

Revenues rose 5 percent

- Consolidated revenues rose by 5% to SEK 2,121.9 M (2,024.1) in the first nine months of 2003, with SEK 702.2 M (692.3) generated in the third quarter.
- Net earnings amounted to SEK –28.6 M (81.2) in the first nine months. Net earnings for the third quarter were SEK –25.5 M (41.4). Earnings for the first nine months include items affecting comparability of SEK –259.0 M (–8.5).
- Earnings per share for the first nine months were SEK –0.34 (1.35). Cash flow from operating activities during the same period amounted to SEK 199.8 M (212.6).
- The review of the English operations has substantially been completed. The provisions needed to cover the accounting inaccuracies in Intrum Justitia’s English operations are estimated at SEK 184 M. A detailed description of the review can be found in a separate press release issued today.
- Operating earnings, excluding England and related costs, amounted to SEK 315.9 M, an increase of 32 percent for the first nine months of 2003.
- Organic revenue growth in the first nine months of 2003, excluding the English operations, was nearly 10 percent.

SEK M	Jan–Sep 2003	Jan– Sep 2002	Change, %	Jul–Sep 2003	Jul–Sep 2002	Change, %	Jan–Dec 2002
Revenues	2,121.9	2,024.1	4.8	702.2	692.3	1.4	2,774.9
Adjusted EBITA	330.7	338.3	–2.2	128.4	124.7	3.0	481.4
Operating earnings (EBIT)	–21.6	236.0	—	–41.0	85.0	—	346.2
Net earnings	–28.6	81.2	—	–25.5	41.4	—	173.3
Earnings per share, SEK	–0.34	1.35	—	–0.30	0.49	—	2.61
Current collection cases (million)	10.5	8.0	31.3	10.5	8.0	31.3	8.2

The Intrum Justitia Group

Intrum Justitia is Europe’s leading credit management services group, with revenues of SEK 2.8 billion and around 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. A thorough investigation in close contact with Stockholmsbörsen (the Stockholm Stock Exchange) has now been substantially completed, as reported in a separate press release published today. In summary, the review indicates that the accounting records in the English company may have been deliberately misstated to mislead

the head office, which was facilitated by shortcomings in the English subsidiary’s internal routines and control systems. No cash deficiencies have been uncovered. The question of liability and possible legal action will be further investigated.

The company’s estimate is that the economic effects of the provisions amount to SEK 184 M, including the SEK 80 M accounted as an item affecting comparability in the income statement for the period April–June 2003. In addition, a provision of SEK 104 M has been charged to the third quarter to cover the way in which the English operation has treated unallocated payments over a number of years. The cost of the investigation is estimated at SEK 34 M, which is accounted as an item affecting comparability in the third quarter. The cost to identify and plan improvements to

processes and control systems is estimated at SEK 14 M, of which SEK 7 M is reported in the third quarter.

July–September 2003: Revenues and earnings

Consolidated revenues in the period July–September amounted to SEK 702.2 M (692.3), an increase of 1%. Organic growth generated 2 percentage points, with 3 percentage points from acquisitions (Stirling Park in Scotland and the French enterprises Jean Riou Contentieux and Cofreco). The appreciation of the Swedish krona generated –4 percentage points. Organic growth was substantially affected by developments in England and lower revenues in Switzerland. In Switzerland, Intrum Justitia has scaled down its credit information and credit guarantee operations in part to adapt to prevailing economic conditions. Excluding England, consolidated revenues grew organically by 7%.

Adjusted EBITA rose by 3% to SEK 128.4 M mainly due to the Netherlands, Sweden and Poland, while England, Norway and Switzerland slowed the increase. Excluding England, adjusted EBITA rose by 32%, from SEK 94.2 M in the corresponding period of 2002 to SEK 124.4 M.

Operating earnings (EBIT) fell to SEK –41.0 M (85.0).

