



Intrum Justitia AB (publ)

Stockholm, April 27, 2005

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## Interim report January–March 2005

- Consolidated revenues during the quarter amounted to SEK 645.7 M (680.4).
- Net earnings for the quarter amounted to SEK 67.4 M (67.0).
- Earnings per share for the year's first quarter were SEK 0.76 (0.77).
- The Group's operating margin rose to 15.5 percent (14.7)
- Cash flow from operating activities improved to SEK 66.8 M (–39.4).

All comparative figures for 2004 in this report are restated according to the new accounting principles (International Financial Reporting Standards – IFRS)

SEK M unless indicated otherwise	January–March 2005	January–March 2004	Full-year 2004
<b>Revenues</b>	<b>645.7</b>	680.4	2,740.5
<b>Operating earnings</b>	<b>99.9</b>	99.9	430.6
<b>Operating margin, %</b>	<b>15.5</b>	14.7	15.7
<b>Net earnings</b>	<b>67.4</b>	67.0	323.4
<b>Earnings per share before dilution, SEK</b>	<b>0.76</b>	0.77	3.68
<b>Earnings per share after dilution, SEK</b>	<b>0.75</b>	0.77	3.68
<b>Current collection cases (million)</b>	<b>12.0</b>	10.5	11.6

### January–March 2005: Revenues and Earnings

Consolidated revenues during the seasonally weaker period January–March amounted to SEK 645.7 M (680.4), a decrease of 5 percent. The effect of changes in exchange rates was marginal. Finland and Switzerland grew with higher volumes from clients in, among others, the energy, banking and insurance sectors. These client categories are also contributing to the positive development in Spain. Lower volumes in the United Kingdom and a slowdown in the Netherlands, with continued lower volumes from key clients in the telecom sector and temporarily lower volume from clients in the energy sector, negatively affected the Group's growth. A lower level of activity in the Polish market for sales of written-off receivables also had an impact.

Operating earnings amounted to SEK 99.9 M (99.9). Lower earnings in the Netherlands and Poland, as a result of the lower revenues, were compensated by lower central expenses and improved margins in a number of countries.

Net financial items were affected by the expensing of capitalized borrowing costs of SEK 5.0 M during the first quarter in connection with a new loan facility.

Earnings before tax for the quarter amounted to SEK 89.9 M (89.2), while net earnings for the period to SEK 67.4 M (67.0).

### Geographic regions

#### Sweden, Norway & Denmark

The region's quarterly revenues amounted to SEK 150.9 M (154.9) with operating earnings of SEK 37.0 M (39.0). Revenues were mainly affected by a temporarily lower case inflow from Swedish energy clients. Earnings in Sweden were affected by continued losses in Sales Ledger services. Revenues in the Danish and Norwegian subsidiaries decreased slightly with unchanged earnings.

#### United Kingdom & Ireland

The region's quarterly revenues amounted to SEK 72.3 M (91.6) with an operating deficit of SEK –1.9 M (–2.0). The decrease in revenues is partly attributable to lower volumes from clients in *Consumer Collection & Debt Surveillance* in the United Kingdom and partly to planned cutbacks in Sales Ledger services. The effect on earnings has been limited by cost cuts, mainly through a substantial reduction in personnel.

#### *Netherlands, Belgium & Germany*

Revenues during the first three months of the year amounted to SEK 134.5 M (152.8) with operating earnings of SEK 20.3 M (28.1). The revenue decrease is attributable to lower volumes from key clients in the telecom and utility sectors in the Netherlands and the termination of cooperation with a client in Germany. The latter measure had a positive effect on regional earnings, while the lower case volume in the Netherlands affected earnings negatively.

#### *Switzerland, Austria & Italy*

The region's quarterly revenues amounted to SEK 94.1 M (87.3) with operating earnings of SEK 17.9 M (14.3). The revenue and earnings improvement mainly comes from Switzerland as a result of a positive volume trend in *Commercial Collection* as well as improved productivity, a higher collection rate through improved scoring and new technology in *Consumer Collection & Debt Surveillance* in Switzerland.

#### *Finland, Estonia, Latvia & Lithuania*

First-quarter revenues amounted to SEK 74.9 M (67.8) with operating earnings of SEK 24.0 M (23.2). Improved regional earnings are due in part to higher volumes in *Consumer Collection & Debt Surveillance* from clients in the utility sector and in part to improved processes that are increasing the collection rate and thus revenues. However, the margin was negatively affected by higher administrative costs in the *Purchased Debt* service line.

#### *France, Spain & Portugal*

The region's quarterly revenues amounted to SEK 82.7 M (82.8) with operating earnings of SEK 12.1 M (11.7). Decreased volume from clients in the telecom sector in France was compensated by improved revenues in Spain, mainly from clients in the banking sector. A large debt portfolio was acquired in Spain last year, which positively contributed to revenues and earnings.

#### *Poland, Czech Republic & Hungary*

First-quarter revenues amounted to SEK 36.3 M (43.2) with operating earnings of SEK 5.5 M (12.3). The decrease in revenues and earnings in Poland is greater than the combined improvements in the Czech Republic and Hungary. Earnings in the Polish subsidiary have been negatively affected by a slow acquisition rate in the *Purchased Debt* service line. To adjust costs to lower volumes, personnel reductions have been made, among other measures.

Since April 2003 there is a 40% minority interest in the companies in Poland, the Czech Republic and Hungary.

#### **Purchase Debt service line**

Service line revenues amounted to SEK 64.8 M (65.0) in the first quarter. The organization has been strengthened in a number of major markets, including France, Germany, the Netherlands and the United Kingdom. In addition, central resources have been strengthened in Switzerland. During the year's first quarter investment activity increased compared with the corresponding period of 2004. Contracted acquisitions amount to SEK 69 M (13). Higher revenues in certain countries were offset by a lower acquisition rate in 2004 of Polish portfolios with estimated repayment in less than a year. The latter, together with expenses to strengthen resources, affected earnings, which amounted to SEK 19.6 M (24.2).

