sure that reminders are sent out consistently and on time. Intrum Justitia's analyses of customers' payment habits allow it, for example, to individualize reminders to those who are late on their payments, to ensure that the client preserves the relationship and opportunity of future sales.

Collection

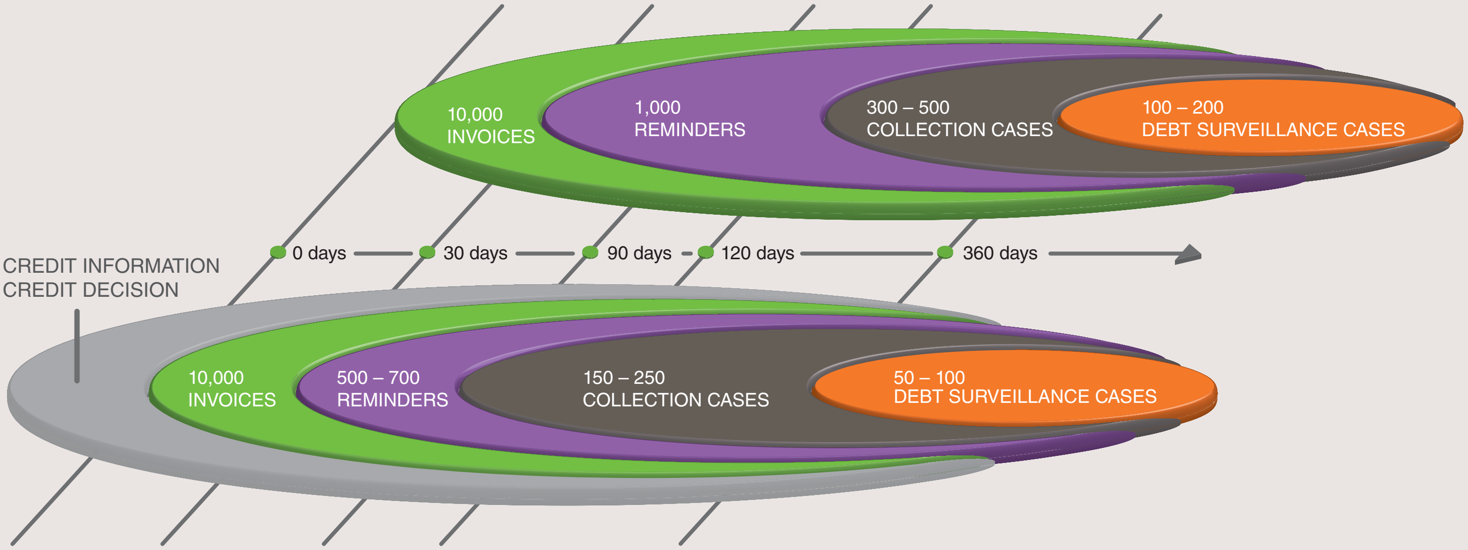
If the agreed payment period has expired and the debtor has not yet paid despite reminders, a collection process is usually initiated. Thanks to its large databases and analysis tools, Intrum Justitia has a detailed understanding of debtors' payment habits and can manage the process more efficiently and expediently than companies with less information. Intrum Justitia can distinguish between debtors with temporary financial problems and those facing more difficult situations.

What information sources are used?

Intrum Justitia's own information sources

Over the years, Intrum Justitia has built up its own databases, which provide extensive information on payment habits and credit

Credit information lays the foundation



Well-informed credit decisions can substantially reduce the number of receivables that go to collection. The foundation is laid in the first stage of the credit management process with Intrum Justitia's credit information and recommendation.

ratings. The information is obtained from its own operations, including collection of the non-performing debts Intrum Justitia buys from clients or on the market.

Complementary sources

A company can always do its own analysis of the payment habits of current customers to make better-informed lending decisions. For information on potential clients, certain sources are widely available (depending on national rules and regulations). Usually, however, the company must buy credit information from special credit bureaus that are accredited in their markets. Different legal systems allow different degrees of access to information depending on the market. Most European countries have laws that protect the privacy of individuals and businesses.

Intrum Justitia tries to prevent payment problems

Information from conventional credit bureaus covers cases where a debt is already overdue. With its full-service offering, Intrum Justitia can offer information that prevents payment problems from arising in the first place through better credit decisions.

This is why Intrum Justitia wants to provide clients with its own credit information in every market. Clients that may, for example, want to combine information from their sales ledger with outside credit information should be able to rely on Intrum Justitia rather than two separate service providers.

At present, Intrum Justitia is authorized to provide credit information in Sweden, Switzerland and Finland. In other markets, it must meet client demand for external credit information from third parties at this point.

Status as credit information provider

Intrum Justitia received authorization to provide credit information in Sweden in 2008. The authorization allows it to collect information from external sources and offer it to clients.

European Payment Index

Among Intrum Justitia's own information sources is the European Payment Index, an annual survey on payment risks in 25 European countries. The results provide important information on payment risks at the macro level for Intrum Justitia's clients.

Around 6,000 finance managers and financial experts are asked about payment terms and actual payment durations, the age distribution of their current receivables, the causes of late payments and their view of credit risks in their countries.

The latest survey was conducted in January and February 2008 and was published in May of the same year. According to the results, the average payment duration in the EU decreased from 58.6 days in 2007 to 55.5 days in 2008. Intrum Justitia believes that the improvement is more cyclical than structural and that the 2009 survey will probably indicate an increase in payment duration.

The average payment delay, i.e., the number of days beyond the contracted term that payment is received, increased from 16 days in 2007 to 17 days in 2008, the highest level since 2004.

Effects of late payments

Late payments affect companies by delaying new investments and hindering international trade. The biggest obstacle to cross-border business is slow payments. Small and medium-sized enterprises are the main source of new jobs in Europe, and their growth is impacted by free trade between EU member states. SMEs are hurt by late payments, which cause liquidity problems. This in turn slows growth and often threatens their survival.

People-centered information

Swiss consumer index

Through surveys and by utilizing its databases, Intrum Justitia in Switzerland has gained an in-depth understanding of the reasons why consumers end up with financial problems and how they resolve them. Age, city of residence, gender, profession, etc. are all important factors to consider for companies that want to do business and grant credit. Intrum Justitia can help its clients to make informed credit decisions.

Seven families

Intrum Justitia in France has information on four million debtors, who are grouped into "seven families," each with distinctive qualities. In each case, an analysis of payment habits helps to create a solution-driven process in five stages to quickly examine the circumstances surrounding the debt, provide a look at the person, place him/her in a specific category, identify the reason why payment was not made and suggest a solution.

Insight into the factors behind payment delays enables Intrum Justitia to use solutions with the greatest likelihood of securing payment. Individualized treatment is made possible by analyzing the behaviors of debtors and underlying causes.

Scoring

Intrum Justitia uses scoring to better assess the credit worthiness of a specific group of people and predict debtors' payment habits and behaviors. Scoring uses information as a tool to predict the future course of events. With support from large databases, Intrum Justitia creates models of customer behavior and payment habits. Based on this insight, companies can decide on the type of relationship they want with each customer.

The technology requires not only advanced statistical tools and considerable IT capacity, but also intuition, a knowledge of psychology and good business acumen. Scoring is used at every level of the CMS chain. With its help, clients can better target their marketing, support their credit decisions and make debt collection more efficient.

Amer Sports has VAT receivables in 18 languages...

Although the VAT system is governed by an EU directive, VAT rates vary between 15 and 25 percent because each country is free to interpret the directive in its own way.

Building an advanced bicycle can require parts from as many as ten different countries, all with different VAT rates. A handlebar from the UK, pedals from France and hubs from Germany mean three different VAT rates.

For companies with various international customers and suppliers, the differences between countries can be problematic. Trying to figure out the rules on VAT refunds and understand which processes are used in different countries requires huge resources.

Intrum Justitia's VAT Refund service helps these companies to operate across borders while staying focused on what they do best.

...Intrum Justitia speaks them all

Doing business across borders poses a number of challenges, not least of which is figuring out how to receive refunds on value-added tax. For some companies with lots of transactions within Europe, unpaid refunds can impact their balance sheets. Intrum Justitia's VAT Refund service provides them with specialized help with VAT registration, managing refunds and advice on other VAT-related issues within the EU.

According to Eurostat, the statistical office of the EU, between three and four billion euro in unpaid VAT refunds is waiting to be claimed by businesses. The most likely reason they haven't done so is that the refund process differs by country. For companies to manage this requires time and resources, and without specialized expertise it is hard to succeed. In addition, they have to act quickly.

Cutting-edge expertise provides security

The safest way to get back the VAT on payments made in another European country is to hire a specialist. Intrum Justitia's business area, VAT Refund, offers companies a convenient way to collect from tax authorities in different countries. On average, Intrum Justitia recovers about 40 million euro annually for businesses throughout Europe.

"Cutting-edge expertise in VAT issues can be hard to find, since it is a narrow niche. Having such a resource internally isn't profitable for companies, either," says Kari Rahko, who is in charge of the VAT Refund service within Intrum Justitia.

In Europe, SEK 30 billion is awaiting its owners

Intrum Justitia's strength, in addition to its specialized expertise and size, is that it is a publicly listed company. Because of this, it is transparent and has taken a stand on ethical issues. This creates the security that companies need in order to entrust their invoices and the financial details of their businesses to an outside party. Especially in the case of those of Intrum Justitia's clients which are also public companies.

Customized treatment

VAT Refund started in Finland in1987 and has since been successfully launched in the rest of Europe. Today Intrum Justitia provides this service in nearly all EU member states, and to a total of 2,800 clients in 30 countries. Production and advisory services are still based in Finland and Estonia, where 35 people work.

"We can give our clients the security of knowing that the job will be done right and on time, which makes the risk of errors and non-payment practically nonexistent. The timing aspect is especially important and is something many companies otherwise have trouble with," adds Kari Rahko.

All EU languages are represented in Finland and Estonia. It is critical to be able to dialogue with clients and authorities in different countries in their own language. Besides building strong relationships with all the parties involved, this minimizes misunderstandings due to language barriers.

Service that creates growth

VAT Refund, continues to have good profitability potential. Through the service, Intrum Justitia gained 552 new international B2B clients in ten countries in 2008.

"The successful expansion of VAT Refund in Europe has raised Intrum Justitia's previous status as a collection specialist for consumers and businesses to a new level," says Kari Rahko.

The biggest clients for VAT Refund are the IT and telecom industries, transportation and manufacturing. The largest of the 9,500 assignments in 2008 was for Amer Sports Corporation, a sports equipment manufacturer with such brands as Salomon, Wilson, Atomic and Mavic. Amer has high marketing costs on a European level, as well as a large volume of potential VAT refunds. The assignment was carried out at Amer's headquarters in Finland and included refunds from 42 companies in 22 countries.

Purchased debt

Purchased debt is an independent service line within Intrum Justitia and at the same time an integral part of the offering to clients.

Advantageous coordination

Credit Management and Purchased Debt work together and support each other. The former can be refined with information from the latter. Collection of purchased debt contributes to consistently high capacity utilization in the CMS service line.

Written-off receivables can be sold

Written-off receivables are receivables that the creditor feels lack value, e.g., accounts receivable and loans with or without security, between businesses and consumers or between different businesses.

The debtor is still obligated to pay, but the cost of getting paid is considered so high that the creditor has written off the debt. It still has an economic value, however, and can be sold to a third party that continues to try to secure payment. The price of written-off receivables varies by the type of receivable. Intrum Justitia acquires portfolios within its niche at an average of less than 10 percent of their nominal value.

Large market

The global market for non-performing receivables generates billions of kronor in revenue and comprises all types of credit portfolios. The sellers are companies that grant credit as their principal service or merely as part of their overall business. Credit institutions, private and public companies and government authorities are among them. By disposing of these non-performing debts, they quickly access liquid assets and can concentrate on their core business. They also avoid the risk of not getting paid at all.

Buyers of written-off receivables include industry players such as Intrum Justitia as well as financial specialists such as international investment banks. About 30 percent of Intrum Justitia's debt portfolios come from its CMS clients. The remainder is bought from outside parties. In the case of large portfolio investments, Intrum Justitia usually cooperates with financial partners such as Calyon or Goldman Sachs.

Intrum Justitia buys portfolios after an evaluation of when and how much of the debts in the various cases will be paid. This forecast serves as the basis of the price the Group pays for the portfolio. Intrum Justitia usually does not sell portfolios after it has purchased them.

Growing portfolio

The purchased debt market mainly consists of receivables with underlying security, such as real estate. Intrum Justitia has decided, however, to concentrate on the type of cases where it has collection experience and sophisticated analysis and valuation models, i.e., unsecured small and medium-sized consumer debts.

The portfolios Intrum Justitia acquires consist largely of unsecured bank loans and credit card debts granted to individuals, followed by receivables originating from telecom, mail order and media companies, and municipal authorities.

Purchased portfolios are distributed geographically and by segment. No single country accounted for more than 13 percent of Intrum Justitia's total portfolio at year-end 2008.

At year-end 2008, Intrum Justitia had 2,300 (1,748) portfolios with a book value of SEK 2,330 M.

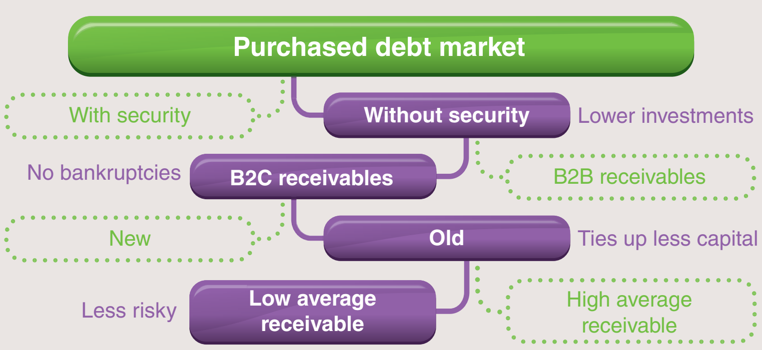
Most of the portfolios can be described as small or medium-sized, with an average amount of SEK10,000 per claim.

Intrum Justitia's total portfolio is amortized quickly. Of the total book value at year-end 2008, portfolios purchased during the year accounted for more than 30 percent.

High return

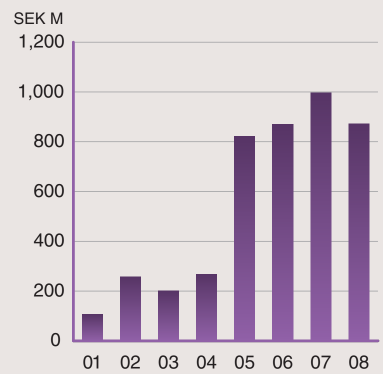
In the income statement, revenue from receivables is recognized as the collected amount less amortization (impairment). In recent years amortization has been around 45 percent of the collected amount.

Intrum Justitia's chosen niche



Through a number of options in the purchased debt market, Intrum Justitia has acquired portfolios that best suit its resources and experience.

Investments in written-off receivables



During the years 2005–2008 investments in purchased debt totaled SEK 3,560 M.

The return on purchased debt has ranged between 14.4 and 21.0 percent in the last five years. The goal of an annual return of at least 15 percent was established in 2007.

In the balance sheet, the value of each portfolio is recognized as the discounted value of all anticipated future cash flows. Current cash flow forecasts are reassessed over the course of the year and updated based on, among other things, achieved collection results, agreements reached with debtors on installment plans and macroeconomic information. The net of revaluations has been positive and totaled SEK 20 M in the last two years.

In the last two years Intrum Justitia's actual collections quarter by quarter have exceeded projections.

Increased activity

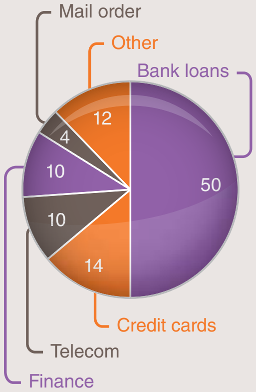
Intrum Justitia has a central unit responsible for purchased debt. Some work is done locally in the regions. Portfolios are purchased continuously. After a purchase, Intrum Justitia owns the receivables and manages them in the same way as its clients' receivables.

Since 2005 Intrum Justitia has increased its activity in the purchased debt area, partly because more clients want to sell their portfolios and partly because the Group has strengthened its competence in analysis and purchases of portfolios with these types of receivables. Since Intrum Justitia made the decision to expand the service line, it has invested nearly SEK 3,560 M in purchased debt. The book value of the total portfolio amounted to SEK 2,330 M at year-end 2008.

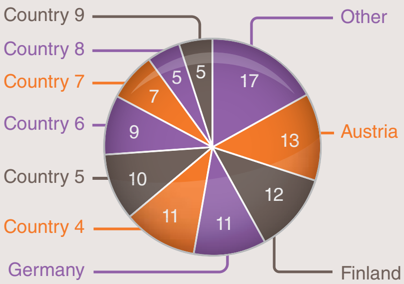
Intrum Justitia plans to continue to invest around SEK 700 M per year in small and medium-sized portfolios, in addition to possible investments in larger individual portfolios.

The single largest portfolio contains non-performing bank loans from an Austrian bank, acquired in 2007, with an aggregate outstanding principal of approximately SEK 6 billion. Intrum Justitia's share of the investment amounted to SEK 332 M, which was paid in June 2008.

Written-off receivables by segment, %



Written-off receivables by country, %



Intrum Justitia's purchased debt holdings are well-distributed between segments and countries. The portfolios consist overwhelmingly of bank loans and unsecured credit card debt.

Return on purchased debt, %

Intrum Justitia's objective of a return on purchased debt of 15 percent has been surpassed in the last two years.


One of Spain's largest
banks has 35 million customers...

… Intrum Justitia talks to 20,000 of them every day

It is critical that debt collection starts early to avoid rising debts and greater difficulty obtaining payment. This can be hard for many companies to handle. Intrum Justitia offers the market the option of outsourcing large volumes of cases to its CMS specialists. The cooperation with the Spanish bank is one example of a successful partnership.

The bank is one of Spain's five largest and one of the 20 largest financial institutions in the world, with a market capitalization of over 50 billion euro. Represented in over 30 countries, it has nearly 100,000 employees, 35 million customers and one million shareholders in many countries.

In 2008 the bank, one of Spain's five largest, started thinking about changing the way it communicates with customers who are overdue on their payments. These are debts with contractual payment terms of 0–90 days. Repayments were not coming in at the rate the bank had hoped.

Optimized collections

Until 2008 the bank had relied on a telemarketing firm, which mainly informed and reminded customers about their debts. They did not work actively to get them to pay.

The bank made the decision to change its strategy and get help from a CMS specialist, so they contacted Intrum Justitia. The assignment was to introduce procedures with a clear emphasis on optimizing collections.

"The bank has been a client of ours since 2001, but had mainly purchased services in the later stages of the credit management process. Thanks to this new assignment, we were able to create a more comprehensive offering for them," says Luis Salvaterra, Managing Director for Intrum Justitia in Spain.

"Only Intrum Justitia could handle this project"

One of the reasons why the bank chose Intrum Justitia was that it could get started within a month. This required not only debt collection expertise, but also the resources for an investment of this size.

Project management with time constraints

To launch these new operations in such a short time required the wholehearted efforts of a number of employees. It was crucial to create as effective and targeted a team as possible.

"The main reason for our success was that we created a closely knit internal cooperation in which all our department managers were involved and shared responsibility for the project's success," says Luis Salvaterra. "We demonstrated our ability to act quickly to meet the client's demands, which required great flexibility on our part."

One of the challenges was to recruit around 60 employees and specially train them in debt collection. Moreover, an IT infrastructure had to be created and the office had to be equipped with telephone and IT systems that could handle the volume of cases the project required. Intrum Justitia also had to specially adapt its standardized systems to meet the bank's specific needs.

"In our opinion, no other company in Spain would have been able to handle this project with the same time constraints and the same results," adds Luis Salvaterra.

Fast results

Exactly one month after the project start, on August 1, 2008, Intrum Justitia threw open the doors to its new operation. It didn't take long to see the results. Within the first two months contacts increased from 50 to 70 percent. Intrum Justitia's team currently has contact with 98–99 percent of customers.

"We handle a huge volume for the bank on a daily basis; 20,000 contacts to be exact," says Luis Salvaterra. "Even though the main purpose of our assignment was to increase communication with the client's customers, we have also been able to raise the number of repayments by 10–15 percent."

Another positive result of outsourcing to Intrum Justitia is that the bank's customers have received help to manage their loans earlier than they otherwise might have. In this way, they avoid falling into debt traps that can lead to more serious consequences.

"We have created better relationships and stronger loyalty between Intrum Justitia and the bank. We are working toward the same goals and have gone from being a supplier to a partner. This has also strengthened Intrum Justitia's position as a CMS specialist in Spain and as the leading player in the banking and finance industry," concludes Luis Salvaterra.

Intrum Justitia's markets are growing

Intrum Justitia's clients are expanding geographically and improving efficiencies in their business processes. A growing number of them are realizing the value of hiring a professional partner to handle every element of the credit management chain.

90 percent of the market is still untapped

There are several important trends in the CMS market.

- Credit management as traditionally handled in-house by companies is being outsourced to specialists like Intrum Justitia. Today approximately 10 percent of the market is outsourced, according to Intrum Justitia's own calculations.
- Payment delays are increasing, forcing European companies to finance the equivalent of EUR 250 billion in credit.
- Many industries are deregulating, including financial services, telecommunications, energy and health care. Deregulation increases competition and means that more invoices are produced. It also means that companies must have the tools and knowledge to take greater risks and make faster credit decisions.

Great potential

The European CMS market differs by country. In general, countries in northwestern Europe are more mature and hire outside specialists, while markets in southern Europe have a lower level of outsourcing and greater payment risks.

Intrum Justitia estimates the total value of the outsourced market in Europe at SEK 30 billion. If outsourcing in Germany, France and the UK were to increase to 25 percent, the market would grow by about SEK 20–25 billion. That kind of growth offers Intrum Justitia great potential.

Banking and finance is major client group

Intrum Justitia has over 90,000 clients in 24 European markets. Its largest segments are banking and finance, telecom and utilities. The latter are expected to grow in pace with deregulation in several European markets.

The 150 largest clients together account for about 40 percent of the Group's revenues. No single client accounted for more than 2 percent in 2008. There are good opportunities to expand the client base and offer existing clients a broader range of services when considering the aggregate value of unpaid invoices today and that the average late payment in Europe is 17 days, according to Intrum Justitia's annual survey, the European Payment Index.

Varying competition

The 24 geographical markets that Intrum Justitia operates in differ in several respects. Although harmonization of laws and economic integration are paving the way for a more uniform CMS market, individual markets are still distinguished to a great degree by local practices and rules.

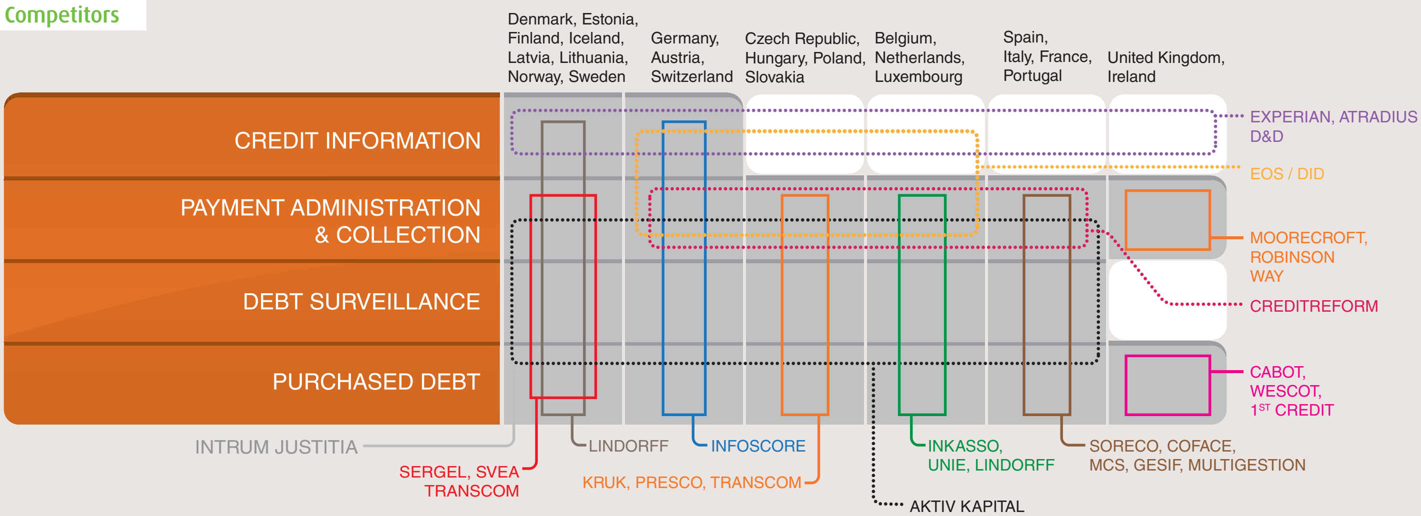
Intrum Justitia has competitors in every geographical market and at every stage of the credit management process. Only Lindorff has an offering that compares with Intrum Justitia's in terms of coverage of the entire CMS chain. It does not have the same geographical coverage as Intrum Justitia, however.

Debt collector EOS, on the other hand, has relatively good geographical coverage in Europe, but its services do not cover the entire credit management chain.

Smaller companies in individual geographical markets target portions of the CMS chain, such as local debt collectors and accounting firms.

Intrum Justitia's goal is to offer its clients complete solutions in every market. The company expects that its ability to offer complete solutions in the entire European market will generate significant economies of scale and thereby give Intrum Justitia a significant competitive advantage.

Competitors



Intrum Justitia's geographical coverage and extensive range of products is unique in Europe. Its position as a leader provides major competitive advantages in an increasingly international market.

Intrum Justitia's regions – operational and financial data

Region	Market data				Financial information by region						
	Year established	Position	Level of outsourcing	Market growth rate	% of sales	% of earnings	% of employees		2008	2007	%
Sweden	1923	1	>50 %	0–5 %	19 %	27 %	14 %	Revenues, SEK M	712.3	689.1	3.4
Norway	1982	2–5	>50 %	0–5 %				Operating earnings (EBIT), SEK M	190.9	199.4	–4.3
Denmark	1977	1	25–50 %	0–5 %				Operating margin,%	26.8	28.9	–2.5
Netherlands	1983	1	25–50 %	>10 %	22 %	25 %	19 %	Revenues, SEK M	819.0	625.1	31.0
Belgium	1988	1	<10 %	0–5 %				Operating earnings (EBIT), SEK M	173.3	135.6	27.8
Germany	1978	>5	10–25 %	5–10 %				Operating margin,%	21.2	21.7	–0.5
Switzerland	1971	1	25–50 %	0–5 %	16 %	28 %	10 %	Revenues, SEK M	574.7	451.3	27.3
Austria	1995	2–5	25–50 %	0–5 %				Operating earnings (EBIT), SEK M	192.3	121.4	58.4
Italy	1985	2–5	10–25 %	5–10 %				Operating margin,%	33.5	26.9	6.6
France	1987	1	<10 %	5–10%	16 %	16 %	22 %	Revenues, SEK M	572.5	509.5	12.4
Spain	1994	1	<10 %	0–5 %				Operating earnings (EBIT), SEK M	108.2	114.1	–5.2
Portugal	1997	1	<10 %	0–5 %				Operating margin,%	18.9	22.4	–3.5
Finland	1980	1	>50 %	5–10 %	15 %	33 %	11 %	Revenues, SEK M	549.1	448.5	22.4
Estonia	1996	1	25–50 %	5–10 %				Operating earnings (EBIT), SEK M	231.6	185.4	24.9
Latvia	2002	2–5	25–50 %	>10 %				Operating margin,%	42.2	41.3	0.9
Lithuania	2000	1	25–50 %	5–10 %							
United Kingdom	1989	2–5	<10 %	5–10 %	6 %	–17 %	12 %	Revenues, SEK M	223.9	273.7	–18.2
Ireland	1999	1	10–25 %	0–5 %				Operating earnings (EBIT), SEK M	–117.0	–34.0	–
								Operating margin,%	–52.3	–12.4	–39.9
Poland	1998	1	10–25 %	>10 %	6 %	3 %	12 %	Revenues, SEK M	226.2	228.0	–0,8
Czech Republic	1996	1	10–25 %	0–5 %				Operating earnings (EBIT), SEK M	21.7	56.4	–61.5
Slovakia	2005	2–5	10–25 %	5–10 %				Operating margin,%	9.6	24.7	–15.1
Hungary	1993	1	<10 %	>10 %							

Intrum Justitia, Logica and Sampo Bank join together in Finland to make online billing...

… simpler and more efficient with Intrum Justitia's solution

Business customers of Sampo Bank can now offer their own customers a simple, secure way to pay bills through Sampo's electronic eBank. This totally new service package is the result of a strategic collaboration between Sampo Bank, the IT consultant Logica and Intrum Justitia.

Sampo's business customers now have access to a complete service package based on Intrum Justitia's CMS solutions. The package includes credit information, e-invoicing, a reminder system and collection services, and allows companies to outsource their general ledgers.

"This complete solution gives companies more services and means they in turn can offer sophisticated e-invoicing to their own customers," says Petri Willman, Branch Manager for Intrum Justitia in Finland. "Everyone in the entire chain is ensured better, more reliable service."

> "With 400 million invoices per year, the savings potential is huge"

Cost savings and competitive advantage

The biggest innovation is that the service is fully integrated with Sampo's customers' systems. The bank makes it easy for them to use its network (eBank) as an online invoicing channel, while Intrum Justitia takes care of payment monitoring.

"This type of service package is unique. With 400 million invoices per year in Finland, there is huge potential for cost savings by using electronic invoicing processes in a one-stop shop," says Matti Villikka, First Vice President, eBusiness & Value Networks at Sampo Bank.

The IT consultancy Logica has provided software integration and technical advice.

"Invoicing and payment monitoring outsourced in this way is an excellent example of how easily a logistical solution can make customer service interactive. With a channel like this, we can distribute and monitor information any way the client wants," says Sami Karkkila, Director at Logica. "This creates a comfort level and confidence."

Strategic partnership

Sampo Bank, one of the largest financial institutions in the Nordic region, and Logica, a leading global IT consultancy, decided to join forces and create a new service together. The idea was to develop a complete payment chain for Internet transactions. Their plan was to launch a new eBusiness platform with a complete service package to monitor payment flows, with the goal of helping customers to be more competitive.

Along the way they realized they needed a third party with expertise in CMS solutions. As a leader in the field, Intrum Justitia was the obvious choice. For Intrum Justitia, it was an interesting project from a business perspective – and because Logica and Sampo Bank are both leaders in their industries and offer a wide range of services.

Strengthens Intrum Justitia's position

The partnership with Logica and Sampo Bank further strengthens Intrum Justitia's position as a market-leading CMS specialist. It also offers long-term profitability potential, since it can now meet the demand of customers in need of a wider range of services.

The service package is continuously refined to meet new requirements and challenges from customers. The strength of the partnership lies in the fact that creativity is not limited to any one company's range of services and opportunities. The three companies can utilize each others' expertise to find and develop optimal solutions.

Sampo Bank, which is part of the Danske Bank Group, operates in Finland and the Baltic countries. It has over a million customers in Finland alone.

Logica, an international IT company with 39,000 employees in 36 countries, has an extensive offering in IT-driven business development.

Intrum Justitia contributes to a sustainable society

A sustainable economy is one based on sound lending and on-time payments. Intrum Justitia contributes to sustainability with its complete CMS offering.

A sustainable economy

Corporate Social Responsibility (CSR) refers to a company's responsibility to integrate social and environmental considerations in its business strategy in order to contribute to sustainable development.

Intrum Justitia's goal is to be a catalyst for a sound economy. With its services, the company contributes to simple, fair and secure business activity, and thereby to a sustainable economy. In a general sense, Intrum Justitia's business objectives coincide with society's sustainability goals.

Sustainability at every level of CMS

A sustainable economy requires efficient credit management, i.e., a sensible credit culture, sound lending practices and on-time payments.

The sustainability aspects of CMS differ depending on the stage of the credit management chain. The example below illustrates some, though not all, of the sustainability dimensions of Intrum Justitia's credit management services.

Prospecting and segmentation

With its extensive databases and experience, Intrum Justitia has a detailed understanding of the solvency of various segments of society. With this knowledge, it can help clients to cut their credit losses and increase sales to those who are credit worthy. The result is long-term customer relationships and a better allocation of society's resources.

Payment administration

Outsourcing a general ledger to Intrum Justitia offers one way to professionalize the CMS process and allows clients to concentrate on their core business. Intrum Justitia offers complete solutions and thereby helps clients to save time and resources and to work more efficiently.

With its understanding of human behavior, Intrum Justitia can treat each customer differently. For example, the form and frequency of payment reminders can be adapted to their personal situation. Intrum Justitia helps clients to maintain and improve relationships with their customers.

Collection

Sustainable collection work not only means making sure that our client's customer pays, but also helping the debtor to remain financially sustainable. Intrum Justitia looks at the person behind the debt and helps to devise payment plans.

Brand-driven CSR work

Intrum Justitia's values are the cornerstone of its business strategy and sustainability work. The company has built its business and CSR work on understanding people. This includes employees, clients and their customers, legislators and politicians. This understanding is a key to the corporate responsibility Intrum Justitia embraces and has been decisive to its success.

Respectful treatment

Intrum Justitia follows a set of governing principles unique in the CMS industry. Its philosophy is to treat lenders and borrowers respectfully and ensure fair payment between Intrum Justitia's client and their customer.

Respecting the integrity of the debtor in every situation and keeping information on all the parties involved private are vital. Just as important is to conduct credit management and accounts receivable work in a professional manner, i.e., promptly, efficiently and accurately.

Client dialog

Intrum Justitia wants to be seen as a catalyst for a sound economy. To find out how well this aligns with clients' opinions, Intrum Justitia conducted a survey in Scandinavia in the spring of 2008 in which 150 clients were interviewed; 93 percent of respondents felt that Intrum Justitia has the potential to achieve its vision.

Clients offered the following assessment of Intrum Justitia's strengths and opportunities for improvement:

Strengths

- An accessible company with a wealth of information on trends and payment habits
- A client-focused company that provides prompt, frequent feedback
- Employees skilled in managing receivables
- Regarded as reliable and trustworthy.

Improvement opportunities

- More marketing and information to the public are needed
- Better client service and attention to client relationships
- Should play a more prominent role developing financial solutions and offer more customized collection solutions.

Relationship with employees

Skilled, motivated employees are critical to any sustainable, successfully run business. Intrum Justitia's HR goals are ambitious, and its sights are set on attracting, developing and retaining the best people in the market. Intrum Justitia's vision is to be a "true people company."

Intrum Justitia takes a systematic, Group-wide approach to human resources. The Group's Human Resources Director and seven regional HR managers lead the strategic work. Implementation at the operating level is the responsibility of the 24 HR managers responsible for each country. The entire HR organization meets once a year.

Priorities

In 2007 an HR plan was drafted based on an extensive survey in which 300 managers were asked about their HR needs. This was narrowed down to four focus areas. In 2008 three points were given priority and implemented:

- Strengthen the HR organization
- Create systems to manage and monitor employee performance
- Establish Group-wide leadership training, a leadership philosophy and an incentive system.

The fourth priority is to communicate to potential employees that Intrum Justitia is an attractive employer. This work will begin in 2009.

In autumn 2008 an initial follow-up was done among 600 managers to check the progress of the work. Similar follow-ups will be done on an annual basis.

In September 2008 an employee survey was conducted as well to gather information for improvements in the HR area.

Environment

Emissions from energy consumption and business travel

Intrum Justitia is systematically reducing its energy consumption and travel – and thus its costs and environmental impact. The Group's policy is to prioritize alternatives to transport and travel, such as tele, video and web conferencing. Regionalization has also contributed to less need for travel within the Group.

Consumables and wastes

Through environmentally preferable procurement, improved recycling and lower waste volumes, Intrum Justitia is reducing its impact on the environment and its costs.

Lobbying

Intrum Justitia is working actively to increase awareness of the importance of sound lending and responsible spending. For several years it has worked extensively to build public opinion and lobby politicians.

General public

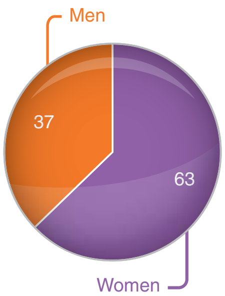
Intrum Justitia's strategy is to take preventive measures so that fewer people and businesses encounter payment difficulties. The company conducts various projects to show people how they can avoid financial difficulties by managing their finances more sensibly. By making presentations for young people in schools, launching websites with financial advice and contributing to books on managing finances, Intrum Justitia helps consumers to prevent financial problems.

Legislators and politicians

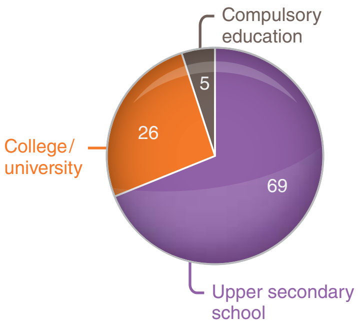
Late payments are currently one of the biggest obstacles to trade in Europe. The cost to companies and government authorities to finance late payments was estimated at 25 billion euro in 2007. Intrum Justitia is lobbying to encourage decision-makers to facilitate cross-border trade and establish simple, transparent rules in the CMS area.

