

## Interim report January–September 2004

- Earnings per share for the first nine months of the year improved to SEK 1.51 (–0.34).
- Net earnings for the period increased to SEK 128.3 M (–28.6).
- Revenues for the period amounted to SEK 2,103.6 M (2,121.9).
- Cash flow from operating activities amounted to SEK 250.0 M (199.8).
- Following the report period Intrum Justitia acquired Legal & Trade Collections (Ireland) Ltd., strengthening its market-leading position in Ireland.

SEK M unless indicated otherwise	Jan–Sep 2004	Jan–Sep 2003	Jul–Sep 2004	Jul–Sep 2003	Jan–Dec 2003
<b>Revenues</b>	<b>2,103.6</b>	2,121.9	<b>701.5</b>	702.2	<b>2,864.6</b>
<b>Adjusted EBITA</b>	<b>299.6</b>	330.7	<b>121.0</b>	128.4	<b>428.1</b>
<b>Operating earnings (EBITA)</b>	<b>299.6</b>	71.7	<b>121.0</b>	–9.6	<b>30.1</b>
<b>Operating earnings (EBIT)</b>	<b>215.4</b>	–21.6	<b>93.6</b>	–41.0	<b>–93.9</b>
<b>Net earnings</b>	<b>128.3</b>	–28.6	<b>53.5</b>	–25.5	<b>–180.2</b>
<b>Earnings per share, SEK</b>	<b>1.51</b>	–0.34	<b>0.63</b>	–0.30	<b>–2.12</b>
<b>Earnings per share after dilution, SEK</b>	<b>1.51</b>	–0.34	<b>0.63</b>	–0.30	<b>–2.12</b>
<b>Current collection cases (million)</b>	<b>11.5</b>	10.5	<b>11.5</b>	10.5	<b>10.6</b>

### January–September: Revenues and Earnings

Consolidated revenues for the period January–September were unchanged in local currency. Continued growth in the Netherlands, Sweden and Finland, with rising volumes from customers in the telecom and utility sectors, is being offset mainly by fewer new cases from existing customers in England and lower volumes in Norway and Germany.

Operating earnings (EBITA) increased to SEK 299.6 M (71.7) compared with the same period a year earlier. The result for 2003 was charged with total nonrecurring expenses of SEK 259.0 M for England, Germany, Belgium and the Netherlands. The earnings decline adjusted for these nonrecurring items is primarily due to high administrative expenses in *Consumer Collection & Debt Surveillance* in England. Finland, the Netherlands, Sweden and Italy reported a positive earnings trend.

Operating earnings (EBIT) increased to SEK 215.4 M (–21.6).

Earnings before tax and minority interests for January–September increased to SEK 186.0 M (–66.3), while net earnings for the period increased to SEK 128.3 M (–28.6).

### July–September 2004: Revenues and Earnings

Consolidated revenues for the period July–September amounted to SEK 701.5 M (702.2).

Operating earnings (EBITA) during the third quarter 2004 increased to SEK 121.0 M (–9.6) compared with the corresponding period of 2003. The result for 2003 was charged with SEK 138.0 M for accounting inaccuracies in England. The earnings decline adjusted for these nonrecurring items is due to continued slow performance in Germany and to Norway, which posted an additional amortization expense for purchased fresh receivables. The quarterly result in England was a marginal improvement after turning positive at the end of the period.

Operating earnings (EBIT) increased to SEK 93.6 M (–41.0).

Earnings before tax and minority interests for the quarter increased to SEK 85.1 M (–52.1), positively affected by lower administrative expenses and a better financial net. Net earnings for the period increased to SEK 53.5 M (–25.5).

### Service Lines for July–September

*Consumer Collection & Debt Surveillance*: Quarterly revenues increased to SEK 442.1 M (429.7). Service line growth of 3 percent is attributable to Finland and the

Netherlands, where new and existing telecom and energy customers contributed to the positive development. Switzerland and Poland also contributed to organic growth, principally through increased volumes in debt surveillance. Operating earnings (EBITA) for the third quarter increased to SEK 110.7 M (103.3), which is largely due to volume increases in Switzerland and Poland.

*Commercial & International Collection:* Quarterly revenues fell to SEK 154.1 M (163.1) due to a lower case inflow in England, France, Poland and Germany. As a result, operating earnings (EBITA) for the quarter declined to SEK 13.2 M (17.9).

*Purchased Debt:* Service line revenues increased to SEK 59.8 M (49.3) during the third quarter. Several small portfolios with good collection performance were recently acquired in a number of countries. Collections from portfolios in Finland, Switzerland and the Netherlands remained good. Growth was offset by certain portfolios in England and Austria that performed weakly. On the other hand, the portfolios purchased in England together with Goldman Sachs developed positively. Operating earnings (EBITA) increased to SEK 26.6 M (19.0).

*Sales Ledger:* Revenues increased to SEK 30.7 M from SEK 27.2 M in the third quarter of 2003. The EOS unit has been integrated within the Dutch operation. An increase in demand, mainly from the financial service and media sectors, is not yet covering expenses. The operating deficit for the period was SEK -9.1 M (-7.2). Earnings are charged with expenses for moving the operations in the Netherlands and a migration to a new production system in Sweden.