#### **Expenses**

The gross profit margin decreased to 39.4 percent (40.4) due to falling volumes in markets such as France, the Netherlands and Poland. Insourcing of tele sales services in certain countries has led to lower expenses for marketing and sales. Administrative expenses in the first quarter were lower than the previous year, mainly due to last year's temporarily high expense level.

#### **Depreciation/amortization**

Operating earnings were charged with depreciation/amortization of SEK 21.6 M (23.5). Operating earnings before depreciation/amortization therefore amounts to SEK 121.5 M (123.4).

#### **Expenses for incentive program**

Quarterly operating earnings were charged with SEK 1.9 M (0) for warrants for the Group's Employee Stock Option Program 2003/2009. The expense does not correspond to an actual disbursement by the company. The Employee Stock Option Program comprises warrants to subscribe for 3,358,250 new shares. The dilution effect during the quarter, calculated according to IAS 33 Earnings per share, corresponds to 633,386 shares.

The Stock Option Program did not entail any dilution of full-year 2004 earnings, since the average fair value of the share was lower than the net present value of the option premium. The stock options were allocated in May 2004, and therefore have no impact on the first quarter 2004.

#### **Net Financial Items**

During the quarter the Group signed a five-year syndicated loan facility of EUR 210 M with Danske Bank A/S, Nordea Bank AB and Svenska Handelsbanken AB. A previous loan facility was terminated and capitalized borrowing expenses totaling SEK 5.0 M were therefore expensed.

#### **Cash Flow and Investments**

Cash flow from operating activities amounted to SEK 66.8 M during the quarter, against SEK -39.4 M for the corresponding period of 2004. The improvement is primarily due to lower payments of preliminary tax and a lower increase in working capital. The quarter's repayments of unallocated receipts in England amounted to SEK 0.5 M (50.6).

Cash payments for investments during the quarter exceeded the corresponding period last year, especially for investments in purchased debt portfolios.

#### **Financing**

Net debt as of March 31, 2005 amounted to SEK 486.4 M, compared with SEK 480.2 M at year-end 2004.

Shareholders' equity including the minority share amounted to SEK 1,607.1 M, compared with SEK 1,537.9 M on December 31, 2004.

As of March 31, 2005 the Group had liquid assets of SEK 162.9 M, compared with SEK 338.3 M on December 31, 2004. On March 31, 2005 unutilized credit facilities amounted to SEK 1,319.0 M. The corresponding figure on December 31, 2004 was SEK 385.8 M.

#### **Goodwill**

Consolidated goodwill amounted to SEK 1,534.0 M, against SEK 1,505.8 M at year-end 2004. The change during the quarter is due to changes in exchange rates. All goodwill in the Group was tested for impairment at year-end 2004. In the quarterly financial statements these tests were updated, but showed no need for write-downs.

## **Human Resources**

The average number of employees during the quarter was 2,838 (2,881). The number of employees decreased mainly in the English subsidiary, while more staff was hired in Spain to handle previously outsourced operations.

## **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, services and marketing activities.

The parent company had revenues of SEK 11.5 M (6.4) and pre-tax earnings of SEK 1.3 M (-15.9). The parent company invested SEK 0.0 M (0.3) in fixed assets during the quarter and had liquid assets of SEK 0.0 M (0.0) as of March 31. The average number of employees was 23 (19).

## **Other**

The Board of Directors of Intrum Justitia has proposed that the Annual General Meeting approve a payment of approximately SEK 595 M, or approximately SEK 7 per share, through an offer to redeem shares. According to the redemption offer, each shareholder will be entitled to redeem one of every 12 shares they own for SEK 84 per share. The details of the redemption program will be announced following the Annual General Meeting.

In November 2004 Intrum Justitia decided to withdraw from the acquisition of Legal & Trade Collections (Ireland), since the financial prerequisites on which Intrum Justitia based the acquisition were no longer at hand, based on new information provided by the seller, Legal & Trade Financial Services. The matter is currently being processed in the Irish courts.

*It should be noted that no information or documents regarding the redemption offer may be published or distributed in the United States of America, Canada, Australia or Japan. This interim report is not an extension into the United States, Canada, Australia or Japan of the redemption offer mentioned herein and is not an offer to buy securities in the United States, Canada, Australia or Japan.*

## **The Intrum Justitia Share**

Intrum Justitia's market capitalization as of March 31, 2005 was SEK 5,014 M (3,535). During the period January 1–March 31, 2005 the share rose by 14.6 percent. During the same period Stockholmsbörsen's All Share Index gained 5.5 percent.

The number of shareholders as of March 31, 2005 was 4,411 (3,749).

## **Accounting Principles**

This is the Intrum Justitia Group's first interim report according to the International Financial Reporting Standards (IFRS). In accordance with the requirements in the Swedish Financial Accounting Standards Council's recommendation RR 31 Interim reports for groups, the interim report for the Group is prepared according to IAS 34 Interim Financial Reporting.

The accounting principles applied in the interim report are described in the Annual Report for 2004, Note 1 and in Note 36 with regard to changes in connection with the introduction of IFRS. It is stated there, among other things, that Intrum Justitia is reporting according to IFRS as of 2005 but that comparative figures for 2004 are restated in accordance with IFRS, due to which January 1, 2004 is considered to be Intrum Justitia's transition date to IFRS.

A reconciliation of the estimated aggregate effects of IFRS on the consolidated income statement and balance sheet for the first quarter and full-year 2004, including the effect on deferred tax, is provided in the attachment. The figures in the balance sheet have been adjusted with regard to previously released information on the basis of new information.

The description of the effects of IFRS and amounts are still preliminary and may change if the IFRS recommendations or their interpretation change during the year.