[SEE SEPARATE SECTION ON PUBLIC AFFAIRS P. 7]

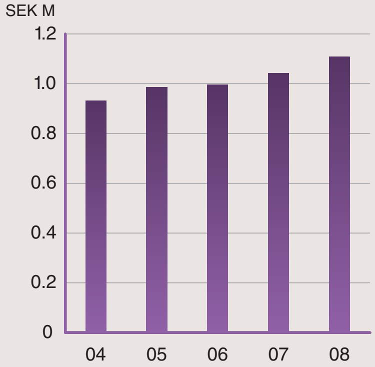
Gender distribution of employees, %



Education level of employees, %



Revenues per employee



Guidelines for future CSR work

To establish a harmonized approach to CSR issues, Intrum Justitia is planning the following in 2009.

1. Analysis and audit
In late 2008 an analysis was conducted of the Group's CSR work. Managers of regions and subsidiaries in every country responded to a questionnaire, the results of which serve as the basis for continued efforts.

2. Policy
Intrum Justitia will formulate a Group-wide CSR policy in 2009. As part of this work, new policies will be drafted and those in place will be coordinated.

3. Organization
A compliance officer will be appointed at the Group level for all CSR work.

4. Objectives and measures
Objectives and measures will be established and integrated with Intrum Justitia's other targets.

5. Follow-ups
Continuous follow-ups of CSR work will be made with the help of the compliance officer.

The financial advice you need when you buy your first apartment…

…welcome to MyMoney.intrum.se

In December 2008 Intrum Justitia launched a new website, MyMoney.intrum.se, with financial information for young adults between the ages of 16 and 30. Compared to similar sites, it places less emphasis on savings and more on managing money. The aim is to offer advice on personal finance, loans, credit and debt in an easily accessible way. To help, Intrum Justitia has brought in a monkey puppet named Alejandro Fuentes Bergström, who became popular among the target audience through a comedy series on Swedish television.

Intrum Justitia helps businesses operate more efficiently by facilitating payment flows between parties, both companies and consumers. By showing young people how to be financially sensible, Intrum Justitia can prevent situations that lead to debt traps. The vision is to thereby improve credit management and contribute to a sounder economy in general.

"We have extensive knowledge of how businesses and consumers can build a sound economy, as well as how to avoid winding up in financial straits. By working preventively, we want to educate young people to spend more responsibly," says Mats Göransson, acting Managing Director of Intrum Justitia in Sweden.

The target audience for MyMoney does not necessarily have to be in debt. The main purpose of the website is to provide Intrum Justitia with a channel to work proactively and preventively with young people so that they can steer clear of financial problems. This is a vulnerable group in society that does not always realize the consequences of impulse purchases or what things really cost.

"We wanted to get young people to think seriously about their finances"

Website is right forum

Young adults are a large target group that is very active online. This is what convinced Intrum Justitia that the right website would be a good way to reach them. An interactive website also gives Intrum Justitia a platform to "sound out" the target audience through their comments, questions and posts on MyMoney's blog.

"Everyone benefits when people and businesses pay their bills," adds Mats Göransson. "We are able in this context to utilize our knowledge of sound credit management, people's payment habits and payment patterns to help young people."

The initiative has a direct connection to Intrum Justitia's operations, since it is working preventively with its clients' customers. But it is a CSR project as well, in that it targets young people who are not customers. All young people who need support to avoid problems are just as important to reach.

Money and humor

MyMoney contains information, facts and advice on how to manage your finances, what it means to borrow money and advice for those who are already in debt. On the blog, visitors can also dialogue with Intrum Justitia.

Another feature is a monkey puppet named Alejandro Fuentes Bergström, famous in Sweden for his appearances on the television series "Humorlabb" and a popular character online. With his warm, engaging personality, he has attracted a large audience and has many fans among the target group for MyMoney. Alejandro appears in a number of films online, where he discusses various subjects from his own personal perspective.

"The idea was to get young people more interested in, and read about, managing money. It can be a pretty boring and difficult subject sometimes. We wanted to try a new way to talk about personal finances and fell for Alejandro's penchant for orderliness, which also happens to be an important quality when it comes to sound financial management," says Mats Göransson.

MyMoney clearly manifests Intrum Justitia's repositioning from a debt collection specialist to a strategic CMS partner that puts people at the center of everything it does.

In the last eight years the number of young Swedes with financial problems has doubled. The Swedish Enforcement Agency currently has around 35,000 young people in its register, and the number in debt is increasing. Most cases involve unpaid mobile phone subscriptions, SMS loans and student loans.

One of the most significant trends in recent years is the rise in consumer spending, and that both companies and consumers are taking on more debt. Intrum Justitia is tackling this trend head-on by helping clients to issue credit more responsibly and at the same time educating consumers on more disciplined spending.

Mymoney.intrum.se contains information, facts and advice on how to manage and borrow money and what to do if you get into debt. The site also contains a blog and films by Alejandro Fuentes Bergström, famous from the Swedish television series "Humorlabbet."

The share

Listing
The Intrum Justitia share has been listed on NASDAQ OMX Stockholm since June 2002. A trading lot comprises 100 shares. Since June 2006 the share is quoted on NASDAQ OMX Stockholm's Mid Cap list of companies with a market capitalization between EUR 150 M and EUR 1 billion.

Share capital
Intrum Justitia AB's share capital amounted to SEK 1,591,843.42 on December 31, 2008, distributed among 79,592,171 shares, each with a quota value of SEK 0.02. All the shares have one vote and share equally in the company's assets and earnings.

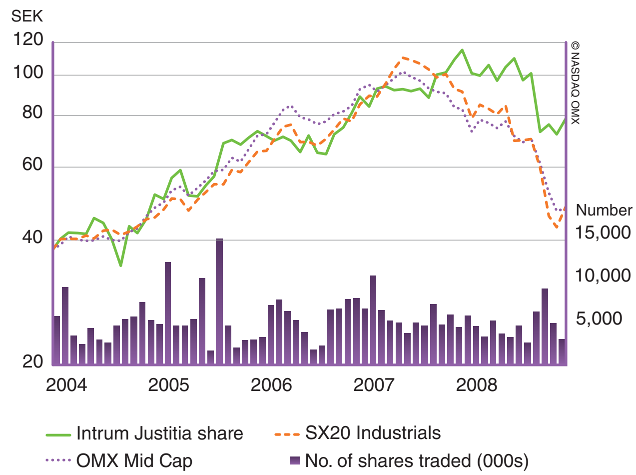
Share-based payment for employees

Employee Stock Option Program 2003/2009
The Annual General Meeting in 2003 resolved to approve an Employee Stock Option Program entitling employees to acquire not more than 2,525,000 shares in Intrum Justitia AB at a price of SEK 57.00 per share. Due to the share redemption in 2005, the strike price was adjusted to SEK 54.60 per share and the number of shares that the program confers was increased by 4 percent. The program was intended for 20 senior executives. The options can be exercised during the period July 1, 2007–May 30, 2009. If fully exercised, the options will dilute the number of shares and votes by approximately 4 percent. During the period January 1–December 31, 2008 Intrum Justitia AB's share capital increased from SEK 1,581,797.02 to SEK 1,591,843.42, corresponding to 502,320 new shares with an equal number of votes. As per December 31, 2008 subscription of 1,768,000 new shares had been called for through the exercise of employee stock options (of which 132,000 shares have not yet been subscribed) and options representing a total of 270,400 shares remained. See also Note 32 on page 69.

Performance-Based Share Program for 2008
The Annual General Meeting in 2008 resolved to approve a Performance-Based Share Program for 2008 comprising not more than 300,000 performance shares allocated to not more than 70 persons (the President, other key executives and key managers). A performance share under the program confers the right to acquire one share in Intrum Justitia at a future date for SEK 10. The program is divided into two parts, one of which, corresponding to 50 percent of the performance shares, has a performance period extending from January 1, 2008 to December 31, 2009 and can be exercised during the period May 15, 2010–May 15, 2012. The other part, corresponding to 50 percent of the performance shares, has a performance period extending from January 1, 2008 to December 31, 2010 and can be exercised during the period May 15, 2011–May 15, 2013. Furthermore, the participant must, as a rule, remain employed by Intrum Justitia until the first day that the performance shares can be exercised, i.e., May 15, 2010 and May 15, 2011, respectively. The performance shares outstanding as per December 31, 2008, could entitle 43 employees to acquire a total of not more than 144,473 shares in Intrum Justitia AB. As existing shares will be delivered upon exercise of the performance shares, the total number of shares outstanding will not increase in connection with the exercise of the performance shares. See also Note 32 on page 69.

Market capitalization, price trend and turnover
In 2008 the price of the Intrum Justitia fell from SEK 111.00 to SEK 78.50, or by 29 percent. During the same period the NASDAQ OMX Stockholm Index declined by 44.4 percent. The lowest price paid for the share during the year was SEK 51.25, on October 10, and the highest was SEK 117.50, on January 8.

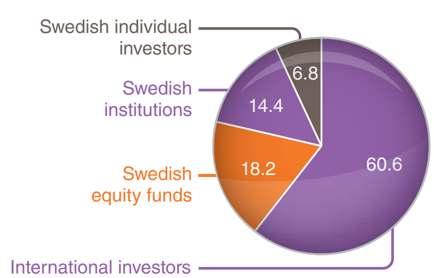
Intrum Justitia's year-end share price gives it a market capitalization of SEK 6,247 M (9,095). Share trades were settled on every business day of the year. An average of 287,321 shares was traded per day (288,432). The turnover rate, i.e., the share's liquidity, was 0.91 (0.92), against 1.32 (1.31) for NASDAQ OMX Stockholm as a whole.



Shareholders
At year-end 2008 Intrum Justitia had 6,320 shareholders, compared with 4,825 a year earlier. The 12 members of the Group Management Team held a combined 1,087,547 Intrum Justitia shares, 120,000 employee stock options and 73,120 performance shares at year-end. Moreover, CEO Lars Wollung and CFO Monika Elling have 40,000 and 100,000 call options, respectively, issued by Cevian Capital.

Intrum Justitia's Board Members owned 32,584 shares and a total of 130,000 call options issued by Cevian Capital. At year-end 2008 Intrum Justitia AB was holding 250,000 treasury shares.

Shareholders, %



Dividend policy
Intrum Justitia's Board of Directors has as its aim to annually propose that shareholders receive a dividend or equivalent form of distribution that over time averages at least half of net earnings for the year, after tax. Decisions relating to the dividend proposal take into account the company's future revenues, financial condition, capital requirements and situation in general.

For fiscal year 2008 the Board is proposing a dividend of SEK 3.50 per share, corresponding to approximately 63 percent of net earnings after tax. The proposed record day for the dividend is April 21, 2009.

Analysts who cover Intrum Justitia

ABG Sundal Collier	J E Gjerland & R Henze
Carnegie	Mikael Löfdahl
Cheuvreux	J Ahlberg & R Alfvén
Handelsbanken	Lars Hallström
SEB Enskilda	Stefan Andersson
Swedbank	Sven Sköld

Changes in share capital

	Transaction	Change in share capital	Total share capital	Total no. of shares	Quota value per share, SEK
2001	Incorporation	100,000	100,000	1,000	100
2001	Split 5,000:1	0	100,000	5,000,000	0.02
2001	New issue[1)]	778,729.4	878,729.4	43,936,470	0.02
2002	New issue[2)]	208,216.72	1,086,946.12	43,936,470	0.02
2002	New issue[3)]	612,765.96	1,699,712.08	84,985,604	0.02
2005	Redemption[4)]	–140,587.06	1,559,125.02	77,956,251	0.02
2007	Exercise of employee stock options[5)]	22,672	1,581,797.02	79,089,851	0.02
2008	Exercise of employee stock options[6)]	10,046.4	1,591,843.42	79,592,171	0.02

1) Directed to the Industri Kapital 1997 Fund and Synergy at a subscription price of SEK 0.02 as part of the legal restructuring of the Intrum Justitia Group.

2) New issue of 1,402,228 shares each to the Industri Kapital 1997 Fund and Synergy at a subscription price of SEK 4.432 per share and 3,803,190 shares each to the Industri Kapital 1997 Fund and Synergy at a subscription price of SEK 0.02 per share.

3) New issue of 30,638,298 shares to retail and institutional investors at a subscription price of SEK 47 per share.

4) Redemption of 7,029,353 shares for a cash payment of SEK 84 per share. The procedure entailed the distribution of the total sum of SEK 590,465,652 to the shareholders, whereby the company's share capital was reduced by SEK 140,587.06 and its share premium reserve was reduced by SEK 590,325,064.94.

5) During the period July 1–December 31, 2007 Intrum Justitia's share capital increased from SEK 1,559,152.02 to SEK 1,581,797.02, corresponding to 1,133,600 new shares with an equal number of votes.

6) During the period January 1–December 31, 2008 Intrum Justitia's share capital increased from SEK 1,581,797.02 to SEK 1,591,843.42, corresponding to 502,320 new shares with an equal number of votes.

Shareholdings by size

Holding, no. of shares	No. of shareholders	Total no. of shares	Capital and votes, %
1–1,000	4,988	1,681,618	2.1
1,001–10,000	986	3,058,141	3.8
10,001–50,000	171	4,164,138	5.3
50,001–100,000	43	3,257,655	4.1
100,001–500,000	99	23,335,806	29.3
500,001–1,000,000	22	14,349,571	18.0
1,000,001–5,000,000	8	13,034,874	16.4
>5,000,001	2	16,709,968	21.0
Total	**6,320**	**79,592,171**	**100**

No. of shareholders who own one trading lot or less: 1,622.

Ownership structure as of December 31, 2008

Total no. of shares: 79,592,171	No. of shares	Capital and votes, %
NBI hf	9,129,784	11.5
Cevian Capital	7,586,479	9.6
SEB Funds	4,210,253	5.3
Swedbank Robur Funds	3,339,563	4.2
Second Swedish National Pension Fund	2,998,197	3.8
Parkerhouse Investments	2,000,000	2.5
SHB/SPP Funds	1,913,469	2.4
Fidelity Funds	1,688,367	2.1
Lannebo funds	1,537,884	1.9
State of New Jersey Pension Fund	1,517,000	1.9
Total	**35,920,996**	**45.2**

Data per share

	2008	2007	2006	2005	2004
Earnings before dilution, SEK	5.58	5.86	5.09	3.84	3.68
Earnings after dilution, SEK	5.56	5.83	5.04	3.81	3.68
Operating cash flow, SEK	7.68	6.75	5.95	6.31	5.71
Shareholders' equity before dilution, SEK	30.19	23.30	18.73	16.48	17.68
Shareholders' equity after dilution, SEK	30.28	23.46	20.46	18.67	17.68
Dividend/proposed dividend, SEK	3.50	3.25	2.75	2.25	0.00
Dividend payout, %	63.2	55.5	54.0	54.7	0.0
Share price at year-end, SEK	78.50	115.00	88.75	73.25	51.50
Yield, %	4.5	2.8	3.1	3.1	0
P/S, multiple	1.7	2.8	2.4	2.2	1.6
P/E, multiple	14.2	19.6	17.4	19.1	14
Beta	0.8	0.7	0.8	0.6	0.5
No. of shares at year-end	79,342,171	79,089,851	77,956,251	77,956,251	84,985,604
No. of shares at year-end after dilution	79,640,093	79,513,063	78,794,959	78,629,289	84,985,604
Average no. of shares	79,148,161	78,436,068	77,956,251	83,483,441	84,958,604
Average no. of shares after dilution	79,446,083	78,859,280	78,794,959	84,156,479	84,985,604

Financial overview

Income statement, SEK M	2008	2007	2006	2005	2004	2003	2002
Revenues	3,677.7	3,225.6	2,939.6	2,823.2	2,740.5	2,864.6	2,774.9
Cost of sales	–2,186.4	–1,868.9	–1,705.9	–1,679.6	–1,598.1	–1,765.7	–1,775.4
Gross earnings	**1,491.3**	**1,356.3**	**1,233.7**	**1,143.6**	**1,142.4**	**1,098.9**	**1,109.5**
Sales and marketing expenses	–307.3	–285.4	–261.9	–273.1	–304.1	–281.8	–257.3
General and administrative expenses	–426.8	–403.9	–385.5	–367.6	–410.5	–389.4	–287.8
Goodwill amortization/impairment	–60.7	–	–	–	–	–124.0	–126.7
Items affecting comparability	–	–	–	–	–	–398.0	–8.5
Participations in associated companies	0.8	0.8	0.4	0.7	2.8	0.4	7.0
Operating earnings (EBIT)	**697.3**	**667.8**	**586.7**	**503.6**	**430.6**	**–93.9**	**346.2**
Net financial income/expense	–127.6	–72.1	–59.6	–31.4	–36.4	–52.9	–107.8
Earnings before tax	**569.7**	**595.7**	**527.1**	**472.2**	**394.2**	**–146.8**	**238.4**
Tax	–128.0	–133.7	–119.6	–138.6	–70.8	–21.2	–65.4
Net earnings for the year	**441.7**	**462.0**	**407.5**	**333.6**	**323.4**	**–168.0**	**173.0**
Of which attributable to							
Parent Company's shareholders	441.7	459.6	397	320.6	313.1	–180.2	173.3
Minority interests	0.0	2.4	10.5	13.0	10.3	12.2	–0.3
Net earnings for the year	**441.7**	**462.0**	**407.5**	**333.6**	**323.4**	**–168.0**	**173.0**

Balance sheet, SEK M	2008	2007	2006	2005	2004	2003	2002
Assets							
Total fixed assets	4,978.3	3,880.1	3,118.3	2,743.5	2,166.3	2,201.4	2,450.1
of which purchased debt	2,330.3	1,882.2	1,317.9	933.0	407.0	340.0	313.3
Total current assets	1,762.7	1,513.3	1,343.2	1,392.5	1,452.8	1,479.2	1,278.2
Total assets	**6,741.0**	**5,393.4**	**4,461.5**	**4,136.0**	**3,619.1**	**3,680.6**	**3,737.3**
Shareholders' equity and liabilities							
Total shareholders' equity, incl. minority interests	2,395.3	1,842.5	1,492.6	1,316.1	1,531.0	1,258.1	1,538.7
Total liabilities	4,345.7	3,550.9	2,968.9	2,819.9	2,088.1	2,442.5	2,198.6
Total shareholders' equity and liabilities	**6,741.0**	**5,393.4**	**4,461.5**	**4,136.0**	**3,619.1**	**3,680.6**	**3,737.3**

Key figures	2008	2007	2006	2005	2004	2003	2002
Revenue increase, %	14.0	9.7	4.1	3.0	–4.3	3.2	19.6
Organic growth, %	9.3	10.4	4.3	–0.2	0.0	3.0	12.0
Operating margin, %	19.0	20.7	20.0	17.8	15.7	–3.3	12.5
Return on operating capital, %	17.2	21.1	21.5	22.3	21.6	6.0	20.5
Return on shareholders' equity, %	20.8	27.8	28.9	23.0	23.2	–13.0	16.8
Return on purchased portfolios, %	16.6	17.0	14.4	16.1	21.0	26.2	31.3
Net debt, SEK M	2,348.4	1,526.9	1,464.5	1,192.7	480.2	768.6	813.1
Net debt/equity, %	98.0	82.9	98.1	90.6	31.4	62.0	52.9
Equity/assets ratio, %	35.5	34.2	33.5	31.8	42.3	34.2	41.2
Interest coverage ratio, multiple	4.6	7.5	8.1	11.2	9.3	–1.5	3.0
Collection cases in stock, million	16.6	15.5	15.4	13.1	11.6	10.6	8.2
Total collection value, SEK billion	126.3	99.1	89.4	93.3	79.4	79.3	79.9
Average number of employees	3,318	3,093	2,954	2,863	2,945	2,870	2,661
Earnings per share before dilution, SEK	5.58	5.86	5.09	3.84	3.68	–2.12	2.61
Earnings per share after dilution, SEK	5.56	5.83	5.04	3.81	3.68	–2.12	2.61

The Board of Directors and the President of Intrum Justitia AB (publ) hereby submit the following annual report and consolidated financial statements for the fiscal year 2008. The company has its registered address in Stockholm and corporate identity number 556607–7581.

The Intrum Justitia Group

Intrum Justitia is Europe's leading provider of Credit Management Services (CMS) to companies, authorities and organizations. The Group's offering covers every stage of these services, from credit information, invoicing, sales ledger services, reminders and collection to debt surveillance and collection of written-off receivables. Founded in Sweden in 1923, Intrum Justitia currently has more than 90,000 clients and 3,300 employees in 24 markets. The Intrum Justitia share has been listed on NASDAQ OMX Stockholm since June 2002 and since June 2006 on its Mid Cap list of companies with a market capitalization of between EUR 150 M and EUR one billion.

Significant events during the year

- In March Intrum Justitia acquired the Belgian holding company Solutius Belgium NV, which in turn owned two debt collection agencies in the Belgian market, Juri-Desk and Krebes, together with 40 employees and revenues in 2007 of EUR 6.0 M. The acquisition strengthened Intrum Justitia's market-leading position in the Belgian CMS market.
- The Annual General Meeting in April re-elected Board members Matts Ekman, Helen Fasth-Gillstedt, Lars Förberg, Ársæll Hafsteinsson, Bo Ingemarson, Lars Lundquist and Lars Wollung. Lars Lundquist was re-elected as Chairman and Bo Ingemarson as Deputy Chairman of the Board. The AGM approved the Board's proposal for principles of remuneration and other terms of employment for key executives. The AGM also approved the Board's proposal for a performance-based share program, with a total duration of four and five years, comprising not more than 300,000 performance shares allocated to not more than 70 persons. Moreover, the AGM approved the Board's proposal regarding authorization to repurchase shares for the performance-based share program. During the year 250,000 shares were repurchased on the stock market. See Note 22.
- At the Capital Markets Day held in Stockholm in May, the Group introduced its new corporate identity and reiterated its financial objectives. The new corporate identity was a consequence of a strategic transformation from a group with locally based collection operations to a European CMS company with a uniform organization and a shared vision. At the same time it presented a new logotype in a new color, green instead of blue.
- The Norwegian Ministry of Justice in July reversed the Financial Supervisory Authority's November 2007 decision to revoke the company's debt collection license in Norway.
- In July Intrum Justitia and the management consultancy Oliver Wyman presented the results of a survey which showed that European banks are poised to reveal huge further losses in the consumer credit and mortgage markets. Losses during the years 2008 to 2010 are projected at EUR 120 billion, with the UK, Spain and Ireland in particular suffering a rapidly deteriorating credit market outlook.
- In November Michael Wolf stepped down as President and CEO of Intrum Justitia and was succeeded by Lars Wollung on February 1, 2009. Lars Wollung at the same time resigned as a Board member. Monika Elling, the Group's Chief Financial Officer, served as Acting President and CEO in December 2008–January 2009.
- In early December Intrum Justitia acquired the French companies Cronos group and SSE, together with around 80 employees and revenue of EUR 7.3 M in 2007. The acquisitions raised Intrum Justitia's market share in France to 20 percent.

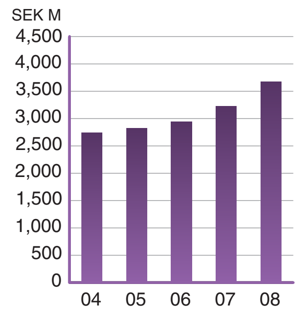
Revenues and earnings

Consolidated revenues for the full-year amounted to SEK 3,677.7 M (3,225.2). The revenue increase of 14.0 percent consists of organic growth of 9.3 percentage points, 1.5 percentage points related to acquisitions, currency effects of 3.5 percentage points and –0.3 percentage points related to portfolio revaluations. The revenue increase is attributable to strong growth in the *Purchased Debt* service line, partly as a consequence of the purchase of an Austrian portfolio of bank loans in 2007, and to strong growth for *Credit Management* mainly in the regions France, Spain & Portugal, Switzerland, Austria & Italy and Finland, Estonia, Latvia & Lithuania.

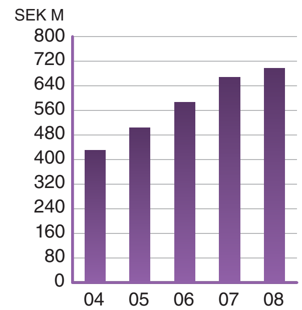
Operating earnings amounted to SEK 697.3 M (667.8). The 2008 figure includes goodwill impairment of SEK 60.7 M attributable to Scotland and a net write-down of purchased debt portfolios of SEK 2.2 M (11.5). Excluding goodwill impairment and net purchased debt revaluations, the operating margin rose to 20.6 percent (20.4).

Earnings before tax for the year amounted to SEK 569.7 M (595.7), while net earnings amounted to SEK 441.7 M (462.0).

Consolidated revenues

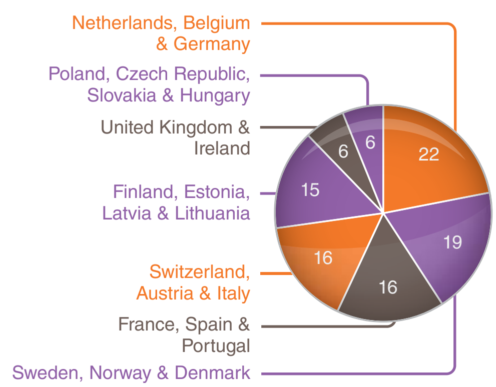


Consolidated operating earnings



Geographical regions

Share of consolidated revenues, %



Sweden, Norway & Denmark

A regionalization process to coordinate operations in the region was carried out during the year in the functions for sales, finance, IT and human resources. The aim is to improve efficiencies and reduce costs. The Swedish operations have been reorganized to place a clearer focus on clients.

In 2007 the Norwegian company lost its debt collection license following a decision by the Financial Supervisory Authority. The decision was made after the company, due to a programming error, sent out a limited number of letters with incorrect reminder fees. After an appeal to the Ministry of Justice, the company received its license back in 2008. This process cost the company approximately SEK 8.5 M.

Regional revenues during the year amounted to SEK 712.3 M (689.1) and operating earnings amounted to SEK 190.9 M (199.4). Revenues and earnings include net portfolio revaluations of SEK –0.9 M (10.1). Excluding this revaluation, revenues amounted to SEK 713.2 M (679.0), an increase of 5.0 percent. Excluding revaluations, operating earnings amounted to SEK 191.8 M (189.3), an increase of 1.3 percent, corresponding to an operating margin of 26.9 percent (27.9).

Net earnings for the year were charged with severance pay of SEK 9.4 M.

Netherlands, Belgium & Germany

The Netherlands has introduced an initial version of a new service, "Customer insight," an analysis tool that utilizes Intrum Justitia's statistical information.

In March the Belgian company acquired the holding company Solutius Belgium NV, which in turn owned two CMS firms in the Belgian market, Juri-Desk and Krebes. The merger and integration have been completed and been well-received by clients. As a result of the acquisition, the market share in Belgium increased to 25 percent.

In Germany, an online credit check solution was developed and introduced during the year which allows buyers to pay against an invoice.

Regional revenues during the year amounted to SEK 819.0 M (625.1) and operating earnings amounted to SEK 173.3 M (135.6). Revenues and earnings include net portfolio revaluations of SEK 0.0 M (–3.6). Excluding this revaluation, revenues amounted to SEK 819.0 M (628.7), an increase of 30.3 percent. Excluding revaluations, operating earnings amounted to SEK 173.3 M (139.2), an increase of 24.5 percent, corresponding to an operating margin of 21.2 percent (22.1).

REVENUES BY REGION, SEK M	2008	2007	2006	2005	2004	2003	2002	2001
Sweden, Norway & Denmark	712.3	689.1	655.7	655.3	624.4	729.3	712.0	617.6
Netherlands, Belgium & Germany	819.0	625.1	592.3	577.0	581.3	607.6	561.7	428.5
Switzerland, Austria & Italy	574.7	451.3	397.2	391.4	370.5	351.3	413.7	350.9
France, Spain & Portugal	572.5	509.5	445.6	364.0	318.1	313.0	192.4	125.7
Finland, Estonia, Latvia & Lithuania	549.1	448.5	414.5	355.7	314.0	283.8	246.3	211.7
United Kingdom & Ireland	223.9	273.7	267.9	315.8	370.1	395.5	525.4	484.6
Poland, Czech Republic, Slovakia & Hungary	226.2	228.0	166.4	164.0	162.1	184.1	123.4	101.6
Total	**3,677.7**	**3,225.2**	**2,939.6**	**2,823.2**	**2,740.5**	**2,864.6**	**2,774.9**	**2,320.6**

OPERATING EARNINGS (EBIT) BY REGION, SEK M	2008	2007	2006	2005	2004	2003	2002	2001
Sweden, Norway & Denmark	190.9	199.4	192.1	169.8	153.0	166.7	170.6	141.7
Netherlands, Belgium & Germany	173.3	135.6	124.6	116.2	80.2	94.9	61.4	71.0
Switzerland, Austria & Italy	192.3	121.4	88.3	83.8	64.1	43.8	90.6	55.4
France, Spain & Portugal	108.2	114.1	99.9	72.7	50.1	42.3	6.8	–3.2
Finland, Estonia, Latvia & Lithuania	231.6	185.4	174.5	146.8	128.7	106.7	97.7	71.3
United Kingdom & Ireland	–117.0	–34.0	–33.4	–62.0	11.3	2.4	115.3	99.2
Poland, Czech Republic, Slovakia & Hungary	21.7	56.4	32.4	36.2	34.4	66.3	22.1	22.5
Participations in associated companies	0.8	0.8	0.4	0.7	2.8	0.4	7.0	–2.5
Central expenses	–104.5	–111.3	–92.1	–60.6	–94.0	–95.4	–90.1	–60.2
Items affecting comparability	–	–	–	–	–	–398.0	–8.5	–11.5
Total	**697.3**	**667.8**	**586.7**	**503.6**	**430.6**	**30.1**	**472.9**	**383.7**

REVENUES BY SERVICE LINE, SEK M	2008	2007	2006	2005	2004	2003	2002	2001
Credit Management	3,217.9	2,852.1	2,706.6	2,652.1	2,612.7	2,745.1	2,680.3	2,221.0
Purchased Debt	783.6	573.7	402.3	321.6	258.1	206.6	163.1	136.0
Elimination of inter-service line revenue	–323.8	–200.6	–169.3	–150.5	–130.3	–87.1	–68.5	–36.4
Total	**3,677.7**	**3,225.2**	**2,939.6**	**2,823.2**	**2,740.5**	**2,864.6**	**2,774.9**	**2,320.6**

OPERATING EARNINGS (EBIT) BY SERVICE LINE, SEK M	2008	2007	2006	2005	2004	2003	2002	2001
Credit Management	509.9	494.8	508.0	451.4	433.1	419.3	474.0	368.1
Purchased Debt	349.3	271.8	161.8	108.2	78.6	85.6	84.2	78.5
Participations in associated companies	0.8	0.8	0.4	0.7	2.8	0.4	7.0	–2.5
Central expenses	–102.0	–99.6	–83.5	–56.7	–83.9	–77.2	–83.8	–48.9
Goodwill impairment	–60.7	–	–	–	–	–	–	–
Items affecting comparability	–	–	–	–	–	–398.0	–8.5	–11.5
Total	**697.3**	**667.8**	**586.7**	**503.6**	**430.6**	**30.1**	**472.9**	**383.7**

Operating earnings in 2008 for the United Kingdom & Ireland region has been charged with SEK 60.7 M in goodwill impairment attributable to Scotland on the basis of an impairment test.

Figures for 2004–2008 are presented according to International Financial Reporting Standards (IFRS), while those for 2001–2003 are presented according to previous accounting principles (Swedish GAAP) and are not restated to IFRS. Differences primarily relate to the accounting principle for purchased debt as well as goodwill amortization.

Figures for 2002 exclude the effect of the adjustment for accounting inaccuracies in England. The adjustment is reported as an item affecting comparability in 2003. The tables Operating earnings (EBIT) by region and by service line for 2001–2003 refer to operating earnings before goodwill amortization (EBITA). Purchased Debt includes certain services as of 2005 that had previously been reported under Credit Management. Figures for 2001 pertain to the Group with Intrum Justitia Holding NV as the Parent Company, restated to conform to Swedish accounting principles.

Switzerland, Austria & Italy
The regional cooperation in Switzerland, Germany and Austria continues to grow and achieve synergies, which has impacted revenues and earnings positively.

During the year the Swiss company divested the operations of KISS Kredit-Info-Service-System AG with a capital gain of SEK 8.9 M. The positive trend is otherwise due largely to the portfolio of Austrian non-performing bank loans acquired in 2007.

Regional revenues during the year amounted to SEK 574.7 M (451.3) and operating earnings amounted to SEK 192.3 M (121.4). Revenues and earnings include net portfolio revaluations of SEK –4.4 M (–2.7). Excluding this revaluation, revenues amounted to SEK 579.1 M (454.0), an increase of 27.6 percent. Excluding revaluations, operating earnings amounted to SEK 196.7 M (124.1), an increase of 58.5 percent, corresponding to an operating margin of 34.0 percent (27.3).

France, Spain & Portugal
In early December Intrum Justitia acquired the French companies Cronos group and SSE, raising its market share in France to 20 percent. Although growth for *Credit Management* has been strong, a changing mix with a larger share of *Credit Management* has led to lower margins.

The operating margin in Spain has decreased mainly as a result of expanded activities related to purchased debt taken to strengthen collection results during the year and going forward.

Regional revenues during the year amounted to SEK 572.5 M (509.5) and operating earnings amounted to SEK 108.2 M (114.1). Revenues and earnings include net portfolio revaluations of SEK –10.5 M (–1.8). Excluding this revaluation, revenues amounted to SEK 583.0 M (511.3), an increase of 14.0 percent. Excluding revaluations, operating earnings amounted to SEK 118.7 M (115.9), an increase of 2.4 percent, corresponding to an operating margin of 20.4 percent (22.7).

Finland, Estonia, Latvia & Lithuania
Revenues in Finland have been adversely affected to some extent by a new law that places time limits on consumer credit, though significantly less than the three percentage points previously estimated.

The region continues to broaden its offering and during the year reported costs for investments earlier in the CMS chain. A cooperation with Sampo Bank and Logica has led to, among other things, a major contract for a complete *Credit Management* outsourcing solution, and is an important cornerstone in the development of complete solutions in the service line.

Regional revenues during the year amounted to SEK 549.1 M (448.5) and operating earnings amounted to SEK 231.6 M (185.4). Revenues and earnings include net portfolio revaluations of SEK 14.6 M (6.6). Excluding this revaluation, revenues amounted to SEK 534.5 M (441.9), an increase of 21.0 percent. Excluding revaluations, operating earnings amounted to SEK 217.0 M (178.8), an increase of 21.4 percent, corresponding to an operating margin of 40.6 percent (40.5).

United Kingdom & Ireland
Investments were made in England during the year to strengthen management and the sales organization. A restructuring program is under way with a focus on greater coordination between regional units. During the year a small debt portfolio was purchased in England, the first in a considerable time.

The Scottish process server operations are currently under review, and an impairment test of goodwill at year-end resulted in impairment losses of SEK 60.7 M.

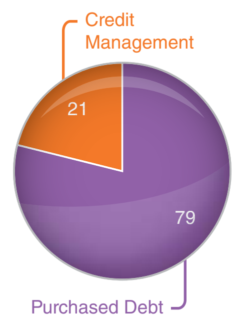
The Irish operations are undergoing a restructuring with layoffs, which has given rise to costs of SEK 2.8 M.

Regional revenues during the year amounted to SEK 223.9 M (273.7) and operating earnings amounted to SEK –117.0 M (–34.0). Revenues and earnings include net portfolio revaluations of SEK –2.6 M (–10.6) and the goodwill impairment attributable to Scotland. Excluding portfolio revaluations and goodwill impairment, revenues decreased by 20.3 percent to SEK 226.5 M (284.3), while earnings amounted to SEK –53.7 M (–23.4).

Poland, Czech Republic, Slovakia & Hungary
The result reflects a lower result from *Purchased Debt*, price pressure in certain CMS segments and higher fixed costs, including in connection with a move to larger offices in two countries and a strengthening of regional management. Measures have been taken to improve the balance between the pricing structure and current level of operating activity.

Regional revenues during the year amounted to SEK 226.2 M (228.0) and operating earnings amounted to SEK 21.7 M (56.4). Revenues and earnings include net portfolio revaluations of SEK 6.0 M (13.5). Excluding this revaluation, revenues amounted to SEK 220.2 M (214.5), an increase of 2.7 percent. Excluding revaluations, operating earnings amounted to SEK 15.7 M (42.9), corresponding to an operating margin of 7.1 percent (20.0).

Service lines
Share of consolidated revenues, %

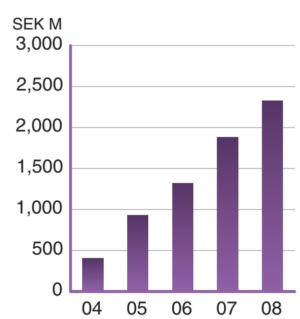


Intrum Justitia's service offering is divided into two service lines:

- **Credit Management.** Debt collection and other credit management services.
- **Purchased Debt.** Acquisition of portfolios of written-off consumer receivables at an amount less than the portfolios' nominal value, after which Intrum Justitia collects the receivables on its own behalf. The service line also includes guarantees for purchases of charge card receivables.

