

## Revenues increase 7 percent

- Consolidated revenues grew by 7% to SEK 1,419.7 M (1,331.8) in the first half-year, with SEK 702.1 M (675.4) generated in the second quarter 2003
- Intrum Justitia returned a net deficit of SEK –3.1 M (39.8) in the first half-year; the net deficit in the second quarter was SEK –9.3 M (13.8); earnings include items affecting comparability of SEK 121.0 M (0.0)
- Earnings per share for the first half-year were SEK –0.04 (0.83)
- Cash flow from operating activities in the first-half year 2003 was SEK 84.6 M (61.0)
- Intrum Justitia reiterates its view that deficiencies in accounting in English operations exerted a negative earnings effect of SEK 80 M before tax
- Organic growth for full year 2003, excluding the English operation, expected to reach 6%

SEK M	Jan–Jun 2003	Jan–Jun 2002	Change, %	Apr–Jun 2003	Apr–Jun 2002	Change, %	Jan–Dec 2002
Revenues	1,419.7	1,331.8	6.6	702.1	675.4	4.0	2,774.9
Adjusted EBITA	202.3	213.6	–5.3	98.3	114.3	–14.0	481.4
Operating earnings (EBIT)	19.4	151.0	–87.2	–13.5	84.5	—	346.2
Net earnings	–3.1	39.8	—	–9.3	13.8	—	173.3
Earnings per share, SEK	–0.04	0.83	—	–0.11	0.27	—	2.61
Current collection cases (million)	10.0	7.7	29.9	10.0	7.7	29.9	8.2

### The Intrum Justitia Group

Intrum Justitia is Europe's leading credit management services group; its revenues are SEK 2.8 billion. The corporation has some 2,900 employees in 21 European countries.

### Accounting Inaccuracies in English Operation

As announced on July 28, Intrum Justitia discovered shortcomings in its English subsidiary's accounting after the end of the period. The company's view is that the financial effects amount to SEK –80 M before tax, accounted as an item affecting comparability in the Income Statement for April–June 2003.

A thorough investigation, in close contact with Stockholmsbörsen (the Stockholm Exchange) has begun, with the intention of surveying the causes of the

inaccuracies and their timing. The investigation is extensive and its conclusions are scheduled for publication by the time of Intrum Justitia's Interim Report on November 11, 2003.

So far, preliminary scrutiny of accounting information for 2003 and 2002 indicates that the causes include inaccurate accounting of revenues and excessive valuation of assets, but no cash shortfall has been identified as yet.

The events in the English subsidiary have resulted in more extensive scrutiny of subsidiaries coincident with the interim half-year financial statement in cooperation with external auditors. No anomalies of significance for the group have been reported. Intrum Justitia has also decided to enhance its internal audits with the assistance of Ernst & Young.

The management of the English subsidiary has been in contact with all its major clients, which have expressed their continued confidence in Intrum Justitia. Those customers that

so requested were offered an opportunity to audit client accounts; all customers that undertook this audit approved the accounting.

#### **Review, April–June 2003: Revenues and EBITA**

Consolidated revenues were SEK 702.1 M. (675.4) in April–June, a 4% increase. Organic growth generated 2 percentage points, with 5 percentage points sourced from acquisitions (Stirling Park in Scotland and the French enterprises Jean Riou Contentieux and Cofreco). Swedish krona appreciation generated –3 percentage points. Organic growth experienced a pronounced adverse impact from negative development in England and reduced revenues in Switzerland. In the former, the combination of customer losses, price pressure and exchange rate effects is the explanation, while in the latter, Intrum Justitia has scaled down its credit information and credit guarantee operations for reasons including adaptation to the prevailing economic climate. Consolidated revenues, excluding England, grew organically by 7%.

Adjusted EBITA declined by 14% to SEK 98.3 M, a reduction primarily attributable to England, although also to Switzerland, as a consequence of reduced revenues.

Operating earnings (EBIT) reduced to a deficit of SEK –13.5 M (84.5), including the SEK 80 M adjustment ensuing from the effects of accounting inaccuracies in the English operations.

Second-quarter earnings before tax and minority interests were a deficit of SEK –31.3 M (30.1); net earnings were SEK –9.3 M (13.8).

#### **Review, January–June 2003: Revenues and EBITA**

Consolidated revenues in January–June were SEK 1,419.7 M (1,331.8) a 7% increase. Organic growth generated 4 percentage points, acquisitions provided 6 percentage points (Stirling Park of Scotland and the French enterprises Jean Riou Contentieux and Cofreco) and Swedish krona appreciation produced –3 percentage points. Organic growth experienced a pronounced negative impact from negative development in England, with consolidated revenues excluding England producing 10% organic growth.

Adjusted EBITA dropped 5% to SEK 202.3 M, due to weaker revenue performance in England and Switzerland, as well as revised legislation in Norway regarding debtor billing that came into force in spring 2002.