## **Consolidation and Goodwill**

For acquisitions of subsidiaries as of 2004, the Group's acquisition cost of the acquired subsidiary is eliminated against the net of the market value of the subsidiary's assets and liabilities, including intangible assets such as client relations, cases in progress and brands developed internally. If the Group cannot identify such market values corresponding to acquisition cost, goodwill arises. Negative goodwill is not reported, but in such cases is charged against earnings immediately after acquisition.

Goodwill is not amortized, but is tested for impairment, whereupon the estimated future cash flows from the cash-generating unit are discounted by an interest expense corresponding to the Group's weighted average cost of capital. If the present value less sales expenses calculated in this matter is less than the book value net of the cash-generating unit's assets and liabilities, a write-down is made, initially of goodwill.

The previously reported deferred tax asset relating to future tax deductions for the amortization on goodwill arising from asset deals is no longer recognized.

## **Financial Assets and Liabilities**

Intrum Justitia reports financial instruments, including foreign exchange contracts and other derivatives, at fair value. Any changes in fair value are reported in the income statement. At present hedge accounting is not applied.

## **Purchased Debt**

Purchased debt consists of portfolios of overdue consumer receivables purchased at a price significantly below their nominal value. Purchased debt is reported according to an effective interest rate method, where the book value of each portfolio corresponds to the present value of all estimated future cash flows discounted by an effective interest rate determined when the portfolio is purchased, based on the relationship between the acquisition cost and estimated future cash flows at the time of acquisition. Changes in the book value of the portfolios are reported in the income statement on the line for revenues.

In connection with the adaptation of IFRS, the reporting of purchased fresh receivables was adapted in line with the reporting of Purchased Debt. As a result of this change, reported revenues decreased, and both types of assets are now reported on the same balance sheet line.

## **Employee Stock Option Program**

The Annual General Meeting in 2003 approved the adoption of Employee Stock Option Program 2003/2009. Warrants were allocated in May 2004. The theoretical value of the warrants on the date of issue, calculated according to the Black-Scholes model, is accrued over the vesting period (May 2004–December 2006), i.e., the period during which the terms to exercise the warrants are to be met.

### **Reporting Dates**

The Interim Report for January–June 2005 will be published on August 17, 2005.

The Interim Report for January–September 2005 will be published on October 26, 2005.

The Full-Year Report for 2005 will be published in mid-February 2006.

Stockholm, April 27, 2005  
Intrum Justitia AB (publ)

*Jan Roxendal*  
President & Chief Executive Officer

This Interim Report has not been reviewed by the company's auditors

This Interim Report and other financial information are available at Intrum Justitia's website: [www.intrum.com](http://www.intrum.com)

*Denna delårsrapport finns även på svenska.*

### **Presentation of the Interim Report**

This Interim Report and presentation material will be available at [www.intrum.com](http://www.intrum.com) > Investors. President & CEO Jan Roxendal and CFO Bo Askvik will comment on the report on a telephone conference held today at 10:00 a.m. CET.

To participate by telephone, call +44 207 162 0181. A recorded version will be available through May 3, 2005 by telephone +44 207 031 4064, using the code 656008.

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### Intrum Justitia Group – Quarterly overview

	Quarter 1 2005	Quarter 4 2004	Quarter 3 2004	Quarter 2 2004	Quarter 1 2004
Revenues, SEK M	645.7	696.3	681.9	681.9	680.4
Operating earnings, SEK M	99.9	115.0	125.3	90.4	99.9
Collection cases in stock, million	12.0	11.6	11.5	10.8	10.5
Total collection value, SEK billion	81.0	79.4	8.6	81.3	79.9

### Intrum Justitia Group – Five-Year Overview

	2004	2003	2002*	2001	2000
Revenues, SEK M	2,740.5	2,864.6	2,774.9	2,320.6	1,694.1
Earnings after financial items, SEK M	394.2	-146.8	238.4	120.1	82.0
Net earnings, SEK M	323.4	-180.4	173.3	—	—
Earnings per share, SEK	3.68	-2.12	2.61	—	—
Interest coverage ratio, multiple	9.3	-1.5	3.0	—	—
Return on operating capital, %	21.5	6.0	20.5	—	—
Return on shareholders' equity, %	23.0	-13.0	16.8	—	—
Equity/assets ratio, %	42.4	33.7	41.1	—	—
Dividend, SEK	—	—	1.00	—	—
Average number of employees	2,945	2,870	2,661	2,936	1,803

\* Excluding the effect of the correction of accounting inaccuracies in England; the correction is accounted under items affecting comparability in 2003. Comparative figures for the years 2003–2000 are not restated to the International Financial Reporting Standards (IFRS). The largest difference relates to goodwill amortization, which, in accordance with previous accounting rules, was charged against earnings as follows: SEK 124.0 M for 2003, SEK 126.7 M for 2002, SEK 142.2 M for 2001, and SEK 116.9 M for 2000.