Third-quarter earnings before tax and minority interests amounted to a deficit of SEK –52.1 M (65.9), while net earnings for the period were a deficit of SEK –25.5 M (41.4).

January–September 2003: Revenues and earnings

Consolidated revenues during the period January–September amounted to SEK 2,121.9 M (2,024.1), an increase of 5%. Organic growth generated 4 percentage points, with 4 percentage points from acquisitions (Stirling Park in Scotland and the French enterprises Jean Riou Contentieux and Cofreco). The appreciation of the Swedish krona generated –3 percentage points. Organic growth was significantly affected by the development in England. Excluding England, consolidated revenues grew organically by 10%.

Adjusted EBITA declined by 2% to SEK 330.7 M due to weaker revenue performance in England and Switzerland as well as Norway. Excluding England, adjusted EBITA rose by 32%, from SEK 239.9 M in the corresponding period of 2002 to SEK 315.9 M.

Operating earnings (EBIT) decreased to a deficit of SEK –21.6 M (236.0).

Earnings before tax and minority interests for the period January–September amounted to SEK –66.3 M (139.2). Net earnings for the period were SEK –28.6 M (81.2).

Earnings per share for the nine-month period amounted to a deficit of SEK –0.34 (1.35).

Service Line Highlights

Consumer Collection & Debt Surveillance: A significant share of the group's growth in the third quarter is attributable to this service line. Demand for collection services is good, with volume increases primarily in the telecom industry and energy sector. Revenues in the service line grew from SEK 414.5 M during the third quarter of the previous year to SEK 429.7 M in the corresponding period of 2003. A portion of the increase is attributable to the acquired enterprises Stirling Park, Cofreco and Jean Riou Contentieux. Organic growth was 3% for the period. The service line achieved strong organic growth in the Netherlands, Germany and Poland, where increased volumes from new and existing telecom and energy customers spurred on the progress. Finland, France and Sweden also contributed to the organic growth, principally through increased volumes from clients in the above mentioned sectors and more widespread outsourcing among SMEs. Excluding England, this service

line achieved 13% organic growth. Adjusted EBITA for the period decreased by 1% to SEK 103.3 M.

Commercial & International Collection: Service line revenues amounted to SEK 163.1 M (168.4) in the third quarter 2003. One reason for the downturn was England, where a protracted phase of customer defections decreased service line volumes. Revenues were down 5% organically. Excluding England, the decrease was 4%. Countries such as Belgium, Switzerland, the Netherlands and Germany also contributed to the decline in consolidated revenues due to integration work and lower case inflows. During the quarter Italy again incurred high production and IT expenses in connection with the implementation of a new production system. 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 fell to SEK 17.9 M (37.2).

Purchased Debt: Service line revenues rose to SEK 49.3 M (33.2) year-on-year in the third quarter. Operating earnings for the period were SEK 19.0 M, against SEK 15.9 M in 2002. The increase is mainly due to Poland, where major acquisitions were made of banking and telecom sector portfolios. Collection volumes from these portfolios were healthy in the third quarter 2003. The decrease in operating margins to 39% (48) is due in part to persistent low collection from English portfolios and higher portfolio pricing in countries including Poland, and in part to startup expenses for the new joint ventures with Goldman Sachs.

Sales Ledger: Service line revenue rose year-on-year in the third quarter from SEK 25.5 M to SEK 27.2 M. The increase is largely due to England, Ireland and France, where higher demand for this type of service, mainly from the telecom sector, has led to greater volume inflows from a cluster of key customers. The operating deficit for the period was SEK –7.2 M (–8.3). The contracting deficit is mainly the result of reduced expenses in the *Sweden, Norway & Denmark* region.

Other Services: Service line revenues declined in the reporting period from SEK 72.8 M to SEK 52.1 M, while operating earnings amounted to SEK 7.5 M (–4.1). The decrease in revenues for the service line during the quarter is primarily due to a planned downsizing in the Swiss credit information and credit guarantee operation; this did not significantly affect earnings, however.