Operating earnings (EBIT) declined to SEK 19.4 M (151.0). First half-year earnings before tax and minority interests were a deficit of SEK –14.2 M (73.3); net earnings for the period were SEK –3.1 M (39.8).

#### **Service Line Highlights**

*Consumer Collection & Debt Surveillance:* the majority of the group's growth in the second quarter is attributable to this service line. Businesses are very interested in outsourcing collection services, and in tandem with sustained high consumption and increasing access to credits throughout society, this constitutes a key factor for the service line remaining the group's primary source of income. Revenues from *Consumer Collection & Debt Surveillance* grew from SEK 368.1 M in the second quarter of the previous year to SEK 429.7 M for the corresponding period of 2003. The acquired enterprises Stirling Park, Cofreco and Jean Riou Contentieux contributed a share of the revenue gains. However, organic growth for the period was 12%. The service line achieved good organic growth in the Netherlands, Germany and Poland, where increased volumes from new and existing telecom sector customers spurred on the positive progress. Finland and France also contributed to organic growth, principally through increased volumes from key telecom clients, and more widespread

outsourcing amongst SMEs. Excluding England, this service line achieved 22% organic growth. Adjusted EBITA for the period grew by 23% to SEK 109.8 M.

*Commercial & International Collection:* service line revenues amounted to SEK 163.6 M (191.8) in the second quarter 2003, with England being the main reason for the downturn, where a protracted phase of customer defections decreased service line volumes. Revenues reduced by 15% organically, although excluding England, the reduction was 10%. The extensive implementation of a new production system in Italy is one explanation for the reduced productivity. Intrum Justitia experienced sustained healthy new case inflows in the second quarter, mainly in Sweden. Increased volume inflows in France, particularly from newly acquired enterprises, contributed to the revenue gains in the *France, Spain & Portugal* region. Otherwise, in this service line, many regions experienced a weak quarter. Operating earnings for the period were SEK 10.6 M (24.3), with the main explanation being reduced revenues in England exerting a negative earnings impact.

*Purchased Debt:* service line revenues increased to SEK 50.6 M (38.9) year-on-year in the second quarter; operating earnings for the period were SEK 24.1 M, against SEK 22.0 M in 2002. The gains are primarily due to Poland, where major acquisitions of banking and telecom sector portfolios were made at the end of the previous year. The collection volumes from these portfolios were healthy in the second quarter 2003. The fact that operating margins contracted to 48% (57) is mainly due to persistent low collection from English portfolios, and increased portfolio pricing in countries including Poland.

*Sales Ledger:* in year-on-year terms, service line revenue contracted in the second quarter from SEK 24.1 M to SEK 22.7 M, the lower figure mainly due to Sweden where the main reasons were reduced sales and the loss of one customer last year. Instead, advances have been made in the *Netherlands, Belgium & Germany* region, where demand for this type of service among SMEs increased, and as a consequence of greater volume inflows from a cluster of key telecom sector clients. Operating earnings for the period were SEK –8.0 M (–10.0). The contracting deficit is mainly the result of volume growth in the Dutch operation, and reduced expenses in the *Sweden, Norway & Denmark* region.

*Other Services:* service line revenues decreased by 11% in the reporting period to SEK 55.9 M; operating earnings were a deficit of SEK –2.9 M (16.1). Reduced revenues in the Swiss credit information and credit guarantee operation, the result of planned downsizing, the loss of one major customer, and reduced debt purchases in Norway, are the main reasons for this service line's lower earnings in the second quarter.

#### **Expenses**

The increase in total administrative expenses largely relates to acquisitions and greater costs for consulting services.

#### **Items Affecting Comparability**

Earnings include expenses totaling SEK 121 M, largely comprising the SEK 80 M adjustment for accounting inaccuracies occurring in England. SEK 41.0 M arising in the first quarter, principally relating to expenses coincident with integration of Intrum Justitia's German operations (SEK 37 M), as well as a rationalization package in the Netherlands and Belgium (SEK 4 M) are additional.

#### **Net Financial Items**

Financial expenses were lower than in the corresponding period of the previous year due to loan amortization coincident with the new issue in 2002 and improved funding terms secured for the full year 2003 and beyond, after securing a new loan agreement in April.

## Cash Flow

Cash flow from operating activities advanced to SEK 84.6 M for January–June 2003, from SEK 61.0 M for the corresponding period of 2002.

The adjustment effected due to accounting inaccuracies in England has had no effect on liquid assets. Investments in fixed assets proceeded according to plan, while net investments in purchased debt reduced in the period as a result of major acquisitions in the latter part of last year.

## Financing

As of June 30, 2003, net debt was SEK 868.1 M, against SEK 832.0 M as of June 30, 2002.

Shareholders' equity was SEK 1,428.7 M (1,411.0). Factors affecting this includes a 0.2% Swedish krona depreciation against the euro between December 31, 2002 and June 30, 2003, and 5.9% appreciation against sterling (GBP) in the same period.

As of June 30, 2003, consolidated liquid assets were SEK 137.5 (183.1) and the group had un-utilized credit facilities of SEK 331.8 M.