<b>Intrum Justitia Group – Consolidated Income Statement</b>			
SEK M	January–March		Full-year
	2005	2004	2004
Revenues	<b>645.7</b>	680.4	2,740.5
Cost of sales	<b>-391.6</b>	-405.5	-1,598.1
<b>Gross earnings</b>	<b>254.1</b>	<b>274.9</b>	<b>1,142.4</b>
Sales and marketing expenses	<b>-67.8</b>	-73.0	-304.1
General and administrative expenses	<b>-86.5</b>	-104.3	-410.5
Participations in associated companies	<b>0.1</b>	2.3	2.8
<b>Operating earnings (EBIT)</b>	<b>99.9</b>	<b>99.9</b>	<b>430.6</b>
Net financial income/expenses	<b>-10.0</b>	-10.7	-36.4
<b>Earnings after financial items</b>	<b>89.9</b>	<b>89.2</b>	<b>394.2</b>
Tax on earnings for the period	<b>-22.5</b>	-22.2	-70.8
<b>Net earnings for the period</b>	<b>67.4</b>	<b>67.0</b>	<b>323.4</b>
<b>Of which attributable to:</b>			
Parent Company's shareholders	<b>64.3</b>	65.4	313.1
Minority interests	<b>3.1</b>	1.6	10.3
<b>Net earnings for the period</b>	<b>67.4</b>	<b>67.0</b>	<b>323.4</b>

<b>Intrum Justitia Group – Data per share</b>			
SEK	January–March		Full-year
	2005	2004	2004
Share price at end of period	<b>59.00</b>	41.60	51.50
Earnings per share before dilution	<b>0.76</b>	0.77	3.68
Earnings per share after dilution	<b>0.75</b>	0.77	3.68
Shareholders' equity (net asset value)	<b>18.61</b>	15.11	17.76
Average number of shares before dilution, '000	<b>84,986</b>	84,986	84,986
Average number of shares after dilution, '000	<b>85,619</b>	84,986	84,986
Number of shares outstanding at end of period, '000	<b>84,986</b>	84,986	84,986

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**Intrum Justitia Group – Consolidated Balance Sheet**

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SEK M	March 31 2005	March 31 2004	December 31 2004
<b>ASSETS</b>			
<b>Intangible fixed assets</b>			
Capitalized development expenditure for IT development and other intangibles	110.2	110.9	104.2
Goodwill	1,534.0	1,564.9	1,505.8
<b>Total intangible fixed assets</b>	<b>1,644.2</b>	<b>1,675.8</b>	<b>1,610.0</b>
<b>Tangible fixed assets</b>	<b>81.6</b>	<b>93.5</b>	<b>86.7</b>
<b>Financial fixed assets</b>			
Shares and participations in associated companies and other companies	6.2	4.8	4.5
Purchased debt	408.9	365.9	416.0
Deferred tax receivables	47.9	62.3	50.8
Other long-term receivables	7.1	12.7	7.3
<b>Total financial fixed assets</b>	<b>470.1</b>	<b>445.7</b>	<b>478.6</b>
<b>Total fixed assets</b>	<b>2,195.9</b>	<b>2,215.0</b>	<b>2,175.3</b>
<b>Current assets</b>			
Accounts receivable	351.9	367.3	345.9
Client funds	377.5	477.2	397.3
Tax assets	0.8	49.8	3.0
Other receivables	288.5	295.8	287.2
Prepaid expenses and accrued revenue	99.5	84.6	81.1
Cash and cash equivalents	162.9	184.9	338.3
<b>Total current assets</b>	<b>1,281.1</b>	<b>1,459.6</b>	<b>1,452.8</b>
<b>TOTAL ASSETS</b>	<b>3,477.0</b>	<b>3,674.6</b>	<b>3,628.1</b>

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<b>Intrum Justitia Group – Consolidated Balance Sheet</b>			
SEK M	March 31 2005	March 31 2004	December 31 2004
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Attributable to Parent Company's shareholders	1,581.7	1,284.4	1,509.1
Attributable to minority	25.4	17.4	28.8
<b>Total shareholders' equity</b>	<b>1,607.1</b>	<b>1,301.8</b>	<b>1,537.9</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	545.1	901.6	731.3
Other long-term liabilities	9.7	0.4	9.6
Provisions for pensions	33.8	30.3	32.4
Provisions for deferred taxation	23.1	17.1	24.2
Other provisions	9.6	13.8	6.3
<b>Total long-term liabilities</b>	<b>621.3</b>	<b>963.2</b>	<b>803.8</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	69.6	136.4	53.9
Client funds payable	377.5	477.2	397.3
Accounts payable	183.4	148.9	195.2
Income tax liabilities	41.0	38.8	37.2
Advances from clients	30.1	32.4	30.1
Other current liabilities	209.6	216.2	223.6
Accrued expenses and prepaid income	329.2	351.4	341.0
Other provisions	8.2	8.3	8.1
<b>Total current liabilities</b>	<b>1,248.6</b>	<b>1,409.6</b>	<b>1,286.4</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,477.0</b>	<b>3,674.6</b>	<b>3,628.1</b>
Pledged assets	—	—	—
Contingent liabilities	918.8	945.7	916.7

In combination with other services sold in Switzerland, the company has issued guarantees for credit card debts totaling SEK 835.1 M (910.0). The company's main risk relates to that portion of the credit card debt that is more than 30 days overdue, which amounts to SEK 12.5 M (67.9). The company has accounted accrued expenses for its expected losses according to calculations based on historical experience and future expectations. Moreover, some clients are no longer active, and thus do not give Intrum Justitia assignments. Accordingly, the company considers that no guarantee commitment exists with regard to these clients.

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. Intrum Justitia regards the claims as groundless and accordingly has not accounted any contingent liability.

Subsequent to a tax audits in Sweden, Norway and Finland, each country's tax authority questioned the company's tax deduction of certain costs for the period 1998–2003. The company has appealed and considers that the tax authorities' claims will not result in any expenses for the company. The fiscal effect of the aforementioned deduction has been accounted as a contingent liability totaling SEK 70.7 M. The audit in Denmark is completed and no significant issues remain.