Credit Management
Service line revenues during the year amounted to SEK 3,217.9 M (2,852.1), with operating earnings of SEK 509.9 M (494.8). The service line accounted for 79 percent of the Group's revenues during the year. Organic growth was strongest in the regions France, Spain & Portugal, Italy, Switzerland & Austria and Finland, Estonia, Latvia & Lithuania. The margin was negatively affected by developments in United Kingdom and Ireland, a higher share of B2B cases, an imbalance between price and service content in Central Europe, and higher legal outlays for debt surveillance, including in Germany, which is expected to generate income in the years ahead.

Purchased Debt
Carrying value



Service line revenues amounted to SEK 783.6 M (573.7). Operating earnings amounted to SEK 349.3 M (271.8). The reported operating margin was 44.6 percent, compared with 47.4 percent in the previous year. The operating margin was adversely affected by changes in settlement principles between the service lines. This relates to debtors' fees, which affect the service line's reported revenues but not earnings. Previously, debtors' fees related to the service line had been reported net, but from 2008 they are reported gross. The value of debtors' fees reported gross was SEK 83.4 M for 2008. Based on previous years' allocation principles, service line revenues would have increased by 22.0 percent and operating earnings by 28.5 percent, which would have produced an operating margin of 49.9 percent (47.4). The change in settlement principles has no effect on the Group's total revenues or operating earnings, since this is an internal transaction that is eliminated.

In accordance with IFRS, Intrum Justitia applies an accounting model (the effective interest method) where the carrying value of each debt portfolio, and thus quarterly earnings, is based on discounted future cash flows updated quarterly. The discount rate used for each portfolio varies based on the estimated effective interest rate at the time of acquisition. If estimated future cash flows change, the effective interest rate can be adjusted within the range 8–25 percent. In this way, the carrying value is not affected by changes in cash flow projections as long as the effective interest rate falls within the stipulated range. A portfolio is never carried at higher than cost. In other words, the portfolios are not marked to market.

The carrying value of purchased debt has been adjusted by a net of SEK 2.2 M (11.5) due to changes in estimates of future cash flows. The adjustments were as follows:

SEK M	2008	2007
Sweden, Norway & Denmark	–0.9	10.1
Netherlands, Belgium & Germany	0.0	–3.6
Switzerland, Austria & Italy	–4.4	–2.7
France, Spain & Portugal	–10.5	–1.8
Finland, Estonia, Latvia & Lithuania	14.6	6.6
United Kingdom & Ireland	–2.6	–10.6
Poland, Czech Republic, Slovakia & Hungary	6.0	13.5
Total	**2.2**	**11.5**

Adjustments are recognized as part of amortization, due to which revenues and operating earnings are affected by the same amount. This is because purchased debt revenues are recognized as the net of the collected amount less amortization.

Disbursements for investments in purchased debt portfolios amounted to SEK 1,204.1 M (666.2) during the year, of which SEK 332.5 M relates to Intrum Justitia's share of the payment for the large Austrian bank portfolio acquired in the fourth quarter 2007. The return on purchased debt was 16.6 percent (17.0). As of year-end the Group's purchased debt portfolios had a carrying value of SEK 2,330.3 M (1,882.2), an increase of 23.8 percent during the year.

Expenses

The gross profit margin fell from the previous year as a result of developments in the United Kingdom and Ireland, a higher share of B2B cases, an imbalance between price and service content in Central Europe, and higher legal expenses for debt surveillance, which is expected to generate revenues in the years ahead. The Group's sales and marketing expenses and general and administrative expenses as a share of revenues have decreased slightly. General and administrative expenses include a net cost reduction of SEK 13.1 M attributable to the Employee Stock Option Program, compared with a cost of SEK 9.9 M in the previous year.

Depreciation/amortization

Operating earnings were charged with depreciation/amortization of SEK 121.5 M (90.8). Operating earnings before depreciation/amortization and goodwill impairment for the year therefore amounted to SEK 879.5 M (758.6). Other intangible fixed assets accounted in the balance sheet and attributable to revaluations to fair value in connection with acquisitions amounted to SEK 105.7 M (13.1) and were amortized by SEK 10.3 M (5.9).

Costs for share-based payment for employees

The Employee Stock Option Program 2003/2009 provides 20 Group employees in senior positions the opportunity to acquire a total of 2,038,400 new shares at a strike price of SEK 54.60 per share during the period July 1, 2007–May 30, 2009. As of December 31, 2008 requests had been submitted to subscribe for 1,768,000 new shares, of which 1,635,920 had been subscribed, including 502,320 in 2008. Consequently, options representing 270,400 shares remained at the end of the year.

In 2008 a new performance-based share program was introduced in accordance with the resolution of the Annual General Meeting, where the performance shares allocated during the year entitle 43 employees to acquire a total of not more than 144,473 shares at a strike price of SEK 10.00 per share during the periods May 15, 2010–May, 15, 2012 and May 15, 2011–May 15, 2013. (The number of shares may be adjusted for dividends, among other things, and is contingent on a predetermined growth rate in the Group's earnings per share. The Board of Directors' current estimation is that approximately 50 percent of performance shares will be utilized to subscribe for shares.)

The share-based payment programs are reported according to accounting standard IFRS 2 Share-based Payment and statement UFR 7 from the Swedish Financial Reporting Board. Accordingly, the cost can vary between quarters depending on the share price, option value, actual social security costs when the options are exercised, etc. Last year produced a cost reduction of SEK 13.1 M, compared with a cost of SEK 9.9 M in the previous year.

For more information on share-based payment, see also Note 32.

Net financial items

Net financial items amounted to SEK –127.6 M (–72.1), including translation differences of SEK –9.7 M (–3.5). Net financial items for the year include a distribution of SEK 6.2 M (0.0) received from NetGiro International AB. The negative interest net is higher due to higher net debt.

Taxes

The tax expense for the year amounted to 20.3 percent (22.4) of earnings before goodwill impairment and tax. The difference compared with the estimated long-term tax rate of approximately 25 percent is due to, among other things, deferred tax assets recognized in Sweden corresponding to tax loss carryforwards that have arisen due to Group contributions from Sweden to Italy and because of special deductions in Belgium.

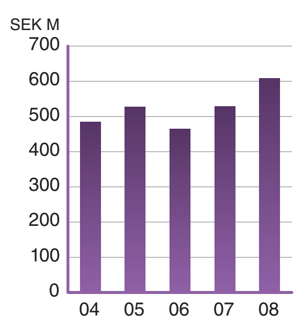
The Group's tax expense is dependent partly on how earnings are distributed between subsidiaries in different countries with different tax rates. As a whole, the determination for 2009 and beyond is that the tax expense will be around 25 percent of pre-tax earnings. This estimate does not include further effects of the utilization of tax loss carryforwards in Italy or any of the effects of the Group's current tax dispute in Finland.

At year-end the Group had tax loss carryforwards of SEK 1,638.7 M for which deferred tax assets are only partly recognized.

For more information on the Group's taxes, see also Note 8.

Cash flow investments

Cash flow from operating activities



Cash flow from operating activities during the year improved to SEK 607.5 M (529.1). Cash flow before investments, i.e., cash flow from operating activities plus amortization of purchased debt during the year, amounted to SEK 1,261.3 M (1,013.1).

Disbursements for investments in debt portfolios amounted to SEK 1,204.1 M (666.2), of which SEK 332.5 M relates to Intrum Justitia's share of the payment for the major Austrian bank loan portfolio acquired in the fourth quarter of 2007.

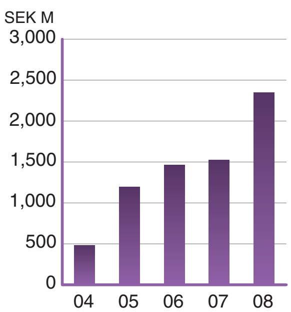
During the year SEK 193.6 M (134.6) was invested in tangible and intangible fixed assets. In 2009 capital expenditures are estimated at SEK 170 –190 M.

Research and development

The Group is not engaged in any research and development other than the development of its IT systems. Investments for the year largely pertain to hardware and software for IT systems, mainly for production. Technological development is rapid and, if used correctly, new technical solutions can improve efficiency in the management of client receivables and use of the Group's databases. As requirements for customized IT solutions grow, it is strategically important for Intrum Justitia to continuously adapt to changes in demand. The data center in Amsterdam is of major strategic importance. After previously having maintained different servers and IT environments in different countries, the Group now has a uniform solution, which reduces costs while also raising quality and improving IT security.

Financing

Net debt



Net debt as of December 31, 2008 amounted to SEK 2,348.4 M, compared with SEK 1,526.9 M at year-end 2007.

Shareholders' equity including minority interests amounted to SEK 2,395.3 M at year-end, compared with SEK 1,842.5 M a year earlier. Through its international subsidiaries, the Group has significant net assets in currencies other than Swedish kronor. As a result of rising exchange rates, particularly for the euro, the Group's shareholders' equity was affected during the year by exchange rate differences of SEK 334.2 M (74.8).

As of December 31, 2008 the Group had liquid assets of SEK 294.3 M, compared with SEK 259.8 M on December 31, 2007. Unutilized credit facilities amounted to SEK 959.0 M, compared with SEK 310.3 M as of December 31, 2007. The Group is financed primarily with shareholders' equity and has a syndicated loan facility of EUR 310 M that expires in 2010.

Risks and risk management

Intrum Justitia defines risk as all factors which could have a negative impact on the ability of the Group to achieve its business objectives.

All economic activity entails risk. In order to manage risks in a balanced manner, they must first be identified and evaluated. Intrum Justitia conducts risk management at both a Group and company level, where risks are evaluated in a systematic manner.

Intrum Justitia's risk management covers strategic risks, operational risks, risk related to the regulatory environment and financial risks.

The following summary is by no means comprehensive, but does offer examples of risk factors which are considered especially important to Intrum Justitia's future development.

Strategic risks

Cyclicality

While in no way unaffected by economic conditions, the CMS industry, in Intrum Justitia's experience, has historically been less affected by economic fluctuations than many other industries due to "stabilizing factors" during periods of economic growth and recession. For Intrum Justitia, the effects of economic conditions in individual markets are also mitigated by the Group's geographical diversity.

During periods of economic growth the number of business transactions rises, as does lending in general and thus the number of invoices in circulation. Payment capacity also increases, and consequently the percentage of invoices that fall overdue and become debt collection cases declines. In absolute terms, however, the number of overdue receivables and collection cases usually rises at the same time that improved payment capacity leads to better opportunities to collect debt.

Conversely, during recession, the number of business transactions and invoices decrease. Payment capacity is adversely affected, and consequently a larger proportion of invoices leads to overdue receivables and collection cases. The number of new cases decreases, while the number of debt surveillance cases rises and collection becomes more difficult.

Acquisitions

Opportunities to successfully complete acquisitions are dependent on Intrum Justitia's ability to identify and evaluate acquisition targets and to effectively integrate them into existing operations. A potential acquisition may also depend on the approval of a governmental authority or other third party.

Operational risks

Risk of errors and omissions

Problems in IT systems, omissions by employees, deficiencies in internal control and criminal actions in some cases can unfortunately cause errors that affect Intrum Justitia, the Group's clients or their customers. Intrum Justitia has insurance coverage that protects the Group as well as the Board of Directors and employees against such risks, e.g., if claims for damages are filed due to errors and omissions.

Operations in different countries

The international scope of Intrum Justitia's business entails risks, mainly due to differences in laws and regulations in the 24 markets where the Group is active. Various regulatory and currency issues must be managed at the same time that Intrum Justitia must recruit and retain personnel with the right competence and integrity.

There are significant differences in legislation, culture, practices and market size between countries. To succeed in CMS throughout Europe requires a local presence and understanding of local conditions. Responsibility for managing and developing operations must lie to a significant extent with the Group's regions and national subsidiaries. The Group's development is therefore dependent on the knowledge, experience, integrity and commitment of local and regional management as well as the senior management's ability to oversee and control a decentralized organization.

Risks related to the regulatory environment

Changes in the regulatory environment

The CMS industry is regulated by various national statutes and regulations, which may also be affected by EU regulations and directives. Changes in the regulatory environment may curtail Intrum Justitia's future operations or involve cost increases in order to comply with regulations. Because of these risks, Intrum Justitia continuously monitors the EU's regulatory work in order to call attention to potentially negative effects for European CMS companies and lobbies for favorable rule changes.

Financial risks

See also Note 38.

Market risk

Market risk consists of risks related to changes in exchange rates and interest rate levels.

The results and financial position of foreign subsidiaries are reported in each country's currency and translated to Swedish kronor for inclusion in the consolidated accounts. Consequently, fluctuations in exchange rates affect the Group's earnings and equity.

In each country, the investments, revenues and the majority of operating expenses are in the local currency, because of which currency fluctuations have little effect on operating earnings in local currency. Revenues and expenses are matched in a natural manner, which limits the transaction exposure.

The translation exposure that arises when the balance sheets of foreign subsidiaries are translated to SEK affects the Group's equity. The Group's policy in 2008 was not to actively hedge the translation exposure.

Interest rate risks are primarily related to the Group's interest-bearing net debt, which at year-end amounted to SEK 2,348.4 M (1,526.9). Interest rates on loans are tied to the market rate. Interest fixing terms are short, generally three months, due to which changes in the market rate quickly impact the Group's net financial items.

Financing risk

Financing risk consists of the risk of a loss or higher than expected costs to guarantee that the Group can fulfill its payment obligations to third parties in the short and long term. The Group's central treasury department prepares weekly liquidity forecasts in order to optimize the balance between loans and liquid assets, so that the net interest expense can be minimized without necessarily risking difficulties in fulfilling outside obligations.

The Group's long-term financing risk is minimized by securing committed loan facilities.

Credit risk

Credit risk consists of the risk that Intrum Justitia's counterparties are unable to fulfill their obligations to the Group. Financial assets that could expose the Group to credit risks consist of liquid assets, accounts receivable, purchased debt, outlays on behalf of clients, derivatives and guarantees.

Risks inherent in purchased debt

As part of its operations, Intrum Justitia acquires portfolios of written-off consumer receivables and tries to collect them. Unlike conventional collection operations, where Intrum Justitia works on behalf of clients in return for commissions and fees, in this case it assumes all the rights and risks associated with the receivables. The portfolios are usually purchased at prices below their nominal value, and Intrum Justitia retains the entire amount it collects, including interest and fees.

To minimize the risks in this business, Intrum Justitia exercises prudence in its purchase decisions. The focus is on small and medium-sized portfolios with relatively low average amounts, which helps to mitigate risks. Purchases are usually made from clients with whom the Group has maintained long relationships, due to which it has a thorough understanding of the receivables in question.

Intrum Justitia places high yield requirements on purchased debt portfolios. Before every acquisition a careful assessment is made based on a projection of future cash flows (collected amount) from the portfolio. In its calculations, Intrum Justitia is aided by its long experience in collection management and its scoring models. Intrum Justitia therefore believes that it has the expertise required to evaluate these types of receivables.

To facilitate the purchase of larger portfolios at attractive risk levels, Intrum Justitia cooperates with other companies and shares in the equity investment and profits. Such alliances have been in place with Calyon Bank since 2002 and with Goldman Sachs since 2003.

Guarantees in conjunction with the screening of charge card applications in Switzerland

As part of its service offering in Switzerland, Intrum Justitia screens new charge card applications on behalf of card issuers and guarantees – for a fee – payment to the issuers of the face value of the cardholder's debt in the event of nonpayment. The total value of the guaranteed debt amounted to SEK 796.7 M (636.6) at year-end, of which receivables overdue by more than 30 days amounted to SEK 1.5 M (5.1).

Intrum Justitia manages risk in this business through strict credit limits on new cards and by analyzing the credit ratings of card applicants. As of year-end Intrum Justitia has allocated a provision of SEK 9.5 M (7.7) in its balance sheet to cover payments that may arise under the guarantees.

Acquisitions

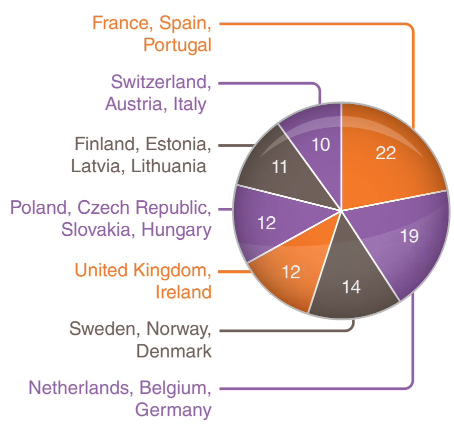
In March Intrum Justitia acquired the Belgian holding company Solutius Belgium NV, which in turn owned two debt collection agencies in the Belgian market, Juri-Desk and Krebes, for a purchase price of EUR 16.4 M, corresponding to SEK 153.9 M. In November–December Intrum Justitia acquired the French companies Cronos group and SSE for a combined purchase price of EUR 5.8 M, corresponding to approximately SEK 60.0 M.

Goodwill

Consolidated goodwill amounted to SEK 1,895.9 M, compared with SEK 1,614.6 M at year-end 2007. Of this increase, SEK 137.2 M is attributable to exchange rate differences, while SEK 165.8 M arose through the acquisition in Belgium and SEK 39.0 M through the acquisitions in France. Goodwill attributable to Scotland has been written down by SEK 60.7 M following an impairment test at year-end.

Non-financial earnings indicators

Share of employees by region (%)



The average number of employees during the year was 3,318 (3,093). The number of employees increased in all regions. Employee turnover was 27 percent (26) during the year. Women accounted for 63 percent (62) of employees during the year. The share of employees with a college-level degree was 26 percent (25).

For more information on employees and salaries and other remuneration, see also Notes 28–32.

Social responsibility and the environment

The Group's Corporate Social Responsibility (CSR) work was analyzed in 2008. See pages 24-25 in the annual report.

Intrum Justitia's role in society

Our mission is to provide shareholders with a return on the capital they have invested. Profitability is vital to the company's long-term survival. In addition, Intrum Justitia plays an important role as a catalyst for a sound economy. With its credit management services, the company helps to make business activity easy, fair and secure, and thereby promotes a sustainable economy. In a general sense, Intrum Justitia's business objectives coincide with society's sustainability goals. Seen from this perspective, the company's business operations and corporate responsibility work are identical.

Professional ethics

Intrum Justitia applies a strict code of ethics that is unique in the CMS industry. With this code, Intrum Justitia wants to create a respectful relationship with both creditors and debtors and ensure fair payment between Intrum Justitia's client and its customer. Intrum Justitia's code of ethics makes it clear that current laws will be closely followed, that debtors will be treated with integrity in every situation, that information on all the parties will be kept secure and that CMS and accounts receivable work will be conducted professionally, i.e., promptly, efficiently and accurately.

Working conditions

Skilled, motivated employees are critical to every sustainable, successful business. The Group's HR goals are ambitious and its sights are set on attracting, developing and retaining the best people in the market. Intrum Justitia's vision is to be a "true people company." Employees have the right to safe and healthy workplaces as well as fair compensation. Men and women must be treated equally. The goal in recruiting managers is to find the most competent and qualified candidate regardless of gender. No employee may be subjected to any form of discrimination, nor is any form of sexual harassment tolerated. All employees have the right to organize and join unions as well as to negotiate collectively if they wish, although they also have the right to refuse union membership.

Environment

The environment is a topical issue, but it is also complex in that a balance is required between different environmental risks. While Intrum Justitia wishes to support the environment, it does not claim to have all the answers to the difficult questions regarding environmental priorities.

Intrum Justitia does not have any operations in Sweden subject to licensing or reporting requirements according to Environmental Code. The Group is active in the service sector and its operations therefore have limited impact on the environment. Environmental requirements are applied in every country which are at least equivalent to local environmental rules to the extent they apply to the Group's operations.

Intrum Justitia is systematically improving efficiencies in its energy consumption and travel and thereby reducing its costs and environmental impact. The Group's policy is to prioritize alternatives to transport and travel, such as tele-, video and web conferencing. Regionalization has also contributed to less need for travel within the Group. Through environmentally preferable procurement, improved recycling and reduced waste volumes, Intrum Justitia is reducing its impact on the environment and its costs.

Market outlook

Since the fall of 2008 the European and U.S. economies in particular have faced substantial financial turbulence, with no improvement in sight. Most experts predict continued low growth and rising unemployment in 2009 and into 2010.

Intrum Justitia's strategic focus on an expanded CMS offering is even better suited to the current macroeconomic environment. The Group's current and potential clients are becoming increasingly aware of the need for professional credit management in every customer relation long before an invoice is overdue, even as early as the sales prospecting and credit evaluation stage. This should increase the Group's opportunities for new and added sales throughout the entire CMS chain.

Though not counter-cyclical, Intrum Justitia's operations, by their nature, are fairly resistant to economic downturns. The declining solvency of many in society is expected to lead to a larger inflow of cases for Intrum Justitia's collection and payment monitoring services. Poorer solvency means, however, that individual cases on average will require greater collection resources, which could adversely affect margins if not compensated by a volume increase. Analogously, a larger selection of portfolios of written-off receivables is anticipated at lower prices than in 2008. Receivables in this business area also require greater collection resources, which could affect both margins and the valuation of existing portfolios. However, Intrum Justitia applies an accelerated amortization schedule in the total portfolio, which maintains a high turnover, at the same time that consideration is given to continued weak macroeconomic development in the valuation of portfolios.

The Group's annual acquisitions of small and medium-sized portfolios are estimated at SEK 700 M in the long term. In addition to this guidance, we may acquire larger portfolios. Under current macroeconomic conditions, Intrum Justitia is exhibiting extreme caution with regard to purchased debt in order to maintain a low risk profile and financial capacity.

Financial objectives

Intrum Justitia's financial objectives are to achieve organic growth of 10 percent per year and generate pre-tax earnings which are at least in line with annual organic growth. Moreover, the Group will achieve an annual return on investments in Purchased Debt of at least 15 percent. The net debt/equity ratio (interest-bearing net debt as a percentage of shareholders' equity and minority interests) will not exceed 150 percent over the long term. Intrum Justitia will also actively seek out opportunities to grow through selective acquisitions.

Parent Company

The publicly listed Parent Company, Intrum Justitia AB (publ), owns the subsidiaries, provides the Group's head office functions and handles certain Group-wide development work, services and marketing.

The Parent Company reported revenues for the year of SEK 60.9 M (35.3) and earnings before tax of SEK 4,384.3 M (–133.3). Earnings include share dividends from subsidiaries of SEK 4,728.7 M (135.6), of which SEK 4,670.0 consists of a distribution in kind in the form of shares in subsidiaries in connection with a simplification of the Group structure.

During the year the Parent Company invested SEK 0.2 M (0.3) in fixed assets and had liquid assets of SEK 16.0 M (9.3) at year-end. The average number of employees was 26 (26).

Events after closing date

New CEO

On February 1, 2009 Lars Wollung took over as President and CEO, succeeding Michael Wolf, who stepped down on November 30, 2008. The Group's Chief Financial Officer, Monika Elling, served as Acting President and CEO in December 2008–January 2009.

The share and shareholders

At year-end the company had 79,592,171 shares outstanding, of which 250,000 were repurchased and held as treasury shares. All shares carry equal voting rights and share equally in the company's assets and earnings.

The company's largest shareholders were NBI hf (formerly Landsbanki Islands hf) (11.5 percent of the shares), Cevian Capital (9.6 percent) and SEB Funds (5.3 percent). See also the table on page 29.

The Articles of Association do not contain any preemption clauses or other limitations on the transferability of the shares, and there are no other circumstances that the company is obligated to disclose according to the provisions in chapter 6, section 2a, points 3–11 of the Annual Accounts Act.

Board work

According to Intrum Justitia's Articles of Association, the Board of Directors shall consist of no less than five and no more than nine members with no more than four deputies. All members are elected by the Annual General Meeting.

In 2008 the Board held 14 meetings (nine in the previous year).

For a description of the Board's work, refer to the Corporate governance report on pages 80–84.

Proposal regarding remuneration guidelines for senior executives

The Annual General Meeting 2008 approved the remuneration guidelines for senior executives, which are summarized in Note 31. The Board of Directors' proposed guidelines for resolution by the Annual General Meeting 2009 will be announced in connection with the notice of the meeting.

Proposed disposition of profit

The following funds in the Parent Company are at the disposition of the Annual General Meeting:

SEK	
Share premium reserve	371,788,254
Fair value reserve	–754,869,940
Retained earnings	339,764,458
Net earnings for the year	4,419,438,329
Total	**4,376,121,101**

Retained earnings from the previous year have been increased by Group contributions received during the year, which amounted to SEK 147,596,934, net, after tax.

The Board of Directors and the President propose that the earnings be distributed as follows:

SEK	
Dividend, not more than 79,744,651 shares x SEK 3.50	279,106,278
Balance carried forward, at least	4,097,014,823
Summa	**4,376,121,101**

The Board of Directors' complete statement motivating the proposed disposition of profit for the financial year 2008 is presented in a separate document prior to the Annual General Meeting 2009. It concludes, among other things, that the proposed dividend is in line with the company's dividend policy and that the Board, having considered the nature of the company's operations, its scope and risks, as well as the company's and the Group's consolidation requirements, liquidity and financial position in other respects, has found no indications that the proposed dividend is unjustified.

The financial reports have been approved for release on March 11, 2009 by the Board of Directors of the Parent Company, which proposes their adoption by the Annual General Meeting on April 16, 2009.

For further information on the earnings and financial position of the Parent Company and the Group, refer to the income statements, balance sheets, summary of changes in shareholders' equity, cash flow statements and notes.

The Board of Directors and the President certify that the annual report has been prepared in accordance with generally accepted accounting standards in Sweden and that the consolidated accounts have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards.

The annual accounts and consolidated accounts give a true and fair view of the financial position and results of the Parent Company and the Group. The Board of Directors' report for the Parent Company and the Group give a true and fair overview of the operations, financial position and results of the Parent Company and the Group and describes significant risks and uncertainties that the Parent Company and the companies in the Group face.

Stockholm, March 11, 2009

Lars Wollung
President and CEO

Lars Lundquist
Chairman

Bo Ingemarson
Deputy Chairman

Matts Ekman
Board Member

Helen Fasth-Gillstedt
Board Member

Lars Förberg
Board Member

Ársæll Hafsteinsson
Board Member

Consolidated income statement

SEK M	NOTE	2008	2007
Revenues	2, 3	3,677.7	3,225.2
Cost of sales		–2,186.4	–1,868.9
Gross earnings		**1,491.3**	**1,356.3**
Sales and marketing expenses		–307.3	–285.4
General and administrative expenses		–426.8	–403.9
Goodwill impairment		–60.7	–
Participations in associated companies	5	0.8	0.8
Operating earnings (EBIT)	2,4	**697.3**	**667.8**
Financial income	6	30.8	19.6
Financial expenses	7	–158.4	–91.7
Net financial items		**–127.6**	**–72.1**
Earnings before tax		**569.7**	**595.7**
Tax	8	–128.0	–133.7
Net earnings for the year		**441.7**	**462.0**
Of which attributable to			
Parent Company's shareholders		441.7	459.6
Minority interests		0.0	2.4
Net earnings for the year		**441.7**	**462.0**
Data per share, SEK	9		
Share price at end of period		78.50	115.00
Earnings per share before dilution		5.58	5.86
Earnings per share after dilution		5.56	5.83
Average number of shares before dilution, '000		79,148	78,436
Average number of shares after dilution, '000		79,446	78,859
Number of shares at end of period, '000		79,592	79,090

For definitions, see page 87.
* Including 250,000 treasury shares.

Consolidated balance sheet

SEK M	NOTE	Dec. 31, 2008	Dec. 31, 2007
ASSETS			
Fixed assets			
Intangible fixed assets	10		
Capitalized expenditure for IT development		263.2	158.9
Client relationships recognized upon business acquisitions		105.7	13.1
Other intangibles		26.7	2.0
Goodwill		1,895.9	1,614.6
Total intangible fixed assets		**2,291.5**	**1,788.6**
Tangible fixed assets	11		
Computer hardware		51.4	47.8
Other tangible fixed assets		54.7	51.5
Total tangible fixed assets		**106.1**	**99.3**
Financial fixed assets			
Shares and participations in associated companies	14	23.2	15.0
Other shares and participations	15	0.1	0.1
Purchased debt	16	2,330.3	1,882.2
Deferred tax assets	8	132.8	86.3
Other long-term receivables	17	94.3	8.6
Total financial fixed assets		**2,580.7**	**1,992.2**
Total fixed assets		**4,978.3**	**3,880.1**
Current assets			
Current receivables			
Accounts receivable	18	315.2	239.1
Client funds		618.7	523.2
Tax assets		33.9	43.8
Other receivables	19	333.0	304.6
Prepaid expenses and accrued income	20	167.6	142.8
Total current receivables		**1,468.4**	**1,253.5**
Cash and cash equivalents	21	294.3	259.8
Total current assets		**1,762.7**	**1,513.3**
TOTAL ASSETS		**6,741.0**	**5,393.4**

Consolidated balance sheet

SEK M	NOTE	Dec. 31, 2008	Dec. 31, 2007
SHAREHOLDERS’ EQUITY AND LIABILITIES			
Shareholders’ equity	22		
Shareholders’ equity attributable to Parent Company’s shareholders			
Share capital		1.6	1.6
Other paid-in capital		888.0	875.5
Reserves		431.6	50.1
Retained earnings		1,074.0	915.2
Total shareholders’ equity attributable to Parent Company’s shareholders		**2,395.2**	**1,842.4**
Shareholders’ equity attributable to minority		0.1	0.1
Total shareholders’ equity		**2,395.3**	**1,842.5**
Long-term liabilities			
Liabilities to credit institutions	25	2,440.9	1,678.3
Other long-term liabilities		2.3	3.0
Provisions for pensions	23	39.4	35.0
Other long-term provisions	24	20.8	0.4
Deferred tax liabilities	8	60.5	44.5
Total long-term liabilities		**2,563.9**	**1,761.2**
Current liabilities			
Liabilities to credit institutions	25	161.7	72.4
Client funds payable		618.7	523.2
Accounts payable		211.8	159.1
Income tax liabilities		130.9	93.6
Advances from clients		33.3	32.7
Other current liabilities*		173.8	521.1
Accrued expenses and prepaid income	26	451.6	387.6
Total current liabilities		**1,781.8**	**1,789.7**
TOTAL SHAREHOLDERS’ EQUITY AND LIABILITIES		**6,741.0**	**5,393.4**

For information on the Group’s pledged assets and contingent liabilities, see Note 27.

* Other current liabilities at year-end 2007 included SEK 338.4 M, corresponding to the Group’s share of the purchase price for the Austrian portfolio of bank loans acquired in 2007 together with Calyon Bank. Payment was made in 2008.

.

Statement of changes in shareholders' equity

See also Note 22.

GROUP, SEK M	Number of shares out-standing	Share capital	Other paid-in capital	Reserves	Retained earnings incl. net earnings for the year	Total	Minority interests	Total share-holders' equity
		Shareholders' equity attributable to Parent Company's shareholders						
Opening balance, January 1, 2007	77,956,251	1.6	812.3	–24.1	670.0	1,459.8	32.8	1,492.6
Change in translation reserve for the year				74.2		74.2	0.6	74.8
Total change in net assets recognized in shareholders' equity, excl. transactions with company's owners		**0.0**	**0.0**	**74.2**	**0.0**	**74.2**	**0.6**	**74.8**
Net earnings for the year					459.6	459.6	2.4	462.0
Total change in net assets excl. transactions with company's owners		**0.0**	**0.0**	**74.2**	**459.6**	**533.8**	**3.0**	**536.8**
Effect of employee stock option program			1.3			1.3		1.3
Increase in share capital through exercise of employee stock options	1,133,600	0.0	61.9			61.9		61.9
Acquisition from minority shareholder						0.0	–35.7	–35.7
Share dividend					–214.4	–214.4		–214.4
Closing balance, December 31, 2007	**79,089,851**	**1.6**	**875.5**	**50.1**	**915.2**	**1,842.4**	**0.1**	**1,842.5**
Change in translation reserve for the year				334.2		334.2		334.2
Tax effect of items recognized directly against the equity				47.3		47.3		47.3
Total change in net assets recognized in shareholders' equity, excl. transactions with company's owners		**0.0**	**0.0**	**381.5**	**0.0**	**381.5**	**0.0**	**381.5**
Net earnings for the year					441.7	441.7		441.7
Total change in net assets excl. transactions with company's owners		**0.0**	**0.0**	**381.5**	**441.7**	**823.2**	**0.0**	**823.2**
Effect of employee stock option program			–14.9			–14.9		–14.9
Increase in share capital through exercise of employee stock options	502,320		27.4			27.4		27.4
Acquisition of treasury shares	–250,000				–25.7	–25.7		–25.7
Share dividend					–257.2	–257.2		–257.2
Closing balance, December 31, 2008	**79,342,171**	**1.6**	**888.0**	**431.6**	**1,074.0**	**2,395.2**	**0.1**	**2,395.3**

Accumulated exchange rate differences recognized in equity since the transition to IFRS amounted to SEK 384.3 M (50.1) on December 31, 2008.

Consolidated cash flow statement

SEK M	NOTE	2008	2007
OPERATING ACTIVITIES			
Operating earnings	2	697.3	667.8
Depreciation/amortization and goodwill impairment	4	182.2	90,8
Adjustments for expenses not included in cash flow	2	–25.3	–0.5
Interest received including dividends/ distributions from other shares		31.1	20.0
Interest paid and other financial expenses		–93.5	–64.0
Income tax paid		–136.1	–153.6
Cash flow from operating activities before changes in working capital		**655.7**	**560.5**
Changes in working capital		–48.2	–31.4
Cash flow from operating activities		**607.5**	**529.1**
INVESTING ACTIVITIES			
Purchases of intangible fixed assets	10	–146.0	–90.8
Purchases of tangible fixed assets	11	–47.6	–43.8
Sale of tangible assets		0.0	0.0
Debt purchases	16	–1,204.1	–666.2
Amortization of purchased debt	16	653.8	484.0
Purchases of shares in subsidiaries and other companies	39	–207.3	–110.1
Business disposals		15.5	0.0
Lending to third parties		0.0	12.1
Other cash flow from investing activities		–57.4	–1.1
Cash flow from investing activities		**–993.1**	**–415.9**
FINANCING ACTIVITIES			
Borrowings		973.0	514.8
Amortization of loans		–317.2	–445.2
Proceeds received from the exercise of employee stock options		27.4	61.9
Acquisition of treasury shares		–25.7	–
Share dividend to Parent Company's shareholders		–257.2	–214.4
Cash flow from financing activities		**400.3**	**–82.9**
Change in liquid assets		**14.7**	**30.3**
Opening balance of liquid assets		**259.8**	**217.4**
Exchange rate differences in liquid assets		19.8	12.1
Closing balance of liquid assets	21	**294.3**	**259.8**
Unutilized credit lines	25	959.0	310.3
Available liquidity		**1,253.3**	**570.1**

* Cash flow from investing activities comprises actual payments for investments during the period. The purchased debt figure for 2008 includes SEK 332.5 M for the Austrian debt portfolio acquired in the fourth quarter 2007 together with Calyon Bank.

Parent Company income statement

SEK M	NOTE	2008	2007
Revenues	3	60.9	35.3
Gross earnings		**60.9**	**35.3**
Sales and marketing expenses		–20.9	–20.5
General and administrative expenses		–88.4	–113.5
Operating earnings	4	**–48.4**	**–98.7**
Income from participations in Group companies	6	4,728.7	135.6
Interest income and similar items	6	144.2	112.0
Interest expenses and similar items	7	–440.2	–282.2
Net financial items		**4,432.7**	**–34.6**
Earnings before tax		**4,384.3**	**–133.3**
Tax on earnings for the year	8	35.1	73.5
Net earnings for the year		**4,419.4**	**–59.8**

Parent Company balance sheet

SEK M	NOTE	Dec. 31, 2008	Dec. 31, 2007
ASSETS			
Fixed assets			
Intangible fixed assets	10		
Capitalized expenditure for IT development		0.4	0.9
Total intangible fixed assets		**0.4**	**0.9**
Tangible fixed assets	11		
Computer hardware		0.1	0.3
Other tangible fixed assets		0.2	0.3
Total tangible fixed assets		**0.3**	**0.6**
Financial fixed assets			
Participations in Group companies	12	12,135.2	6,974.0
Deferred tax assets	8	68.5	46.4
Receivables from Group companies		155.6	313.3
Other long-term receivables	17	0.8	1.1
Total financial fixed assets		**12,360.1**	**7,334.8**
Total fixed assets		**12,360.8**	**7,336.3**
Current assets			
Current receivables			
Accounts receivable	18	0.0	0.0
Tax assets		17.7	20.8
Receivables from Group companies		2,249.3	1,609.0
Other receivables	19	5.4	8.5
Prepaid expenses and accrued income	20	12.3	3.9
Total current receivables		**2,284.7**	**1,642.2**
Liquid assets		16.0	9.3
Total current assets		**2,300.7**	**1,651.5**
TOTAL ASSETS		**14,661.5**	**8,987.8**

Parent Company balance sheet

SEK M	NOTE	Dec. 31, 2008	Dec. 31, 2007
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	22		
Restricted equity			
Share capital		1.6	1.6
Statutory reserve		282.4	282.4
Total restricted equity		**284.0**	**284.0**
Non-restricted equity			
Share premium reserve		89.3	61.9
Fair value reserve		–754.8	16.9
Retained earnings		339.8	549.8
Net earnings for the year		4,419.4	–59.8
Total non-restricted equity		**4,093.7**	**568.8**
Total shareholders' equity		**4,377.7**	**852.8**
Provisions			
Provisions for pensions	23	2.0	0.3
Total provisions		**2.0**	**0.3**
Long-term liabilities			
Liabilities to credit institutions	25	2,438.1	1,678.0
Liabilities to Group companies		7,136.2	5,818.5
Total long-term liabilities		**9,574.3**	**7,496.5**
Current liabilities			
Liabilities to credit institutions	25	73.5	54.5
Accounts payable		4.6	2.9
Liabilities to Group companies		589.7	536.9
Other current liabilities		3.4	1.5
Accrued expenses and prepaid income	26	36.3	42.4
Total current liabilities		**707.5**	**638.2**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**14,661.5**	**8,987.8**
Pledged assets		None	None
Contingent liabilities		None	None

Parent Company cash flow statement

SEK M	NOTE	Dec. 31, 2008	Dec. 31, 2007
OPERATING ACTIVITIES			
Operating earnings		−48.4	−98.7
Depreciation/amortization	4	0.9	1.9
Adjustments for expenses not included in cash flow		−16.6	1.3
Interest received		144.2	112.0
Interest paid and other financial expenses		−426.0	−273.0
Income tax paid		5.9	−17.9
Cash flow from operating activities before changes in working capital		**−340.0**	**−274.4**
Changes in working capital		−28.1	14.3
Cash flow from operating activities		**−368.1**	**−260.1**
INVESTING ACTIVITIES			
Purchases of intangible fixed assets	10	−0.2	0.0
Purchases of tangible fixed assets	11	−0.1	−0.3
Purchases of shares in subsidiaries	12, 39	−491.2	0.0
Other cash flow from investing activities		0.4	−1.1
Cash flow from investing activities		**−491.1**	**−1.4**
FINANCING ACTIVITIES			
Borrowings		919.7	514.8
Amortization of loans		−291.2	−401.0
Net loans to subsidiaries		434.2	155.2
Proceeds received from the exercise of employee stock options		27.4	61.9
Acquisition of treasury shares		−25.7	0.0
Share dividend from subsidiaries		58.7	135.6
Share dividend to Parent Company’s shareholders		−257.2	−214.4
Cash flow from financing activities		**865.9**	**252.1**
Change in liquid assets		**6.7**	**−9.4**
Opening balance of liquid assets		**9.3**	**18.7**
Closing balance of liquid assets	**21**	**16.0**	**9.3**

Statement of changes in shareholders' equity

See also Note 22.