The group signed a new master agreement with its primary lender in April 2003. With improved interest terms, Intrum Justitia now has access to enlarged credit facilities for future expansion and a simplified collateral structure reflecting the corporation's improved debt/equity ratio.

## Tax

Subsequent to the reconstruction in Germany, the value of loss carry-forwards from previous years is posted as a deferred tax receivable exerting a SEK 22.4 M positive influence on the period's tax expense. The half-year tax expense excluding accounting of deferred tax in the period for Germany is 20% of consolidated earnings before goodwill amortization. Accordingly, the tax rate has declined on previous periods, for reasons including the United Kingdom now providing a lower share of consolidated total taxable earnings than previously.

## Goodwill

Consolidated goodwill stood at SEK 1,721.2 M against 1,791.7 M at the previous year-end, with the change in the half-year comprising the period's investments in goodwill of SEK 38.7 M, SEK –61.9 M in goodwill amortization for the half-year and a SEK –47.4 M effect of exchange rate variations. The utilization period of goodwill is assessed case by case, based on the expected financial life-span of each asset, resulting in depreciation periods of up to 20 years. An estimation of recovery values of goodwill has been performed pursuant to RR's (the Swedish Financial Accounting Standards Council) recommendation no. 17 on write-downs; no need for write-downs has emerged.

## Human Resources

The average number of employees was 2,938 (2,648).

## Parent Company

The parent company Intrum Justitia AB provides the group's head office functions and pursues some group-wide development and marketing.

The parent company had revenues of SEK 26.7 M (9.6) and earnings before tax of SEK –27.4 M (7.6). The parent company invested SEK 0.1 M (2.4) in fixed assets in the first half-year, and had liquid assets of SEK 0.3 M (0.1) at the mid-point of the year.

## Market and Outlook

Intrum Justitia has operations in 21 countries, each with business cycle variations. Many Intrum Justitia companies

are tracing robust revenue growth and earnings performance. Lower growth rates in some operations significant to the group in countries such as England, Switzerland and Norway, allied to the financial effects of accounting inaccuracies discovered in England, have exerted a negative impact on revenues and earnings in the first half-year.

Intrum Justitia's basic operation in England is making good progress, with increasing volumes from new and existing customers, principally within collection.

The overall assessment is that for the full year 2003, consolidated revenues excluding acquisitions and exchange rate effects will be in line with the previous year. Excluding the English operation, the organic growth is expected to reach 6% for the year.

## Other

In April 2003, Visegrad NV, an enterprise partly owned by Intrum Justitia's Regional Managing Director for *Poland, Czech Republic & Hungary* requested exercise of its option to acquire 40% of the shares of Intrum Justitia Central Europe BV, for USD 40,000. Intrum Justitia Central Europe BV is the holding company of the group's operational enterprises in Poland, the Czech Republic and Hungary. This transaction exerted an earnings effect of SEK 2.6 M in the second quarter 2003. From April, this implies a 40% minority holding in the relevant entities. The details associated with this agreement were published in a press release of May 7, 2003.

The integration in Germany is largely complete; the SEK 37 M provisioning for expenses affected in the first quarter is considered sufficient.

## Accounting Principles

This Interim Report has been prepared in accordance with generally accepted accounting practice in Sweden and RR's (the Swedish Financial Accounting Standards Council) Recommendation RR 20.

The company has applied the same accounting principles as in previous years. Although RR has issued six new auditing recommendations that apply from 2003 onwards, none exert any impact on Intrum Justitia's accounted earnings or position but merely impact on accounting formats and supplementary disclosures in the Annual Report.

## Reporting Dates

The Third-quarter Interim Report (July–September) 2003 will be published on November 11, 2003.

The Full-year Report for 2003 will be published on February 19, 2004.

Stockholm, Sweden, August 19, 2003  
Intrum Justitia AB

*Jan Roxendal*  
President & Chief Executive Officer

**Audit Report (translation of the Swedish original)**

We have carried out a review of this Interim Report in accordance with the recommendation issued by FAR (the Institute for the Accountancy Profession in Sweden). A review is significantly limited in comparison with an audit.

We refer the reader to the company's statement regarding accounting inaccuracies in its English operations. An extensive investigation is ongoing, with aims including the quantification of the financial effect on the group. Accordingly, there is some uncertainty for the balances included in the consolidated accounts concerning the English companies.

Otherwise, nothing has come to our attention which would cause us to believe that the Interim Report does not meet the requirements of the Annual Accounts Act.

Stockholm, Sweden, August 19, 2003

*Michael Bengtsson*  
Authorized Public Accountant

Öhrlings PricewaterhouseCoopers AB

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

Denna delårsrapport finns även på svenska.