Expenses

The increase in total administrative expenses is largely attributable to England, as a consequence of the investigation. In addition, expenses for improved routines and control systems are estimated at SEK 14 M, of which SEK 7 M has been charged to the third quarter.

Items Affecting Comparability

Earnings for the period January–September include expenses totaling SEK 259 M consisting of an adjustment of SEK 218 M for the accounting inaccuracies in England and the cost of the investigation as well as SEK 41.0 M arising in the first quarter of 2003 principally related to expenses coincident with integration of Intrum Justitia's German operations (SEK 37 M) and a rationalization package in the Netherlands and Belgium (SEK 4 M).

Net Financial Items

Financial expenses were lower than 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 amounted to SEK 199.8 M in January–September 2003, compared with SEK 212.6 M in the corresponding period of 2002. The adjustment made 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 rose during the period as a result of major acquisitions in the third quarter. A large part of the reported increase in working capital is seasonal, due in part to variations in vacation pay and other accrued staff expenses.

Financing

As of September 30, 2003, net debt was SEK 795.6 M, against SEK 832.0 M a year earlier.

Shareholders' equity amounted to SEK 1,374.4 M (1,447.9) and was affected by the appreciation of the Swedish krona against the euro by 2.8% from December 31, 2002 to September 30, 2003 and by its appreciation against sterling (GBP) in the same period of 9.4%.

As of September 30, 2003, consolidated liquid assets totaled SEK 123.8 M (113.1) and the group had unutilized credit facilities of SEK 365.7 M.

Tax

Due to a more positive outlook for the group's French company, a deferred tax receivable is reported during the quarter for loss carry-forwards in France, which has positively affected the tax expense for the period by SEK 12.9 M. Correspondingly, the tax expense for the second quarter was positively affected by SEK 22.4 M for loss carry-forwards in Germany. The tax expense for the nine-month period excluding the change in deferred tax for France and Germany as well as the tax effect of the items affecting comparability in England amounts to slightly over 23% of consolidated earnings before goodwill amortization. Accordingly, the tax rate has declined compared with previous years, for reasons including that the United Kingdom now provides a lower share of consolidated total taxable earnings than previously.

Goodwill

Consolidated goodwill amounted to SEK 1,644.3 M against SEK 1,791.7 M at the previous year-end, with the change in the year's first three quarters consisting of investments in goodwill (SEK 38.7 M), goodwill amortization for the period (SEK -93.3 M), an adjustment of the acquisition balance for Stirling Park (SEK -6.4 M) and the effect of exchange rate variations (SEK -86.4 M).

Human Resources

The average number of employees was 2,904 (2,739). Aside from the employees added through acquired operations, there was a decrease in connection with the integration in Germany at the same time that Poland increased its staff to handle expanded volume from two major customers.

Parent Company

The parent company, Intrum Justitia AB (publ), provides the group's head office functions and certain group-wide development and marketing services.

The parent company had revenues of SEK 39.6 M (25.1) and earnings before tax of SEK -44.9 M (26.2). The parent company invested SEK 4.1 M (0.6) in fixed assets during the nine-month period and had liquid assets of SEK 12.0 M (1.0) as of September 30.

Market and Outlook

Intrum Justitia's earnings have been adversely affected by what has occurred in the group's English subsidiary. Despite these effects, the underlying operations in England are still considered sound and the company's margins will be in line with average for the group.

Several of the group's markets are experiencing good growth, and the overall forecast for the full year 2003 is that consolidated revenues excluding acquisitions and exchange rate effects will be in line with the previous year.

Other

Bertil Persson will step down from his position as CFO while remaining a member of an expanded executive management to lead group-wide projects. The recruitment of a new CFO has begun, and Bertil Persson will retain his role until a replacement is appointed.