**Intrum Justitia Group – Cash Flow Statement**

SEK M	January–March		Full-year
	2005	2004	2004
<b>Operating activities</b>			
Operating earnings	99.9	99.9	430.6
Depreciation/amortization	21.6	23.5	99.3
Adjustment for expenses not included in cash flow	3.2	–4.4	16.1
Interest received	2.8	1.8	11.1
Interest paid and other financial expenses	–9.0	–10.7	–46.0
Income tax paid	–14.6	–34.4	–15.3
<b>Cash flow from operating activities before changes in working capital</b>	<b>103.9</b>	<b>75.7</b>	<b>495.8</b>
Changes in working capital	–36.6	–64.5	59.9
Repayments in England of non-allocated receipts	–0.5	–50.6	–70.4
<b>Cash flow from operating activities</b>	<b>66.8</b>	<b>–39.4</b>	<b>485.3</b>
<b>Investing activities</b>			
Purchases of tangible and intangible fixed assets	–19.5	–11.1	–71.6
Purchases of debt	–91.1	–52.3	–266.8
Amortization of purchased debt	70.8	49.1	186.4
Purchases of subsidiaries and associated companies	–1.3	0.0	–10.4
Expenses from cancelled company acquisition	0.0	0.0	–17.4
Other cash flow from investing activities	0.2	–2.6	2.8
<b>Cash flow from investing activities</b>	<b>–40.9</b>	<b>–16.9</b>	<b>–177.0</b>
<b>Financing activities</b>			
Borrowing and amortization	–199.2	–7.8	–218.5
Share dividends to minority owners	–6.8	0.0	0.0
<b>Cash flow from financing activities</b>	<b>–206.0</b>	<b>–7.8</b>	<b>–218.5</b>
<b>Change in liquid assets</b>	<b>–180.1</b>	<b>–64.1</b>	<b>89.8</b>
<b>Opening balance of liquid assets</b>	<b>338.3</b>	<b>243.2</b>	<b>243.2</b>
Exchange rate differences in liquid assets	4.7	5.8	5.3
<b>Closing balance of liquid assets</b>	<b>162.9</b>	<b>184.9</b>	<b>338.3</b>

**Intrum Justitia Group – Consolidated Statement of Changes in Shareholders' Equity**

SEK M	2005			2004		
	Attributable to Parent Company's shareholders	Attributable to minority	Total	Attributable to Parent Company's shareholders	Attributable to minority	Total
<b>Opening balance, January 1</b>	1,509.1	28.8	1,537.9	1,209.0	18.6	1,227.6
Exchange rate differences	6.4	0.3	6.7	10.0	–2.8	7.2
Impact of stock option program	1.9		1.9			—
Share dividends		–6.8	–6.8			—
Net earnings for the period	64.3	3.1	67.4	65.4	1.6	67.0
<b>Closing balance, March 31</b>	<b>1,581.7</b>	<b>25.4</b>	<b>1,607.1</b>	<b>1,284.4</b>	<b>17.4</b>	<b>1,301.8</b>

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### Intrum Justitia Group – Revenues by Region

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SEK M	January–March		Full-year
	2005	2004	2004
Sweden, Norway & Denmark	150.9	154.9	624.4
United Kingdom & Ireland	72.3	91.6	370.1
Netherlands, Belgium & Germany	134.5	152.8	581.3
Switzerland, Austria & Italy	94.1	87.3	370.5
Finland, Estonia, Latvia & Lithuania	74.9	67.8	314.0
France, Spain & Portugal	82.7	82.8	318.1
Poland, Czech Republic & Hungary	36.3	43.2	162.1
<b>Total revenues</b>	<b>645.7</b>	<b>680.4</b>	<b>2,740.5</b>

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### Intrum Justitia Group – Operating Earnings by Region

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SEK M	January–March		Full-year
	2005	2004	2004
Sweden, Norway & Denmark	37.0	39.0	153.0
United Kingdom & Ireland	-1.9	-2.0	11.3
Netherlands, Belgium & Germany	20.3	28.1	80.2
Switzerland, Austria & Italy	17.9	14.3	64.1
Finland, Estonia, Latvia & Lithuania	24.0	23.2	128.7
France, Spain & Portugal	12.1	11.7	50.1
Poland, Czech Republic & Hungary	5.5	12.3	34.4
Participations in associated cos.	0.1	2.3	2.8
Central expenses	-15.1	-29.0	-94.0
<b>Total operating earnings</b>	<b>99.9</b>	<b>99.9</b>	<b>430.6</b>

Operating earnings for service lines and regions are earnings less central marketing expenses.

Central expenses above include expenses divided by service line but not by region.

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### Intrum Justitia Group – Operating Margin by Region

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%	January–March		Full-year
	2005	2004	2004
Sweden, Norway & Denmark	24.5	25.2	24.5
United Kingdom & Ireland	-2.6	-2.2	3.1
Netherlands, Belgium & Germany	15.1	18.4	13.8
Switzerland, Austria & Italy	19.0	16.4	17.3
Finland, Estonia, Latvia & Lithuania	32.0	34.2	41.0
France, Spain & Portugal	14.6	14.1	15.7
Poland, Czech Republic & Hungary	15.2	28.5	21.2
<b>Group total</b>	<b>15.5</b>	<b>14.7</b>	<b>15.7</b>

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**Intrum Justitia Group – Revenues by Service Line**

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SEK M	January–March		Full-year 2004
	2005	2004	
Consumer Collection & Debt Surveillance	401.7	423.7	1,756.0
Commercial & International Collection	152.3	171.1	640.5
Purchased Debt	64.8	65.0	258.1
Other	51.6	55.3	261.2
Elimination of inter-service line revenue	-24.7	-34.7	-130.3
<b>Total revenues</b>	<b>645.7</b>	<b>680.4</b>	<b>2,740.5</b>

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**Intrum Justitia Group – Operating Earnings by Service Line**

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SEK M	January–March		Full-year 2004
	2005	2004	
Consumer Collection & Debt Surveillance	87.7	91.0	409.5
Commercial & International Collection	15.0	17.4	60.5
Purchased Debt	19.6	24.2	78.6
Other	-8.6	-9.1	-36.9
Participations in associated cos.	0.1	2.3	2.8
Central expenses	-13.9	-25.9	-83.9
<b>Total operating earnings</b>	<b>99.9</b>	<b>99.9</b>	<b>430.6</b>

Operating earnings for service lines and regions are earnings less central marketing expenses.