**Telephone Conference**

*Intrum Justitia's President & CEO, Mr. Jan Roxendal, and CFO Mr. Bertil Persson, will comment on this quarterly report in a telephone conference held today at 3 p.m. CET.*

*The conference will be held on +44 (0)20 8400 6304 or +1 613 287 8027. A replay facility will be available for 48 hours following the conference call on tel: +44 (0)20 8797 2499 (access code: 926143#) or +1 303 590 3060 (access code: 21013653#).*

**For further information, please contact:**

*Jan Roxendal, President & CEO*  
Tel: +46 8 546 10 200

*Bertil Persson, Vice President & CFO*  
Tel: +46 8 546 10 200

*Anders Antonsson, Investor Relations*  
Tel: +46 8 546 10 206, mobile: +46 70 336 7818

Intrum Justitia AB (publ)  
SE-105 24 Stockholm  
Sweden  
Tel: +46 8 546 10200, fax: +46 (0)8 546 10 211  
Website: [www.intrum.com](http://www.intrum.com)  
E-mail: [ir@intrum.com](mailto:ir@intrum.com)  
Swedish corporate identity no: 556607-7581

This interim report is a translation from a Swedish original. In the event of any differences between this translation and the Swedish original, the Swedish version shall govern.

## Intrum Justitia Group — Revenues and Earnings

SEK M	April–June		Change %	January–June		Change %	Full Year 2002*
	2003	2002*		2003	2002*		
Revenues	702.1	675.4	4.0	1,419.7	1,331.8	6.6	2,774.9
<b>EBITDA (operating earnings before depreciation and amortization)</b>	<b>41.7</b>	<b>136.8</b>	<b>-69.5</b>	<b>126.8</b>	<b>255.2</b>	<b>-50.3</b>	<b>560.6</b>
Operational depreciation	-23.4	-22.5	4.0	-45.5	-41.6	9.4	-87.7
<b>EBITA (operating earnings before goodwill amortization)</b>	<b>18.3</b>	<b>114.3</b>	<b>-84.0</b>	<b>81.3</b>	<b>213.6</b>	<b>-61.9</b>	<b>472.9</b>
Adjustment for items affecting comparability	80.0	0.0	—	121.0	0.0	—	8.5
<b>Adjusted EBITA</b>	<b>98.3</b>	<b>114.3</b>	<b>-14.0</b>	<b>202.3</b>	<b>213.6</b>	<b>-5.3</b>	<b>481.4</b>
EBITA as above	18.3	114.3	-84.0	81.3	213.6	-61.9	472.9
Goodwill amortization	-31.8	-29.8	6.7	-61.9	-62.9	-1.1	-126.7
<b>Operating earnings before net financial items and taxes (EBIT)</b>	<b>-13.5</b>	<b>84.5</b>	<b>—</b>	<b>19.4</b>	<b>151.0</b>	<b>-87.2</b>	<b>346.2</b>

## Intrum Justitia Group — Revenues by Service Line

SEK M	April–June		Change %	January–June		Change %	Full Year 2002*
	2003	2002*		2003	2002*		
Consumer Collection & Debt Surveillance	429.7	368.1	16.7	857.3	738.8	16.0	1,597.1
Commercial & International Collection	163.6	191.8	-14.7	338.1	363.0	-6.9	706.0
Purchased Debt	50.6	38.9	30.1	99.9	78.9	26.6	163.1
Sales Ledger	22.7	24.1	-5.8	51.1	49.5	3.2	101.2
Other	55.9	63.1	-11.4	117.0	123.0	-4.9	276.0
Elimination of inter-service line revenue	-20.4	-10.6	—	-43.7	-21.4	—	-68.5
<b>Total</b>	<b>702.1</b>	<b>675.4</b>	<b>4.0</b>	<b>1,419.7</b>	<b>1,331.8</b>	<b>6.6</b>	<b>2,774.9</b>

## Intrum Justitia Group — Operating Earnings (EBITA) by Service Line

SEK M	April–June		Change %	January–June		Change %	Full Year 2002*
	2003	2002*		2003	2002*		
Consumer Collection & Debt Surveillance	100.9	82.3	22.6	195.6	164.5	24.3	370.4
Commercial & International Collection	10.6	24.3	-56.4	29.4	49.0	-32.4	102.0
Purchased Debt	24.1	22.0	9.5	44.6	43.1	3.5	84.2
Sales Ledger	-8.0	-10.0	—	-17.0	-18.2	—	-37.4
Other	-2.9	16.1	—	-1.3	17.7	—	39.0
Central expenses	-26.4	-20.4	—	-48.9	-42.5	—	-76.8
Items affecting comparability	-80.0	0.0	—	-121.0	0.0	—	-8.5
<b>Total</b>	<b>18.3</b>	<b>114.3</b>	<b>-84.0</b>	<b>81.3</b>	<b>213.6</b>	<b>-61.9</b>	<b>472.9</b>

EBITA for service lines and regions is the externally generated EBITA less central marketing expenses.

\* Excluding the effect of the correction of accounting inaccuracies in England; the correction is accounted under items affecting comparability in 2003.