In October, following the conclusion of the report period, an agreement was reached with the global investment bank Goldman Sachs to cooperate on the purchase of portfolios of written-off debt. The cooperation will take the form of a joint venture that invests in various European countries, excluding the Nordic region. Collection services will be provided by the local Intrum Justitia subsidiary in the debt's country of origin.

The integration in Germany is largely completed, and the provision of SEK 37 M made in the first quarter is considered sufficient.

Nomination Committee

The Annual General Meeting on May 13, 2003 authorized the Chairman of the Board to annually appoint a nomination committee to nominate directors and their deputies for board elections at the Annual General Meeting, among other duties.

According to the Annual General Meeting's decision, the Chairman, prior to the upcoming Annual General Meeting, will appoint one representative each from the five largest shareholders, according to registered data provided by VPC as per December 31 of the year prior to the Annual General Meeting.

Shareholders with questions regarding the appointment process or the work of the nomination committee are welcome to contact Chairman Bo Ingemarson.

Accounting Principles

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

The company has applied the same accounting principles as in previous years. Although the Swedish Financial Accounting Standards Council has issued a number of new accounting standards that apply from 2003, none impact Intrum Justitia's reported earnings or financial position but merely the accounting formats and supplementary disclosures in the Annual Report.

Reporting Dates

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

The First-Quarter Interim Report (January–March) 2004 will be published on May 4, 2004.

Stockholm, Sweden, 11 November, 2003
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

Denna delårsrapport finns även på svenska.

Telephone Conference

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

To participate, please call +44 (0) 208 515 2319 or +1 800 814 4941. A recorded version will be available for 48 hours following the conference call on +44 (0) 208 797 2499 and pin code 948806#.

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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	Jul–Sep		Change %	Jan–Sep		Change %	Full Year 2002*
	2003	2002*		2003	2002*		
Revenues	702.2	692.3	1.4	2,121.9	2,024.1	4.8	2,774.9
EBITDA (operating earnings before depreciation and amortization)	16.0	137.9	–88.4	142.8	393.1	–63.7	560.6
Operational depreciation	–25.6	–21.7	18.0	–71.1	–63.3	12.3	–87.7
EBITA (operating earnings before goodwill amortization)	–9.6	116.2	–108.3	71.7	329.8	–78.3	472.9
Adjustment for items affecting comparability	138.0	8.5	—	259.0	8.5	—	8.5
Adjusted EBITA	128.4	124.7	3.0	330.7	338.3	–2.2	481.4
EBITA as above	–9.6	116.2	—	71.7	329.8	–78.3	472.9
Goodwill amortization	–31.4	–31.2	0.6	–93.3	–93.8	–0.5	–126.7
Operating earnings before net financial items and taxes (EBIT)	–41.0	85.0	—	–21.6	236.0	—	346.2

Intrum Justitia Group — Revenues by Service Line

SEK M	Jul–Sep		Change %	Jan–Sep		Change %	Full Year 2002*
	2003	2002*		2003	2002*		
Consumer Collection & Debt Surveillance	429.7	414.5	3.7	1,287.0	1,153.3	11.6	1,597.1
Commercial & International Collection	163.1	168.4	–3.1	501.2	531.4	–5.7	706.0
Purchased Debt	49.3	33.2	48.5	149.2	112.1	33.1	163.1
Sales Ledger	27.2	25.5	6.7	78.3	75.0	4.4	101.2
Other	52.1	72.8	–28.4	169.1	195.8	–13.6	276.0
Elimination of inter-service line revenue	–19.2	–22.1	—	–62.9	–43.5	—	–68.5
Total	702.2	692.3	1.4	2,121.9	2,024.1	4.8	2,774.9