PARENT COMPANY, SEK M	Number of shares outstanding	Share capital	Statutory reserve	Share premium reserve	Fair value reserve	Retained earnings	Net earnings for the year	Total share-holders' equity
Closing balance, December 31, 2006	77,956,251	1.6	282.4	0	0	775	–102.4	956.6
Change in accounting principle for exchange rate differences on intra-Group balances					228.6			228.6
Opening balance, January 1, 2007	**77,956,251**	**1.6**	**282.4**	**0**	**228.6**	**775**	**–102.4**	**1 185.2**
Disposition of previous year's earnings						–102.4	102.4	0.0
Translation difference					–211.7			–211.7
Effect of employee stock option program						1.3		1.3
New share issues in connection with exercise of employee stock options	1,133,600			61.9				61.9
Share dividend						–214.4		–214.4
Group contribution received from Intrum Justitia International AB						125.5		125.5
Tax effect of Group contribution						–35.2		–35.2
Net earnings for the year							–59.8	–59.8
Closing balance, December 31, 2007	**79,089,851**	**1.6**	**282.4**	**61.9**	**16.9**	**549.8**	**–59.8**	**852.8**
Disposition of previous year's earnings						–59.8	59.8	0.0
Translation difference					–819.0			–819.0
Tax effect of translation difference					47.3			47.3
Effect of employee stock option program						–14.9		–14.9
New share issues in connection with exercise of employee stock options	502,320	0		27.4				27.4
Share repurchase	–250,000					–25.7		–25.7
Share dividend						–257.2		–257.2
Group contribution received from Intrum Justitia International AB						85.0		85.0
Group contribution received from Intrum Justitia Sverige AB						120.0		120.0
Tax effect of Group contributions						–57.4		–57.4
Net earnings for the year							4,419.4	4,419.4
Closing balance, December 31, 2008	**79,342,171**	**1.6**	**282.4**	**89.3**	**–754.8**	**339.8**	**4,419.4**	**4,377.7**

The share capital and statutory reserve are restricted equity. Other items are non-restricted equity.

Notes

Notes

NOTE 1 SIGNIFICANT ACCOUNTING AND VALUATION PRINCIPLES

Accounting recommendations applied
The annual report for Intrum Justitia AB (publ) is prepared with respect to the consolidated accounts in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as approved by the EU. Further, recommendation RFR 1.1 Supplementary Accounting Rules for Groups from the Swedish Financial Reporting Board has been applied.

The Parent Company applies the same accounting principles as the Group except in the cases noted below under the section on the Parent Company's accounting principles.

Assumptions
The Parent Company's functional currency is Swedish kronor (SEK), which is also the reporting currency for the Parent Company and for the Group. The financial reports are therefore presented in SEK. All amounts, unless indicated otherwise, are rounded off to the nearest million, with one decimal. Assets and liabilities are carried at historical cost, with the exception of certain financial assets and liabilities, which are carried at fair value.

The preparation of financial reports in accordance with IFRS requires the Board of Directors and Management to make estimates and assumptions that affect the application of the accounting principles and the carrying values of assets, liabilities, revenue and expenses. Estimates and assumptions are based on historical experience and a number of other factors that under current circumstances seem reasonable. The result of these estimates and assumptions is then used to determine the carrying value of assets and liabilities that otherwise is not clearly indicated by other sources. Actual outcomes may deviate from these estimates and assumptions.

Estimates and assumptions are reviewed regularly, and the effect on carrying values is recognized through profit or loss. Changes in estimates are reported in the period in which the change is made, provided it has affected only this period, or the period the change was made and future periods if the change affects both current and future periods.

Estimates made by the company that have a significant impact on the financial reports and estimations, which could necessitate significant adjustments in financial reports in subsequent years, are described in more detail in Note 40.

The accounting principles described below for the Group have been applied consistently for all periods in the Group's financial reports, unless otherwise indicated. The accounting is based on the Group's opening balance sheet according to IFRS as of January 1, 2004, which was included in the annual report for 2005. The Group's accounting principles have been applied consistently in the consolidation of the Parent Company, subsidiaries, associated companies and joint ventures.

Changes in accounting principles
Changes that entered into force in 2008
IFRIC has issued new interpretations nos. 11, 12 and 14, which will be applied as of 2008. IFRIC 11 clarifies how share-based payment to employees of the Group will be reported by the legal entity and has been applied by the Parent Company. IFRIC 12 and 14 are not expected to have a significant impact on Intrum Justitia's financial reports for 2008.

In the fall of 2008 the IASB amended IAS 39 and IFRS 7, which have been approved for application by the EU and allow financial assets to be reclassified under certain circumstances from held for trading, and in special cases from available-for-sale financial assets. Intrum Justitia has not applied these new rules.

As of 2008, effective retroactively, the Parent Company applies accounting recommendation RFR 2.1 Accounting for Legal Entities from the Swedish Financial Reporting Board, p 43, whereby the Parent Company recognizes exchange rate differences on the monetary items that constitute part of the net investment in foreign operations in shareholders' equity rather than recognizing the balance sheet items at cost, as previously done. With respect to the Parent Company, the amended accounting principle increases the opening balance of shareholders' equity in 2008 by SEK 16.9 M. Earnings are not affected.

Changes that enter into force in or after 2009
The Group has decided against early application of any new or amended accounting standards or interpretations that enter into force in or after 2009.

The EU has approved a new accounting standard, IFRS 8 Operating segments, which contains new rules on how operating segments are defined and the information that must be disclosed on them in the financial reports. Intrum Justitia will apply this standard as of 2009 and will therefore make slight adjustments to the regional distribution used in its financial reporting to adapt the external reporting to how the regions are actually managed. The new regions will be Sweden, Norway & Denmark; Netherlands & Belgium; Switzerland, Germany & Austria; France, Spain, Portugal & Italy; Finland, Estonia, Latvia & Lithuania, United Kingdom & Ireland, and Poland, Czech Republic, Slovakia & Hungary.

Changes have been made in IAS 23 Borrowing Costs, which make it mandatory under certain circumstances to capitalize borrowing costs related to production of fixed assets. The amendment has been approved by the EU and will be applied by Intrum Justitia as of 2009 to the extent such investments are made. The EU has also approved the amendments made by the IASB in IFRS 2 Shared-based Payment. The new version will be applied by Intrum Justitia as of 2009, but is not expected to result in any significant changes. Moreover, the EU has approved the amendments that the IASB made to IAS 1 Presentation of Financial Statements. The new version will be applied by Intrum Justitia as of 2009. This entails certain changes in the titles and wording used in the financial statements, but no differences in terms of the calculation of reported amounts.

The IASB has issued a new version of IFRS 3 Business Combinations and IAS 27 Consolidated Financial Statements and separate financial reports. The revised standards will be applied as of 2010, provided they are approved by the EU. The IASB has also made several minor amendments to IAS 27, IAS 32 and IAS 39, which have not yet been approved by the EU. The changes are not expected to be of significance to Intrum Justitia.

There are also a number of interpretations from IFRIC that the Group is obligated to apply as of 2009 concerning customer loyalty programs, construction operations, hedge accounting and non-cash share distributions. These new rules are not expected to be of material significance to Intrum Justitia's financial reports, either.

Classification issues
Fixed assets and long-term liabilities in the Parent Company and the Group consist of amounts that are expected to be recovered or paid more than twelve months after the balance sheet date. Current assets and current liabilities in the Parent Company and the Group consist of amounts that are expected to be recovered or paid within twelve months of the balance sheet date.

Consolidation
Subsidiaries
The Group applies IFRS 3 Business Combinations.
The consolidated accounts include the annual accounts of all subsidiaries, i.e., companies in which the Parent Company, directly or indirectly, holds more than 50 percent of the votes or otherwise can exercise control over operations. Control means, directly or indirectly, the right to shape a company's financial and operating strategies in order to obtain economic benefits.

The consolidated accounts are prepared according to the acquisition method, which means that the acquisition of a subsidiary is treated as a transaction where the Group indirectly acquires the subsidiary's assets and takes over its liabilities and contingent liabilities. The Group's equity therefore includes only the portion of the subsidiary's equity added since acquisition. The Group's cost is determined through an acquisition analysis in connection with the acquisition. The analysis determines the cost of the shares or operations as well as the fair value of acquired, identifiable assets and assumed liabilities and contingent liabilities. The cost of the subsidiary's shares or operations consists of the fair value of the compensation on the transfer date and transaction expenses directly attributable to the acquisition. In acquisitions where the cost exceeds the net value of acquired assets and assumed liabilities and contingent liabilities, the difference is reported as goodwill. When the difference is negative, it is recognized directly through profit or loss.

A new acquisition analysis is not prepared in connection with acquisitions of shares from minority owners of subsidiaries where Intrum Justitia already had control; instead, the difference between the purchase price and the acquired minority share is recognized as goodwill.

The financial reports of subsidiaries are included in the consolidated accounts from the acquisition date until control ceases.

Intra-Group receivables and liabilities, revenue and expenses, and unrealized gains and losses that arise from transactions within the Group are eliminated in their entirety in the consolidated accounts.

Unrealized gains from transactions with associated companies and joint ventures are eliminated to the extent they correspond to the Group's ownership interest in the company. Unrealized losses are eliminated in the same way as unrealized gains, to the extent there is an indication of impairment.

Associated companies
The Group applies IAS 28 Investments in Associates.
Associated companies are companies that are not subsidiaries but where the Parent Company, directly or indirectly, has at least 20 percent of the votes or otherwise exercises significant influence without having control over the partly owned company.

Participations in associated companies are recognized in the consolidated accounts according to the equity method, which means that the holding in the associated company is recognized at cost and subsequently adjusted to the Group's share of the change in the associated company's net assets. The value of the shares includes goodwill at the Group level arising from the acquisition. The consolidated income statement includes the Group's profit participation less goodwill impairment. The amount is reported on the line, Participations in associated companies. However, the Group's share of the associated company's tax expense is reported on the line, Tax. Dividends received from the associated company are not recognized through profit or loss and instead reduce the carrying value of the investment.

Any difference between the cost of an acquisition and the owner's share of the net fair value of the associated company's identifiable assets, liabilities and contingent liabilities is recognized in accordance with IFRS 3.

The equity method is applied from the date a significant influence arises until the time it ceases or the associated company becomes a subsidiary.

If the Group's share of reported losses in the associated company exceeds the carrying value of its participations, the value of those participations is reduced to nil. Losses can also be offset against the Group's unsecured receivables from the associated company if they constitute part of the net investment. Further losses are not recognized provided the Group has not issued guarantees to cover them.

Joint ventures
The Group applies IAS 38 Investments in Joint Ventures.

Joint ventures pertain to companies in which Intrum Justitia and other part-owners manage operations cooperatively in accordance with a shareholders agreement. The Group's joint ventures all constitute legal entities, which are reported in the consolidated financial reports in accordance with the proportional method. This means that Intrum Justitia's share of assets, liabilities, revenues and expenses in the jointly owned company is consolidated, item for item, with corresponding items in the consolidated income statement and balance sheet.

Only equity earned subsequent to acquisition is recognized in the Group's equity. The proportional method is applied from the date when shared control is obtained until the date it ceases.

Foreign currency
The Group applies IAS 21 Effects of Changes in Foreign Exchange Rates.

Transactions in foreign currency
Group companies prepare their accounts in the local functional currency in the country where they have their operations. Transactions in a currency other than the local currency are recognized at the exchange rate in effect on the transaction day. When such transactions are offset or settled, the exchange rate may deviate from the one that applied on the transaction day, in which case a (realized) exchange rate difference arises. Moreover, monetary assets and liabilities in foreign currency are translated at the exchange rates on each balance sheet date, due to which an (unrealized) exchange rate difference arises. Both realized and unrealized exchange rate differences of this type are recognized in the income statement – in operating earnings if, for example, they refer to accounts receivable or accounts payable, or in net financial items if they refer to financial investments and borrowing in foreign currency.

To avoid exchange rate differences, receivables and liabilities in foreign currency are sometimes hedged through forward exchange contracts. The Group's holding of forward exchange contracts is marked to market on each balance sheet date, and changes in value are recognized through profit or loss.

Translation of the financial reports of foreign operations
Assets and liabilities in foreign operations, including goodwill and other Group surplus and deficit values, are translated from the functional currency to the Group's reporting currency, Swedish kronor, at the exchange rate on balance sheet date. Revenue and expenses are translated at the average rate, which serves as an approximation of the rate that applied on each transaction date. Translation differences arise in the translation of subsidiary accounts in part because the balance sheet date rate changes each period and in part because the average rate deviates from balance sheet date rate. Translation differences are recognized directly in equity as a translation reserve.

Long-term receivables and liabilities between the Parent Company and subsidiaries can be seen as an extension or reduction of the net investment in each company. Such translation differences incurred are recognized directly in equity in the consolidated accounts.

When foreign operations are sold, accumulated translation differences attributable to those operations are realized.

The company has zeroed accumulated translation differences attributable to the period prior to January 1, 2004, the date of transition to IFRS.

During the year the Group did not hedge any other flow exposure pertaining to anticipated receipts or disbursements in foreign currency.

Financial assets and liabilities
The Group applies IAS 39 Financial Instruments: Recognition and Measurement.

A financial instrument is defined as any form of agreement giving rise to a financial asset in a company and a financial liability or equity instrument in a counterparty.

Financial assets carried in the balance sheet include, on the asset side, cash and bank balances, accounts receivable and other equity instruments, loans receivable, purchased debt and derivatives. Client funds are reported on a separate line in the balance sheet and therefore are not included in the Group's reported liquid assets. Included among liabilities and equity are accounts payable, client funds payable, debt and equity instruments in issue, loan liabilities and derivatives.

Financial instruments are initially recognized at cost, corresponding to the instrument's fair value plus transaction expenses. An exception is made for financial instruments in the category financial assets, which are recognized at fair value through profit or loss. They are recognized at fair value excluding transaction expenses. Subsequent measurement depends on how they are classified, as indicated below.

A financial asset or financial liability is recognized in the balance sheet when the company becomes party to the instrument's contractual terms. Accounts receivable are recognized in the balance sheet when an invoice has been sent. Liabilities are recognized when the counterparty has performed and there is a contractual obligation to pay, even if an invoice has not yet been received. Trade accounts payable are recognized when an invoice is received.

A financial asset is removed from the balance sheet when the rights in the agreement are realized, expire or the company loses control over them. A financial liability is removed from the balance sheet when the obligation in the agreement has been discharged or otherwise extinguished.

The fair value of listed financial assets corresponds to their listed market price on the balance sheet date. The fair value of unlisted financial assets is determined by using valuation techniques, e.g., recently conducted transactions, the price of similar instruments and discounted cash flows. For further information, see Note 37.

Long-term receivables and other receivables
Long-term receivables and other current receivables are receivables that arise when the company provides money without the intent to trade its claim. If the anticipated maturity is longer than one year they constitute long-term receivables, and if it is shorter they are other receivables. These receivables fall into the category loans receivable and accounts receivable.

Accounts receivable
Accounts receivable are classified in the category loans receivable and accounts receivable. Accounts receivable are recognized at the amount expected to be received after deducting impaired receivables, which are evaluated individually or according to statistical models. Provisions for impaired receivables are recognized as sales and marketing expenses. The anticipated maturity of accounts receivable is short, so they are carried at nominal amount without discounting.

Legal outlays
The Group incurs outlays for court fees, legal representation, bailiffs, etc., which can be charged to and collected from debtors. In certain cases Intrum Justitia has agreements with its clients where any expenses that cannot be collected from debtors are instead refunded by the client. The amount that is expected to be recovered from a solvent counterparty is recognized as an asset in the balance sheet on the line, Other receivables.

Client funds

Client funds, which are reported as receivables and liabilities in the balance sheet, represent cash received on collection of a specific debt on behalf of a client and payable to the client within a specified period. Client funds are liquid funds with a restricted disposition right. The same amount is reported as a liability.

Liquid assets

Liquid assets consist of cash and cash equivalents as well as immediately available balances with banks and similar institutions. Short-term investments consist of investments with an insignificant risk of fluctuating in value, which can easily be converted to cash and have a maturity of not more than three months from acquisition.

Liabilities

Liabilities are classified as other financial liabilities, which means that they are initially recognized at the amount received after deducting transaction expenses. Subsequent to acquisition, loans are carried at amortized cost according to the effective rate method. Long-term liabilities have an anticipated maturity of more than one year, while short-term liabilities have a maturity of less than one year. The Group's long-term loans generally have short fixed interest periods, which means that the nominal loan amount plus accrued interest is a good approximation of the liability calculated according to the effective rate model.

Accounts payable

Accounts payable are classified in the category other financial liabilities. Accounts payable have a short anticipated maturity and are carried without discounting at nominal amount.

Derivatives and hedge accounting

In 2008 the Group did not meet the conditions to apply hedge accounting according to IAS 39.

Derivatives consist of forward exchange contracts used to reduce exchange rate risks attributable to assets and liabilities in foreign currency. Derivatives are also contractual terms embedded in other agreements. Embedded derivatives are recognized separately if they are not closely related to the host agreement.

Hedge accounting is not needed for forward exchange contracts because the hedged item and the hedging instrument are carried at fair value with changes in value recognized through profit or loss as exchange rate differences. Changes in the value of operations-related receivables and liabilities are recognized in operating earnings, while changes in the value of financial receivables and liabilities are recognized in net financial items.

Intangible fixed assets

Capitalized expenses for IT development

The Group applies IAS 38 Intangible Assets.

Expenditures for IT development and maintenance are generally expensed as incurred. Expenditures for software development that can be attributed to identifiable assets under the Group's control and with anticipated future economic benefits are capitalized and recognized as intangible assets. These capitalized costs include staff costs for the development team and other direct and indirect costs.

Additional expenditures for previously developed software, etc. are recognized as an asset in the balance sheet if they increase the future economic benefits of the specific asset to which they are attributable, e.g., by improving or extending a computer program's functionality beyond its original use and estimated period of use.

IT development costs that are recognized as intangible assets are amortized using the straight-line method over their useful lives, though not more than five years. The asset is recognized at cost less accumulated amortization and impairment losses.

Costs associated with the maintenance of existing computer software are expensed as incurred.

Other intangible fixed assets

Other intangible fixed assets include the fair value revaluation of client relations and similar assets recognized upon acquisition in accordance with IFRS 3. They are amortized on a straight-line basis over their estimated period of use.

Goodwill

Goodwill represents the difference between the cost of an acquisition and the fair value of the acquired assets, assumed liabilities and contingent liabilities.

If the Group's cost of the acquired shares in a subsidiary exceeds the market value of the subsidiary's net assets according to the acquisition analysis, the difference is recognized as Group goodwill. The goodwill that can arise through business combinations implemented through other than a purchase of shares is recognized in the same way.

For business combinations where the cost is less than the net value of acquired assets and assumed and contingent liabilities, the difference is recognized directly through profit or loss.

Goodwill is recognized at cost less accumulated impairment losses. The fair value of goodwill is determined annually for each cash-generating unit in relation to the unit's performance and anticipated future cash flow. If deemed necessary, goodwill is written down on the basis of this evaluation.

Goodwill that arises from the acquisition of a company outside Sweden is classified as an asset in the local currency and translated in the accounts at the balance sheet date rate.

For acquisitions that took place prior to January 1, 2004, goodwill is reported after impairment testing at cost, which corresponds to recognized value according to previous accounting principles. The classification and accounting treatment of acquisitions that took place prior to January 1, 2004 were not reassessed according to IFRS 3 in the preparation of the Group's opening balance according to IFRS as of January 1, 2004.

Tangible fixed assets

The Group applies IAS 16 Property, Plant and Equipment.

Tangible fixed assets are recognized at cost less accumulated depreciation and impairment losses. Cost includes the purchase price and costs directly attributable to putting the asset into place and condition to be utilized in the way intended. Examples of directly attributable costs are delivery and handling, installation, consulting services and legal services. Borrowing costs are not included in the cost of internally produced fixed assets. Depreciation is booked on a straight-line basis over an asset's anticipated useful life as follows:

Leasehold improvements of others' properties	Over lease term (1–5 years)
Furniture, vehicles and equipment	3–5 years
Computers	3–5 years

The carrying value of a tangible fixed asset is excluded from the balance sheet when the asset is sold or disposed of or when no economic benefits are expected from its use or disposal of the asset. The gain or loss that arises on the sale or disposal of an asset is comprised of the difference between the sales price and the asset's carrying value less direct costs to sell. Gains and losses are recognized as other operating earnings.

An annual determination is made of each asset's residual value and a period of use.

Tangible fixed assets are recognized as an asset in the balance sheet if it is likely that the future economic benefits will accrue to the company and the cost of the asset can be reliably estimated.

Leasing

The Group applies IAS 17 Leases. Leasing is classified in the consolidated accounts as either finance or operating leasing.

When a lease means that the Group, as lessee, essentially enjoys the economic benefits and bears the economic risks attributable to the leased asset, it is classified as a finance lease. The leased asset is recognized in the balance sheet as a fixed asset, while the estimated present value of future lease payments is recognized as a liability. The portion of the lease fee that falls due for payment within one year is recognized as a current liability, while the remainder is recognized as a long-term liability. Minimum lease fees for finance leases are divided between interest expense and amortization of the outstanding liability. Interest expense is divided over the lease term so that each reporting period is charged with an amount corresponding to a fixed interest rate for the liability recognized in each period. Variable fees are expensed in the period in which they arise.

In operating leasing, lease payments are expensed over the lease term. Payments are recognized through profit or loss on a straight-line basis over the lease term. Benefits received in connection with the signing of an operating lease are recognized as part of the total lease expense through profit or loss.

Taxes
The Group applies IAS 12 Income Taxes.

Income taxes consist of current tax and deferred tax. Income taxes are recognized through profit or loss unless the underlying transaction is recognized directly in equity, in which case the related tax effect is also recognized in equity. Current tax is the tax paid or received for the current year, applying the tax rates that apply as of the balance sheet date, including adjustments for current tax attributable to previous periods.

Deferred tax is calculated according to the balance sheet method based on temporary differences between the carrying value of assets and liabilities and their value for tax purposes. The following temporary differences are not taken into account: temporary differences that arise in the initial reporting of goodwill, the initial reporting of assets and liabilities in a transaction other than a business combination and which, at the time of the transaction, do not affect either the recognized or taxable result, or temporary differences attributable to participations in subsidiaries and associated companies that are not expected to be reversed within the foreseeable future. The valuation of deferred tax is based on how the carrying values of assets or liabilities are expected to be realized or settled. Deferred tax is calculated by applying the tax rates and tax rules that have been set or essentially are set as of the balance sheet date.

Deferred tax assets from deductible temporary differences and tax loss carryforwards are only recognized if it is likely they will be utilized within the foreseeable future. The value of deferred tax assets is reduced when it is no longer considered likely they can be utilized.

Equity
Share repurchases and transaction expenses are recognized directly against equity. Dividends are recognized as a liability after they are approved by the Annual General Meeting.

Provisions
The Group applies IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

A provision is recognized in the balance sheet when the Group has a legal or informal obligation owing to an event that has occurred and it is likely that an outflow of economic resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where it is important when in time payment will be made, provisions are estimated by discounting the forecast future cash flow at a pretax interest rate that reflects current market estimates of the time value of money and, where appropriate, the risks associated with the liability.

A provision for restructuring is recognized when a detailed, formal restructuring plan has been established and the restructuring has either begun or been publicly announced. No provision is made for future operating losses.

A provision for termination costs is recognized only if the persons in question have known or presumed to have expected to be terminated by the balance sheet date.

A provision for a loss contract is recognized when anticipated benefits that the Group expects to receive from a contract are less than the unavoidable costs to fulfill the obligations as set out in the contract.

A provision for dilapidation agreements on leased premises is recognized if there is a contractual obligation to the landlord, within the foreseeable future, to restore the premises to a certain condition when the lease expires.

Unidentified receipts and excess payments
The Group receives large volumes of payments from debtors for itself and its clients. There are instances where the sender's reference information is missing or incorrect, which makes it difficult to allocate the payment to the right case. There are also situations where payments are received on closed cases. In such instances a reasonable search and attempt is made to contact the payment sender, but failing this the payment is recognized as revenue after a certain interval. A provision is recognized in the balance sheet corresponding to the anticipated repayments of incorrectly received payments based on a probability analysis.

Contingent liabilities
A contingent liability is recognized when there is a possible obligation that arises from past events and whose existence will be confirmed only by one or more uncertain future events or when there is an obligation that is not recognized as a liability or provision because it is not probable that an outflow of resources will be required.

Impairment
The Group applies IAS 36 Impairment of Assets.

The carrying value of the Group's assets, with certain exceptions, is tested on each balance sheet date for any indication of impairment. IAS 36 is applied to impairment testing of all assets with the exception of financial assets, which are valued according to IAS 39, investment assets for pension liabilities, which are valued according to IAS 19 Employee Benefits, and tax assets, which are valued according to IAS 12.

If there is any indication of impairment, the asset's recoverable value is estimated. For goodwill and other intangible assets with an indeterminate period of use and intangible assets not yet ready for use, recoverable values are calculated annually. If essentially independent cash flows cannot be isolated for individual assets, the assets are grouped at the lowest level where essentially independent cash flows can be identified, a cash-generating unit. Intrum Justitia's operations in each country are considered the Group's cash-generating units in this regard.

An impairment loss is recognized when the carrying value of an asset or cash-generating unit exceeds its recoverable value. Impairment losses are recognized through profit or loss. Impairment losses attributable to a cash-generating unit are mainly allocated to goodwill, after which they are divided proportionately among other assets in the unit.

The recoverable amount of cash-generating units is the higher of their fair value less costs to sell and value in use. Value in use is measured by discounting future cash flows using a discounting factor that takes into account the risk-free rate of interest and the risk associated with the specific asset.

Impairment of goodwill is not reversed. Impairment of other assets is reversed if a change has been made in the assumptions that served as the basis for determining the recoverable amount. Impairment is reversed only to the extent the carrying value of the assets following the reversal does not exceed the carrying value that the asset would have had if the impairment had not been recognized.

Employee benefits
The Group applies IAS 19 Employee Benefits, IFRS 2 Share-based Payment and statement UFR 7 IFRS 2 and social security contributions for listed enterprises from the Swedish Financial Reporting Board.

Pension obligations
The Group's pension obligations are, for the most part, secured through official pension arrangements or insurance solutions. Pension obligations vary between countries on the basis of legislation and different pension systems. See also Note 23 for a further description.

Defined contribution pension plans are plans where the company's obligation is limited to the fees it has committed to pay. The size of the employee's pension depends in part on the fees the company pays to an insurance company and in part on the return generated and actuarial factors. Consequently, it is the employee who assumes the investment risk and actuarial risk. The company's obligations for defined contribution pension plans are expensed through profit and loss as they are vested by employees who render services on behalf of the company.

For defined benefit pension plans, the pension obligation does not cease until the agreed pensions have been paid. The Group's net obligation for defined benefit pension plans is calculated separately for each plan by estimating future compensation that the employees earn in current and future periods; this compensation is discounted present value. The calculation is performed by an actuary using the so-called Projected Unit Credit Method. The fair value of Intrum Justitia's share of any investment assets as of the balance sheet date is calculated as well.

Actuarial gains and losses may arise in the determination of the present value of the obligation and the fair value of investment assets. They arise either because the actual outcome deviates from previous assumptions or the assumptions change. Intrum Justitia applies a corridor rule, which means that the portion of the accumulated actuarial gains and losses exceeding ten percent of the higher of the commitments' present value and the fair value of assets under management is recognized over the anticipated average remaining period of employment of the employees covered by the plan. Actuarial gains and losses are otherwise not taken into account.

The carrying value of pensions and similar obligations recognized in the balance sheet corresponds to the present value of the obligations on the balance sheet date less the fair value of investment assets, unrecognized actuarial gains and losses and unrecognized costs for service during previous periods.

All the components included in the costs for the period for a defined benefit plan are recognized in operating profit.

Pension obligations in Sweden that are met through pension insurance premiums to Alecta in the so-called ITP plan are reported as defined contribution pension solutions.

Share-based payment

The Group has issued employee stock options to senior executives, which may require the issuance of shares in Intrum Justitia AB.

An option program gives employees the opportunity to acquire shares in the company. The fair value of the allotted options is recognized as a staff cost with a corresponding increase in equity. Fair value is initially calculated at the time of allotment and distributed over the vesting period. The fair value of the allotted options is calculated according to the Black-Scholes model and takes into account the terms and conditions of the allotted instruments. The recognized cost corresponds to the fair value of an estimate of the number of options earned. This cost is adjusted in subsequent periods to reflect the actual number of options earned.

Social security expenses attributable to share-based payment issued to employees as compensation for services rendered are expensed in the periods the services are rendered. The provision for social security expenses is based on the fair value of the options on the reporting date. Fair value is calculated with the same valuation model used when the options were issued.

Borrowing costs

The Group applies IAS 23 Borrowing Costs.

Costs to secure bank financing are amortized as financial expenses in the consolidated income statement over the term of the loan. The amount is recognized in the balance sheet as a deduction to the loan liability.

The Group and Parent Company do not capitalize interest in the cost of assets.

Revenue recognition

The Group applies IAS 18 Revenue.

Revenue, consisting of commissions and collection fees, is recognized on collection of the debt. Subscription revenue is recognized proportionately over the term of the underlying service contracts, which is usually one year.

Financial income and expenses

Financial income and expenses consist of interest income on bank balances and receivables and interest-bearing securities, bank fees, interest expenses on loans, dividend income, exchange rate differences, realized and unrealized gains on financial investments, and derivatives used in financial operations.

Purchased debt

Purchased debt represents portfolios of over-due consumer debts purchased at prices significantly below the nominal receivable. They are reported according to the rules for loans and receivables in IAS 39, i.e., at amortized cost according to effective interest model.

In the income statement, revenues derived from purchased debt are reported as the collected amount less amortization. The collection is performed by the same personnel who handle collections and debt surveillance on behalf of external clients within the Credit Management service line. The cost of collection is debited internally at market price and expensed in the income statement for the Purchased Debt service line as a cost of services sold.

Reporting follows the effective interest method, where the carrying value of each portfolio corresponds to the present value of all forecast future cash flows discounted by an effective interest rate determined on the date the portfolio was acquired, based on the relation between cost and the forecast future cash flows on the acquisition date. Changes in the carrying value of the portfolios are comprised of amortization for the period and are recognized through profit or loss on the revenue line.

In connection with the purchase of each portfolio of written-off receivables, a forecast is made of the portfolio's forecast cash flows. Cash flows include the loan amount, reminder fees, collection fees and late interest that, based on a probability assessment, are expected to be received from debtors, less forecast collection costs. With this forecast and the purchase price including transaction costs as a basis, each portfolio is assigned an initial effective interest rate that is then used to discount cash flows through the life of the portfolio. Current cash flow forecasts are monitored over the course of the year and updated based on, among other things, achieved collection results, agreements reached with debtors on installment plans and macroeconomic information. Cash flow forecasts are made at the portfolio level, since each portfolio of receivables consists of a small number of homogeneous amounts. On the basis of the updated cash flow forecasts and initial effective interest rate, a new carrying value for the portfolio is calculated in the closing accounts. The Group applies internal application rules which mean that the initial effective interest rate can be adjusted in certain cases without a change in the carrying value of the portfolio for minor forecasts adjustments within a predetermined interval. Changes over time in the book value can be divided into a time and interest rate component and a component related to changes in estimates of future cash flows. Changes in cash flow forecasts are treated symmetrically, i.e., both increases and decreases in forecast flows affect the portfolios' carrying value and, as a result, earnings. However, the portfolios are never recognized at higher than cost.

Cash flow statement

The Group applies IAS 7 Cash Flow Statements.

The cash flow statement includes changes in the balance of liquid assets. The Group's liquid assets consist of cash and bank balances. Cash flow is divided into cash flows from operating activities, investment activities and financing activities.

Cash flow from investing activities includes only actual disbursements for investments during the year.

Foreign subsidiaries' transactions are translated in the cash flow statement at the average exchange rate for the period. Acquired and divested subsidiaries are reported as cash flow from investing activities, net, after deducting liquid assets in the acquired or divested company.

Earnings per share

The Group applies IAS 33 Earnings per Share.

Earnings per share consist of net earnings for the year (attributable to the Parent Company's shareholders) divided by a weighted average number of shares during the year. Shares issued or redeemed during the year are included in the calculation from the date the proceeds from the transaction are paid to or by Intrum Justitia.

Since 2004 the Group has an employee stock option program for which the Parent Company has issued options to senior executives in the Group to subscribe for shares at a predetermined price during the period July 1, 2007–May 30, 2009. During the year the employee stock option program gave rise to a dilution effect on earnings per share corresponding to unexercised options calculated according to IAS 33. The dilution effect consists of the difference between the number of shares comprised by the option program and the number of shares at market value corresponding to the present value of future subscription proceeds. A Performance-Based Share Program was introduced in 2008, but has not yet caused any dilution effect since the conditions regarding growth in earnings per share, for example, have not yet been met.

Segments

The Group applies IAS 14 Segment Reporting.

A segment is a part of the Group identifiable for reporting purposes that either supplies products or services (business areas) or goods or services in a specific economic area (geographical region) exposed to risks and opportunities that differ from other segments. Segment information is provided for the Group only.

Intrum Justitia considers geographical regions as its primary segments and service lines as secondary segments. The geographical regions are Sweden, Norway & Denmark; Netherlands, Belgium & Germany; Switzerland, Austria & Italy; France, Spain & Portugal; Finland, Estonia, Latvia & Lithuania; United Kingdom & Ireland; and Poland, Czech Republic, Slovakia & Hungary. The service lines are Credit Management and Purchased Debt. In addition, there are central expenses that are not distributed by geographical region or service line. As mentioned above under Changes in accounting principles, minor changes affecting which countries are included in each geographical region will be implemented as of 2009.

The distribution by geographical region and service line conforms to the segment distribution used for internal follow-ups in the Group. Key ratios such as number of employees, number of cases and revenues are sometimes used when distributing expenses in a Group company between service lines.

Parent Company's accounting principles

The Parent Company has prepared the annual report according to the Annual Accounts Act (1995:1554) and recommendation RFR 2.1 Accounting for Legal Entities from the Swedish Financial Reporting Board. RFR 2.1 means that the Parent Company, in the annual report for the legal entity, must apply all EU-approved IFRS and statements as far as possible within the framework of the Annual Accounts Act and taking into account the connection between reporting and taxation. The recommendation specifies exemptions and additions relative to IFRS.

Differences between the Group's and Parent Company's accounting principles
Differences between the Group's and Parent Company's accounting principles are indicated below. The accounting principles for the Parent Company as stated below have been applied consistently to all periods presented in the Parent Company's financial reports.

Subsidiaries, associated companies and joint ventures
Shares in subsidiaries, associated companies and joint ventures are recognized by the Parent Company at cost. Revenue includes only dividends received and repayments of shareholders' contributions, provided they stem from profits earned after acquisition. Dividends exceeding those earnings are considered a repayment of the investment and reduce the carrying value of the shares.

Group contributions and shareholders' contributions for legal entities
The company reports Group contributions and shareholders' contributions in accordance with statement UFR 2 of the Swedish Financial Reporting Board.