## Intrum Justitia Group — Revenues by Region

SEK M	April–June		Change %	January–June		Change	Full Year 2002*
	2003	2002*		2003	2002*		
Sweden, Norway & Denmark	175.4	176.2	–0.5	357.2	348.8	2.4	712.0
United Kingdom & Ireland	110.4	130.2	–15.2	225.3	268.5	–16.1	525.4
Netherlands, Belgium & Germany	146.5	133.8	9.5	291.4	258.9	12.6	561.7
Switzerland, Austria & Italy	88.9	102.7	–13.4	184.7	198.3	–6.9	413.7
Finland, Estonia, Latvia & Lithuania	66.0	56.8	16.2	130.0	109.2	19.0	246.3
France, Spain & Portugal	73.1	47.4	54.2	149.4	91.5	63.3	192.4
Poland, Czech Republic & Hungary	41.8	28.3	47.7	81.7	56.6	44.3	123.4
<b>Total</b>	<b>702.1</b>	<b>675.4</b>	<b>4.0</b>	<b>1,419.7</b>	<b>1,331.8</b>	<b>6.6</b>	<b>2,774.9</b>

## Intrum Justitia Group — Operating Earnings (EBITA) by Region

SEK M	April–June		Change %	January–June		Change	Full Year 2002*
	2003	2002*		2003	2002*		
Sweden, Norway & Denmark	45.1	41.6	8.4	83.1	83.7	–0.7	170.6
United Kingdom & Ireland	4.1	36.7	–88.8	20.5	68.7	–70.2	115.3
Netherlands, Belgium & Germany	25.3	11.5	120.0	41.2	19.6	110.2	61.4
Switzerland, Austria & Italy	9.7	20.9	–53.6	24.1	37.0	–34.9	90.6
Finland, Estonia, Latvia & Lithuania	20.4	19.6	4.1	41.9	36.4	15.1	97.7
France, Spain & Portugal	11.0	0.3	3,567	20.0	3.5	471.4	6.8
Poland, Czech Republic & Hungary	14.9	4.5	231	29.4	8.6	242	22.1
Central expenses	–32.2	–20.8	—	–57.9	–43.9	—	–83.1
Items affecting comparability	–80.0	0.0	—	–121.0	0.0	—	–8.5
<b>Total</b>	<b>18.3</b>	<b>114.3</b>	<b>–84.0</b>	<b>81.3</b>	<b>213.6</b>	<b>–61.9</b>	<b>472.9</b>

EBITA for service lines and regions is the externally generated EBITA less central marketing expenses.

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

## Intrum Justitia Group — Business Overview by Quarter, 2002–2003

	Quarter 1 2002*	Quarter 2 2002*	Quarter 3 2002*	Quarter 4 2002*	Quarter 1 2003	Quarter 2 2003
Revenues (SEK M)	656.4	675.4	692.3	750.8	717.6	702.1
Adjusted EBITA (SEK M)	99.3	114.3	124.7	143.1	104.0	98.3
Collection cases in stock (million)	7.3	7.7	8.0	8.2	10.0	10.0
Gross collection value (SEK billion)	75.3	77.4	78.7	79.9	81.7**	81.1
Number of employees	2,638	2,648	2,739	2,661	2,865	2,938

\* Excluding the effect of the correction of accounting inaccuracies in England; the correction is accounted under items affecting comparability in 2003.

\*\*Corrected after previous typographical error.

---

**Intrum Justitia Group — Consolidated Income Statement**


---

SEK M	April–June		Change %	January–June		Change %	Full Year 2002*
	2003	2002		2003	2002*		
Revenues	702.1	675.4	4.0	1,419.7	1,331.8	6.6	2,774.9
Cost of sales	-442.1	-416.7	6.1	-897.3	-833.8	7.6	-1,755.4
<b>Gross earnings</b>	<b>260.0</b>	<b>258.7</b>	<b>0.5</b>	<b>522.4</b>	<b>498.0</b>	<b>4.9</b>	<b>1,019.5</b>
Sales and marketing expenses	-72.6	-69.9	3.9	-139.7	-133.4	4.7	-257.3
General and administrative expenses	-89.0	-73.3	21.4	-180.8	-149.0	21.3	-287.8
Goodwill amortization	-31.8	-29.8	6.7	-61.9	-62.6	-1.1	-126.7
Items affecting comparability	-80.0	0.0	—	-121.0	0.0	—	-8.5
Participations in associated companies	-0.1	-1.2	-91.7	0.4	-2.0	—	7.0
<b>Operating earnings (EBIT)</b>	<b>-13.5</b>	<b>84.5</b>	<b>—</b>	<b>19.4</b>	<b>151.0</b>	<b>-87.2</b>	<b>346.2</b>
Net financial income/expenses	-17.8	-54.4	-67.3	-33.6	-77.7	-56.8	-107.8
<b>Earnings after financial items</b>	<b>-31.3</b>	<b>30.1</b>	<b>—</b>	<b>-14.2</b>	<b>73.3</b>	<b>—</b>	<b>238.4</b>
Current and deferred tax on earnings for the period	24.6	-16.7	—	12.8	-33.9	—	-65.4
Minority interests	-2.6	0.4	—	-1.7	0.4	—	0.3
<b>Net earnings</b>	<b>-9.3</b>	<b>13.8</b>	<b>—</b>	<b>-3.1</b>	<b>39.8</b>	<b>—</b>	<b>173.3</b>