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**Intrum Justitia Group – Operating Margin by Service Line**

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%	January–March		Full-year 2004
	2005	2004	
Consumer Collection & Debt Surveillance	21.8	21.5	23.3
Commercial & International Collection	9.8	10.2	9.4
Purchased Debt	30.2	37.2	30.5
Other	-16.7	-16.5	-17.1
<b>Group total</b>	<b>15.5</b>	<b>14.7</b>	<b>15.7</b>

*Sales Ledger services* are from 2005 included in *Other* services rather than being reported as a separate service line. At the same time, the credit guarantee operations in Switzerland and purchases of fresh receivables in Norway are reported under *Purchased Debt*.

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## Intrum Justitia Group – Additional Data

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<b>Key figures</b>	January–March		Full-year
	<b>2005</b>	2004	2004
Operating margin, %	<b>15.5</b>	14.7	15.7
Return on operating capital (excl. goodwill amortization), %	<b>19.5</b>	19.2	21.5
Return on shareholders' equity, %	<b>16.6</b>	21.0	23.0
Net debt, SEK M	<b>486.4</b>	883.8	480.2
Net debt/equity, %	<b>0.30</b>	0.68	0.31
Equity/assets ratio, %	<b>46.2</b>	35.4	42.4
Interest coverage ratio, multiple	<b>8.1</b>	8.1	9.3
Collection cases in stock, million	<b>12.0</b>	10.5	11.6
Total collection value, SEK billion	<b>81.0</b>	79.9	79.4
Average number of employees	<b>2,838</b>	2,881	2,945

### Definitions

*Operating margin* is operating earnings as a percentage of revenues.

*Return on operating capital* consists of earnings after financial items plus financial expense, divided by average operating capital. Operating capital consists of the sum of shareholders' equity including the minority share, provisions for pensions and interest-bearing liabilities less liquid assets.

*Return on shareholders' equity* is net earnings for the period excluding the minority share as a percentage of average shareholders' equity excluding the minority share.

*Net debt* is interest-bearing loans (the total of long-term liabilities and current liabilities to credit institutions), liabilities for financial leasing and provisions for pensions less liquid assets.

*Equity/assets ratio* is shareholders' equity including the minority share as a percentage of total assets.

*Interest coverage ratio* is earnings after financial items plus interest expenses, etc. as a percentage of interest expenses, etc.

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## Intrum Justitia Group – Ownership structure

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	<b>Number of shares</b>	<b>Capital and votes, %</b>
Industri Kapital 1997 Fund	15,663,669	18.4
Parkerhouse Investments	8,850,000	10.4
Cevian Capital	7,150,669	8.4
Didner & Gerge equity fund	4,000,000	4.7
Lannebo funds	3,646,400	4.3
Nordea funds	1,688,840	2.0
Handelsbanken/SPP funds	1,683,859	2.0
Second Swedish National Pension Fund	1,322,463	1.6
SEB funds	1,238,800	1.5
Robur funds	1,235,800	1.5

Swedish ownership accounted for 55 percent (institutional investors for 26 percent points, equity funds for 21 percent points and individual investors for 8 percent points).

The table is based on the shareholder register on March 31, 2005.

Sources: VPC, SIS Aktieägarservice and Intrum Justitia.

**Intrum Justitia Group – Attachment IFRS**

**Intrum Justitia Group – Consolidated Income Statement**

SEK M	Jan–Mar 2004 acc. to Swed. GAAP	Adjustment Purchased debt	Adjustment Employee options	Adjustment Goodwill	Jan–Mar 2004 acc. to IFRS
Revenues	703.7	–23.3			680.4
Cost of sales	–431.2	25.7			–405.5
<b>Gross earnings</b>	<b>272.5</b>	<b>2.4</b>	<b>0.0</b>	<b>0.0</b>	<b>274.9</b>
Sales and marketing expenses	–73.0				–73.0
General and administrative expenses	–104.3				–104.3
Goodwill amortization	–30.1			30.1	—
Participations in associated companies	2.3				2.3
<b>Operating earnings</b>	<b>67.4</b>	<b>2.4</b>	<b>0.0</b>	<b>30.1</b>	<b>99.9</b>
Net financial income/expenses	–10.7				–10.7
<b>Earnings after financial items</b>	<b>56.7</b>	<b>2.4</b>	<b>0.0</b>	<b>30.1</b>	<b>89.2</b>
Tax on earnings for the period	–21.7	–0.5			–22.2
<b>Net earnings for the period</b>	<b>35.0</b>	<b>1.9</b>	<b>0.0</b>	<b>30.1</b>	<b>67.0</b>
<b>Of which attributable to:</b>					
Parent Company's shareholders	33.6	1.7		30.1	65.4
Minority interests	1.4	0.2			1.6
<b>Net earnings for the period</b>	<b>35.0</b>	<b>1.9</b>	<b>0.0</b>	<b>30.1</b>	<b>67.0</b>