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

SEK M	Jul–Sep		Change %	Jan–Sep		Change %	Full Year 2002*
	2003	2002*		2003	2002*		
Consumer Collection & Debt Surveillance	103.3	104.8	–1.4	298.9	269.3	11.0	370.4
Commercial & International Collection	17.9	37.2	–51.9	47.2	86.2	–45.2	102.0
Purchased Debt	19.0	15.9	19.5	63.6	59.0	7.8	84.2
Sales Ledger	–7.2	–8.3	—	–24.2	–26.5	—	–37.4
Other	7.5	–4.1	—	6.2	13.6	—	39.0
Central expenses	–12.1	–20.8	—	–61.0	–63.3	—	–76.8
Items affecting comparability	–138.0	–8.5	—	–259.0	–8.5	—	–8.5
Total	–9.6	116.2	–108.3	71.7	329.8	–78.3	472.9

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	Jul–Sep		Change %	Jan–Sep		Change	Full Year 2002*
	2003	2002*		2003	2002*		
Sweden, Norway & Denmark	185.4	183.1	1.3	542.6	531.9	2.0	712.0
United Kingdom & Ireland	98.6	134.6	–26.7	323.9	403.1	–19.6	525.4
Netherlands, Belgium & Germany	147.4	147.4	0.0	438.8	406.3	8.0	561.7
Switzerland, Austria & Italy	72.3	94.0	–23.1	257.0	292.3	–12.1	413.7
Finland, Estonia, Latvia & Lithuania	66.8	56.7	17.8	196.8	165.9	18.6	246.3
France, Spain & Portugal	83.0	46.9	77.0	232.4	138.4	67.9	192.4
Poland, Czech Republic & Hungary	48.7	29.6	64.5	130.4	86.2	51.3	123.4
Total	702.2	692.3	1.4	2,121.9	2,024.1	4.8	2,774.9

Intrum Justitia Group — Operating Earnings (EBITA) by Region

SEK M	Jul–Sep		Change %	Jan–Sep		Change	Full Year 2002*
	2003	2002*		2003	2002*		
Sweden, Norway & Denmark	58.1	48.8	19.1	141.2	132.5	6.6	170.6
United Kingdom & Ireland	1.7	33.6	–94.9	22.2	102.3	–78.3	115.3
Netherlands, Belgium & Germany	31.7	17.0	86.5	72.9	36.6	99.2	61.4
Switzerland, Austria & Italy	3.6	16.7	–78.4	27.7	53.7	–48.4	90.6
Finland, Estonia, Latvia & Lithuania	25.2	21.1	19.4	67.1	57.5	16.7	97.7
France, Spain & Portugal	9.2	1.5	513.3	29.2	5.0	484.0	6.8
Poland, Czech Republic & Hungary	14.9	3.5	325.7	44.3	12.1	266.1	22.1
Central expenses	–16.0	–17.5	—	–73.9	–61.4	—	–83.1
Items affecting comparability	–138.0	–8.5	—	–259.0	–8.5	—	–8.5
Total	–9.6	116.2	–108.3	71.7	329.8	–78.3	472.9

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	Quarter 3 2003
Revenues (SEK M)	656.4	675.4	692.3	750.8	717.6	702.1	702.2
Adjusted EBITA (SEK M)	99.3	114.3	124.7	143.1	104.0	98.3	128.4
Collection cases in stock (million)	7.3	7.7	8.0	8.2	10.0	10.0	10.5
Gross collection value (SEK billion)	75.3	77.4	78.7	79.9	81.7**	81.1	80.2
Number of employees	2,638	2,648	2,739	2,661	2,865	2,938	2,904