---

**Intrum Justitia Group — Data per Share**


---

SEK	April–June		January–June		Full Year 2002*
	2003	2002*	2003	2002*	
Share price at end of period	43.40	53.00	43.40	53.00	40.50
Basic and diluted earnings per share	-0.11	0.27	-0.04	0.83	2.61
Shareholders' equity	16.81	16.60	16.81	16.60	18.10
Denominator for earnings per share, '000	84,986	51,690	84,986	47,813	66,399
Number of shares outstanding at end of period, '000	84,986	84,986	84,986	84,986	84,986

\* Excluding the effect of the correction of accounting inaccuracies in England; the correction is accounted under items affecting comparability in 2003.

---

**Intrum Justitia Group — Consolidated Balance Sheet**


---

SEK M	30 June 2003	31 December 2002*	30 June 2002*
<b>ASSETS</b>			
<b>Intangible fixed assets</b>			
Capitalized development expenditure for software and other intangibles	118.4	113.4	94.0
Goodwill	1,721.2	1,791.7	1,711.4
<b>Total intangible fixed assets</b>	<b>1,839.6</b>	<b>1,905.1</b>	<b>1,805.4</b>
<b>Tangible fixed assets</b>	<b>110.1</b>	<b>115.1</b>	<b>107.4</b>
<b>Financial fixed assets</b>			
Financial fixed assets	5.4	5.4	6.5
Purchased debt	275.6	313.3	261.2
Deferred tax receivable	112.6	93.1	80.8
Other long-term receivables	17.5	18.1	24.1
<b>Total financial fixed assets</b>	<b>411.1</b>	<b>429.9</b>	<b>372.6</b>
<b>Total fixed assets</b>	<b>2,360.8</b>	<b>2,450.1</b>	<b>2,285.4</b>
<b>Current assets</b>			
Accounts receivable	361.8	371.8	279.7
Purchased receivables	38.1	43.0	32.4
Client funds received	436.8	404.2	312.0
Other receivables	383.4	287.6	275.0
Prepaid expenses and accrued revenue	62.2	57.2	40.6
Cash and cash equivalents	137.5	123.4	183.1
<b>Total current assets</b>	<b>1,419.8</b>	<b>1,287.2</b>	<b>1,122.8</b>
<b>TOTAL ASSETS</b>	<b>3,780.6</b>	<b>3,737.3</b>	<b>3,408.2</b>

\* Excluding the effect of the correction of accounting inaccuracies in England; the correction is accounted under items affecting comparability in 2003.



## Intrum Justitia Group — Consolidated Balance Sheet

SEK M	30 June 2003	31 December 2002*	30 June 2002*
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Restricted equity</b>			
Share capital	1.7	1.7	1.7
Restricted reserves	1,422.0	1,408.3	1,432.2
<b>Non-restricted equity</b>			
Non-restricted reserves	8.1	-45.5	-62.7
Net earnings	-3.1	173.3	39.8
<b>Total equity</b>	<b>1,428.7</b>	<b>1,537.8</b>	<b>1,411.0</b>
<b>Minority interests</b>	<b>8.1</b>	<b>0.9</b>	<b>0.7</b>
<b>Provisions</b>			
Provisions for pensions	16.9	19.5	25.0
Provisions for deferred tax liability	21.5	20.5	19.5
Other provisions	120.0	2.1	14.2
<b>Total provisions</b>	<b>158.4</b>	<b>42.1</b>	<b>58.7</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	860.9	621.8	636.1
Other long-term liabilities	24.8	29.7	2.4
<b>Total long-term liabilities</b>	<b>885.7</b>	<b>651.5</b>	<b>638.5</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	119.9	285.0	377.0
Client funds payable	436.8	404.2	312.0
Accounts payable	166.4	184.7	130.2
Income tax liabilities	50.0	52.9	59.3
Advances from customers	41.5	44.7	52.2
Other current liabilities	146.4	211.0	42.1
Accrued expenses and prepaid income	338.7	322.5	326.5
<b>Total current liabilities</b>	<b>1,299.7</b>	<b>1,505.0</b>	<b>1,299.3</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>3,780.6</b>	<b>3,737.3</b>	<b>3,408.2</b>
Pledged assets	0.0	1,506.0	1,474.4
Contingent liabilities	1,001.4	2,351.4	2,254.5

In combination with other services sold in Switzerland, the company has issued guarantees for credit card debts of SEK 973.6 M (2,189.9). The company's main risk relates to that portion of the credit card debt that is more than 30 days overdue, which amounted to SEK 138.2 M (168.0). The company has accounted accrued expenses for its expected losses according to calculations based on historical experience and future expectations. Moreover, some customers 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 customers.