Shareholders' contributions are recognized directly in the shareholders' equity of the recipient and capitalized in the shares and participating interests of the contributor, to the extent impairment is not required. Group contributions equated with dividends are recognized as a dividend. This means that Group contributions received and the effect on current tax are recognized through profit or loss. Group contributions paid and the effect on current tax are recognized directly in retained earnings. In accordance with IFRIC 11, the Parent Company recognizes the cost of the employee stock options and performance shares issued on behalf of employees in subsidiaries as expensed shareholder contributions to each subsidiary.

Other
The Parent Company has no leases classified as finance leases in its own accounts or the consolidated accounts.

Financial instruments are carried at fair value in the Parent Company only if permitted by the Annual Accounts Act. In a separate statement in February 2007, the Swedish Financial Accounting Standards Council opened the opportunity for legal entities to report currency derivatives at cost instead of fair value. Intrum Justitia has not utilized this option.

NOTE 2. INFORMATION BY GEOGRAPHICAL REGION AND SERVICE LINE

	GROUP	
SEK M	**2008**	**2007**
Revenues from external clients by geographical region		
Sweden, Norway & Denmark	712.3	689.1
Netherlands, Belgium & Germany	819.0	625.1
Switzerland, Austria & Italy	574.7	451.3
France, Spain & Portugal	572.5	509.5
Finland, Estonia, Latvia & Lithuania	549.1	448.5
United Kingdom & Ireland	223.9	273.7
Poland, Czech Republic, Slovakia & Hungary	226.2	228.0
Total	**3,677.7**	**3,225.2**
Intra-Group revenues by geographical region		
Sweden, Norway & Denmark	29.4	12.3
Netherlands, Belgium & Germany	73.3	40.3
Switzerland, Austria & Italy	73.7	23.9
France, Spain & Portugal	64.3	48.0
Finland, Estonia, Latvia & Lithuania	63.6	39.9
United Kingdom & Ireland	18.2	21.1
Poland, Czech Republic, Slovakia & Hungary	21.0	25.2
Elimination	–343.5	–210.7
Total	**0.0**	**0.0**

	GROUP	
SEK M	**2008**	**2007**
Operating earnings by geographical region		
Sweden, Norway & Denmark	190.9	199.4
Netherlands, Belgium & Germany	173.3	135.6
Switzerland, Austria & Italy	192.3	121.4
France, Spain & Portugal	108.2	114.1
Finland, Estonia, Latvia & Lithuania	231.6	185.4
United Kingdom & Ireland	–117.0	–34.0
Poland, Czech Republic, Slovakia & Hungary	21.7	56.4
Participations in associated companies	0.8	0.8
Central expenses	–104.5	–111.3
Total	**697.3**	**667.8**
Operating margin, percent		
Sweden, Norway & Denmark	26.8	28.9
Netherlands, Belgium & Germany	21.2	21.7
Switzerland, Austria & Italy	33.5	26.9
France, Spain & Portugal	18.9	22.4
Finland, Estonia, Latvia & Lithuania	42.2	41.3
United Kingdom & Ireland	–52.3	–12.4
Poland, Czech Republic, Slovakia & Hungary	9.6	24.7
Group total	**19.0**	**20.7**
Assets		
Sweden, Norway & Denmark	1,097.3	950.2
Netherlands, Belgium & Germany	1,605.2	1,008.1
Switzerland, Austria & Italy	1,094.1	1,005.5
France, Spain & Portugal	1,166.5	861.7
Finland, Estonia, Latvia & Lithuania	893.5	653.4
United Kingdom & Ireland	478.2	584.3
Poland, Czech Republic, Slovakia & Hungary	445.2	328.5
Other/Eliminations	–39.0	1.7
Total	**6,741.0**	**5,393.4**
Liabilities		
Sweden, Norway & Denmark	740.4	778.5
Netherlands, Belgium & Germany	866.0	472.3
Switzerland, Austria & Italy	528.8	543.1
France, Spain & Portugal	559.4	474.4
Finland, Estonia, Latvia & Lithuania	227.2	165.6
United Kingdom & Ireland	406.5	404.4
Poland, Czech Republic, Slovakia & Hungary	230.5	119.9
Other/Eliminations	786.9	592.7
Total	**4,345.7**	**3,550.9**
Investments in tangible and intangible fixed assets		
Sweden, Norway & Denmark	42.1	16.4
Netherlands, Belgium & Germany	91.7	38.6
Switzerland, Austria & Italy	19.5	29.7
France, Spain & Portugal	65.3	8.8
Finland, Estonia, Latvia & Lithuania	31.6	25.1
United Kingdom & Ireland	5.7	5.7
Poland, Czech Republic, Slovakia & Hungary	7.9	8.3
Other/Eliminations	38.4	11.2
Total	**302.2**	**143.8**

NOTE 2, CONT.

SEK M	GROUP 2008	2007
Depreciation/amortization		
Sweden, Norway & Denmark	–19.6	–7.3
Netherlands, Belgium & Germany	–23.1	–14.0
Switzerland, Austria & Italy	–21.5	–16.6
France, Spain & Portugal	–7.6	–5.6
Finland, Estonia, Latvia & Lithuania	–16.3	–9.5
United Kingdom & Ireland	–11.8	–12.9
Poland, Czech Republic, Slovakia & Hungary	–8.3	–7.9
Other/Eliminations	–13.3	–17.0
Total	**–121.5**	**–90.8**
Adjustments for items not included in cash flow		
Sweden, Norway & Denmark	1.0	0.0
Netherlands, Belgium & Germany	–4.6	0.5
Switzerland, Austria & Italy	–6.5	–0.6
France, Spain & Portugal	0.6	0.0
Finland, Estonia, Latvia & Lithuania	0.0	0.0
United Kingdom & Ireland	0.0	–1.4
Poland, Czech Republic, Slovakia & Hungary	0.0	0.4
Other/Eliminations	–15.8	0.6
Total	**–25.3**	**–0.5**
Participations in associated companies		
Other/Eliminations	0.8	0.8
Total	**0.8**	**0.8**
Revenues by service line		
Credit Management	3,217.9	2,852.1
Purchased Debt	783.6	573.7
Elimination of inter-service line revenue	–323.8	–200.6
Total	**3,677.7**	**3,225.2**
Operating earnings by service line		
Credit Management	509.9	494.8
Purchased Debt	349.3	271.8
Goodwill impairment	–60.7	–
Participations in associated companies	0.8	0.8
Central expenses	–102.0	–99.6
Total	**697.3**	**667.8**
Operating margin, percent		
Credit Management	15.8	17.3
Purchased Debt	44.6	47.4
Group total	**19.0**	**20.7**
Group total excluding goodwill impairment	**20.6**	**20.7**

The distribution of revenues and earnings by geographical region is based on where clients are located. Central expenses that cannot be distributed by geographical area are reported under central expenses, which also include expenses for head office operations. Intra-Group sales between regions are made on commercial terms. Because of how the Group and its subsidiaries are organized, assets and liabilities cannot be accurately distributed by service line.

As of 2009 a slight change will be made in the regional distribution used in the financial reports. The new regions will be Sweden, Norway & Denmark; Netherlands & Belgium; Switzerland, Germany & Austria; France, Spain, Portugal & Italy; Finland, Estonia, Latvia & Lithuania, United Kingdom & Ireland, and Poland, Czech Republic, Slovakia & Hungary.

NOTE 3. REVENUE DISTRIBUTION

SEK M	GROUP 2008	2007	PARENT COMPANY 2008	2007
Collection fees, commissions and debtors fees	2,838.1	2,447.8	–	–
Subscription revenues	93.7	93.0	–	–
Revenues from purchased debt	783.6	573.7	–	–
Revenues from Group companies	–	–	60.0	35.2
Other	286.1	311.3	0.9	0.1
Elimination	–323.8	–200.6	–	–
Total	**3,677.7**	**3,225.2**	**60.9**	**35.3**

Revenues from purchased debt consist of collected amounts less amortization, i.e., the decrease for the period in the carrying value of the portfolios.

NOTE 4. DEPRECIATION AND AMORTIZATION

SEK M	GROUP 2008	2007	PARENT COMPANY 2008	2007
Capitalized expenditure for IT development	–63.4	–47.4	–0.7	–1.7
Client relationships recognized upon business acquisitions	–10.3	–5.9	–	–
Other intangibles	–3.8	–0.7	–	–
Computer hardware	–26.8	–21.1	–0.1	–0.1
Other equipment	–17.2	–15.7	–0.1	–0.1
Total	**–121.5**	**–90.8**	**–0.9**	**–1.9**

Depreciation/amortization has been charged to each function as an operating expense as follows:

SEK M	GROUP 2008	2007	PARENT COMPANY 2008	2007
Cost of sales	–101.5	–71.6	–	–
Sales and marketing expenses	–7.4	–7.5	–	–
General and administrative expenses	–12.6	–11.7	–0.9	–1.9
Total	**–121.5**	**–90.8**	**–0.9**	**–1.9**

NOTE 5. PARTICIPATIONS IN ASSOCIATED COMPANIES

SEK M	GROUP 2008	2007
Intrum á Íslandi ehf., Reykjavik (Iceland)	0.8	0.8
Total	**0.8**	**0.8**

NOTE 6. FINANCIAL INCOME

SEK M	GROUP 2008	2007	PARENT COMPANY 2008	2007
Interest income from Group companies	–	–	140.4	110.4
Other interest income	24.6	19.6	3.8	1.6
Dividends from Group companies	–	–	4,728.7	135.6
Distribution received on other shares	6.2	–	–	–
Total	**30.8**	**19.6**	**4,872.9**	**247.6**

NOTE 7. FINANCIAL EXPENSES

	GROUP		PARENT COMPANY	
SEK M	2008	2007	2008	2007
Interest expenses to Group companies	–	–	–303.7	–193.7
Interest expenses	–144.2	–86.5	–129.9	–82.7
Translation differences	–9.7	–3.5	–1.3	–4.1
Amortization of capitalized debt costs	–1.7	–0.9	–1.7	–0.9
Expensed shareholders contribution to subsidiary	–	–	–1.7	0.0
Other financial expenses	–2.8	–0.8	–1.9	–0.8
Total	**–158.4**	**–91.7**	**–440.2**	**–282.2**

Translation differences from accounts receivable and accounts payable are reported in operating earnings. The amounts were negligible.

NOTE 8. TAX

Pretax earnings and the tax charge for the year for Swedish and foreign operations were as follows:

	GROUP	
SEK M	2008	2007
Earnings before tax		
Sweden	–192.5	–107.2
Foreign	762.2	702.9
Total	**569.7**	**595.7**
Current tax		
Sweden	0.3	–1.8
Foreign	–128.2	–158.8
Deferred tax		
Sweden	–2.8	38.4
Foreign	2.7	–11.5
Total	**–128.0**	**–133.7**

The tax expense in Sweden was reduced by SEK 5.0 M in 2007 and SEK 5.2 M in 2008 through Group contributions of SEK 18.0 M and SEK 19.6 M to the Group company in Italy, where they offset losses from previous years. In Intrum Justitia's opinion, the Group contributions are tax deductible in Sweden as a consequence of the European Court of Justice's so-called Marks & Spencer ruling in 2005. The company's interpretation of the EU's rules was upheld in an advance ruling by the Swedish National Tax Board received in March 2007. The Swedish tax authorities have appealed the ruling.

Intrum Justitia AB is domiciled in Sweden, where the nominal corporate tax rate was 28 percent in 2007 and 2008. As of January 1, 2009 the corporate tax rate in Sweden has been reduced to 26.3 percent. The Group has operations in 22 countries in Europe with varying tax rates. The following reconciliation explains the deviation between the Group's current tax cost and the anticipated tax cost based on a corporate tax rate of 28 percent.

	GROUP			
	2008		2007	
Reconciliation	SEK M	%	SEK M	%
Earnings after financial items	569.7		595.7	
Income tax calculated at standard rate in Sweden, 28 %	**–159.5**	**28.0**	**–166.8**	**28.0**
Effect of different tax rates in other countries	7.1	–1.3	25.1	–4.2
Tax effect of tax-exempt income and non-deductible expenses	–27.2	4.8	–5.5	0.9
Unreported tax assets pertaining to loss carryforwards	–91.0	16.0	–16.7	2.8
Utilized, previously unreported tax assets pertaining to loss carryforwards	7.5	–1.3	4.9	–0.8
Effect on deferred tax assets of change in tax rate	–5.8	1.0	–	–
Adjustments to previous years and other	140.9	–24.7	25.3	–4.3
Total tax on net earnings for the year	**–128.0**	**22.5**	**–133.7**	**22.4**

The tax effect for the year of tax-exempt income and non-deductible expenses includes an additional tax expense of SEK 10.4 M attributable to a tax dispute lost in Norway regarding the deductibility of internally priced licensing fees for computer systems in the years 1998–2002. Unreported tax assets pertaining to loss carryforwards refer to the tax effect during the year arising from the utilization of loss carryforwards that previously had not been recognized as deferred tax assets (primarily applies to Austria and Italy) and the negative tax effect during the year due to losses in countries where deferred tax assets are not recognized wholly or in part (primarily applies to Sweden, the UK and Ireland). The item also includes the effect of Group contributions paid to Italy, as described above. Adjustments to previous years and other include the tax reduction for the Group arising from "notional interest deductions" in Belgium. The tax expense is reduced through adjustments to previous years attributable to Germany, following a tax audit, and Switzerland, following a ruling in Intrum Justitia's favor by the Supreme Administrative Court concerning CFC taxation. Corresponding reconciliation for Parent Company:

	PARENT COMPANY			
	2008		2007	
Reconciliation	SEK M	%	SEK M	%
Earnings after financial items	4 384.3		–133.3	
Income tax calculated at standard rate in Sweden, 28 %	**–1,227.6**	**28.0**	**37.3**	**28.0**
Tax effect of tax-exempt income and non-deductible expenses	1,542.5	–35.2	36.2	27.2
Effect on deferred tax assets of change in tax rate	–5.5	0.0	–	–
Unreported tax assets pertaining to loss carryforwards	–274.3	6.4	–	–
Total tax on net earnings for the year	**35.1**	**–0.8**	**73.5**	**55.2**

Tax-exempt income in the Parent Company consists of share dividends and similar transfers from subsidiaries. As a result of both income items and unrealized translation differences recognized directly against equity, the Parent Company has accumulated loss carryforwards of SEK 1,157.7 M (201.3) at year-end 2008. Based on an assessment of how large a share of this amount can realistically be utilized against taxable gains in Sweden in the foreseeable future, deferred tax assets are recognized only for a limited portion of the amount. The effect on the Parent Company's tax rate is indicated in the reconciliation above as Unreported tax assets pertaining to loss carryforwards.

When differences arise between the tax value and carrying value of assets and liabilities, a deferred tax asset or tax liability is recognized. Such temporary differences arise mainly for provisions for pensions and fixed assets. Deferred tax assets include the value of loss carryforwards in the instances where they are likely to be utilized to offset taxable surpluses within the foreseeable future.

	GROUP			
	2008		2007	
	Asset/ Liability	Income/ Expense	Asset/ Liability	Income/ Expense
Deferred tax assets				
Legal outlays	11.5	0.0	11.5	–1.8
Purchased debt	1.7	–4.1	1.7	1.7
Intangible assets	0.5	0.0	0.3	0.8
Loss carryforwards	102.5	11.6	53.0	39.7
Provisions for pensions	5.8	–2.0	7.4	–1.0
Other	10.8	2.2	12.4	0.4
Total	**132.8**	**7.7**	**86.3**	**39.8**
Deferred tax liabilities				
Purchased debt	–6.4	9.2	–17.7	–9.4
Intangible assets	–55.9	–17.5	–19.3	–4.9
Other	1.8	0.5	–7.5	1.4
Total	**–60.5**	**–7.8**	**–44.5**	**–12.9**
Net	**72.3**	**–0.1**	**41.8**	**26.9**

NOTE 8, CONT.

Deferred tax assets of SEK 68.5 M (46.4) in the Parent Company refer to loss carryforwards.

The deferred tax assets and liabilities are considered to fall due for payment after more than one year.

The Group has loss carryforwards that can be utilized to offset future earnings totaling SEK 1,638.7 M (637.3). Of this amount, SEK 360.8 M (189.2) serves as the basis for deferred tax assets of SEK 102.5 M (53.0), which are recognized in the balance sheet since the loss carryforwards are expected to be utilized to offset earnings in the years ahead. Of the increase in loss carryforwards during the year, SEK 802.1 M refers to tax loss carryforwards that have arisen on unrealized exchange rate losses in the Parent Company on intra-Group loans and receivables, which are recognized directly against shareholders' equity. Deferred tax assets are recognized only for a limited portion of the amount. Deferred tax assets are also recognized for companies in Norway and Poland, though in limited amounts, despite that these companies had negative taxable results for 2008. The reporting is based on an evaluation of the prospects of generating positive taxable earnings again in the years ahead. The Group also has the opportunity, e.g., by changing the capital structure and financing of its subsidiaries, to impact the distribution of earnings between countries, and thereby more quickly utilize existing loss carryforwards.

Loss carryforwards for which no deferred tax assets are recognized include the UK, SEK 193.0 M (267.6), and Italy, SEK 42.5 M (65.5), among other countries. With regard to Italy, the loss carryforwards presumably will be utilized to offset taxable earnings in Sweden, provided that the company's interpretation of the Marks & Spencer ruling prevails. Loss carryforwards in Italy expire at year-end 2009 (SEK 25.0 M) and 2010 (SEK 17.5 M).

With regard to ongoing tax disputes, refer to Note 27.

Tax items reported directly against shareholders' equity

	GROUP		PARENT COMPANY	
SEK M	**2008**	**2007**	**2008**	**2007**
Tax attributable to unrealized exchange rate differences on long-term intra-Group transactions	47.3	–	47.3	–
Current tax attributable to Group contributions received	–	–	–57.4	–35.2
Total	**47.3**	**0.0**	**–10.1**	**–35.2**

NOTE 9. DATA PER SHARE

	GROUP	
	2008	**2007**
Net earnings for the year attributable to Parent Company's shareholders (SEK M)	441.7	459.6
Number of shares outstanding at beginning of year	79,089,851	77,956,251
Acquisition of treasury shares	–250,000	–
Increase in share capital through exercise of employee stock options	502,320	1,133,600
Number of shares outstanding at year-end	**79,342,171**	**79,089,851**

	GROUP	
	2008	**2007**
Weighted average number of shares during the year before dilution	79,148,161	78,436,068
Dilution effect attributable to employee stock option program	297,922	423,212
Weighted average number of shares during the year after dilution	**79,446,083**	**78,859,280**
Earnings per share before dilution (SEK)	5.58	5.86
Earnings per share after dilution (SEK)	5.56	5.83

During the year the Group's Employee Stock Option Program 2003/2009 gave rise to new share issues when option holders exercised their options and also gave rise to a dilution effect from options which have not yet been exercised.

The dilution effect has been calculated according to the rules in IAS 33 Earnings per Share and consists of the difference between the number of shares added through the option program and the number of shares at market value that correspond to the future subscription proceeds.

The Group also has a Performance-Based Share Program introduced in 2008, where up to 144,473 shares can be subscribed by employees of the Group during the periods May 15, 2010–May 15, 2012 and May 15, 2011–May 15, 2013. The performance shares did not give rise to any dilution in 2008 since the performance conditions regarding growth in earnings per share, among other things, were not met. In 2008 the company repurchased 250,000 shares to hedge any future payment consequences of the year's Performance-Based Share Program

NOTE 10. INTANGIBLE FIXED ASSETS

	GROUP		PARENT COMPANY	
SEK M	**2008**	**2007**	**2008**	**2007**
Capitalized expenditure for IT development				
Acquisition cost, opening balance	640.8	567.7	4.2	4.2
Capitalized expenditures for the year	136.5	89.1	0.2	–
Disposals	–95.2	–30.8	–	–
Reclassification	–	–0.2	–	–
Acquired through business combination	4.0	–	–	–
Translation differences	93.7	15.0	–	–
Accumulated acquisition cost, closing balance	**779.8**	**640.8**	**4.4**	**4.2**
Accumulated amortization, opening balance	–366.6	–345.9	–3.3	–1.6
Disposals	92.8	30.7	–	–
Reclassification	–	0.2	–	–
Acquired through business combination	–3.8	–	–	–
Amortization for the year	–63.4	–47.4	–0.7	–1.7
Translation differences	–42.2	–4.2	–	–
Accumulated amortization, closing balance	**–383.2**	**–366.6**	**–4.0**	**–3.3**
Impairments, opening balance	–115.3	–110.0	–	–
Translation differences	–18.1	–5.3	–	–
Accumulated impairments, closing balance	**–133.4**	**–115.3**	**0.0**	**0.0**
Carrying value	**263.2**	**158.9**	**0.4**	**0.9**
Client relationships recognized upon business acquisitions				
Acquisition cost, opening balance	30.3	28.7	–	–
Capitalized expenditures for the year upon business acquisitions	89.7	–	–	–
Translation differences	18.8	1.6	–	–
Accumulated acquisition cost, closing balance	**138.8**	**30.3**	**0.0**	**0.0**
Accumulated amortization, opening balance	–17.2	–10.6	–	–
Amortization for the year	–10.3	–5.9	–	–
Translation differences	–5.6	–0.7	–	–
Accumulated amortization, closing balance	**–33.1**	**–17.2**	–	–
Carrying value	**105.7**	**13.1**	–	–

NOTE 10, CONT.

SEK M	2008	GROUP 2007	PARENT COMPANY 2008	2007
Other intangible fixed assets				
Acquisition cost, opening balance	4.5	2.6	–	–
Capitalized expenditures for the year	24.6	1.7	–	–
Translation differences	3.7	0.2	–	–
Accumulated acquisition cost, closing balance	**32.8**	**4.5**	**0.0**	**0.0**
Accumulated amortization, opening balance	–2.5	–1.7	–	–
Amortization for the year	–3.8	–0.7	–	–
Translation differences	0.2	–0.1	–	–
Accumulated amortization, closing balance	**–6.1**	**–2.5**	**0.0**	**0.0**
Carrying value	**26.7**	**2.0**	**0.0**	**0.0**
Goodwill				
Acquisition cost, opening balance	1,614.6	1,524.4	–	–
Acquisitions during the year	204.8	65.6	–	–
Translation differences	137.2	24.6	–	–
Accumulated acquisition cost, closing balance	**1,956.6**	**1,614.6**	**–**	**–**
Impairments for the year	–60.7	–	–	–
Accumulated impairments, closing balance	**–60.7**	**0.0**	**0.0**	**0.0**
Carrying value	**1,895.9**	**1,614.6**	**0.0**	**0.0**

Payments during the year for investments in intangible fixed assets amounted to SEK 146.0 M (90.8) for the Group.

Impairment tests for cash-generating units containing goodwill
Intrum Justitia treats each country where the Group has operations as a cash-generating unit in the sense referred to in IAS 38 Intangible Assets.

The consolidated balance sheet includes goodwill attributable to 15 of the 22 countries, with a total carrying value of SEK 1,895.9 M (1,614.6). The goodwill value is distributed among the largest countries as follows:

SEK M	2008	2007
Sweden	369.0	369.0
Belgium	263.8	60.6
UK	231.0	329.6
Switzerland	215.7	166.8
France	168.0	109.2
Finland	139.2	120.3
Netherlands	133.7	115.6
Norway	99,5	107.0
Other countries	276.0	236.5
Total	**1,895.9**	**1,614.6**

Impairment testing of goodwill for each cash-generating unit was done prior to preparation of the annual accounts. The recoverable amount is determined through an estimation of value in use. For each cash-generating unit, management has compiled a forecast of annual future cash flows based on historical experience and the company's own plans and estimates for the future. The cash flows have been discounted to present value applying the Group's weighted average cost of capital, which is estimated at 7.34 percent per year before tax. The fair value determined through the present value calculation, less assumed costs to sell of three percent, has been compared for each unit with the Group's net book value of the unit's assets and liabilities.

The test gave no indication of an impairment need for any unit other than the Scottish operations. An impairment loss of SEK 60.7 M was thus recognized as of year-end. Had any of the carrying values in any of the other cases exceeded the fair value less costs to sell, an impairment loss would have been recognized, primarily relative to goodwill in these cases.

Cash flow forecasts for the years 2009–2011 are based on the companies' business plans, which are internal documents.

A sensitivity analysis initially showed that no indication of impairment of goodwill would be attributable to Belgium, Finland, France, the Netherlands, Switzerland or Sweden even when assuming unchanged future revenues, margins and cash flows. Goodwill attributable to the UK and Norway requires that the losses are reversed to earnings and that the companies reach a sustainable operating margin of at least 17.3 and 4.1 percent, respectively.

NOTE 11. TANGIBLE FIXED ASSETS

SEK M	2008	GROUP 2007	PARENT COMPANY 2008	2007
Computer hardware				
Acquisition cost, opening balance	201.5	192.8	1.0	0.8
Investments for the year	24.8	33.2	–	0.2
Sales and disposals	–24.9	–29.7	–	–
Reclassification	0.2	–0.7	–	–
Acquired through business combination	0.9	–	–	–
Translation differences	25.7	5.9	–	–
Accumulated acquisition cost, closing balance	**228.2**	**201.5**	**1.0**	**1.0**
Accumulated depreciation, opening balance	–153.7	–157.2	–0.7	–0.6
Sales and disposals	23.1	29.1	–	–
Reclassification	–	–0.2	–	–
Acquired through business combination	–	–	–	–
Depreciation for the year	–26.8	–21.1	–0.1	–0.1
Translation differences	–19.4	–4.3	–	–
Accumulated depreciation, closing balance	**–176.8**	**–153.7**	**–0.8**	**–0.7**
Carrying value	**51.4**	**47.8**	**0.1**	**0.3**
Other equipment				
Acquisition cost, opening balance	210.4	205.0	1.6	1.5
Investments for the year	13.7	19.8	0.1	0.1
Sales and disposals	–18.3	–21.5	–	–
Reclassification	–0.2	0.9	–	–
Acquired through business combination	8.0	–	–	–
Translation differences	27.3	6.2	–	–
Accumulated acquisition cost, closing balance	**240.9**	**210.4**	**1.7**	**1.6**
Accumulated depreciation, opening balance	–158.9	–159.9	–1.3	–1.1
Sales and disposals	15.6	21.0	–	–
Acquired through business combination	–4.0	–	–	–
Depreciation for the year	–17.2	–15.7	–0.1	–0.1
Translation differences	–21.7	–4.3	–	–
Accumulated depreciation, closing balance	**–186.2**	**–158.9**	**–1.4**	**–1.3**
Carrying value	**54.7**	**51.5**	**0.2**	**0.3**

Payments during the year for investments in tangible fixed assets amounted to SEK 47.6 M (43.8) for the Group.

NOTE 12. GROUP COMPANIES

SEK M	2008	2007
Opening balance	6,974.0	6,973.0
Capital contributions paid	114,6	1.0
Dividend in kind	4,670.0	–
Aquisition of subsidiary	376.6	0
Closing balance	**12,135.2**	**6,974.0**

Intrum N.V, Belgium	4,905.6	235.6
Intrum Justitia A/S, Denmark	188.4	188.4
Intrum Justitia AS, Estonia	0.7	0.7
Intrum Justitia Oy, Finland	1,649.0	1,649.0
Intrum Justitia SAS, France	345.0	345.0
Intrum Justitia SpA, Italy	50.1	50.1
Intrum Justitia Sia, Latvia	7.6	3.3
UAB Intrum Justitia, Lithuania	17.2	16.6
I.C.S International Collector Services BV, Netherlands	376.6	–
Fair Pay Please AS, Norway	263.9	154.2
Intrum Justitia Portugal Unipessoal Lda, Portugal	70.7	70.7
Intrum Justitia AG, Switzerland	942.3	942.3
Intrum Justitia Ibérica S.A.U, Spain	197.9	197.9
Collector Services Ltd, UK	456.2	456.2
Intrum Justitia Sweden Holding AB, Sweden	1,649.0	1,649.0
Intrum Justitia International AB, Sweden	600.9	600.9
Intrum Justitia Holding GmbH, Germany	376.9	376.9
Intrum Justitia Inkasso GmbH, Austria	37.2	37.2
Total carrying value	**12,135.2**	**6,974.0**

The Group's Parent Company is Intrum Justitia AB (publ), domiciled in Stockholm with corporate identity number 556607-7581. The Group's subsidiaries are listed below.

Shares owned by Parent Company	Corp. identity no.	Domicile	Share of capital
AUSTRIA			
Intrum Justitia Inkasso Gesellschaft m. b. H.	FN 48800s	Salzburg	100 %
Schimmelpfeng Credit Management GmbH	FN 105105t	Salzburg	100 %
BELGIUM			
Intrum N.V	BE 0426237301	Ghent	100 %
Outsourcing Partners N.V	BE 0466643442	Ghent	100 %
Solutius Belgium N.V	BE 0439189571	Brussels (Zaventem)	100 %
Credit Focus N.V	BE 0889542260	Brussels (Zaventem)	100 %
DENMARK			
Intrum Justitia A/S	DK 10613779	Copenhagen	100 %
ESTONIA			
Intrum Justitia AS	10036074	Tallinn	100 %
FINLAND			
Intrum Justitia Oy	FI14702468	Helsinki	100 %
FRANCE			
Intrum Justitia SAS	B322 760 497	Lyon	100 %
Socogestion SAS	B414 613 539	Lyon	100 %
Centre de Gestion Financière et Contentieux SAS	B328 687 850	Lyon	100 %
CRVM SAS	B388 554 941	Lyon	100 %
Société de services d'entreprises SAS	B965 500 887	Lyon	100 %
GERMANY			
Intrum Justitia Holding GmbH	HRB 4709	Darmstadt	100 %
Intrum Justitia Inkasso GmbH	HRB 4622	Darmstadt	100 %
Schimmelpfeng Forderungs-management GmbH	HRB 8997	Darmstadt	100 %
Intrum Data Systems (Deutschland) GmbH	HRB 5345	Darmstadt	100 %
Schimmelpfeng Credit Management GmbH	HRB 85778	Darmstadt	100 %
ITALY			
Intrum Justitia SpA	03776980488	Milan	100 %
LATVIA			
Intrum Justitia SIA	40003574557	Riga	100 %
LITHUANIA			
UAB Intrum Justitia	124235171	Vilnius	100 %
NETHERLANDS			
I.C.S International Collections Services BV	33.273.472	Amsterdam	100 %
NORWAY			
Fair Pay Please AS	979 683 529	Oslo	100 %
Intrum Justitia AS	848 579 122	Oslo	100 %
Intrum Justitia Norge AS	892 007 802	Oslo	100 %
PORTUGAL			
Intrum Justitia Portugal Unipessoal Lda.	7318	Lisbon	100 %
SPAIN			
Intrum Justitia Ibérica S.A.U.	A28923712	Madrid	100 %
Intrum International S.A.	A79927423	Madrid	100 %
SWEDEN			
Intrum Justitia Sweden Holding AB	556542-7696	Stockholm	100 %
Intrum Justitia Sverige AB	556134-1248	Stockholm	100 %
Intrum Justitia International AB	556570-1181	Stockholm	100 %
SWITZERLAND			
Intrum Justitia AG	CH-020.3.020.656-9	Zürich	100 %
Inkasso Med AG	CH-020.3.913.313-8	Zürich	70 %
Kiss Kredit-Info-Service-System AG	CH-020.3.921.420-2	Zürich	100 %
Intrum Justitia Finance Service AG	CH-020.3.912.665-1	Zürich	100 %
UNITED KINGDOM			
Collector Services Ltd	3515447	Liverpool	100 %
Intrum Justitia (Holdings) Ltd	1356148	Liverpool	100 %
Intrum Justitia Ltd	1918920	Liverpool	100 %
Outstanding Services (Credit Control) Ltd	1014132	Liverpool	100 %
Credit Ancillary Services (Scotland) Ltd	SC70627	Glasgow	51 %
Debt Investigations (UK) Ltd	4164669	Liverpool	100 %
Stirling Park LLP	SO300097	Glasgow	100 %
Intrum Justitia (Scotland) Ltd	SC320518	Glasgow	100 %

NOTE 12, CONT.

Subsidiaries of Intrum Justitia International AB	Corp. identity no.	Domicile	Share of capital
POLAND			
Intrum Justitia Towarzystwo Funduszy Inwestycyjnych S.A	1080001076	Warsaw	100 %
Intrum Justitia Debt Fund 1 Fundusz Inwestycyjny Zamkniety Niestandaryzowany Fundusz Sekurytyzacyjny			100 %
SWEDEN			
Fair Pay Management AB	556239-1655	Stockholm	100 %
Fair Pay Please AB	556259-8606	Stockholm	100 %
SWITZERLAND			
Intrum Justitia Debt Finance AG	CH-020.3.020.910-7	Zug	100 %
Intrum Justitia Debt Finance Domestic AG	CH-170.3.026.065-5	Zug	100 %
Intrum Justitia Licensing AG	CH-020.3.926.747-8	Zug	100 %

Subsidiaries of I.C.S International Collector Services BV	Corp. identity no.	Domicile	Share of capital
NETHERLANDS			
Intrum Justitia BV	33.204.349	Amsterdam	100 %

Subsidiaries of Intrum Justitia BV	Corp. identity no.	Domicile	Share of capital
HUNGARY			
Intrum Justitia Követeléskezeló Zrt.	01-10-044857	Budapest	100 %
IRELAND			
Intrum Justitia Ireland Ltd	175808	Dublin	100 %
Default Investigation (Ireland) Limited	358355	Dublin	100 %
NETHERLANDS			
Intrum Justitia Nederland BV	27.134.582	The Hague	100 %
Intrum Justitia Central Europe BV	33.241.142	Amsterdam	100 %
Intrum Justitia DataCentre BV	27.306.188	Amsterdam	100 %
POLAND			
Intrum Justitia Debt Finance Poland Sp.zo.o	521-31-83-398	Warsaw	100 %

Subsidiaries of Intrum Justitia Central Europe BV	Corp. identity no.	Domicile	Share of capital
CZECH REPUBLIC			
Intrum Justitia s.r.o.	25083236	Prague	100 %
HUNGARY			
Intrum Justitia Hitel Ügyintézó Szolgáltatás Kft	01-09-268230	Budapest	100 %
POLAND			
Intrum Justitia Sp.zo.o.o	521-28-85-709	Warsaw	100 %
Intrum Justitia Debt Surveillance Sp.zo.o	783-15-41-469	Warsaw	100 %
Intrum Justitia Kancelaria Radcy Prawnego Macieja Czasaka SK	521-33-33-283	Warsaw	70 %
SLOVAKIA			
Intrum Justitia Slovakia s. r. o.	35 831 154	Bratislava	100 %

NOTE 13. JOINT VENTURES

Intrum Justitia is co-owner of companies which, based on agreements with the other owners, are treated as joint ventures and reported according to the proportional method. This means that each line in Intrum Justitia's consolidated income statement and balance sheet includes an amount corresponding to the Group's interest in the respective line of the joint ventures' income statements and balance sheets. All these companies invest in portfolios of written-off receivables. None have any employees.

The companies reported according to the proportional method are:

SDF 50 AG
The company is domiciled in Zug, Switzerland, with corporate identity number CH-170.3.026.713-6. There are 28,600,002 shares outstanding in the company, of which Intrum Justitia owns 50 percent. The other shares are owned by ELQ Investors, Ltd, a company owned by Goldman Sachs. The company's operations were started in 2005 and comprise ownership of written-off receivables in Spain and Germany.

SDF 75 AG
The company is domiciled in Zug, Switzerland, with corporate identity number CH-170.3.026.714-4. There are 12,100,002 shares outstanding in the company, of which Intrum Justitia owns 25 percent. The other shares are owned by ELQ Investors, Ltd, a company owned by Goldman Sachs. The company's operations were started in 2004 and comprise ownership of written-off receivables in the UK.

LDF 65 sarl
The company is domiciled in Luxembourg, with corporate identity number B 134749. There are 231 shares outstanding in the company, of which Intrum Justitia owns 35 percent. The other shares are owned by DGAD International, a company owned by Calyon Bank. The company's operations were started in 2007 and comprise ownership of written-off receivables in Austria.

Inca sarl
The company is domiciled in Luxembourg, with corporate identity number B 139513. There are 12,500 shares outstanding in the company, of which Intrum Justitia owns 35 percent. The other shares are owned by DGAD International, a company owned by Calyon Bank. The company's operations were started in 2008 and comprise funding for LDF 65 sarl.

Intrum Justitia's aggregate share of the income statements and balance sheets of these partly owned companies, after adjusting to the Group's accounting principles, amounts to:

Income statement

SEK M	2008	2007
Revenues	124.3	65.3
Operating expenses	–53.8	–29.7
Operating earnings	**70.5**	**35.6**
Net financial items	–5.8	–8.5
Earnings after financial items	**64.7**	**27.1**
Current and deferred tax	–0.7	–7.6
Net earnings for the year	**64.0**	**19.5**

Balance sheet

SEK M	2008	2007
Financial fixed assets	541.3	297.8
Current assets	4.0	7.0
Cash and bank balances	46.6	35.9
Total assets	**591.9**	**340.7**
Equity	240.2	158.3
Long-term liabilities	252.6	19.1
Current liabilities	99.1	163.3
Total equity and liabilities	**591.9**	**340.7**

NOTE 14. ASSOCIATED COMPANIES

SEK M	Corporate identity no.	Share of capital	GROUP 2008	2007
Intrum á Íslandi ehf, Reykjavik (Iceland)	701195-3109	33.3 %	23.2	15.0
Carrying value			**23.2**	**15.0**
Opening balances			15.0	5.4
Profit shares			0.8	0.8
Share purchases			–	8.3
New share issue			4.0	–
Exchange rate difference			3.4	0.5
Closing balance			**23.2**	**15.0**

The Group's share of the associated company's revenue is SEK 34.9 M (38.5), earnings SEK 0.8 M (0.8), assets SEK 18.1 M (20.0) and liabilities SEK 10.7 M (14.3).