SEK M	March 31 2004 acc. to Swed. GAAP	Adjustment Purchased debt	Adjustment Employee options	Adjustment Goodwill	March 31 2004 acc. to IFRS
<b>ASSETS</b>					
<b>Intangible fixed assets</b>					
Capitalized development expenditure for IT development and other intangibles	110.9				110.9
Goodwill	1,541.6			23.3	1,564.9
<b>Total intangible fixed assets</b>	<b>1,652.5</b>	<b>0.0</b>	<b>0.0</b>	<b>23.3</b>	<b>1,675.8</b>
<b>Tangible fixed assets</b>	<b>93.5</b>				<b>93.5</b>
<b>Financial fixed assets</b>					
Shares and participations in associated companies and other companies	4.8				4.8
Purchased debt	314.3	51.6			365.9
Deferred tax receivables	99.4			-37.1	62.3
Other long-term receivables	12.7				12.7
<b>Total financial fixed assets</b>	<b>431.2</b>	<b>51.6</b>	<b>0.0</b>	<b>-37.1</b>	<b>445.7</b>
<b>Total fixed assets</b>	<b>2,177.2</b>	<b>51.6</b>	<b>0.0</b>	<b>-13.8</b>	<b>2,215.0</b>
<b>Current assets</b>					
Accounts receivable	367.3				367.3
Purchased fresh receivables	44.8	-44.8			—
Client funds	477.2				477.2
Tax assets	49.8				49.8
Other receivables	295.8				295.8
Prepaid expenses and accrued revenue	83.7	0.9			84.6
Cash and cash equivalents	184.9				184.9
<b>Total current assets</b>	<b>1,503.5</b>	<b>-43.9</b>	<b>0.0</b>	<b>0.0</b>	<b>1,459.6</b>
<b>TOTAL ASSETS</b>	<b>3,680.7</b>	<b>7.7</b>	<b>0.0</b>	<b>-13.8</b>	<b>3,674.6</b>

**Intrum Justitia Group – Consolidated Balance Sheet**

SEK M	March 31 2004 acc. to Swed. GAAP	Adjustment Purchased debt	Adjustment Employee options	Adjustment Goodwill	March 31 2004 acc. to IFRS
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>					
Attributable to Parent Company's shareholders	1,295.9	2.3		-13.8	1,284.4
Attributable to minority	16.1	1.3			17.4
<b>Total shareholders' equity</b>	<b>1,312.0</b>	<b>3.6</b>	<b>0.0</b>	<b>-13.8</b>	<b>1,301.8</b>
<b>Long-term liabilities</b>					
Liabilities to credit institutions	901.6				901.6
Other long-term liabilities	0.4				0.4
Provisions for pensions	30.3				30.3
Provisions for deferred taxation	13.8	3.3			17.1
Other provisions	13.8				13.8
<b>Total long-term liabilities</b>	<b>959.9</b>	<b>3.3</b>	<b>0.0</b>	<b>0.0</b>	<b>963.2</b>
<b>Current liabilities</b>					
Liabilities to credit institutions	136.4				136.4
Client funds payable	477.2				477.2
Accounts payable	148.9				148.9
Income tax liabilities	38.8				38.8
Advances from clients	32.4				32.4
Other current liabilities	216.2				216.2
Accrued expenses and prepaid income	350.6	0.8			351.4
Other provisions	8.3				8.3
<b>Total current liabilities</b>	<b>1,408.8</b>	<b>0.8</b>	<b>0.0</b>	<b>0.0</b>	<b>1,409.6</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,680.7</b>	<b>7.7</b>	<b>0.0</b>	<b>-13.8</b>	<b>3,674.6</b>

**Intrum Justitia Group – Consolidated Income Statement**

SEK M	Jan–Dec 2004 acc. to Swed. GAAP	Adjustment Purchased debt	Adjustment Employee options	Adjustment Goodwill	Jan–Dec 2004 acc. to IFRS
Revenues	2,848.8	–108.3			2,740.5
Cost of sales	–1,710.6	112.5			–1,598.1
<b>Gross earnings</b>	<b>1,138.2</b>	<b>4.2</b>	<b>0.0</b>	<b>0.0</b>	<b>1,142.4</b>
Sales and marketing expenses	–304.1				–304.1
General and administrative expenses	–405.5		–5.0		–410.5
Goodwill amortization	–112.1			112.1	—
Participations in associated companies	2.8				2.8
<b>Operating earnings</b>	<b>319.3</b>	<b>4.2</b>	<b>–5.0</b>	<b>112.1</b>	<b>430.6</b>
Net financial income/expenses	–36.4				–36.4
<b>Earnings after financial items</b>	<b>282.9</b>	<b>4.2</b>	<b>–5.0</b>	<b>112.1</b>	<b>394.2</b>
Tax on earnings for the period	–72.2	–0.8		2.2	–70.8
<b>Net earnings for the period</b>	<b>210.7</b>	<b>3.4</b>	<b>–5.0</b>	<b>114.3</b>	<b>323.4</b>
<b>Of which attributable to:</b>					
Parent Company's shareholders	200.4	3.4	–5.0	114.3	313.1
Minority interests	10.3				10.3
<b>Net earnings for the period</b>	<b>210.7</b>	<b>3.4</b>	<b>–5.0</b>	<b>114.3</b>	<b>323.4</b>



**Intrum Justitia Group – Consolidated Balance Sheet**

SEK M	Dec 31 2004 acc. to Swed. GAAP	Adjustment Purchased debt	Adjustment Employee options	Adjustment Goodwill	Dec 31 2004 acc. to IFRS
<b>ASSETS</b>					
<b>Intangible fixed assets</b>					
Capitalized development expenditure for IT development and other intangibles	104.2				104.2
Goodwill	1,401.0			104.8	1,505.8
<b>Total intangible fixed assets</b>	<b>1,505.2</b>	<b>0.0</b>	<b>0.0</b>	<b>104.8</b>	<b>1,610.0</b>
<b>Tangible fixed assets</b>	<b>86.7</b>				<b>86.7</b>
<b>Financial fixed assets</b>					
Shares and participations in associated companies and other companies	4.5				4.5
Purchased debt	390.6	25.4			416.0
Deferred tax receivables	84.7	-0.2		-33.7	50.8
Other long-term receivables	7.3				7.3
<b>Total financial fixed assets</b>	<b>487.1</b>	<b>25.2</b>	<b>0.0</b>	<b>-33.7</b>	<b>478.6</b>
<b>Total fixed assets</b>	<b>2,079.0</b>	<b>25.2</b>	<b>0.0</b>	<b>71.1</b>	<b>2,175.3</b>
<b>Current assets</b>					
Accounts receivable	345.9				345.9
Purchased fresh receivables	18.8	-18.8			—
Client funds	397.3				397.3
Tax assets	3.0				3.0
Other receivables	287.2				287.2
Prepaid expenses and accrued revenue	78.0	3.1			81.1
Cash and cash equivalents	338.3				338.3
<b>Total current assets</b>	<b>1,468.5</b>	<b>-15.7</b>	<b>0.0</b>	<b>0.0</b>	<b>1,452.8</b>
<b>TOTAL ASSETS</b>	<b>3,547.5</b>	<b>9.5</b>	<b>0.0</b>	<b>71.1</b>	<b>3,628.1</b>