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 audit, the Swedish Tax Authority questioned the company's tax deduction of SEK 87.5 M for the period 1999–2000. The company will be appealing, and considers that the Tax Authority's claim will not result in any expenses for the company. The fiscal effect of the aforesaid deduction has been accounted as a contingent liability. Tax audits were also undertaken in 2002 and 2003 in Norway, Denmark, Finland and Germany. However, until the present, the tax authorities in these countries have only made inquiries; no claims regarding any change to the company's taxation exists.

\* Excluding the effect of the correction of accounting inaccuracies in England; the correction is accounted under items affecting comparability in 2003.

## Intrum Justitia Group — Cash Flow Statement

SEK M	January–June		Full Year 2002*
	2003	2002*	
<b>Cash flow from operating activities</b>			
Operating earnings	19.4	151.0	346.2
Depreciation and amortization	107.4	104.2	214.4
Adjustment for items not included in cash flow	36.4	–12.2	–24.9
Interest received	4.3	3.3	8.8
Interest paid and other financial expenses	–31.9	–64.6	–102.3
Income tax paid	–64.7	–34.6	–63.2
<b>Cash flow from operating activities before change in working capital</b>	<b>70.9</b>	<b>147.1</b>	<b>379.0</b>
Change in working capital	–66.3	–86.1	–45.9
Working capital effect of correction to English operation	80.0	—	—
<b>Cash flow from operating activities</b>	<b>84.6</b>	<b>61.0</b>	<b>333.1</b>
<b>Investment activity</b>			
Purchases of tangible fixed assets	–29.3	–21.6	–53.8
Purchases of intangible fixed assets	–17.9	–16.3	–58.4
Purchases of debt	–46.5	–121.5	–257.6
Amortization of purchased debt	84.8	68.5	161.2
Purchase of subsidiaries	–79.1	0.0	–88.6
Acquired cash from purchased operations	6.0	0.0	0.7
Other cash flow from investment activities	0.3	9.4	14.1
<b>Cash flow from investment activities</b>	<b>–81.7</b>	<b>–81.5</b>	<b>–282.4</b>
<b>Cash flow from financing activities</b>			
Dividends	–85.0	—	—
Other cash flow from financing activity	101.9	65.4	–67.2
<b>Cash flow from financing activity</b>	<b>16.9</b>	<b>65.4</b>	<b>–67.2</b>
<b>Change in liquid assets</b>	<b>19.8</b>	<b>44.9</b>	<b>–16.5</b>
<b>Opening balance of liquid assets</b>	<b>123.4</b>	<b>146.2</b>	<b>146.2</b>
Exchange rate difference, liquid assets	–5.7	–8.0	–6.3
<b>Closing balance of liquid assets</b>	<b>137.5</b>	<b>183.1</b>	<b>123.4</b>

## Consolidated Statement of Changes in Shareholders' Equity

SEK M	No. of Shares Outstanding	Share Capital	Restricted Reserves	Non- restricted reserves	Net Earnings	Total Sh'h'ld's' Equity
Opening balance, January 1, 2003	84,985,604	1.7	1,408.3	–45.5	173.3	1,537.8
Appropriation of previous year's earnings				173.3	–173.3	0.0
Transfer between restricted and non-restricted reserve			35.2	–35.2		0.0
Currency translation differences			–21.5	0.5		–21.0
Dividends				–85.0		–85.0
Net earnings					–3.1	6.2
Closing balance, June 30, 2003	84,985,604	1.7	1,422.0	8.1	–3.1	1,428.7

\* Excluding the effect of the correction of accounting inaccuracies in England; the correction is accounted under items affecting comparability in 2003.

## Intrum Justitia Group — Additional Data

Key figures	April–June		January–June		Full Year
	2003	2002*	2003	2002*	2002*
Adjusted EBITDA margin, %	17.3	20.3	17.5	19.2	20.5
Adjusted EBITA margin, %	14.0	16.9	14.2	16.0	17.3
Adjusted operating margin, %	9.5	12.5	9.9	11.3	12.8
Operating margin, %	–1.9	12.5	1.4	11.3	12.5
Return on capital employed (excluding goodwill amortization), %	3.4	19.5	6.9	17.9	19.7
Return on average operational capital (excluding goodwill amortization), %	3.1	20.6	6.9	19.0	20.5
Return on equity (incl. convertible subordinated debenture), %	–2.5	5.7	–0.4	8.2	16.8
Net debt, SEK M	868	832	868	832	813
Net debt/equity, %	60.8	60.0	60.8	60.0	52.9
Equity/assets ratio, %	37.8	41.4	37.8	41.4	41.1
Interest coverage ratio, multiple	neg	1.5	0.6	1.9	3.0
Collection cases in stock, million	10.0	7.7	10.0	7.7	8.2
Total collection value, SEK billion	81.1	77.4	81.1	77.4	79.9
Average no. of employees	2,938	2,648	2,938	2,648	2,661

### Definitions

*Adjusted EBITDA* is earnings before interest, taxes, depreciation and amortization adjusted for items affecting comparability.