NOTE 15. OTHER SHARES AND PARTICIPATIONS

SEK M	Corporate identity no.	Share of capital	GROUP 2008	2007
NetGiro International AB, Stockholm (Sweden)	556564-9190	4 %	0.0	0.0
Other shares			0.1	0.1
Carrying value			**0.1**	**0.1**

Other shares primarily refer to a few small holdings of lesser value. There is no significant difference between the fair value and carrying value of these shareholdings.

The shares in NetGiro International AB are not listed and it is impossible to reliably determine the fair value of the holding. Following the disposal of the operating company NetGiro to Digital River Inc. in 2007, NetGiro International AB will be liquidated. In 2008 the company issued redeemable shares to its shareholders, which were then cancelled, at which point redemption proceeds were paid out, including SEK 6.2 M to Intrum Justitia.

NOTE 16. PURCHASED DEBT

SEK M	GROUP 2008	2007
Acquisition cost, opening balance	3,730.6	2,585.2
Purchases of written-off debt	859.8	991.7
Translation differences	616.2	153.7
Accumulated acquisition cost, closing balance	**5,206.6**	**3,730.6**
Amortization, opening balance	–1,848.4	–1,267.3
Amortization for the year	–653.8	–484.0
Translation differences	–374.1	–97.1
Accumulated amortization, closing balance	**–2,876.3**	**–1,848.4**
Carrying value	**2,330.3**	**1,882.2**

Amortization for the year SEK M	GROUP 2008	2007
Time and interest component	–656.0	–495.5
Revaluation in connection with changes in expectations in forecasts of future cash flows	41.0	46.1
Write-down in connection with changes in expectations in forecasts of future cash flows	–38.8	–34.6
Total amortization for the year	**–653.8**	**–484.0**

Payments during the year for investments in purchased debt amounted to SEK 1,204.1 M (666.2).

For a description of Intrum Justitia's accounting principles for purchased debt, see Note 1, page 54.

NOT 17. OTHER LONG-TERM RECEIVABLES

SEK M	GROUP 2008	2007	PARENT COMPANY 2008	2007
Deposits with landlords	6.0	3.7	–	–
Lending to law firms	1.6	3.8	–	–
Long-term VAT receivable	85.9	0.0	–	–
Endowment insurance	0.8	1.1	0.8	1.1
Total	**94.3**	**8.6**	**0.8**	**1.1**
Opening balances	9.7	19.6	1.1	0.0
Reclassified from current receivables	22.4	–	–	–
On loan	65.9	5.7	–	1.1
Repaid	–14.5	–15.8	–0.3	–
Exchange rate difference	11.9	0.2	–	–
Closing balance	**95.4**	**9.7**	**0.8**	**1.1**
Accumulated write-downs, opening balance	–1.1	0.0	–	–
Write-downs for the year	0.0	–1.1	–	–
Accumulated write-downs, closing balance	**–1.1**	**–1.1**	**0.0**	**0.0**
Carrying value	**94.3**	**8.6**	**0.8**	**1.1**

A long-term VAT receivable arises in the Netherlands in connection with the purchase of written-off receivables. The VAT portion of the receivable can be recovered from the tax authority if it is not collected from the debtor and is therefore recognized separately as a long-term receivable.

NOTE 18. ACCOUNTS RECEIVABLE

SEK M	GROUP 2008	2007	PARENT COMPANY 2008	2007
Non-delinquent receivables	165.8	127.2	0.0	0.0
Accounts receivable overdue <30 days	58.0	47.6	–	–
Accounts receivable overdue 31-60 days	39.9	26.2	–	–
Accounts receivable overdue 61-90 days	25,3	15.6	–	–
Accounts receivable overdue > 91 days	65.5	59.9	–	–
Total accounts receivable	**354.5**	**276.5**	**0.0**	**0.0**
Accumulated reserve for impaired receivables, opening balance	–37.4	–38.0	0.0	–
Reserve for impaired receivables for the year	–9.2	–7.4	–	–
Realized client losses for the year	2.6	2.6	–	–
Withdrawals from reserve for impaired accounts receivable for the year	11.2	6.9	–	–
Translation difference	–6.5	–1.5	–	–
Accumulated reserve for impaired receivables, closing balance	**–39.3**	**–37.4**	**0.0**	**0.0**
Carrying values	**315.2**	**239.1**	**0.0**	**0.0**

No security has been issued for accounts receivable. In certain countries it is possible to offset accounts receivable against the client funds liability with the same client.

NOTE 19. OTHER RECEIVABLES

	GROUP		PARENT COMPANY	
SEK M	**2008**	**2007**	**2008**	**2007**
Outlays on behalf of clients	428.1	341.9	–	–
Less: reserve for uncertainty in outlays on behalf of clients	–139.0	–118.7	–	–
Total	**289.1**	**223.2**	**–**	**–**
Endowment insurance for retirement of former senior executives	1.1	1.5	1.1	1.5
Other receivable on collections from purchased debt	0.0	31.1	–	–
Other	42.8	48.8	4.3	7.0
Total	**43.9**	**81.4**	**5.4**	**8.5**
Carrying value	**333.0**	**304.6**	**5.4**	**8.5**

NOTE 20. PREPAID EXPENSES AND ACCRUED INCOME

	GROUP		PARENT COMPANY	
SEK M	**2008**	**2007**	**2008**	**2007**
Prepaid expenses and accrued income				
Prepaid rent	16.1	14.7	0.4	0.4
Prepaid insurance premiums	11.6	6.8	1.1	1.0
Prepaid expenses for purchased debt	13.8	38.8	–	–
Accrued income	58.7	36.3	–	–
Forward exchange contracts	10.3	1.8	10.3	1.8
Other	57.1	44.4	0.5	0.7
Carrying value	**167.6**	**142.8**	**12.3**	**3.9**

NOTE 21. LIQUID ASSETS

Liquid assets consist of cash and bank balances, principally bank balances. Of the amount, SEK 35.0 M (13.5) consists of restricted bank deposits.

NOTE 22. SHAREHOLDERS' EQUITY

Share capital

According to the Articles of Association of Intrum Justitia AB (publ), the company's share capital will amount to not less than SEK 1,500,000 and not more than SEK 6,000,000. All shares are fully paid in, carry equal voting rights and share equally in the company's assets and earnings. The quota value is SEK 0.02 per share. No shares are reserved for transfer.

	2008		2007	
Changes in share capital	**No. of shares**	**Share capital (SEK)**	**No. of shares**	**Share capital (SEK)**
Opening balance	79,089,851	1,581,797.02	77,956,251	1,559,125.02
New share issues in connection with exercise of employee stock options	502,320	10,046.40	1,133,600	22,672.00
Closing balance	**79,592,171**	**1,591,843.42**	**79,089,851**	**1,581,797.02**

Share repurchase

In 2008, 250,000 shares (–) of the total of 79,592,171shares outstanding were repurchased for SEK 25.7 M (–) to guarantee the delivery of shares and payment of social security costs in connection with future activation of the Group's Performance-Based Share Program. The amount is recognized as a reduction in retained earnings.

Other shareholders' equity in the Group

Other paid-in capital

Refers to equity other than share capital contributed by the owners or arising owing to the Group's shared-based payment programs. Also included are share premiums paid in connection with new issues.

Reserves

Refer exclusively to the translation reserve, which contains all exchange rate differences arising as of January 1, 2004 from the translation of financial reports from foreign operations as well as long-term intra-Group receivables and liabilities that represent an increase or decrease in the Group's net investment in the foreign operations. The Group does not apply hedge accounting and has no financial assets that are revalued directly against equity.

Retained earnings including net earnings for the year

Refer to earnings in the Parent Company and subsidiaries, joint ventures and associated companies. Provisions to the statutory reserve, excluding transferred share premium reserves, were previously included in this item. Dividends paid and share repurchases are deducted from the amount.

Following the balance sheet date the Board of Directors proposed a dividend of SEK 3.50 per share (3.25), or a total estimated payout of SEK 279.1 M (257.2).

Other shareholders' equity in the Parent Company

Statutory reserve

Refers to provisions to the statutory reserve and share premium reserve prior to 2006. The statutory reserve is restricted equity and may not be reduced through profit distributions.

Share premium reserve

When shares are issued at a premium, the amount exceeding their quota value is transferred to the share premium reserve. Provisions to the share premium reserve as of 2006 are non-restricted equity.

Fair value reserve

Refers to unrealized exchange rate gains or losses on long-term monetary transactions with subsidiaries.

Retained earnings

Refer to retained earnings from the previous year less the dividend paid and share repurchases. Retained earnings are non-restricted equity.

Capital structure

The company's definition of capital corresponds to shareholders' equity including the minority share, which at year-end totaled SEK 2,395.3 M (1,842.5).

The measure used to monitor the company's capital structure is the debt/equity ratio, defined as the sum of interest-bearing liabilities and pension provisions less liquid assets and interest-bearing receivables, divided by equity including the minority share. The Board of Directors has established financial objectives for the Group, where one of the restrictions is that the debt/equity ratio may not exceed 150 percent over the long term. There is also an external limit in the form of one of the covenants in the Group's main loan facility, which requires that the debt/equity ratio not exceed 175 percent.

The debt/equity ratio was 98.0 percent (82.9) at year-end.

NOTE 23. PENSIONS

Employees in Intrum Justitia's companies are covered by various pension benefits. Some are defined benefit plans and are fully financed through assets administered by fund managers.

The Group applies IAS 19 Employee Benefits, which contains, among other things, uniform regulations on the actuarial calculation of provisions for pensions in defined benefit plans. Defined benefit pension plans are used by the Group's companies in Belgium, France, Italy, Norway and Germany. Employees in these countries account for a total of 26 percent of the entire Group's personnel. The pension plan in Norway is a funded obligation insured with the Norwegian insurance company Storebrand. Other pension plans are not funded.

Provisions for pensions at year-end can be sub-divided into the following components:

		GROUP
SEK M	**2008**	**2007**
Present value of fully or partly funded obligations	36.8	40.3
Fair value of assets under management	–37.2	–34.0
Surplus/deficit in the plan	**–0.4**	**6.3**
Present value of unfunded obligations	32.9	29.5
Present value of net obligation	**32.5**	**35.8**
Unrecognized actuarial gains/losses	6.9	–0.8
Provisions for pensions	**39.4**	**35.0**

The change in balance sheet item Provisions for pensions is specified as follows:

		GROUP
SEK M	**2008**	**2007**
Opening balance	35.0	34.3
Pension cost recognized through profit or loss	7.1	3.8
Fees paid	–6.1	–5.1
Pensions paid, unfunded obligations	–0.2	0.0
Translation differences	3.6	2.0
Closing balance	**39.4**	**35.0**

The Group recognizes actuarial gains and losses through profit or loss according to the so-called corridor rule. The pension cost recognized through profit or loss can be specified as follows:

		GROUP
SEK M	**2008**	**2007**
Costs for employment in current period	6.2	2.9
Interest expense for obligation	2.7	2.7
Assumed return on assets under management	–1.9	–1.7
Recognized actuarial gains and losses	0.1	–0.1
Total pension cost recognized through profit or loss	**7.1**	**3.8**

In calculating Provisions for pensions, the following assumptions are used:

		GROUP
	2008	**2007**
Discount rate as of December 31	2.0–6.0 %	2.0–5.5 %
Assumed rate of increase in compensation	2.0–4.0 %	2.0–4.0 %
Assumed return on assets under management as of December 31	5.0–6.0 %	5.0–6.0 %
Assumed pension increases	2.0–3.8 %	2.0–3.0 %
Future adjustment to social security base	1.5–3.8 %	2.5–4.0 %

The Group also finances a number of defined contribution plans, the costs of which amounted to SEK 62.7 M (57.8).

For the Group's employees in Norway, commitments for retirement and family pensions are secured through insurance with the insurance company Storebrand Livforsikring, so-called OTP pensions. The funded pension commitment corresponds to a share of Storebrand's total investment assets, which consist of bonds (49 percent), equities (30 percent), real estate (13 percent) and other (8 percent). During the year Intrum Justitia paid SEK 3.7 M (3.0) to the plan, while disbursements to retirees amounted to SEK 0.8 M (0.7). In 2009 payments to the plan are estimated at SEK 3.6 M, with disbursements to retirees of SEK 0.7 M.

The commitments for retirement and family pensions for the Group's Swedish employees are secured through insurance with Alecta according to the so-called ITP plan. According to a statement from the Swedish Financial Reporting Board, UFR 3, the ITP plan is a multi-employer defined benefit plan. For the fiscal year, Alecta's clients have not been provided enough information to report the plan as defined benefit. Nor is there a contractual agreement how surpluses and deficits in the plan are to be distributed among plan participants. The ITP plan secured through insurance with Alecta is therefore reported by Intrum Justitia as if it were a defined contribution plan. At year-end Alecta's surplus in the form of the collective funding ratio was 112.0 percent (152.0). The collective funding ratio consists of the market value of Alecta's assets as a percentage of the insurance obligations calculated according to Alecta's actuarial assumptions, which do not agree with IAS 19.

Pension provisions in the Parent Company relate to commitments for endowment insurance obtained on behalf of the former President and CEO. The Company reports the policies as an asset.

NOTE 24. OTHER PROVISIONS

		GROUP
SEK M	**2008**	**2007**
Long-term provisions		
Opening balance	0.4	2.1
Provisions in acquired companies	27.3	–
Provisions for the year	0.2	0.3
Release during the year	–12.7	–2.0
Translation differences	5.6	0.0
Closing balance	**20.8**	**0.4**
Provisions for dilapidation reserve	0.5	0.4
Provisions for layoffs and other restructuring costs	20.3	0.0
Total	**20.8**	**0.4**

Provisions for layoffs and other restructuring costs refer to provisions for a restructuring of the acquired Belgian company Solutius and its subsidiary. The restructuring was decided on before Intrum Justitia acquired the company. The amount is based on an estimate of anticipated costs and may deviate from actual outcomes.

NOTE 25. LIABILITIES TO CREDIT INSTITUTIONS

		GROUP		PARENT COMPANY
SEK M	**2008**	**2007**	**2008**	**2007**
Long-term loans				
Bank loans	2,440.9	1,678.3	2,438.1	1,678.0
Other				
Current loans				
Bank overdraft facilities	106.7	50.0	18.6	50.0
Short-term loans	55.0	22.4	55.0	4.5
Total	**2,602.6**	**1,750.7**	**2,511.7**	**1,732.5**

Since the beginning of 2005 Intrum Justitia has a five-year syndicated loan facility of EUR 210 M with Danske Bank A/S, Svenska Handelsbanken AB and Nordea Bank AB. The limit was increased by EUR 100 M to EUR 310 M as of January 21, 2008.

The loan limit of EUR 310 M can be utilized for borrowing in a number of different currencies.

As of December 31, 2008 the facility had only been used for loans in SEK, totaling SEK 2,511.7 M (1,732.5).

The unutilized portion amounted to SEK 959.0 M (310.3). The loan carries a variable interest rate based on the interbank rate in each currency with a margin. The loan facility contains a number of operations-related and financial covenants, including limits on certain financial indicators. As of December 31, 2008 the Company was not in breach of any covenants.

NOTE 25, CONT.

In addition, the credit agreement includes covenants that may restrict, condition or prohibit the Group from incurring additional debt, making acquisitions, disposing of assets, incurring capital and finance lease expenditures, allowing assets to be encumbered, changing the scope of the Group's business and entering into a merger agreement.

	GROUP		PARENT COMPANY	
SEK M	**2008**	**2007**	**2008**	**2007**
Maturities of long-term bank borrowings				
Between 1 and 2 years	2,440.9	–	2,438.1	–
Between 2 and 3 years	–	1,678.3	–	1,678.0
Between 3 and 4 years	–	–	–	–
Between 4 and 5 years	–	–	–	–
Total	**2,440.9**	**1,678.3**	**2,438.1**	**1,678.0**

	GROUP		PARENT COMPANY	
SEK M	**2008**	**2007**	**2008**	**2007**
Unused lines of credit excluding guarantee facility				
Expiring within one year	–	–	–	–
Expiring beyond one year	959.0	310.3	959.0	310.3
Total	**959.0**	**310.3**	**959.0**	**310.3**

NOTE 26. ACCRUED EXPENSES AND PREPAID INCOME

	GROUP		PARENT COMPANY	
SEK M	**2008**	**2007**	**2008**	**2007**
Accrued social security expenses	30.5	39.7	2.4	5.3
Accrued vacation pay	70.4	59.7	3.0	3.8
Accrued bonus cost	71.3	81.3	4.6	10.3
Prepaid subscription income	50.9	46.1	–	–
Provisions for losses on charge card guarantees	9.5	7.7	–	–
Accrued interest	17.3	10.5	17.3	10.3
Other accrued expenses	201.7	142.6	9.0	12.7
Total	**451.6**	**387.6**	**36.3**	**42.4**

NOTE 27. PLEDGED ASSETS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

	GROUP		PARENT COMPANY	
SEK M	**2008**	**2007**	**2008**	**2007**
Pledged assets				
Deposits with landlords	6.0	3.7	–	–
Restricted bank accounts	35.0	13.5	–	–
Total	**41.0**	**17.2**	**–**	**–**
Contingent assets	None	None	None	None
Contingent liabilities				
Charge card guarantees	796.7	636.6	–	–
Performance guarantees in collection operations	3.2	8.6	–	–
Guarantee on behalf of legal firm	0.3	0.3	–	–
Dispute with tax authority in Sweden	21.3	8.9	–	–
Dispute with tax authority in Norway	–	4.8	–	–
Dispute with tax authority in Finland	54.8	21.9	–	–
Total	**876.3**	**681.1**	**–**	**–**

Charge card guarantees
As part of its service offering in Switzerland, Intrum Justitia reviews charge card applications for card issuers and guarantees – for a fee – that the issuers will receive full compensation for the value of their receivables if the cardholder fails to pay. The total guarantee amounts to SEK 796.7 M (636.6) at year-end, of which receivables overdue by more than 30 days amounted to SEK 1.5 M (5.1). Intrum Justitia's risk in this operation is managed through strict credit limits on the issuance of new charge cards and through analysis of the credit rating of cardholders. As of year-end Intrum Justitia had allocated SEK 9.5 M (7.7) in the balance sheet to cover payments that may arise due to the guarantee.

Performance guarantees in collection operations
In certain cases Intrum Justitia guarantees clients a specific success rate in its collection operations or for other services. Accrued expenses are recognized for these guarantees corresponding to the estimated loss according to calculations based on historical experience and future expectations.

Guarantee on behalf of legal firm
Refers to guarantee issued to a bank as security for a law firm's current account. The law firm is an important partner in one market and Intrum Justitia is its largest client.

Tax disputes
The company is involved in a tax dispute in Finland subsequent to tax audits in 2002–2003. The Tax Board ruled in the company's favor in a decision in 2004, but the Tax Agency appealed and a lower court ruled in the Tax Agency's favor in February 2008. The ruling goes against earlier precedent in Finland. The company has appealed the decision and does not accrue any tax cost. The disputed amount is SEK 54.8 M. Fees and interest may be additional.

The company is also involved in a tax dispute in Sweden regarding cross-border Group contributions. The Group's tax expense was reduced by SEK 11.1 M in 2006, SEK 5.0 M in 2008 and SEK 5.2 M in 2008 through Group contributions from Sweden to Italy of SEK 39.7 M, SEK 18.0 M and SEK19.6 M, respectively, which were offset against tax loss carryforwards in previous years. In the company's opinion, the Group contributions are tax deductible in Sweden in accordance with the European Court of Justice's so-called Marks & Spencer ruling. The company's interpretation of the EU's rules was upheld in an advance ruling by the Swedish National Tax Board in March 2007. The Swedish tax authorities have appealed the ruling and decided to deny the company's deductions in each of these years. The company has appealed the ruling to the county administrative court.

For more information on the Group's tax situation in other respects, see Note 8.

Other
On May 22, 2002 Tore Nuland filed a summons application at Nacka District Court against Intrum Justitia AB, inter alia. The application relates to claims tried by Norwegian courts in the late 1980s without any possibility for further appeal. Tore Nuland has since transferred his claim to the company Justitia Limited. In a provisional judgment announced on December 30, 2008, the district court stated that Intrum Justitia AB had not assumed or incurred an indemnity liability to Tore Nuland or Justitia Limited. The district court's provisional judgment entered into force on January 21, 2009 and Intrum Justitia AB has submitted a request that the district court render the claim invalid. Since it regards the claim as groundless, Intrum Justitia has not accounted for any contingent liability.

The Group is otherwise involved in various legal actions in the normal course of business. In the opinion of management, the outcome of such actions is not expected to give rise to any significant loss.

NOTE 28. AVERAGE NUMBER OF EMPLOYEES

	GROUP				OF WHICH PARENT COMPANY			
	2008		2007		2008		2007	
	Men	Women	Men	Women	Men	Women	Men	Women
Austria	3	32	2	25	–	–	–	–
Belgium	40	59	28	38	–	–	–	–
Czech Republic	20	33	17	31	–	–	–	–
Denmark	22	30	20	29	–	–	–	–
Estonia	9	26	7	24	–	–	–	–
Finland	84	217	76	203	–	–	–	–
France	105	266	96	260	–	–	–	–
Germany	56	120	53	113	–	–	–	–
Hungary	42	81	35	92	–	–	–	–
Ireland	21	31	9	24	–	–	–	–
Italy	17	72	10	50	–	–	–	–
Latvia	2	12	2	12	–	–	–	–
Lithuania	4	10	2	11	–	–	–	–
Netherlands	194	154	208	154	–	–	–	–
Norway	31	36	36	44	–	–	–	–
Poland	92	108	94	87	–	–	–	–
Portugal	15	49	15	41	–	–	–	–
Slovakia	20	30	15	23	–	–	–	–
Spain	70	205	66	170	–	–	–	–
Sweden	118	224	117	202	15	11	16	10
Switzerland	110	85	109	91	–	–	–	–
UK	165	198	147	205	–	–	–	–
Total	**1,240**	**2,078**	**1,164**	**1,929**	**15**	**11**	**16**	**10**
		3,318		**3,093**		**26**		**26**

Of the Group's employees are 47 percent younger than 30 years old, 28 percent are 30–39 years, 17 percent are 40–49 years old and 8 percent are 50 years old or older.

	GROUP			
	2008		2007	
	Men	Women	Men	Women
Gender distribution among senior executives				
Board of Directors	6	1	6	1
Group Management Team	9	3	7	3
Country MDs	17	3	16	3
Board members in subsidiaries (percent)	73	27	69	31

Five members of the Group Management Team are employees of the Parent Company.
There is no separate management team for the Parent Company.

NOTE 29. SICK LEAVE

	GROUP		PARENT COMPANY	
	2008	2007	2008	2007
Sick leave among employees in the Group's Swedish companies, expressed as a percentage of the employees' aggregate normal working hours.				
Men	1.7	2.2	0.4	0.1
Women	4.7	5.7	4.8	0.4
Employees aged 29 or younger	5.1	3.6	*	*
Employees aged 30-49	3.5	5.1	3.1	0.3
Employees aged 50 or older	2.8	2.8	*	*
Total	**3.7**	**4.4**	**0.3**	**0.2**
Of which long-term sick leave (60 days or more)	34.1	43.0	87.2	0.0

* Not reported since the number of employees in the category is less than ten.

During the year absenteeism in the Group as a whole, including foreign subsidiaries, corresponded to 4.4 percent (5.2) of employees' aggregate normal working hours.

NOTE 30. SALARIES AND OTHER REMUNERATION

	GROUP		PARENT COMPANY	
	2008	2007	2008	2007
Salaries and other remuneration to senior executives, i.e., the Board, Presidents and Executive Vice Presidents	85.9	78.6	8.9	10.1
Salaries and other remuneration to other employees				
Sweden, Norway & Denmark	180.3	179.8	–	–
Netherlands, Belgium & Germany	243.3	209.3	–	–
Switzerland, Austria & Italy	143.3	119.1	–	–
France, Spain & Portugal	135.5	122.6	–	–
Finland, Estonia, Latvia & Lithuania	126.1	107.1	–	–
United Kingdom & Ireland	103.1	98.0	–	–
Poland, Czech Republic, Hungary & Slovakia	54.1	46.0	-	–
Head offices and central operations	35.1	29.8	25.9	27.5
Total salaries and other remuneration, Group	**1,106.7**	**990.3**	**34.8**	**37.6**
Social security costs	275.9	262.3	19.8	21.0
Of which pension costs	69.8	61.6	8.5	9.4
Costs for employee stock option program, including social security costs	–13.1	9.9	–13.1	7.2
Total	**1,369.5**	**1,262.5**	**41.5**	**65.8**

Salaries and other remuneration in the Group also include remuneration in forms other than cash payments, such as a free or subsidized car, housing and meals. Parent Company figures strictly refer to cash payments, however.

For information on compensation to the Group's senior executives, see Note 31.

NOTE 31. TERMS AND CONDITIONS OF EMPLOYMENT FOR SENIOR EXECUTIVES

Remuneration guidelines for senior executives

The Chairman of the Board and other Board members receive fees determined by the Annual General Meeting, including additional fees for committee work. The company also compensates Board members for travel expenses in connection with their Board work.

The Annual General Meeting in 2008 adopted guidelines on compensation for senior executives as follows:

Intrum Justitia will offer market terms enabling the Group to recruit and retain highly qualified executives with the ability to achieve established goals. As far as possible, remuneration structures should be predictable in terms of the cost for the company and the benefits for the employee, and be based on factors such as position, competence, experience and performance. The principles of remuneration may vary within the Group depending on local conditions.

Relationship between fixed and variable remuneration as well as the connection between performance and compensation

Remuneration consists of a fixed base salary and variable compensation, the latter of which is paid to reward the achievement of certain targets in a simple, transparent manner. The principle for management's variable compensation generally means that variable compensation will not exceed the annual base salary. Management's variable compensation will depend on the extent to which predetermined targets are met. In addition to the annual variable compensation program, a three-year long-term incentive program had been in place since 2005 and expired in 2007. Clear targets were defined in advance for the maximum payout from this program, which was limited to a maximum of two years' salary. Remuneration from the program was paid out in 2008. A new incentive program was started in 2008 whereby senior executives and other key persons can receive part of their annual salary in the form of so-called performance shares. Performance is measured during a three-year period, and to receive a distribution these individuals must remain employees. See also Note 32 on page 69 regarding this program and other share-based payment.

Non-monetary benefits, pension, termination and severance

Management's non-monetary benefits shall facilitate the work performance and correspond to what is considered reasonable according to market practice. Management's pension terms should correspond to what generally applies for similar executives in the market and be based on defined contribution pension solutions. Termination and severance pay for members of the Group Management Team may not in total exceed 24 months' salary.

Remuneration and benefits during the year

Remuneration for the President and other senior executives may consist of a base salary, variable compensation, other benefits, pensions and financial instruments.

The group of other senior executives changed during the year and refers to Monika Elling, Marcel van Es, Thomas Feodoroff, Eva Rydén, Kari Kyllönen, Pascal Labrue, Benno Oertig, Lennart Laurén (through October 2008), Mita Ryrbäck Reinefjord, Mats Göransson (from October 2008) and Boguslaw Skuza (from October 2008). As of January 1, 2009 Chris Savage is included in this group as well.

Pension benefits and any remuneration in the form of financial instruments, etc. as well as other benefits to the CEO and other senior executives are included in total remuneration.

NOTE 31, CONT.

SEK	Base salary/fee	Variable compensa-tion	Other benefits	Pension costs	Share-based payment	Other com-pensation	Total	Pension obligations
Board of Directors								
Lars Lundquist, Chairman	905,000	–	–	–	–	–	905,000	–
Bo Ingemarson, Deputy Chairman	450,000	–	–	–	–	–	450,000	–
Matts Ekman	380,000	–	–	–	–	–	380,000	–
Lars Förberg	340,000	–	–	–	–	–	340,000	–
Helen Fasth-Gillstedt	375,000	–	–	–	–	–	375,000	–
Ársæll Hafsteinsson	300,000	–	–	–	–	–	300,000	–
Lars Wollung	340,000	–	–	–	–	–	340,000	–
Senior executives								
Michael Wolf, President	4,208,515	1,833,333 [1)]	91,222	1,621,868	–	–	7,754,938	
Other senior executives, eleven persons	22,354,782	9,947,875 [2)]	888,019	7,181,658	11,202,065 [3)]	–	51,574,399	
Total	**29,653,297**	**11,781,208**	**979,241**	**8,803,526**	**11,202,065**		**62,419,337**	

[1)] Of a maximum of TSEK 2,000.
[2)] Of a maximum of TSEK 13,589.
[3)] Refers to benefits vested through the exercise of vested options in the years 2003–2007.

Compensation for other senior executives refers to compensation for the full year for persons who were senior executives at year-end. Lennart Laurén is included through November 30.

Board of Directors
In accordance with the AGM's resolution, total fees paid to members of the Board of Directors, including committee work, amounted to SEK 3,090,000 for the year. Board fees are distributed between Directors as determined by the AGM according to the proposal of the Nomination Committee. The Directors have no pension benefits or severance agreements.

President and CEO
According to the new employment agreement with President and CEO Lars Wollung as of February 1, 2009, he receives a fixed annual salary of SEK 4,200,000. In addition, he has the opportunity to receive variable compensation up to 100 percent of his base salary, half within the framework of the annual incentive program and half within the framework of a long-term incentive program.

In addition to his fixed and variable compensation, Lars Wollung has a company car in accordance with the Group's car policy. The company pays pension insurance premiums corresponding to 35 percent of his fixed annual salary. Lars Wollung's severance amounts to one year's salary.

According to the employment agreement with the former President and CEO Michael Wolf, his fixed annual salary amounted to SEK 4,000,000. In addition, he had the opportunity to receive variable compensation up to 100 percent of his base salary, half within the framework of the annual incentive program and half in the form of performance shares within the framework of the long-term incentive program. The outcome in the annual compensation program for 2008 was SEK 1,833,000, out of a maximum of SEK 2,000,000. The performance shares within the framework of the long-term incentive program expired when his employment ended.

In addition to his fixed and variable compensation, Michael Wolf had a company car in accordance with the Group's car policy. The company paid pension insurance premiums corresponding to 35 percent of his fixed annual salary.

Other senior executives
All senior executives receive a fixed annual salary and variable compensation. The latter is based on the results achieved in their area of responsibility, the Group's operating earnings and individual performance objectives.

As noted above, management's variable compensation during 2008 has been based on two incentive plans, one short-term and one long-term. The former entails an annual bonus opportunity for senior executives to receive a maximum of one year's salary in variable compensation. The long-term incentive plan gave senior executives the opportunity to receive a maximum of 50 percent of their annual salary in the form of performance shares. Both forms of variable compensation depend on the extent to which predetermined targets are met. The targets have been set high for both incentive plans and were especially qualified for the plan with longer terms. Regional managers generally have performance objectives where 85 percent of their variable short-term compensation is based on the region's operating earnings and 15 percent on other business development targets.

The long-term incentive plan, introduced in 2008, was based on average growth in earnings per share (EPS) during two and three consecutive calendar years.

The notice of termination for members of Group Management Team varies between two and twelve months, regardless of whether termination is initiated by the employee or the company. Benno Oertig has a fixed term employment contract expiring in May 2013.

Pension benefits vary from individual to individual and from country to country. In a number of cases, they are included in the monthly salaries. The majority of the senior executives are entitled to retire at age 65, one at 62. All pension benefits are defined contribution.

Incentive programs
With regard to share-based payments, refer to Note 32.

Decision-making process
The Board of Directors has appointed a Remuneration Committee to handle compensation issues, primarily as regards the President and Group Management Team. The committee is comprised of two Board members since the AGM 2008: Lars Lundquist (Chairman) and Matts Ekman. The President and the company's Human Resources Director are co-opted to the committee's meetings, though not when their own remuneration is discussed.

NOTE 32. SHARE-BASED COMPENSATION TO EMPLOYEES

In 2008 the Group had an Employee Stock Option Program 2003/2009 and a Performance-Based Share Program approved by the AGM 2008.

The AGM 2003 approved the Employee Stock Option Program 2003/2009 entitling employees to acquire up to 2,525,000 shares in Intrum Justitia AB (publ) for SEK 57 per share, intended as an incentive program for around 20 persons in senior positions in the Group.

According to the AGM's resolution, the stock options were allocated as follows: to the President and CEO of Intrum Justitia AB a maximum of 500,000 options and to others eligible to participate between 75,000 and 150,000 options. Allotments should, among other things, take into consideration each employee's performance and position within, and efforts on behalf of, the Group. Allotments were made as follows, primarily in May 2004: A total of 20 employees received options to subscribe for 2,450,000 new shares, of which 500,000 to then President and CEO Jan Roxendal. Certain reallocations were subsequently made in connection with the replacement of executives. Michael Wolf, who was President during the period September 2006–November 2008, had 75,000 options. Monika Elling, the Group CFO who served as acting President during the period December 2008–January 2009, received 150,000 options when she was hired by the Group. The employee stock options have been issued free of charge. Intrum Justitia is responsible for and pays any society security costs.

To secure the company's commitment in accordance with the employee stock option program, the AGM in 2003 approved the issue of in total 3,358,250 detachable warrants entitling to subscribe for new shares in Intrum Justitia AB, where each warrant permits subscription for one new share at a price of SEK 57.00 per share during the period July 1, 2007–May 30, 2009. Of this number, 2,525,000 were warrants that could be transferred to employees and 833,250 warrants were sold to cover the liquidity effect of any social security costs.

As a result of the share redemption in 2005, the strike price of the options was changed from SEK 57.00 per share to SEK 54.60 per share. At the same time the number of shares comprised by options rose by four percent.

As indicated above, the employee stock option program originally comprised options to subscribe for up to 2,450,000 shares. The number of shares increased by four percent as a result of the share redemption in 2005, but was limited to 80 percent as a result of conditions regarding the highest allowed utilization ratio based on growth in earnings per share. The cost and dilution effect of the employee stock option program is thereby estimated at 2,038,400 shares, in additional to social security costs.

In 2007-2008, 1,768,000 new shares were called for, of which 1,635,920 were subscribed, whereof 502,320 in 2008. Consequently, options representing 270,400 shares remained at year-end. The option to sell extra warrants to cover the liquidity effect of social security costs has not been utilized, due to which the provisions for social security costs which had been recognized directly against shareholders' equity during the options' vesting period were reversed.

The reported cost of the program corresponded during the year to a reduction of SEK 15.0 M, compared with a cost of SEK 9.9 M in 2007. The impact on earnings is calculated according to IFRS 2 Share-based payment and applying statement UFR 7 from the Swedish Financial Reporting Board. The cost is based on a theoretical calculation of the options' market value according to the Black-Scholes model. On the date of issuance, May 7, 2004, the option value was calculated assuming an interest rate of 4.5 percent, 21.0 percent volatility (based on historical experience) and a share price of SEK 40.50. The option value with regard to social security costs for remaining options has been recalculated as of December 31, 2008 assuming an interest rate of 2.7 percent, 21.0 percent volatility and a share price of SEK 78.50.

The dilution effect from the remaining options corresponds to 297,922 shares in the calculation of earnings per share in accordance with IAS 33 Earnings per Share.

In 2008 a new Performance-Based Share Program was introduced. The intention of the program was to create a long-term commitment to Intrum Justitia, to strengthen the overall view of Intrum Justitia and to offer the participants an opportunity to share in Intrum Justitia's long-term success and value creation. This program would also enable Intrum Justitia to attract, motivate and retain key employees. Since allocations cannot be made to employees under the company's previous incentive program, the program comprises two parts, of which one has a two-year performance period and one has a three-year performance period. The performance shares allotted in 2008 can give 43 employees the opportunity to acquire a total of not more than 144,473 shares at a strike price of SEK 10.00 per share, of which half during the period May 15, 2010–May 15, 2012 and half during the period May 15, 2011–May 15, 2013. The number of shares can be adjusted in view of share dividends, among other things, and requires a predetermined growth rate in the Group's earnings per share. The Board's current projection is that around 50 percent of the performance shares will be exercised to subscribe for shares. The 21,337 performance shares allotted to former President Michael Wolf have expired when his employment ended. Monika Elling, who was acting President during the period December 2008-January 2009, has 6,881 performance shares.

The reported cost of the program during the year amounted to SEK 1.9 M, calculated according to IFRS 2 and UFR 7. The cost is based on a theoretical calculation of the options' market value according to the Black-Scholes model. On the date of issuance, May 15, 2008, the option value was calculated assuming an interest rate of 4.1 percent, 27.8 percent volatility (based on historical experience) and a share price of SEK 102.05. The option value with regard to social security costs has been recalculated as of December 31, 2008 assuming an interest rate of 1.8 percent, 27.8 percent volatility and a share price of SEK 78.50.

The Performance-Based Share Program from 2008 has not yet caused any dilution effect since the performance conditions have not yet been met.