SEK M	Dec 31, 2004 acc. to Swed. GAAP	Adjustment Purchased debt	Adjustment Employee options	Adjustment Goodwill	Dec 31 2004 acc. to IFRS
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>					
Attributable to Parent Company's shareholders	1,436.3	1.7		71.1	1,509.1
Attributable to minority	27.6	1.2			28.8
<b>Total shareholders' equity</b>	<b>1,463.9</b>	<b>2.9</b>	<b>0.0</b>	<b>71.1</b>	<b>1,537.9</b>
<b>Long-term liabilities</b>					
Liabilities to credit institutions	731.3				731.3
Other long-term liabilities	9.6				9.6
Provisions for pensions	32.4				32.4
Provisions for deferred taxation	21.8	2.4			24.2
Other provisions	6.3				6.3
<b>Total long-term liabilities</b>	<b>801.4</b>	<b>2.4</b>	<b>0.0</b>	<b>0.0</b>	<b>803.8</b>
<b>Current liabilities</b>					
Liabilities to credit institutions	53.9				53.9
Client funds payable	397.3				397.3
Accounts payable	195.2				195.2
Income tax liabilities	37.2				37.2
Advances from clients	30.1				30.1
Other current liabilities	223.6				223.6
Accrued expenses and prepaid income	336.8	4.2			341.0
Other provisions	8.1				8.1
<b>Total current liabilities</b>	<b>1,282.2</b>	<b>4.2</b>	<b>0.0</b>	<b>0.0</b>	<b>1,286.4</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,547.5</b>	<b>9.5</b>	<b>0.0</b>	<b>71.1</b>	<b>3,628.1</b>

**Intrum Justitia Group – Consolidated Balance Sheet**

SEK M	January 1, 2004 acc. to Swed. GAAP	Adjustment Purchased debt	Adjustment Employee options	Adjustment Goodwill	January 1, 2004 acc. to IFRS
<b>ASSETS</b>					
<b>Intangible fixed assets</b>					
Capitalized development expenditure for IT development and other intangibles	117.8				117.8
Goodwill	1,528.1				1,528.1
<b>Total intangible fixed assets</b>	<b>1,645.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,645.9</b>
<b>Tangible fixed assets</b>	<b>97.3</b>				<b>97.3</b>
<b>Financial fixed assets</b>					
Shares and participations in associated companies and other companies	0.8				0.8
Purchased debt	340.0	49.6			389.6
Deferred tax receivables	107.3			-36.3	71.0
Other long-term receivables	10.1				10.1
<b>Total financial fixed assets</b>	<b>458.2</b>	<b>49.6</b>	<b>0.0</b>	<b>-36.3</b>	<b>471.5</b>
<b>Total fixed assets</b>	<b>2,201.4</b>	<b>49.6</b>	<b>0.0</b>	<b>-36.3</b>	<b>2,214.7</b>
<b>Current assets</b>					
Accounts receivable	353.8				353.8
Purchased fresh receivables	40.6	-40.6			—
Client funds	475.2				475.2
Tax assets	29.4				29.4
Other receivables	263.4				263.4
Prepaid expenses and accrued revenue	73.6				73.6
Cash and cash equivalents	243.2				243.2
<b>Total current assets</b>	<b>1,479.2</b>	<b>-40.6</b>	<b>0.0</b>	<b>0.0</b>	<b>1,438.6</b>
<b>TOTAL ASSETS</b>	<b>3,680.6</b>	<b>9.0</b>	<b>0.0</b>	<b>-36.3</b>	<b>3,653.3</b>

**Intrum Justitia Group – Consolidated Balance Sheet**

SEK M	January 1, 2004 acc. to Swed. GAAP	Adjustment Purchased debt	Adjustment Employee options	Adjustment Goodwill	January 1, 2004 acc. to IFRS
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>					
Attributable to Parent Company's shareholders	1,240.8	4.5		-36.3	1,209.0
Attributable to minority	17.3	1.3			18.6
<b>Total shareholders' equity</b>	<b>1,258.1</b>	<b>5.8</b>	<b>0.0</b>	<b>-36.3</b>	<b>1,227.6</b>
<b>Long-term liabilities</b>					
Liabilities to credit institutions	844.1				844.1
Other long-term liabilities	24.4				24.4
Provisions for pensions	11.9				11.9
Provisions for deferred taxation	13.6	3.2			16.8
Other provisions	15.4				15.4
<b>Total long-term liabilities</b>	<b>909.4</b>	<b>3.2</b>	<b>0.0</b>	<b>0.0</b>	<b>912.6</b>
<b>Current liabilities</b>					
Liabilities to credit institutions	143.7				143.7
Client funds payable	475.2				475.2
Accounts payable	168.4				168.4
Income tax liabilities	39.2				39.2
Advances from clients	32.1				32.1
Other current liabilities	312.7				312.7
Accrued expenses and prepaid income	333.6				333.6
Other provisions	8.2				8.2
<b>Total current liabilities</b>	<b>1,513.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1,513.1</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,680.6</b>	<b>9.0</b>	<b>0.0</b>	<b>-36.3</b>	<b>3,653.3</b>