* 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	Jul-Sep		Change %	Jan-Sep		Change %	Full Year 2002*
	2003	2002*		2003	2002*		
Revenues	702.2	692.3	1.4	2,121.9	2,024.1	4.8	2,774.9
Cost of sales	-413.9	-439.3	-5.8	-1,311.2	-1,273.1	3.0	-1,755.4
Gross earnings	288.3	253.0	14.0	810.7	751.0	7.9	1,019.5
Sales and marketing expenses	-61.6	-62.7	-1.8	-201.3	-196.1	2.7	-257.3
General and administrative expenses	-98.3	-66.6	47.6	-279.1	-215.6	29.5	-287.8
Goodwill amortization	-31.4	-31.2	0.6	-93.3	-93.8	-0.5	-126.7
Items affecting comparability	-138.0	-8.5	—	-259.0	-8.5	—	-8.5
Participations in associated companies	0.0	1.0	—	0.4	-1.0	—	7.0
Operating earnings (EBIT)	-41.0	85.0	—	-21.6	236.0	—	346.2
Net financial income/expenses	-11.1	-19.1	-41.9	-44.7	-96.8	-53.8	-107.8
Earnings after financial items	-52.1	65.9	—	-66.3	139.2	—	238.4
Current and deferred tax on earnings for the period	29.5	-24.3	—	42.3	-58.2	—	-65.4
Minority interests	-2.9	-0.2	—	-4.6	0.2	—	0.3
Net earnings	-25.5	41.4	—	-28.6	81.2	—	173.3

Intrum Justitia Group — Data per Share

SEK	July–September		January–September		Full Year 2002*
	2003	2002*	2003	2002*	
Share price at end of period	33.10	40.10	33.10	40.10	40.50
Basic and diluted earnings per share	-0.30	0.49	-0.34	1.35	2.61
Shareholders' equity	16.17	17.04	16.17	17.04	18.10
Denominator for earnings per share, '000	84,986	84,986	84,986	60,204	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	September 30 2003	December 31 2002*	September 30 2002*
ASSETS			
Intangible fixed assets			
Capitalized development expenditure for software and other intangibles	118.7	113.4	103.7
Goodwill	1,644.3	1,791.7	1,813.3
Total intangible fixed assets	1,763.0	1,905.1	1,917.0
Tangible fixed assets	100.6	115.1	116.5
Financial fixed assets			
Financial fixed assets	4.9	5.4	7.8
Purchased debt	289.0	313.3	264.9
Deferred tax receivable	121.1	93.1	79.5
Other long-term receivables	11.3	18.1	24.3
Total financial fixed assets	426.3	429.9	376.5
Total fixed assets	2,289.9	2,450.1	2,410.0
Current assets			
Accounts receivable	401.7	371.8	276.5
Purchased receivables	38.7	43.0	41.3
Client funds received	404.2	404.2	329.1
Tax receivables	96.9	0.0	0.0
Other receivables	318.0	287.6	316.9
Prepaid expenses and accrued revenue	51.9	57.2	34.6
Cash and cash equivalents	123.8	123.4	113.1
Total current assets	1,435.2	1,287.2	1,111.5
TOTAL ASSETS	3,725.1	3,737.3	3,521.5

* 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	September 30 2003	December 31 2002*	September 30 2002*
SHAREHOLDERS' EQUITY AND LIABILITIES			
Restricted equity			
Share capital	1.7	1.7	1.7
Restricted reserves	1,412.1	1,408.3	1,422.8
Non-restricted equity			
Non-restricted reserves	-10.8	-45.5	-57.8
Net earnings	-28.6	173.3	81.2
Total equity	1,374.4	1,537.8	1,447.9
Minority interests	10.0	0.9	1.0
Provisions			
Provisions for pensions	15.3	19.5	23.8
Provisions for deferred tax liability	21.8	20.5	20.5
Other provisions	232.8	2.1	7.4
Total provisions	269.9	42.1	51.7
Long-term liabilities			
Liabilities to credit institutions	838.4	621.8	710.1
Other long-term liabilities	24.2	29.7	21.5
Total long-term liabilities	862.6	651.5	731.6
Current liabilities			
Liabilities to credit institutions	56.8	285.0	220.1
Client funds payable	404.2	404.2	329.1
Accounts payable	156.7	184.7	133.7
Income tax liabilities	60.8	52.9	73.4
Advances from customers	34.0	44.7	56.8
Other current liabilities	145.0	211.0	86.1
Accrued expenses and prepaid income	350.7	322.5	390.1
Total current liabilities	1,208.2	1,505.0	1,289.3
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,725.1	3,737.3	3,521.5
Pledged assets	0.0	1,506.0	1,478.3
Contingent liabilities	1,046.0	2,351.4	2,079.5