NOTE 33. FEES TO AUDITORS

External audit assignments refer to the examination of the annual report and accounting records as well as the administration by the Board and the President, other tasks related to the duties of the company's auditors and consultation or other services that may result from observations noted during such examinations or implementation of such other tasks. All other tasks are defined as other assignments.

Other assignments performed by KPMG during the year largely refer to tax advice and advice in connection with acquisitions and with the Group's share-based incentive programs.

	GROUP		PARENT COMPANY	
SEK M	**2008**	**2007**	**2008**	**2007**
Audit assignments				
KPMG	9.1	9.1	0.7	1.3
Other assignments				
KPMG	4.2	3.0	1.7	1.3
Audits and other assignments, other auditors	0.8	1.0	0.0	0.2
Total	**14.1**	**13.1**	**2.4**	**2.8**

NOTE 34. OPERATING LEASING

	GROUP		PARENT COMPANY	
SEK M	**2008**	**2007**	**2008**	**2007**
Obligations for rental payments on non-cancelable leases				
Year 1	125.2	103.2	1.9	2.0
Years 2–4	211.1	178.3	3.0	4.6
Year 5 and thereafter	102.8	77.5	–	–
Total	**439.1**	**359.0**	**4.9**	**6.6**

Lease costs for operating leases amounted to SEK 124.4 M (109.0) during the year, of which SEK 2.2 M (2.2) in the Parent Company.

Operating leasing primarily refers to rental of offices for the Group's operations in its countries. No single lease is of material significance to the Group in terms of amount.

NOTE 35. FINANCE LEASING

SEK M	GROUP 2008	2007
Minimum lease payments and their present value		
Within one year	0.3	0.2
Later than one but within five years	0.3	0.3
Later than five years	0.0	0.0
Total	**0.6**	**0.5**

The present value of future lease payments according to finance leases is recognized in the balance sheet in the item Other liabilities.

NOTE 36. INVESTING COMMITMENTS

Commitments to acquire fixed assets amounted to SEK 4.8 M (1.3) at year-end.

NOTE 37. FINANCIAL INSTRUMENTS

Carrying value and fair value of financial instruments
Financial instruments are recognized in the balance sheet as follows.

2008 GROUP

SEK M	At fair value through profit or loss, held for sale	Loans and receivable	Available-for-sale financial assets	Other liabilities	Total carrying value	Fair value
Shares and participations			23.3		23.3	23.3
Purchased debt		2,330.3			2,330.3	2,330.3
Accounts receivable		315.2			315.2	315.2
Other receivables	10.3	1,370.0			1,380.3	1,380.3
Liquid assets		294.3			294.3	294.3
Total	**10.3**	**4,309.8**	**23.3**	**0.0**	**4,343.4**	**4,343.4**
Liabilities to credit institutions				2,602.6	2,602.6	2,602.6
Accounts payable				211.8	211.8	211.8
Other liabilities	3.1			1,528.2	1,531.3	1,531.3
Total	**3.1**	**0.0**	**0.0**	**4,342.6**	**4,345.7**	**4,345.7**

2007 GROUP

SEK M	At fair value through profit or loss, held for sale	Loans and receivable	Available-for-sale financial assets	Other liabilities	Total carrying value	Fair value
Shares and participations			15.1		15.1	15.1
Purchased debt		1,882.2			1,882.2	1,882.2
Accounts receivable		239.1			239.1	239.1
Other receivables		1,109.3			1,109.3	1,109.3
Liquid assets		259.8			259.8	259.8
Total	**0.0**	**3,490.4**	**15.1**	**–**	**3,505.5**	**3,505.5**
Liabilities to credit institutions				1,750.7	1,750.7	1,750.7
Accounts payable				159.1	159.1	159.1
Other liabilities	1.5			1,639.6	1,641.1	1,641.1
Total	**1.5**	**0.0**	**0.0**	**3,549.4**	**3,550.9**	**3,550.9**

NOTE 37, CONT.

2008 PARENT COMPANY

SEK M	At fair value through profit or loss, held for sale	Loans and receivable	Available-for-sale financial assets	Other liabilities	Total carrying value	Fair value
Shares and participations			12,135.2		**12,135.2**	12,135.2
Receivables from Group companies		2,404.9			**2,404.9**	2,404.9
Other receivables	10.3	94.4			**104.7**	104.7
Liquid assets		16.0			**16.0**	16.0
Total	**10.3**	**2,515.3**	**12,135.2**	**0.0**	**14,660.8**	**14,660.8**
Liabilities to credit institutions				2,511.6	**2,511.6**	2,511.6
Accounts payable				4.6	**4.6**	4.6
Liabilities to Group companies				7,725.9	**7,725.9**	7,725.9
Other liabilities	3.1			38.6	**41.7**	41.7
Total	**3.1**	**0.0**	**0.0**	**10,280.7**	**10,283.8**	**10,283.8**

2007 PARENT COMPANY

SEK M	At fair value through profit or loss, held for sale	Loans and receivable	Available-for-sale financial assets	Other liabilities	Total carrying value	Fair value
Shares and participations			6,974.0		6 974.0	6,974.0
Receivables from Group companies		1,922.3			1,922.3	1,922.3
Other receivables		80.7			80.7	80.7
Liquid assets		9.3			9.3	9.3
Total	**0.0**	**2,012.3**	**6,974.0**	**0.0**	**8,986.3**	**8,986.3**
Liabilities to credit institutions				1,732.5	1,732.5	1,732.5
Accounts payable				2.9	2.9	2.9
Liabilities to Group companies				6,355.4	6,355.4	6,355.4
Other liabilities	1.5			44.7	46.2	46.2
Total	**1.5**	**0.0**	**0.0**	**8,135.5**	**8,137.0**	**8,137.0**

Shares and participations
The Parent Company's holdings of shares in subsidiaries are recognized at cost. Holdings in the Group of other shares in associated companies are recognized according to the equity method. The holdings are not marked to market and fair values cannot be reliably determined.

Shares in other companies refer to a four-percent holding in a company that is not publicly listed and where fair value cannot be determined without difficulty, as well as several small shareholdings in listed companies where both the carrying value and fair value are insignificant in relation to the Group's total assets.

Purchased debt
Purchased debt is recognized at amortized cost according to an effective interest method. The Group restates the carrying value by calculating the present value of estimated future cash flows at the receivables' original effective interest rate. Adjustments are recognized through profit or loss. With this valuation method, the carrying value is the best estimate of the fair value of debt portfolios in the company's opinion.

Other receivables
Other receivables have short maturities. Receivables in foreign currency are translated in the accounts at balance sheet date rates. Consequently, the carrying value corresponds to fair value.

Liquid assets
Liquid assets mainly consist of bank balances. Liquid assets in foreign currency are translated in the accounts at balance sheet date rates. Consequently, the carrying value corresponds to fair value.

Liabilities to credit institutions
The Parent Company's and the Group's loan liabilities carry market rate interest with short fixed interest terms. Liabilities in foreign currency are translated in the accounts at balance sheet date rates. Consequently, the carrying value corresponds to fair value.

Other liabilities
The Parent Company's and the Group's other liabilities have short maturities. Liabilities in foreign currency are translated in the accounts at balance sheet date rates. Consequently, the carrying value corresponds to fair value.

Derivatives
The Parent Company and the Group hold forward exchange contracts to a limited extent. The contracts have short maturities, typically one or more months. All out¬standing forward exchange contracts are restated at fair value in the accounts, with adjustments recognized through profit or loss.

Outstanding forward exchange contracts as of December 31, 2008 in the Parent Company and the Group comprised the following currencies:

[PLEASE TURN OVER]

NOTE 37, CONT.

Local currency	Hedged amount, buy	Hedged amount, sell
CHF	13,404,845	1,542,693
CZK	90,800	71,810,249
DKK	14,235,690	8,601
EEK	–	27,777
EUR	143,387	87,750,478
GBP	100,675	16,621,419
HUF	–	3,464,643,970
NOK	34,722,272	1,471,132
PLN	–	62,785

Forward exchange contracts are classified as financial assets carried at fair value through profit or loss (held for sale). The carrying value as of December 31, 2008 corresponds to fair value, SEK 7.2 M (–1.5), net. During the year the changes in value of forward exchange contracts were recognized in the Group profit or loss in the amount of SEK –130.9 M (–20.8). The purpose of these forward exchange contracts has been to minimize exchange rate differences in the Parent Company attributable to receivables and liabilities in foreign currency. These exchange rate differences amounted to SEK 129.6 M (16.7) during the year. The net effect on the income statement of exchange rate differences attributable to receivables and liabilities as well as forward exchange contracts is SEK –1.3 M (–4.1).

NOTE 38. FINANCIAL RISKS AND FINANCIAL POLICIES

Principles of financing and financial risk management

The financial risks that arise in Intrum Justitia's operations are limited. Thanks to a strong cash flow, combined with little need for investment and operating capital, external capital needs in operations are low.

Intrum Justitia's financing and financial risks are managed within the Group in accordance with the treasury policy established by the Board of Directors. The treasury policy contains rules for managing financial activities, delegating responsibility, measuring and identifying financial risks and limiting these risks.

Internal and external financial operations are concentrated in Group Treasury in Stockholm, which ensures economies of scale when pricing financial transactions. Because Group Treasury can take advantage of temporary surpluses and deficits in the Group's various countries of operation, the Group's total interest expense can be minimized.

Market risk

Market risk consists of risks related to changes in exchange rates and interest rate levels.

Exchange rate risk

Exchange rate risk is the risk that fluctuations in exchange rates will negatively affect the Group's income statement, balance sheet and/or cash flows. Exchange rate risk can be divided into transaction exposure and translation exposure. Transaction exposure consists of the net of operating and financial receipts and disbursements in different currencies. Translation exposure consists of the effects from the translation of the financial reports of foreign subsidiaries and associated companies to SEK.

Transaction exposure

In each country, all revenues and the large part of operating expenses are denominated in local currencies, and thus currency fluctuations have only a limited impact on the company's operating earnings denominated in local currency. National operations seldom have receivables and liabilities in foreign currency. Revenues and expenses in national currency are thereby hedged in a natural way, which limits transaction exposure. The currency exposure that arises within the operating activities is limited to the extent it pertains to international collection operations. All major known currency flows are hedged on a continuous basis in the Group and the Parent Company through the use of forward exchange contracts.

Translation exposure

Intrum Justitia operates in 24 countries. The results and financial position of subsidiaries are reported in the relevant foreign currencies and later translated into SEK for inclusion in the consolidated financial statements. Consequently, fluctuations in the SEK exchange rate against these currencies affect the Group's revenues and operating earnings, as well as equity and other items in its financial statements. The net exposure in foreign assets was not hedged in 2008.

Consolidated revenues and earnings in SEK are affected by exchange rate fluctuations since earnings in subsidiaries are translated to SEK. Of the Group's revenues during the year of SEK 3,677.7 M (3,225.2), 85 percent (84) was from operations outside Sweden, comprising revenues in EUR of SEK 2,155 M, in CHF of SEK 387 M, in GBP of SEK 187 M, in NOK of SEK 85 M and in other foreign currencies of SEK 302 M. This means that a one-percent appreciation of the SEK against all other currencies would have had a negative impact on consolidated revenues of SEK 31.2 M and on operating earnings of SEK 6.5 M.

Shareholders' equity in the Group, excluding the minority share, amounted to SEK 2,395.2 (1,842.4) at year-end. Net assets in foreign currency amounted to approximately SEK 3,325 M, of which net assets in EUR of SEK 2,494 M, in GBP of SEK 200 M, in CHF of SEK 437 M, in NOK of SEK 140 M and in other foreign currencies of SEK 54 M. This means that a one-percent appreciation of the SEK against all other currencies would have reduced Group equity by SEK 33.2 M.

According to a Board resolution in February 2009, the Group's translation exposure relative to net assets in foreign currency has been hedged by converting external loans in SEK to EUR.

Interest rate risks

Intrum Justitia's operations are not capital intensive, which, in combination with the Group's strong cash flows, means that interest rate risk is minimized through short fixed interest terms, on average less than one year.

A one-percent increase in market interest rates would adversely affect net financial items by approximately SEK 19.4 M.

No derivatives were used to hedge interest rate risks in 2007–2008.

Sensitivity analysis

If the value of the Swedish krona had increased one percent compared with other currencies, the effect would have been…	• Revenues decrease SEK 31.2 M. • Operating earnings decrease SEK 6.5 M. • Equity decreases SEK 33.2 M.
If the interest rate level on the Group's net borrowings had increased one percent, the effect would have been…	• Net financial items decrease SEK 19.4 M.

Financing risk

Consists of the risk of a loss or higher than expected costs to ensure the Group's ability to fulfill its short- and long-term payment obligations to outside parties.

The Group's long-term financing risk is minimized through long-term financing in the form of committed lines of credit. The Group's objective is that at least 35 percent of total committed loans have a remaining maturity of at least three years and that not more than 35 percent of the total have a remaining maturity of less than 12 months. At year-end 2008, however, the Group's committed loans have a maturity of less than three years.

Since February 2005, and after increasing the loan facility in early 2008, Intrum Justitia AB has a five-year syndicated loan facility of EUR 310 M with Danske Bank A/S, Svenska Handelsbanken AB and Nordea Bank AB. The facility will expire in its entirety on February 11, 2010. To date the facility has been utilized through the Parent Company, which has requested the withdrawal of individual loan amounts in various currencies, with short maturities, usually SEK and three or six months. According to a Board decision in February 2009, the loan will be carried in foreign currency, mainly EUR, to hedge the Group against translation exposure in relation to net assets outside Sweden.

The Group's aim is that the liquidity reserve, which consists of cash, bank balances, short-term liquid investments and the unutilized portion of committed lines of credit, should amount to at least ten percent of the Group's annual revenues.

Credit risk

Consists of the risk that Intrum Justitia's counterparties are unable to fulfill their obligations to the Group.

Financial assets that potentially subject the Group to credit risk consist of cash and cash equivalents, accounts receivable, purchased debt, outlays on behalf of clients, derivatives and guarantees.

NOTE 38, CONT.

The Group's cash and cash equivalents consist primarily of bank balances and other short-term financial assets with a remaining maturity of less than three months. The Group has deposited its cash equivalents with established financial institutions where the risk of loss is considered remote.

The Group has accounts receivable and purchased debt from clients that operate in various industries, and are not concentrated in a specific geographical region. The Group's largest client accounts for less than three percent of revenues. Provisions for impaired receivables amounted to SEK 9.2 M (7.4) during the year.

As part of its operations, Intrum Justitia acquires portfolios of written-off consumer receivables and works to collect them. Unlike its conventional collection operations where Intrum Justitia works on behalf of clients in return for commissions and fees, in this case it assumes all the rights and risks associated with the receivables. The portfolios are purchased at prices significantly below their nominal value, and Intrum Justitia retains the entire amount it collects, including interest and fees. To minimize the risks in this business, Intrum Justitia exercises prudence in its purchase decisions. The focus is on small and medium-sized portfolios with relatively low average amounts, to help spread risks. Purchases are usually made from clients with whom the Group has maintained long relationships, so it is usually familiar with the receivables in question. Intrum Justitia places high yield requirements on the portfolios it acquires. Prior to an acquisition, a careful evaluation is made based on a forecast of the future cash flow (collected amount) from the portfolio. In these calculations Intrum Justitia benefits from its extensive experience in debt collection and from the Group's scoring methods. Intrum Justitia therefore believes it is well capable of evaluating this type of receivable. To facilitate acquisitions of large portfolios at an attractive risk level, Intrum Justitia cooperates with other companies and shares the capital infusions and profits. Such alliances are in place with Calyon Bank since 2002 and with Goldman Sachs since 2003.

As an element in its operations, the Group incurs outlays for court fees, legal representation, bailiffs, etc., which can be charged to and collected from debtors. In many cases Intrum Justitia has agreements with its clients where any expenses that cannot be collected from debtors are instead refunded by the client. The amount that is expected to be recovered from a solvent counterparty is recognized as an asset in the balance sheet on the line, Other receivables.

The credit risk from the Group's forward exchange contracts is dependent on the counterparty, which is generally a large bank or financial institution. The company does not expect any of these counterparties to become insolvent.

As part of its service offering in Switzerland, Intrum Justitia reviews charge card applications for card issuers and guarantees – for a fee – that the issuers will receive full compensation for the value of their receivables if the cardholder fails to pay. The total guarantee amounts to SEK 796.7 M (636.6), of which receivables overdue by more than 30 days amounted to SEK 1.5 M (5.1) at year-end. Intrum Justitia's risk in this operation is managed through strict credit limits on the issuance of new charge cards and through analysis of the credit rating of cardholders. As of year-end Intrum Justitia had allocated SEK 9.5 M (7.7) in the balance sheet to cover payments that may arise due to the guarantee.

NOTE 39. BUSINESS COMBINATIONS

In November–December 2008 Intrum Justitia acquired all the shares in the French companies Cronos group and SSE for a combined purchase price of EUR 5.8 M, corresponding to approximately SEK 60.0 M. Acquisition costs preliminarily amount to SEK 1.7 M. The acquired companies offer credit management services in the French market, where Intrum Justitia's market share increased to 20 percent.

The companies together have 80 employees and in 2007 posted revenue of EUR 7.3 M with an operating margin of just over 13 percent. The acquisitions strengthen Intrum Justitia's position in the French CMS market. Synergies are expected by coordinating overlapping operations and introducing Intrum Justitia's scoring and technical platform.

Cronos group's and SSE's net assets at acquisition:

SEK M	Carrying value before acquisition	Adjustment to fair value	Fair value recognized in the Group
Intangible fixed assets	0.0	49.5	49.5
Tangible fixed assets	2.0		2.0
Current assets	54.8		54.8
Liquid assets	–1.4		–1.4
Interest-bearing liabilities	–2.2		–2.2
Deferred tax liabilities/assets	–1.0	–16.4	–17.4
Current liabilities	–62.6		–62.6
Net assets	**–10.4**	**33.1**	**22.7**
Group goodwill			**39.0**
Purchase price paid in cash and acquisition costs			**–56.0**
Liability to sellers			–5.7
Liquid assets (acquired)			–1.4
Net effect on liquid assets			**–57.4**

On March 18 Intrum Justitia acquired all the shares in Solutius Belgium NV for EUR 16.4 M in cash, corresponding to SEK 153.9 M. Acquisition costs preliminarily amount to SEK 9.3 M.

The acquired holding company owned two debt collection agencies in the Belgian market, Juri-Desk and Krebes. Following the acquisitions, these companies were merged with Solutius Belgium NV.

Juri-Desk is a B2C collection agency, while Krebes handles both B2C and B2B.

The companies have a total of 40 employees, revenues in 2007 of EUR 6.0 M and operating earnings of EUR 1.9 M. The acquisition strengthens Intrum Justitia's market-leading position in the Belgian CMS market, where significant synergies are expected.

Solutius group's net assets at acquisition:

SEK M	Carrying value before acquisition	Adjustment to fair value	Fair value recognized in the Group
Intangible fixed assets	0.0	42.2	42.2
Tangible fixed assets	3.0		3.0
Current assets	13.4		13.4
Liquid assets	17.5		17.5
Interest-bearing liabilities	–26.4		–26.4
Provisions	–27.3		–27.3
Deferred tax liabilities/assets	13.3	–14.4	–1.1
Current liabilities	–23.7		–23.7
Net assets	**–30.2**	**27.8**	**–2.4**
Group goodwill			**165.8**
Purchase price paid in cash and acquisition costs			**–163.4**
Liquid assets (acquired)			17.5
Net effect on liquid assets			**–145.9**

Effects of acquisitions 2007:
On May 31, 2007 the Group acquired 100 percent of the minority interest in the holding company Intrum Justitia Central Europe BV with its wholly owned subsidiaries in Poland, Czech Republic, Slovakia and Hungary.

The purchase price amounted to SEK 100 M and gave rise to goodwill of approximately SEK 65 M. The acquired companies were under the Group's control before the transaction and were consolidated in the balance sheet, which is why Intrum Justitia did not revalue the existing assets in the consolidated balance sheet, instead recognizing the entire difference between the purchase price and the minority interest as goodwill.

NOTE 39, CONT.

On June 15, 2005 the Group acquired 100 percent of the shares in Credit-express Slovakia (now Intrum Justitia Slovakia s.r.o.) for SEK 5.9 M, of which SEK 3.8 M was paid in cash in 2005. The second partial payment, SEK 1.9 M, was paid in June 2006, and the final installment of SEK 0.2 M in July 2007, when the company reached its expected operating earnings.

In October 2004 Intrum Justitia announced the acquisition of the Irish company Legal & Trade (Ireland) Ltd (later Intrum Justitia Collections Ltd). In November 2004, however, Intrum Justitia decided to withdraw from the acquisition when the financial prerequisites on which it had based its decision were no longer at hand, due to new information provided by the seller, Legal & Trade Financial Services Ltd.

The ruling by the Irish High Court in June 2005 did not result in rescinding the transfer, but Intrum Justitia was awarded a repayment of approximately SEK 3.0 M from the purchase price in 2005. Intrum Justitia has appealed the decision and expects a final ruling by 2009. In September 2006 Intrum Justitia Ireland Ltd acquired the operations of the acquired company, which then began liquidating the company.

NOTE 40. CRITICAL ESTIMATES AND ASSUMPTIONS

Management has discussed with the Audit Committee developments, choices and disclosures regarding the Group's critical accounting principles and estimates as well as the application of these principles and estimates.

Certain critical accounting estimates have been made through the application of the Group's accounting principles described below.

Impairment testing of goodwill

As indicated in Note 10, an impairment test of goodwill was done prior to preparation of the annual accounts. On the basis of the impairment test, goodwill attributable to the Scottish operations has been written down by SEK 60.7 M. For some cash-generating units, particularly in the UK and Norway, the impairment test is based on an assumption that the operating margin will improve significantly in the years ahead in relation to the outcome for the past year.

Based on the size of these companies and the maturity of each market, it is considered likely that Intrum Justitia's operations in these two countries will eventually have the opportunity to reach an operating margin that does not deviate significantly from the Group average.

Purchased debt

As indicated in Note 16, the recognition of purchased debt is based on the company's own forecast of future cash flows from acquired portfolios. Although the company has historically had good forecast accuracy with regard to cash flows, future deviations cannot be ruled out.

The Group applies internal rules and routines to formalize the decision-making process by which previous cash flow projections are adjusted. Only in exceptional cases may a cash flow projection be adjusted in the first year that a portfolio is owned. Furthermore, the decision to amend a cash flow projection normally requires that the local management in the country in question is in agreement with the management of the Purchased Debt service line. All changes in cash flow projections are ultimately decided on by a central investment committee.

Tax disputes

As indicated in Note 8 and Note 27, the Group is involved in tax disputes in Finland and Sweden. No provisions have been allocated. The Group's reporting is based on risk assessments prepared in cooperation with the Group's outside tax advisers.

Reporting of joint ventures

As indicated in Note 13, four joint ventures are reported according to the proportional method in the consolidated financial statements. Intrum Justitia's interest in these companies is 50, 35, 35 and 25 percent.

The choice of accounting method for these joint ventures is not based primarily on ownership interest but rather the degree of control over the companies. The companies in question are managed jointly with a partner (Goldman Sachs and Calyon Bank) and controlled jointly by the co-owners as per agreements. Against this backdrop, Intrum Justitia has decided to consolidate these companies according to the proportional method.

Reporting of Polish investment fund

The Group has operated in Poland since 2006 through an investment fund designed to purchase and own portfolios of written-off receivables. Intrum Justitia is the fund's only owner, and from the Group's perspective it essentially operates like a subsidiary. Against this backdrop, Intrum Justitia has resolved to consolidate the investment fund in the consolidated financial statements as a subsidiary.

The company's viability

In connection with the preparation of the year-end accounts, the Board of Directors formally expressed its opinion of the company's status as a going concern, especially against the backdrop of the global financial turmoil and reduced access to long-term credit. The Board of Directors stated that the Group has had positive cash flow for a number of years and that debt financing was secured until February 2010 in the form of a syndicated loan. Against this backdrop, the Board of Directors is confident that the annual accounts can be prepared on the basis of the assumption that the company will continue to operate indefinitely.

NOTE 41. RELATED PARTIES

List of transactions with related parties

	GROUP	
SEK M	**2008**	**2007**
Sales of services		
Dustin AB (sale of sales ledger services)	1.7	5.2
Intrum á Íslandi ehf, Reykjavik (Iceland) (sale of scoring services)	0.1	0.2
Total	**1.8**	**5.4**
Purchase of services		
Dustin AB (purchase of IT equipment)	1.7	0.1
Benno Oertig, Chairman of Stade de Suisse (sponsorships and conferences)	2.5	2.7
Intrum á Íslandi ehf, Reykjavik (Iceland) (purchase of collection services)	1.3	1.3
Total	**5.5**	**4.1**
Minority interest		
Visegrad NV (minority interest in earnings of IJ Central Europe BV)	–	–2.4
Total	**–**	**–2.4**

In addition to associated companies and joint ventures, related parties include the Board of Directors and senior executives, according to Note 31, as well as close family members to these executives and other companies over which they can exert a significant influence.

Intrum Justitia sells sales ledger services to and buys IT equipment from Dustin AB, a company in which Lennart Laurén, a former regional managing director at Intrum Justitia, is a board member and part owner.

Benno Oertig, Intrum Justitia's regional managing director, is chairman of Stade De Suisse Wankdorf Nationalstadion AG, Bern, which owns the football club BSC Young Boys Betrieb AG, which Intrum Justitia AG sponsors. In addition, the company arranges conferences and events for Intrum Justitia.

Intrum á Íslandi ehf, Reykjavik (Iceland) manages international collection cases on Intrum Justitia's behalf and invoices a fee for its services. Intrum Justitia in turn invoices Intrum á Íslandi ehf, Reykjavik (Iceland), e.g., for scoring services.

Intrum Justitia Central Europe BV is the holding company for the Group's operating companies in Poland, the Czech Republic, Slovakia and Hungary. Forty percent of the shares in Intrum Justitia Central BV were owned until May 31, 2007 by Visegrad NV, where Henning Bensland, Intrum Justitia's former regional managing director, was a co-owner. As a result, there had been a minority interest since April 2003.

All transactions with related parties were made on market terms, at arm's length. The subsidiaries are related parties (see Note 12), but the Parent Company has no transactions with other related parties.

Audit report

To the annual meeting of the shareholders of Intrum Justitia AB (publ), corporate identity number 556607-7581

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the President and CEO of Intrum Justitia AB for the fiscal year 2008. The Board of Directors and the President are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of the International Financial Reporting Standards, IFRS, as adopted by the EU and the Annual Accounts Act when preparing the consolidated accounts. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the President and significant estimates made by the Board of Directors and the President when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any Board member or the President. We also examined whether any Board member or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards, IFRS, as adopted by the EU and the Annual Accounts Act and give a true and fair view of the Group's financial position and results of operations. The statutory administration report is consistent with other parts of the annual accounts and the consolidated accounts.

We recommend to the annual meeting of shareholders that the income statements and balance sheets of the Parent Company and the Group be adopted, that the earnings of the Parent Company be dealt with in accordance with the proposal in the administration report and that the members of the Board of Directors and the President be discharged from liability for the fiscal year.

Stockholm, March 11, 2009

KPMG Bohlins AB

Carl Lindgren
Authorized Public Accountant

Board of Directors

According to Intrum Justitia's Articles of Association, the Board of Directors shall consist of at least five and not more than nine members with not more than four deputies. All members are elected by the Annual General Meeting. The Annual General Meeting on April 10, 2008 resolved that the Board shall consist of seven Board members with no deputies. Ársæll Hafsteinsson, Matts Ekman, Helen Fasth-Gillstedt, Lars Förberg, Bo Ingemarson, Lars Lundquist and Lars Wollung were re-elected as Board members. Moreover, Lars Lundquist was re-elected as Chairman and Bo Ingemarson as Deputy Chairman.

Lars Wollung stepped down as a Board member on February 1, 2009 when he took over as President and CEO.

Lars Lundquist

Age 61, Chairman

Director and Chairman since April 2006. Mr. Lundquist is Chairman of the Board of JM AB and of its remuneration and investment committees, Chairman of Försäkrings AB Erika, a Director of Tradedoubler AB and of the Sixth Swedish National Pension Fund as well as Director and Treasurer of the Swedish Heart and Lung Foundation. Mr. Lundquist holds a M.Sc. in economics from the Stockholm School Economics and an MBA from the University of Wisconsin.
No. of shares in Intrum Justitia AB: 15,000
No. of call options: 50,000

Bo Ingemarson

Age 58, Deputy Chairman

Director since 2002. Chairman during the period 2002–2006 and Deputy Chairman from April 2006. Mr. Ingemarson is President of the Swedish Brain Foundation and a Director of Anticimex AB. He has served as CFO of Sparbanken Sverige AB and Skanska AB and as Vice President and head of Asset Management at Försäkringsaktiebolaget Skandia AB, and as President and CEO of If Skadeförsäkring AB. He holds a M.Sc. from the Stockholm School of Economics.
No. of shares in Intrum Justitia AB: 15,584
No. of call options: 40,000

Matts Ekman

Age 62

Director since 2007. Former Executive Vice President and CFO of the Vattenfall Group. He was also CFO of Gränges AB and thereafter CFO of the Electrolux group. Mr. Ekman is Chairman of Handelshuset Ekman & Co and a Director of Investment AB Öresund, Profoto AB and Spendrup Invest. He has an MBA from Lund University and an MBA from the University of California at Berkeley.
No. of shares in Intrum Justitia AB: 2,000.
No. of call options: 20,000.

Information on holdings

The number of shares indicated includes those held via companies and by related parties and are valid per December 31, 2008.

Helen Fasth-Gillstedt

Age 46

Director since 2005. Ms. Fasth-Gillstedt is President of Blong AB and has previously held various senior positions in the SAS airline and travel group and in the Norwegian oil company Statoil. Ms. Fasth-Gillstedt holds a M.Sc. from the Stockholm School of Economics.
No. of shares in Intrum Justitia AB: 0
No. of call options: 40,000

Lars Förberg

Age 43

Director since 2004. Mr. Förberg is Managing Partner of Cevian Capital. He was formerly Chief Investment Officer at Custos and Investment Manager at Nordic Capital. He holds a M.Sc. from the Stockholm School of Economics.
No. of shares in Intrum Justitia AB: 0
No. of call options: 0

Årsæll Hafsteinsson

Age 51

Director since 2007. Mr. Hafsteinsson is a member of the Resolution Committee of Landsbanki Íslands hf. He was formerly Managing Director of Landsbanki Ísland's Legal Division responsible for Credit Risk, Operational Risk and Branch Management. Earlier he worked for Búnaðarbanki Íslands hf. (now Kaupthing Bank), serving as head of that bank's legal department and thereafter as Chief Legal Officer. Mr. Hafsteinsson is a Director of various companies and funds, including Búnaðarbanki Employees' Pension Fund, Creditinfo Group hf and Intrum á Íslandi ehf. He is a law graduate from the University of Iceland.
No. of shares in Intrum Justitia AB: 0.
No. of call options: 0.

Auditor

Carl Lindgren

Age 50

Chief Auditor since 2004. Mr. Lindgren is an Authorized Public Accountant at KPMG and a Director of KPMG AB since 2000 and Chairman of its Board since 2008. Other auditor's duties for Arla, Brummer & Partners, Investor, MTG and Nordea.
No. of shares in Intrum Justitia AB: 0.
No. of call options: 0.

Lars Lundquist

Bo Ingemarson

Matts Ekman

Helen Fasth-Gillstedt

Lars Förberg

Ársæll Hafsteinsson

Directors’ independence

All Directors are independent in relation to the Company and its management. All Directors other than Ársæll Hafsteinsson and Lars Förberg are independent in relation to the largest shareholders.

Group Management Team

The Group Management Team consists of the President of the Parent Company / the Chief Executive Officer, the Group's Chief Financial Officer, the Group's Director of the Purchased Debt service line, the Regional Managing Directors, the Group's Human Resources Director and the Group's Legal Counsel.

Lars Wollung
Age 47, President and Chief Executive Officer

Mr. Wollung assumed the position on February 1, 2009. He was previously President and Chief Executive Officer of the management and IT consulting company Acando. He was one of the founders of Acando in 1999 in his position as Vice President and in 2001 he became President. For nine years he worked as a management consultant at McKinsey & Company with international assignments in fields such as corporate strategy, organizational change and operational improvement programs. He is Chairman of Transia AB and Mountainlife AB. Mr. Wollung holds a M.Sc. in economics from the Stockholm School of Economics and a M.Sc. in engineering from the Royal Institute of Technology in Stockholm.
No. of shares in Intrum Justitia AB: 0.
No. of call options: 40,000.
No. of employee stock options 2003/2009: 0.
No. of performance shares: 0.

Monika Elling
Age 46, Chief Financial Officer

Ms. Elling assumed her position in 2005. Before joining the Group, she was an analyst at Enskilda Securities in Stockholm. She previously served as Financial and Operations Director at Sandvik Öberg, thereafter as business controller with acting branch manager responsibility at Industor, CFO and COO of Arrow Lock Group in the U.S., and later for Securitas, mainly with business development of Cash Handling Services. Elling was formerly a Director of AB Lindex. She has a degree from the Stockholm School of Economics combined with MBA studies at McGill University in Montreal, Canada, as well as a mechanical engineering degree from Teknikum Växjö.
No. of shares in Intrum Justitia AB: 62,400.
No. of call options: 100,000.
No. of employee stock options 2003/2009: 120,000.
No. of performance shares: 6,881.

Kari Kyllönen
Age 62, Director

Mr. Kyllönen is responsible for the Purchased Debt service line. He has been an employee since 1996, after the acquisition of Tietoperintä Oy in Finland, where he was CEO since 1987. Prior to that Mr. Kyllönen was an executive at Föreningsbanken i Finland AB. He has been responsible for the Purchased Debt service line since 1999. He holds a Master of Science from Tampere University.
No. of shares in Intrum Justitia AB: 132,718.
No. of employee stock options 2003/2009: 0.
No. of performance shares: 5,370.

Information on holdings

The number of shares indicated includes those held via companies and by related parties and are valid as per December 31, 2008. During the year certain senior executives exercised all or part of their employee stock options 2003/2009 within the framework of the program described in Note 32 on page 69.

Marcel van Es
Age 42, Regional Managing Director

Mr. van Es joined the company in 1988 and in 2000 he was given responsibility for the operations in the Netherlands. Since 2002 he is Regional Managing Director for Belgium and the Netherlands. He was also Regional Managing Director for the United Kingdom and Ireland until December 2008. Mr. van Es holds a B.Sc. in Economics from Hogeschool Rotterdam.
No. of shares in Intrum Justitia AB: 0.
No. of employee stock options 2003/2009: 0.
No. of performance shares: 10,307.

Thomas Feodoroff
Age 57, Regional Managing Director

Mr. Feodoroff has been employed by the company since 1978 and is the Regional Managing Director for Finland, Estonia, Latvia and Lithuania. From March 2007 to August 2008 he was also acting Regional Managing Director for Poland, the Czech Republic, Slovakia and Hungary. Mr. Feodoroff studied at the Swedish School of Economics and Business Administration in Helsinki.
No. of shares in Intrum Justitia AB: 422,387.
No. of employee stock options 2003/2009: 0.
No. of performance shares: 13,864.

Mats Göransson
Age 48, acting Regional Managing Director

Mr. Göransson joined Intrum Justitia in August 2008 and was named chief of business development and manager of the International Service Line. Since October 2008 he has served as acting Regional Managing Director for Sweden, Denmark and Norway. For many years Mr. Göransson has held senior positions in banking and finance with companies such as SEB and Skandia, and more recently Citibank. During 2006 and 2007 he was acting President and CEO of the SkandiaBank group in Scandinavia.
No. of shares in Intrum Justitia AB: 0.
No. of employee stock options 2003/2009: 0.
No. of performance shares: 1,600.

Pascal Labrue
Age 41, Regional Managing Director

Mr. Labrue has been an employee since 2000 and since February 2004 he has served as Regional Managing Director for France, Italy, Spain and Portugal. He was previously employed by the CMS company B.I.L. Mr. Labrue graduated from ESC Bordeaux.
No. of shares in Intrum Justitia AB: 164,042.
No. of employee stock options 2003/2009: 0.
No. of performance shares: 11,804.

Chris Savage
Age 47, Regional Managing Director

Mr. Savage joined the company in September 2008 and since January 2009 he is Regional Managing Director for Ireland and the United Kingdom. Previously Mr. Savage worked at Experian Ltd for 22 years. His last role was Divisional Managing Director of the Marketing Services Division. He holds a business studies degree from Nottingham Trent University in 1985.
No. of shares in Intrum Justitia AB: 4,200.
No. of employee stock options 2003/2009: 0.
No. of performance shares: 0.

Benno E. Oertig
Age 57, Regional Managing Director

Mr. Oertig has worked for the Intrum Justitia Group for over 30 years. He was founder of InkassoMed AG in Switzerland, a joint venture between Aerztekasse and Intrum Justitia (70%). He founded and was part-owner of Creditcontrol Data AG in Switzerland, Germany and Austria, which Intrum Justitia acquired in 1992. During the period 1992–1994 Mr. Oertig was the Group Marketing Manager, after which he became Regional Managing Director for Switzerland, Germany and Austria. Mr. Oertig is a member of Beirat in Schufa.
No. of shares in Intrum Justitia AB: 300,000.
No. of employee stock options 2003/2009: 0.
No. of performance shares: 15,297.