*Adjusted EBITDA margin* is adjusted EBITDA divided by revenues.

*Adjusted EBITA* is earnings before interest, taxes and amortization, adjusted for items affecting comparability.

*Adjusted EBITA margin* is adjusted EBITA divided by revenues.

*Adjusted operating margin* is operating earnings adjusted for items affecting comparability, divided by revenues.

*Operating margin* is operating earnings divided by revenues.

*Return on capital employed* is earnings after financial items plus interest expenses and similar items, divided by average capital employed. Capital employed is calculated as the total of shareholders' equity, minority interests, provisions for pensions and similar commitments, and interest-bearing liabilities. Operational capital is calculated as the total of shareholders' equity, minority interests, provisions for pensions and similar commitments, and interest-bearing liabilities minus cash and cash equivalents.

*Return on equity* is net earnings divided by average shareholders' equity.

*Net debt* is interest-bearing loans (the total of long-term liabilities and current liabilities to credit institutions), excluding shareholders' loans and convertible subordinated debentures, less cash and cash equivalents.

*Equity/assets ratio* is shareholders' equity divided by total assets

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

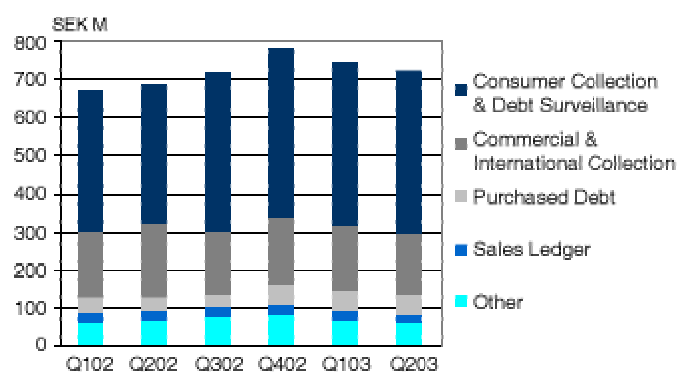
\* Excluding the effect of the correction of accounting inaccuracies in England; the correction is accounted under items affecting comparability in 2003.

## Intrum Justitia Group — Ownership Structure

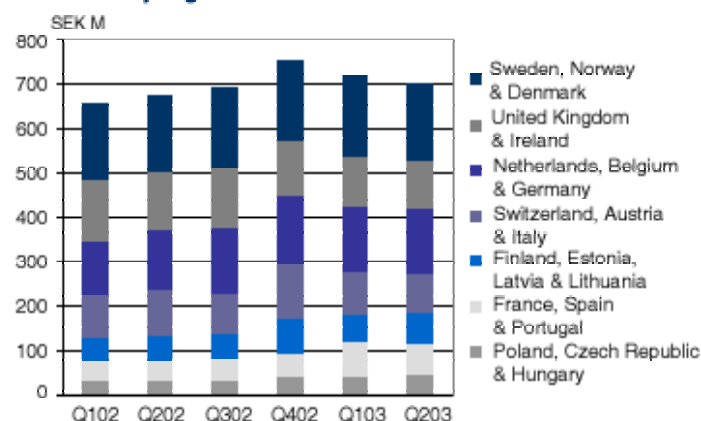
	Number of Shares	Capital and Vote, %
Parkerhouse Investments	22,150,669	26.06
Industri Kapital 1997 Fund	21,230,669	24.98
JP Morgan Chase Bank	6,970,272	8.20
Fidelity Funds	2,085,680	2.45
Liberty Acorn Funds	1,505,000	1.77
Other shareholders with more than 50,000 shares	28,455,850	33.48
Shareholders with between 501 and 50,000 shares	2,319,970	2.73
Shareholders with up to 500 shares	267,494	0.32
<b>Total</b>	<b>84,985,604</b>	<b>100.00</b>

The table is based on the register of shareholders as of June 30, 2003. Source: VPC and Intrum Justitia

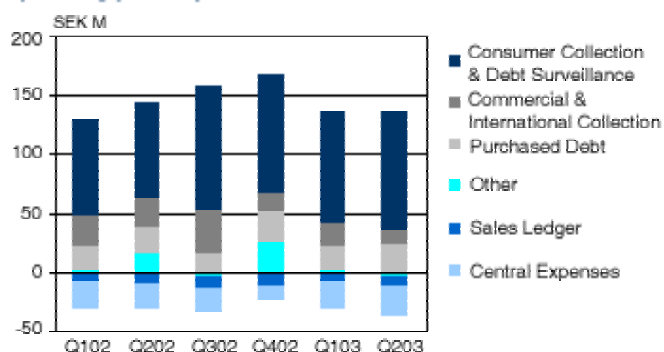
### Revenues by service line



### Revenues by region



### Operating profit by service line



### Operating profit by region