In combination with other services sold in Switzerland, the company has issued guarantees for credit card debts totaling SEK 1,018.2 M (2,014.9). 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 146.5 M (148.1). 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 aforementioned 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–September		Full Year
	2003	2002*	2002*
Operating activities			
Operating earnings	–21.6	236.0	346.2
Depreciation and amortization	164.4	157.1	214.4
Adjustment for items not included in cash flow	235.7	–21.4	–24.9
Interest received	4.7	5.5	8.8
Interest paid and other financial expenses	–41.4	–82.6	–102.3
Income tax paid	–73.4	–34.3	–63.2
Cash flow from operating activities before change in working capital	268.4	260.3	379.0
Change in working capital	–68.6	–47.7	–45.9
Cash flow from operating activities	199.8	212.6	333.1
Investing activities			
Purchases of tangible fixed assets	–37.7	–31.5	–53.8
Purchases of intangible fixed assets	–37.2	–44.3	–58.4
Purchases of debt	–129.8	–126.4	–257.6
Amortization of purchased debt	123.1	78.8	161.2
Purchase of subsidiaries	–79.1	–88.6	–88.6
Acquired cash from purchased operations	6.0	0.0	0.7
Other cash flow from investment activities	0.3	6.9	14.1
Cash flow from investing activities	–154.4	–205.1	–282.4
Cash flow from financing activities			
Dividends	–85.0	—	—
Other cash flow from financing activities	49.1	–35.5	–67.2
Cash flow from financing activities	–35.9	–35.5	–67.2
Change in liquid assets	9.5	–28.0	–16.5
Opening balance of liquid assets	123.4	146.2	146.2
Exchange rate difference, liquid assets	–9.1	–5.1	–6.3
Closing balance of liquid assets	123.8	113.1	123.4

Consolidated Statement of Changes in Shareholders' Equity

SEK M	No. of shares outstanding	Share capital	Restricted reserves	Non- restricted reserves	Net earnings	Total share- holders' 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			44.7	–44.7		0.0
Currency translation differences			–40.9	–8.9		–49.8
Dividends				–85.0		–85.0
Net earnings for the period					–28.6	–28.6
Closing balance, September 30, 2003	84,985,604	1.7	1,412.1	–10.8	–28.6	1,374.4

* 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	July–September		January–September		Full Year 2002*
	2003	2002*	2003	2002*	
Adjusted EBITDA margin, %	21.9	21.1	18.9	19.8	20.5
Adjusted EBITA margin, %	18.3	18.0	15.6	16.7	17.3
Adjusted operating margin, %	13.8	13.5	11.2	12.1	12.8
Operating margin, %	–5.8	12.3	–1.0	11.7	12.5
Return on capital employed (excluding goodwill amortization), %	–1.5	19.4	4.2	18.6	19.7
Return on operational capital (excluding goodwill amortization), %	–1.7	20.3	4.2	19.3	20.5
Return on equity (incl. convertible subordinated debenture), %	–7.3	11.6	–2.6	11.0	16.8
Net debt, SEK M	796	832	796	832	813
Net debt/equity, %	57.9	60.0	57.9	60.0	52.9
Equity/assets ratio, %	36.9	41.4	36.9	41.4	41.1
Interest coverage ratio, multiple	–3.5	4.1	–0.3	2.4	3.0
Collection cases in stock, million	10.5	8.0	10.5	8.0	8.2
Total collection value, SEK billion	80.2	78.7	80.2	78.7	79.9
Average no. of employees	2,904	2,739	2,904	2,739	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

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.