Boguslaw Skuza
Age 53, Regional Managing Director

Mr. Skuza joined the company in October 2008 and is the Regional Managing Director for Poland, Slovakia, the Czech Republic and Hungary. Previously he served as President and CEO of Skandia's Polish operations. Earlier he held executive positions with several international companies in Poland such as FIAT Insurance and Marsh & McLennan. Mr. Skuza is President of the Polish Foundation for the Club of Rome, Vice President of the Polish Association for the Club of Rome as well as member of the Program Council for Polish Foundation for Management Promotion. He holds a master degree in foreign trade economics from Gdansk University.
No. of shares in Intrum Justitia AB: 0.
No. of employee stock options 2003/2009: 0.
No. of performance shares: 5,223

Mita Ryrbäck Reinefjord
Age 48, Human Resources Director

Ms. Ryrbäck Reinefjord joined the company in May 2007. Previously she served as Human Resources Director at ORC Software. Earlier she worked as the Nordic head of human relations at Nordea Markets and at DHL International. Previously Ms. Ryrbäck Reinefjord spent many years in various HR director positions at Ericsson. She has a degree in Human Resources Management and Labour Relations from Uppsala University.
No. of shares in Intrum Justitia AB: 400.
No. of employee stock options 2003/2009: 0.
No. of performance shares: 1,516.

Eva Rydėn
Age 38, Group Legal Counsel

Ms. Rydén has been employed as General Counsel of Intrum Justitia since 2005 and is Secretary of the Board of Directors since October 2006. She holds a Master of Law (LL.M.) from the School of Business, Economics and Law at Göteborg University and served on the Mölndal District Court. She then joined the law firms Mannheimer Swartling and Davis Polk and Wardwell in New York. Ms. Rydén was a member of the Swedish Bar Association in 2002-2005 and is a Director of AB Trav och Galopp.
No. of shares in Intrum Justitia AB: 1,400.
No. of employee stock options 2003/2009: 0
No. of performance shares: 1,258.


Lars Wollung


Monika Elling


Kari Kyllönen


Marcel van Es


Thomas Feodoroff


Mats Göransson


Pascal Labrue


Chris Savage


Benno E. Oertig


Boguslaw Skuza


Mita Ryrbäck Reinefjord


Eva Rydén

Corporate governance report

Contents of this Corporate Governance Report

The purpose of this report is to provide an overview of relevant information on corporate governance issues, including:

- Description of the Nomination Committee's work
- Information on the members of the Board of Directors
- Description of the Board's work
- Description of the committees' work
- Information on the Company's auditor
- Information on senior management, and
- Compensation to senior management.

This report also contains a description of how internal control is organized with regard to financial reporting.

Application of the Swedish Code of Corporate Governance

This corporate governance report has been prepared in accordance with the rules of the Swedish Code of Corporate Governance ("the Code") in order to describe how the Company has applied the Code during the period covered by the annual report. The report does not constitute part of the formal annual report and has not been reviewed by the Company's auditor. Corporate governance at Intrum Justitia comprises structures and processes for management and control of the Company's operations for the purpose of creating value for the Company's owners and other stakeholders. Intrum Justitia applies the Code as of July 1, 2005. Intrum Justitia's corporate governance also complies with the applicable rules in the Swedish Companies Act, NASDAQ OMX Stockholm's rule book for issuers, the decisions of the Swedish Securities Council and the Company's Articles of Association. The Company has not deviated from the Code's provisions during the period covered by the annual report.

Nomination Committee

The Annual General Meeting on April 10, 2008 resolved that the Chairman of the Board shall convene the five largest shareholders of the Company at the end of the third quarter of the year to appoint a member each to the Nomination Committee. One of the tasks of the committee is to nominate Board members for election at the upcoming AGM. In accordance with the AGM's resolution, representatives of the five largest shareholders were summoned and the Nomination Committee's composition was announced on October 16, 2008. For the AGM 2009 the Nomination Committee consists of Christer Gardell (Chairman of the Nomination Committee), representing Cevian Capital; Hannes J. Hafstein (Landsbanki Íslands, now NBI hf, which in turn transferred its shares in Intrum Justitia to a new wholly owned subsidiary, Horn fjarfestingarfélag ehf); KG Lindvall (Swedbank Robur Fonder), Anders Oscarsson (SEB Funds); and Carl Rosén (Second Swedish National Pension Fund). Moreover, the Chairman of the Board Lars Lundquist has been co-opted into the Nomination Committee. The Secretary of the Board has served as co-opted secretary of the Nomination Committee.

On December 31, 2008 the Nomination Committee represented a total of approximately 35 percent of the share capital in Intrum Justitia.

Besides nominating Directors, the Chairman of the Board and the Chairman of the AGM, the duties of the Nomination Committee are, inter alia, to evaluate the Board and its work, propose compensation for the Board and its committees, and, when necessary, propose candidates for auditors' elections and compensation for auditors. The Chairman of the Board has conducted an evaluation of the Board and the work of individual members during the year. This evaluation was then reported to the Nomination Committee, together with an assessment of the needs for special competence on the Board and an analysis of available resources. The Nomination Committee's proposal for the Chairman and other Directors, Board fees, committee work compensation and the Chairman for the AGM 2009 were announced on January 27, 2009 and are also presented in the notice to the AGM 2009. The proposals will be presented to the AGM for resolution. Shareholders have been offered the opportunity to submit proposals to the Nomination Committee. No such proposals have been submitted within the assigned time period. The Nomination Committee met three times between November 2008 and January 2009. All members were present at the statutory meeting and the meeting in January 2009, and all but NBI hf's representative at the December meeting. No compensation has been paid to the Chairman of the Nomination Committee or to any other members of the committee for their work.

Composition of the Board

According to Intrum Justitia's Articles of Association, the Board shall consist of at least five and not more than nine members with not more than four deputies. All members are elected by the AGM. The AGM on April 10, 2008 elected seven Directors with no deputies. Lars Lundquist was elected as Chairman of the Board and Bo Ingemarson as Deputy Chairman. On February 1, 2009, Lars Wollung stepped down from the Board when he took over as the Company's President and CEO. '

The Board is composed to effectively support and control the work of the management. All Directors are independent in relation to the Company and its management. All members except Ársæll Hafsteinsson (Landsbanki Íslands, now NBI hf) and Lars Förberg (Cevian Capital) are independent in relation to the principal shareholders. The composition of the Board thereby complies with the requirements of the Code and NASDAQ OMX Stockholm with respect to the number of independent members in relation to the Company, its management and principal shareholders. The President of the Company is not a member of the Board, but attends all Board meetings except when the evaluation of the Board's work and the President are on the agenda. The Secretary of the Board is the Group Legal Counsel, Eva Rydén. The Board has appointed an Audit Committee, a Remuneration Committee and an Investment Committee for purchased debt from among its members. The committees are subordinated to the Board and do not relieve the Board members of their duties and responsibilities. Other than the abovementioned committees, there is no general delegation of the Board's work among its members. The committees are presented in more detail on the following pages.

The Board's rules of procedure

At the first ordinary meeting after its statutory meeting every year following the AGM the Board reviews and establishes the rules of procedure for its work, including instructions on the delegation of responsibilities and work between the Board, the President and the Board committees, as well as the forms of the Company's financial reporting. The rules of procedure are based on the rules of the Swedish Companies Act on the overall responsibilities of the Board and President and otherwise on the decision-making procedure approved by the Board. In addition to the delegation of responsibility that generally applies according to the Companies Act, the rules of procedure primarily govern the following:

- Keeping of Board meetings and decision points normally on the agenda at each meeting;
- The duties of the Chairman, the President and CEO, and the Remuneration, Investment and Audit Committees, specifying the delegation of the Board's decision-making authority and which issues always require a decision by the Board;
- The Board's internal discussions and minutes, which are treated confidentially.

The meetings of the Board

The Board meets regularly in accordance with the schedule laid down in the rules of procedure. Every Board meeting follows a predetermined agenda. The agenda and background information on each information or decision point are sent to all Directors well in advance of each meeting. Decisions by the Board are taken after an open discussion led by the Chairman. In 2008 the Board held 14 meetings (nine in the previous year).

The main discussion topics of the meetings were as follows:

- The Group's results and financial position
- Interim reports
- Auditors' reviews (external and internal audits)
- Strategies for the Group
- Risk management issues and internal control of financial reporting, among other things
- Compliance issues
- Reviews of core processes
- Acquisitions and joint ventures
- Special action programs for underperforming countries and operations
- Payroll and compensation issues, including incentive programs
- Evaluation of the Board's work and evaluation of the President
- Financial objectives
- Regionalization of operations
- Structural transformation to CMS companies
- Marketing activities and new graphic identity.

During the fourth quarter special attention was devoted to issues concerning the possible impact of the financial crisis, as far as can be predicted, on the CMS industry and on the Group's various companies.

The Board met three times during the year with the Company's auditor, on two occasions without the presence of the President or other members of management.

Attendance at Board meetings in 2008

	Matts Ekman	Helen Fasth-Gillstedt	Lars Förberg	Ársæll Hafsteinsson	Bo Ingemarson	Lars Lundquist	Lars Wollung
February 8	●	●	●	●	–	●	●
March 5	●	●	●	●	●	●	●
April 2	–	●	●	–	●	●	●
April 4	●	●	●	–	–	●	●
April 10	●	●	●	●	●	●	●
April 22	●	●	–	–	●	●	●
May 14	●	●	●	●	●	●	●
July 21	●	●	●	●	●	●	●
August 28	●	●	●	–	–	●	–
September 16	●	●	●	●	●	●	●
October 22	●	●	●	–	●	●	●
November 16	●	●	●	●	●	●	–
November 20	–	●	●	–	●	●	●
December 4	●	●	●	–	●	●	●

● Present – Absent

Board evaluation

The Board conducts an annual evaluation of its own work in the form of a questionnaire compiled by the Chairman and answered by Directors. The purpose of the questionnaire is to address issues regarding, inter alia, competence, priorities, Board material, the climate at meetings and possible improvements. In addition, discussions are held on matters of interest to the evaluation. Based on this information, the Chairman presents the results of the evaluation to the Board and the Nomination Committee.

Compensation for Directors

According to the resolution of the AGM 2008, the Board receives fees of SEK 2,550,000, of which SEK 750,000 is paid to the Chairman and SEK 300,000 to each of the other Directors, as well as an additional SEK 540,000 to be used as remuneration for committee work over and above ordinary Board work, in total SEK 3,090,000. With regard to remuneration for committee work, it was decided that the amount set by the AGM is to be divided such that the Chairman of the Audit Committee receives SEK 150,000, the other two members of the Committee receive SEK 75,000 and the remaining SEK 240,000 is divided equally between the six members of the Remuneration Committee and the Investment Committee.

Audit Committee

The purpose of the Audit Committee is to ensure a high standard of quality in the Group's accounting and to monitor and control the Company's financial exposure and risk management. The committee also facilitates contacts between the Board and the Company's auditor, sets the guidelines by which services other than auditing are procured from the auditor, evaluates the auditor's work and assists the Nomination Committee in nominating the auditor and recommending the auditor's compensation.

The Audit Committee has consisted of Bo Ingemarson (Chairman), Helen Fasth-Gillstedt and Lars Lundquist. All members are independent in relation to the Company and the management as well as the principal shareholders. The Company's CFO, the auditor elected by the AGM and the Group Chief Accountant are co-opted to the committee's meetings. The Audit Committee met five times in 2008 (five times in 2007). All members were present at all the meetings, with the exception of two meetings which Lars Lundquist did not attend. The work of the committee is governed by the instructions that constitute part of the Board's rules of procedure.

Board of Directors following AGM on April 10, 2008

Name	Position	Born	Nationality	Elected	Nomination Committee	Audit Committee	Remuneration Committee	Investment Committee	Independence [1]	Total annual fee [2] SEK	Shares [3]	Call options
Matts Ekman	Member	1946	Sweden	2007	–	–	Member	Member	Yes	380,000	2,000	20,000
Helen Fasth-Gillstedt	Member	1962	Sweden	2005	–	Member	–	–	Yes	375,000	0	40,000
Lars Förberg	Member	1965	Sweden [5]	2004	–	–	–	Member	No	340,000	0	0
Ársæll Hafsteinsson	Member	1958	Iceland	2007	–	–	–	–	No	300,000	0	0
Bo Ingemarson	Deputy Chairman	1950	Sweden	2002	–	Chairman	–	–	Yes	450,000	15,584	40,000
Lars Lundquist	Chairman	1948	Sweden	2006	Co-opted	Member	Chairman	Chairman	Yes	905,000	15,000	50,000
(Lars Wollung	Member [4]	1961	Sweden	2006	–	–	–	Member [4]	Yes	340,000	0	40,000)

[1] In relation to the principal shareholders. All members are independent in relation to the Company and the management.
[2] From AGM 2008 to AGM 2009.
[3] Holdings of shares in Intrum Justitia AB include those held via companies and by related parties and are valid as per December 31, 2008.
[4] Stepped down as a Director on February 1, 2009.
[5] Domiciled in Switzerland.

The issues covered by the committee included quarterly reports, the year-end accounts, audit work for the Group (external and internal), tax issues and investment proposals. In addition, the committee dealt with issues of internal control and assisted the Board in preparation's to assure the quality of the Company's financial reporting, particularly with respect to the accounting of purchased debt, evaluated the work of the auditors and set the guidelines by which services other than auditing are procured from the Company's auditor.

The Audit Committee reports to the Board, which makes the final decisions. The auditor attended all the meetings of the Audit Committee during the year.

Investment Committee

The Board's Investment Committee facilitates and ensures that evaluations and decisions on investments in written-off receivables in the range of EUR 8–20 M can be made quickly, efficiently and with adequate competence. Investments exceeding the upper limit must be approved by the Board in its entirety. For such investments and the acquisitions that the Board delegated in individual cases, the Investment Committee has served in an advisory capacity to the Board. Since the AGM 2008 the Investment Committee has consisted of Lars Lundquist (Chairman), Matts Ekman, Lars Förberg and Lars Wollung (who stepped down from the committee when he left the Board). All four members – with the exception of Lars Förberg, who is not independent in relation to the principal shareholders – are independent in relation to the Company, its management and principal shareholders (see above regarding Lars Wollung). The Investment Committee met six times during the year (twice in 2007), at which all its members were present, with the exception of Matts Ekman at one of these meetings and Lars Wollung at two meetings.

Remuneration Committee

The purpose of the Remuneration Committee is to evaluate the Group's overall payroll structure, fixed and variable remuneration components, and other benefits to senior management and executives reporting directly to the President. Its duties also include the evaluation of the connection between performance and compensation, issues involving bonus and incentive programs, pensions, severance payments, etc. The Committee also assists the Board in drafting proposals for guidelines for remuneration for senior management that the Board presents to the AGM. The Group strictly applies the grandfather principle. Since the AGM 2008 the Remuneration Committee has consisted of the independent members Lars Lundquist (Chairman) and Matts Ekman. The Company's Human Resources Director and, when necessary, the President, attend the committee's meetings. In 2008 the committee met seven times (with all members present at all the meetings) (eleven times the previous year) and discussed issues such as the framework of the year's salary revision for senior executives, principles for variable compensation (i.e., levels, targets and outcomes), pensions and other issues mentioned above within the framework of the committee's competence and duties. During the year the Committee especially focused on a new, long-term incentive program for the Group's senior executives and other key persons adopted by the AGM 2008. The Remuneration Committee reports to the Board, which makes the final decisions.

Remuneration principles for senior management

Prior to the AGM 2008 the Board presented for resolution a proposal on the principles of compensation and other employment terms for the senior management in accordance with the provisions of the Companies Act on guidelines for compensation for senior executives. The proposal addressed, among other things, the relationship between fixed and variable remuneration and the relationship between performance and remuneration, non-monetary benefits, issues related to pensions, dismissal and severance payments and how the Board deals with these issues. For further details on salaries and other remuneration for senior management, refer to Note 31 on page 67. The Board's complete proposal for the principles of remuneration and other terms of employment for senior management for 2009 is published in connection to the notice of the annual general meeting 2009.

Incentive programs

For information on share-related compensation, refer to Note 32 on page 69.

Group Management Team

The Group Management Team (GMT) consists of the President of the Parent Company/the Group´s Chief Executive Officer, the Group's Chief Financial Officer, the Regional Managing Directors, the Group's Director of the Purchased Debt service line, the Group's Human Resources Director and the Group Legal Counsel. The GMT meets regularly to discuss economic and financial results, strategic issues and Group-wide guidelines. These discussions, decisions and guidelines are also part of the control of financial reporting.

Auditor

The AGM 2008 elected the accounting firm of KMPG AB as auditor of Intrum Justitia AB with Authorized Public Accountant Carl Lindgren as Chief Auditor. The auditor was elected for a term ending at the conclusion of the AGM 2012. The Auditor is independent. In accordance with the decision of the Audit Committee, Intrum Justitia has consulted KPMG on tax and reporting issues unrelated to its auditing assignment. The size of the compensation paid to KMPG is indicated in Note 33 on page 69. KMPG is obligated as the auditor of Intrum Justitia to test its independence prior to every decision when providing independent advice to Intrum Justitia unrelated to its auditing assignment.

The Board of Directors' report on internal control*

Intrum Justitia has defined internal control as a process influenced by the Board of Directors, the Audit Committee, the President, the Group Management Team and other employees, and which has been designed to ensure with a reasonable degree of certainty that Intrum Justitia's objectives are achieved with regard to purposeful and efficient business operations, reliable financial reporting and compliance with applicable laws, ordinances and regulations. The process is based on a control environment that creates discipline and structure for the four other parts of the process: risk assessment, control activities, information and communication, and monitoring. Intrum Justitia follows the internal control framework issued by the Committee of Sponsoring Organization of the Treadway Commission (COSO).

Control environment

The control environment includes the values and ethics that the Board, the Audit Committee, the President, and the GMT base their communication and actions on, but also the Group's organization, leadership, decision-making channels, authorization and responsibilities, as well as the skills of employees. Intrum Justitia's values include contributing to a sound economy and living up to the Group's brand promise, which together with the Group's business concept, objectives and strategies guide employees in their daily work. Furthermore, Intrum Justitia's Business Code of Ethics contains principles on how operations are to be conducted and a Code of Conduct, which includes the principles that employees must follow.

According to the Swedish Companies Act, the Board must ensure that the Company is organized in such a way that its financial position can be monitored in a satisfactory manner. The Board's responsibilities are also governed by the Swedish Code of Corporate Governance, which contains requirements regarding annual external information on how the internal control of financial reporting is organized.

The Board has overall responsibility for internal control of financial reporting and has established written instructions, rules of procedure, which clarify the delegation of responsibilities between the Board and each committee. The most important duty of the Audit Committee, which is appointed by the Board, is to ensure compliance with established principles for financial reporting and internal control and that appropriate contacts are maintained with the Company's auditor. A specific policy in Intrum Justitia's Handbook clarifies the responsibility of local boards for internal control at a local level.

In late 2007 the Group established a function with principal responsibility for the Group's internal control and evaluations, which includes coordinating all internal control functions (finance, HR, IT, legal affairs, operational excellence and risk management) and audits within Intrum Justitia. This function became operational in 2008. In some countries such as Norway, internal control has been strengthened through the appointment of compliance officers responsible for ensuring that the Company complies with applicable regulations. Initiatives were also taken at the regional level in 2008 to hire compliance officers. In early September 2008 Scandinavia became the first region to hire a regional compliance officer.

The Group's internal control function reports to the Audit Committee and supports Group companies and business areas in their internal control work.

The internal control instruments for financial reporting are included in Intrum Justitia's handbook. The handbook summarizes important internal governing documents and regulations and describes, among other things, Group-wide rules on business ethics and authorization. Also included are the Group's information and communication policy, insider rules, accounting rules and finance policy, as well as the Group's treasury policy, which covers managements of financial risks, such as interest rate, financing, liquidity and credit risks.

All financial reporting follows the handbook's accounting, reporting and authorization instructions, which in turn are based on IFRS. The handbook's rules are primarily based on the guidelines and rules laid down by the Company's Board, the GMT and each responsible senior executive.

Risk assessment

Intrum Justitia's risk assessment of financial reporting includes identifying and evaluating the most significant risks within the Group companies' business areas and processes. The results serve as the basis for managing the processes.

Risk management means that risks are accepted, reduced or eliminated and that requirements are placed on controls and control levels within the limits determined by the Board, the Audit Committee, the President, and the GMT.

Risk assessments of financial reporting are done once a year by the management of each subsidiary under the guidance of the Group's internal control function. The results are reported to the Audit Committee.

Control activities

Control activities are designed in light of the controls that manage the Group's risks. These significant risks identified with respect to financial reporting are managed through control structures within the companies and the business areas, but also through processes that ensure that the fundamental requirements for external financial reporting are met. Control structures are based on the Group's minimum requirements for internal control of financial reporting and consist of general and specific controls that can be both preventive and preparatory.

In recent years the internal control function has conducted a survey on the control of financial and legal processes identified as important to the Group. After submitting their results, the operating subsidiaries have been visited by a member of the internal control function to verify the replies. Based on these evaluations, work has been done to alleviate any deficiencies in the internal control. Each company has received an action plan that indicates the dates by which measures will have to be taken by each responsible employee. The results of this survey are followed up periodically and reported to the Group's Audit Committee.

In 2008 the internal control function also conducted audits of a number of subsidiaries on the basis of the risk assessment done at the beginning of the year. The risk and audit plan was approved by Intrum Justitia's Audit Committee. In 2008 the focus of the internal control team was on outlays on behalf of clients. The function's internal auditors have conducted audits in every country that manages outlays on behalf of clients to verify whether identified risks are sufficiently controlled. The results were presented to the Audit Committee on February 5, 2009.

Intrum Justitia's financial reporting and risk management are also based on a number of control activities at various levels in the companies and service lines. They are conducted through IT systems that support various operating processes as well as more conventionally designed manual controls to prevent, detect and correct errors and deviations. These manual controls include authorization routines and approval requirements from superiors, as well as logbooks of transactions and changes in basic data. Emphasis is placed on solely including approved business transactions in the financial reporting.

*This report on internal control of financial reporting has not been reviewed by the Company's.

The Board of Directors' report on internal control, cont.

Information and communication

Information and communication involve both internal and external information and communication. Internal communication begins by creating awareness among employees of external and internal controls, responsibilities and authorization. To achieve this, Intrum Justitia has several tools at its disposal, including the intranet and training programs for Group employees.

Internal communication also requires that the information generated through Intrum Justitia's internal control process is forwarded to the Group's Board, the Audit Committee, the President, and the GMT, so that they can make well-founded decisions. In 2008 the results of the internal control work were reported continuously to the Audit Committee in form of observations and proposals for decisions and actions. The subsidiaries' accounting and financial managers are part of a network that meets regularly to exchange experiences and share knowledge. Conferences are held once or twice a year with the aim of maintaining a high level of quality in financial reporting by discussing issues concerning the Group's accounting principles, examining the requirements on internal control, improving quality and efficiency in processes and monitoring, and ensuring efficient sharing of knowledge within the Group. Participants in the network work continuously to achieve the goal of greater coordination and increase opportunities to compare analysis models and monitor accounting and business systems in particular, as well as to develop various key performance indicators and profitability measures by client.

As an element in the external audit, the auditing firm elected by the AGM, KPMG AB, reports its findings and suggests actions to the Audit Committee and the Board of Intrum Justitia AB twice a year. Prior to these meetings, observations from audits of subsidiaries are presented to each local management group. These observations are acted upon and followed up in a systematic manner within each unit. The auditor regularly attends the meetings of the Audit Committee.

Monitoring of internal controls

The purpose of monitoring internal controls is to ensure that the process works effectively through various activities that include the monitoring of operating results vis-à-vis established objectives, self-evaluations, audits and other monitoring activities. The internal control of financial reporting shall ensure with reasonable certainty that the external financial reporting in the form of interim reports, annual reports and year-end reports are reliable and have been prepared in compliance with laws, applicable accounting standards and other requirements on listed companies.

Follow-ups to ensure that the internal control of financial reporting is effective are done by the Audit Committee, the internal control function and subsidiary managements. The Intrum Justitia Group is organized in matrix form, where financial follow-up is made primarily by geographic region, and secondarily by service line. In the geographic regions, each country manager has significant responsibility. The Parent Company exercises control through representation on the boards of local companies and through its controllers, who monitor the financial reporting of the subsidiaries from various perspectives.

Each subsidiary files monthly accounts with an income statement divided along service lines, a balance sheet, volume data. The accounts are consolidated at Group level and included in a monthly report to senior management and the Board. Consolidated accounts are prepared each month for internal use. Financial reporting is submitted in the form of figures in a Group-wide reporting system and written comments according to a special template. Instructions and rules on written reports and figures can be found in Intrum Justitia's financial handbook. The results in the monthly accounts are compared with the previous year and budgeted figures. Along with revenue and earnings, the indicators include the volume of new collection cases, the value of the existing caseload and collected amounts.

Internal control issues have also been discussed at all board meetings of subsidiaries in 2008.

www.intrum.com

LET US PAY FOR YOUR WRITTEN-OFF RECEIVABLES.

Now you can get paid for the receivables you have already written off. We'll buy them. We operate throughout Europe and buy foreign debt portfolios as well. When you partner with us, you can be sure that all our work with your debtors will meet the highest demands in terms of ethics, quality and competence.

intrum justitia

Better business for all

Definitions

Average number of employees

Average number of employees during the year, recalculated to full-time positions.

Beta

Measure of the share price's fluctuation in relation to the market as a whole, in the form of the OMX Stockholm Index, over the course of the year. Changes that precisely follow the index produce a beta of 1.0. A figure below 1.0 means that the changes in the share price have been smaller than those in the index.

Collection cases in stock

Total number of debt collection cases within the Credit Management lines at year-end.

Dilution

Theoretical impact of outstanding employee stock options on the number of shares and shareholders' equity.

Dividend payout

Dividend as a percentage of net earnings for the year.

Earnings per share

Net earnings for the year attributable to the Parent Company's shareholders divided by the average number of shares during the year.

Equity /assets ratio

Shareholders' equity including minority interests as a percentage of total assets.

Gross collection value

Total amount outstanding to collect on behalf of clients on due date, including interest accrued prior to due date. Includes purchased debt but not penalty interest or fees.

Interest coverage ratio

Earnings after financial items plus financial expense divided by financial expense.

Net debt

Interest-bearing liabilities and pension provisions less liquid funds and interest-bearing receivables.

Operating capital

Sum of shareholders' equity including minority interests, interest-bearing liabilities and pension provisions less liquid funds and interest-bearing receivables.

Operating cash flow per share

Cash flow from operating activities divided by the number of shares at year-end.

Operating earnings

Earnings before net financial items and income tax.

Operating margin

Operating earnings as a percentage of revenues.

P/E Price /earnings ratio

Year-end share price divided by earnings per share before dilution.

P/S Price /sales ratio

Year-end share price divided by sales per share.

Return on operating capital

Operating earnings divided by average operating capital.

Return on shareholders' equity

Net earnings for the year attributable to the Parent Company's shareholders as a percentage of average shareholders' equity attributable to the Parent Company's shareholders.

Revenues

Variable collection commissions, fixed collection fees, debtor fees, guarantee commissions, subscription revenue and income from purchased debt operations.

Yield

Dividend per share divided by the year-end share price.

Information for shareholders

Annual General Meeting 2009

The Annual General Meeting of Intrum Justitia AB will be held on Thursday, April 16, 2009 at 4:00 pm (CET) at Berns (Kammarsalen), Berzelli Park, Stockholm, Sweden. A notice will be published in the Swedish daily press. The notice and other information released prior to the Annual General Meeting are available at www.intrum.com.

Dividend

The Board of Directors and the President and CEO proposes a dividend of SEK 3.50 (3.25) per share for fiscal year 2008, corresponding to 63 percent of net earnings for the year.

Financial report dates 2009

Annual General Meeting	April 16
Interim report January–March	April 28
Interim report January–June	July 23
Interim report January–September	October 27
Year-end report 2009	February 2010

Capital Markets Day

Intrum Justitia annually arranges an annual Capital Markets Day for analysts, asset managers and journalists. For further information, see www.intrum.com.

Other information from Intrum Justitia

Financial reports are published in Swedish and English and can be ordered from Intrum Justitia AB, Corporate Communications Department, SE-105 24 Stockholm, Sweden. The reports and other information from the company are published on the Group's website, www.intrum.com.

Communication with shareholders, analysts and the media is a priority. A presentation of Intrum Justitia's results and operations is made for analysts and investors in Stockholm and London after the release of each interim report. In addition to these contacts, representatives of the company meet current and potential shareholders on other occasions such as one-on-ones and meetings with shareholder clubs. Please visit our website, www.intrum.com, for a general presentation of the Group as well as a detailed IR section with corporate governance documents, analysis tools, an insider list, etc. The Group also publishes a magazine for its stakeholders, Intrum Magazine, which provides information on developments in the CMS industry and at Intrum Justitia. The magazine can be ordered from the Corporate Communications Department.

Shareholder contact

Sophie Hammarskjöld
Chief Communications Officer
Tel: +46 8 546 10 203
ir@intrum.com

This annual report is distributed only to shareholders who have expressly requested a printed version. In case of any discrepancy between the Swedish and English versions of this Annual Report, the Swedish version shall govern.

History

1923 | 1920–1960 talet | 1970-talet | 1971 | 1980-talet | 1990-talet | 1998

1923
Sven Göransson founds Intrum Justitia.

1920s–1960s
Intrum Justitia is founded and grows into the industry leader in Sweden. The focus is on collection services.

1970s
A European expansion begins. Intrum Justitia becomes a leader in receivables management with a focus on debt collection in the Nordic region.

1971
Bo Göransson acquires Intrum Justitia from his father. The company establishes operations in Switzerland, marking the start of an expansion throughout Europe over the next 20 years.

1980s
The expansion continues, mainly through acquisitions of companies with local operations. In the mid-1980s the head office is moved from Stockholm to Amsterdam.

1990s
Intrum Justitia's share is listed on the London Stock Exchange. The Group's service offering is developed and expanded to include a comprehensive range of CMS services. In the late 1990s Intrum Justitia is taken private with the aim of restructuring its operations.

1998
Operations are established in Poland. Acquisitions of Assu-Re Credit Management Services in Belgium and Inkasso und Finanzierungs AG in Switzerland. Synergy Ltd and the Industri Kapital. 1997 Fund acquire 100 percent of Intrum Justitia through a public tender. The share is delisted from the London Stock Exchange.

Addresses

Intrum Justitia AB

Marcusplatsen 1A, Nacka
SE-105 24 Stockholm, Sweden
Tel +46 8 546 10 200
Fax +46 8 546 10 211
www.intrum.com
info@intrum.com

Austria

Intrum Justitia Inkasso GmbH
Franz-Broztner-Strasse 11
AT-5071 Salzburg, Austria
Tel +43 662 835 077
Fax +43 662 835 080
www.intrum.at

Belgium

Intrum NV
Martelaarslaan 53
B-9000 Ghent, Belgium
Tel +32 9 218 90 94
Fax +32 9 218 90 51
www.intrum.be

Czech Republic

Intrum Justitia s.r.o.
Prosek Point, Building A
Prosecka 851/64
19000 Praha 9
Prosek, Czech Republic
Tel +420 277 003 730
Fax +420 283 880 902
www.intrum.cz

Denmark

Intrum Justitia A/S
Lyngbyvej 20, 2 Etage
DK-2100 Copenhagen,
Denmark
Tel +45 33 69 70 00
Fax +45 33 69 70 29
www.intrum.dk

Estonia

Intrum Justitia AS
Lastekodu 43
EE-10144 Tallinn, Estonia
Tel +372 6060 990
Fax +372 6060 991
www.intrum.ee

Finland

Intrum Justitia Oy
Box 47
FI-00811 Helsinki, Finland
Tel +358 9 229 111
Fax +358 9 2291 1911
www.intrum.fi

France

Intrum Justitia SAS
35 Rue Victorien Sardou
FR-69362 Lyon, France
Tel +33 4 7280 1414
Fax +33 4 7280 1432
www.intrum.fr

Germany

Intrum Justitia Inkasso GmbH
Pallaswiesenstr. 180–182
DE-64293 Darmstadt, Germany
Tel +49 6151 816 0
Fax +49 6151 816 155
www.intrum.de

Hungary

Intrum Justitia Kft
Pap Karoly u. 4-6
HU-1139 Budapest, Hungary
Tel +36 1 459 9400
Fax +36 1 459 9560
www.intrum.hu

Iceland

Intrum á Íslandi ehf
Laugavegi 95-99
IS-101 Reykjavik, Iceland
Tel +354 440 0700
Fax +354 440 0701
www.intrum.is

Ireland

Intrum Justitia Ireland Ltd
1st Floor, Block C
Ashtown Gate, Navan Road
IE-Dublin 15, Ireland
Tel +353 869 2222
Fax +353 869 2244
www.intrum.ie

Italy

Intrum Justitia S.p.A.
Via dei Valtorta 48
IT-20127 Milan, Italy
Tel +39 02 288 701
Fax +39 02 288 70 411
www.intrum.it

Latvia

SIA Intrum Justitia
K. Ulmana gatve 2
LV-1004 Riga, Latvia
Tel + 371 6 733 28 77
Fax +371 6 733 11 55
www.intrum.lv

Lithuania

Intrum Justitia UAB
P.O. Box 2925
LT-01109 Vilnius, Lithuania
Tel +370 5 249 0969
Fax +370 5 249 6633
www.intrum.lt

Netherlands

Intrum Justitia Nederland B.V.
Box 84096
NL-2508 AB Tha Hague,
Netherlands
Tel +31 70 452 70 00
Fax +31 70 452 89 80
www.intrum.nl

Norway

Intrum Justitia AS
Box 6354 Etterstad
NO-0604 Oslo, Norway
Tel +47 23 17 10 00
Fax +47 23 17 10 20
www.intrum.no

Poland

Intrum Justitia Sp. z o.o.
Ul. Domaniewska 41
PL-02-672 Warsaw, Poland
Tel +48 22 576 66 66
Fax +48 22 576 66 68
www.intrum.pl

Portugal

Intrum Justitia Portugal Lda
Av. Duque D'Avila N° 185 4° D
PT-1050-082 Lisbon, Portugal
Tel +351 21 317 2200
Fax +351 21 317 2209
www.intrum.pt

Scotland

Stirling Park LLP
GI 4DB Glasgow, Scotland
Tel +44 141 565 5765
Fax +44 141 565 5764
www.stirlingpark.co.uk

Slovakia

Intrum Justitia Slovakia s.r.o.
P.O. Box 50
SK-810 00 Bratislava, Slovakia
Tel +421 2 32 16 32 16
Fax +421 2 32 16 32 80
www.intrum.sk

Spain

Intrum Justitia Ibérica S.A.U.
Juan Esplandiu 11–13
ES-28007 Madrid, Spain
Tel +34 91 423 4600
Fax +34 91 876 692
www.intrum.es

Sweden

Intrum Justitia Sverige AB
SE-105 24 Stockholm, Sweden
Tel +46 8 616 77 00
Fax +46 8 640 94 02
www.intrum.se

Switzerland

Intrum Justitia AG
Eschenstrasse 12
CH-8603 Schwerzenbach,
Switzerland
Tel +41 44 806 5656
Fax +41 44 806 5660
www.intrum.ch

United Kingdom

Intrum Justitia Ltd
The Plaza
100 Old Hall Street
Liverpool
Merseyside L3 9QJ
United Kingdom
Tel +44 1514 727 155
Fax +44 1514 727 107
www.intrum.co.uk

2000
The review and restructuring begun in 1998 continues. During the year an action program was launched in France, among other places.

2001
Acquisition of Dun & Bradstreet's European receivables management operations. During the year Intrum Justitia also acquired Via Ejecutiva, with operations in Spain and Portugal.

2002
The Parent Company changes its domicile from the Netherlands Antilles to Sweden, moving its head office to Sweden as well. Intrum Justitia AB is listed on Stockholmsborsen. Operations are established in Latvia. Acquisition of Stirling Park in Scotland. The acquisitions of Jean Riou Contentieux and Cofreco make Intrum Justitia the market leader in France.

2003
A cooperation agreement is signed with Goldman Sachs in the Purchased Debt service line.

2004
Intrum Justitia's European Payment Index shows that European payment habits are worsening. This is one of the biggest obstacles to growth for many companies in the EU.

2005
The Group initiates an increase of its investments in Purchased Debt. A portfolio consisting of defaulted Spanish bank loans is acquired during the autumn. Acquisition of the Slovakian collection company Creditexpress Slovakia, now Intrum Justitia Slovakia.

2006
Increased investments in the Purchased Debt service line, including through the acquisition of a large portfolio of written-off German bank loans.

2007
The strategic journey from a debt collection firm to a CMS company begins. Establishment of a uniform client- and process-oriented organization.

2008
Launch of new graphic identity. Strategic acquisitions of Solutius in Belgium and Cronos group and SSE in France.

2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008

www.intrum.com

BETTER BUSINESS FOR ALL

We're best known for debt collection, but we offer much more. Our complete line of credit management services not only free up time and energy, they also help you work more efficiently, find new customers, build long-term relationships and improve your cash flow.

For individuals, companies and society alike – when we say we want everyone to come out ahead, we mean business.

intrum justitia

Intrum Justitia's annual report 2008 has been produced in cooperation with Wildeco. Photography: Bobo Olsson, Andreas Lind, Getty Images and Joachim Lundgren. Printing: Trosa Tryckeri, Trosa, Sweden 2009.