*Other Services:* Revenues declined from SEK 52.1 M to SEK 48.1 M and produced an operating deficit (EBITA) of SEK -10.7 M (7.5). The decrease in quarterly revenues is mainly due to the downsizing of the Swiss credit information and credit guarantee operation. The Norwegian operation engaged in purchases of fresh receivables has adversely affected operating earnings after the write-down of one of its portfolios in Norway.

### **Expenses**

Central and administrative expenses were lower in third quarter 2004 than the corresponding period of 2003. The previous year included expenses largely attributable to the last year's investigation and the expanded administrative resources and audits that were needed.

### **Items Affecting Comparability**

No items affecting comparability were included the third quarter 2004. Items affecting comparability of SEK 138 M in the corresponding quarter of 2003 were attributable to England. The nine-month period January–September 2003 was charged with an additional SEK 41 M for the integration of the German operations, a rationalization package in the Netherlands and Belgium and SEK 80 M related to the accounting inaccuracies in England.

The reserve of SEK 15.0 M for England that was created in connection with the full-year report for 2003 has not yet been utilized.

### **Net Financial Items**

Financial expenses were lower than the year-on-year period, mainly due to lower market interest rates given improved net interest, mainly in Norwegian kroner and euro, and more efficient management of client funds in England.

### **Cash Flow and Investments**

Cash flow from operating activities improved to SEK 250.0 M during the nine-month period, against SEK 199.8 M in the corresponding period of 2003. The change in working

capital remained positive during the third quarter. The Group's English subsidiary received a repayment of preliminary tax of SEK 18 M during the quarter, as previously announced. This affected cash flow positively.

Cash flow during the period January–September 2004 was otherwise charged with SEK 56.3 M for repayments of previously unallocated receipts in England. Additional repayments for the remainder of 2004 are estimated at SEK 6 M.

Investments in tangible and intangible fixed assets were lower than the corresponding period of 2003. Purchases of written-off receivables during the nine-month period amounted to SEK 228.8 M (129.8), including disbursements of SEK 36.1 M in early 2004 for purchases contractually agreed upon in 2003. The investment amount includes SEK 73.6 M allocated by the Group during the third quarter to purchase written-off debt through the joint venture with Goldman Sachs. The Group's 25% interest in the company is reported in the consolidated financial reports in accordance with the proportional method.

### **Financing**

The Group's financial position has been strengthened through a reduction in net debt to SEK 649.6 M at the end of the third quarter, against SEK 768.8 M at year-end 2003. The net debt/equity ratio improved to 0.47 from 0.62 at the start of the year

Shareholders' equity amounted to SEK 1,368.2 M, compared with SEK 1,240.8 M on December 31, 2003. Shareholders' equity was positively affected by SEK 6.4 M from exchange rate fluctuations, which was offset by SEK 7.3 M for the preliminarily estimated effect of a change in accounting principles for pensions.

As of September 30, 2004 liquid assets totaled SEK 221.0 M, against SEK 243.2 M on December 31, 2003. Unutilized credit facilities amounted to SEK 446.0 M on the same date (SEK 301.7 M at year-end 2003).

### **Minority Interests**

Minority interests of SEK -5.9 M in the income statement and SEK 21.8 M in the balance sheet refer principally to the 40% minority holdings in the Group's companies in Poland, the Czech Republic and Hungary as of April 2003.

### **Goodwill**

Consolidated goodwill amounted to SEK 1,445.0 M, against SEK 1,528.1 M at year-end 2003. The change during the nine-month period consists of goodwill amortization of SEK -84.2 M, additional acquisition costs of SEK 1.9 M, an adjustment of SEK -7.1 M in the acquisition analysis for the Group's company in Scotland and SEK 6.3 M for the effect of exchange rate fluctuations.

### **Tax**

The tax expense for the third quarter amounts to 25 percent of consolidated earnings before goodwill amortization.

### **Human Resources**

The average number of employees during the quarter was 2,915 (2,904). The number of employees has increased in Poland, Finland and the Netherlands to handle expanded volume, at the same time that reductions have been made in England and Germany.

### **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 36.9 M (39.6) and a pre-tax deficit of SEK -42.3 M (-44.9). The parent company invested SEK 0.5 M (4.1) in fixed assets during the nine-month period and had liquid assets of SEK 0.0 M (12.0) at the end of the period. The average number of employees was 21 (19).

#### **Reduction in share premium reserve**

In accordance with the resolution of the Annual General Meeting in May 2004, the company has applied to reduce the share premium reserve in the parent company by SEK 500.0 M and transfer the amount to non-restricted reserves. The application was granted by Stockholm District Court in September 2004.

#### **Employee Stock Option Program 2003/2009**

The Annual General Meeting 2003 resolved to implement a Stock Option Program to be allocated to employees in executive position by issuing stock options. In accordance with this Employee Stock Option Program, the options were allocated during the second quarter of 2004. In total, 18 employees received the options without consideration to acquire 2,325,000 shares at a strike price of SEK 57 per share. The stock options may be exercised only by individuals who are employed by the Group at the time of execution. Additional options on 200,000 shares have been retained for allocation by the Board of Directors. The issuance of stock options has no direct effect on the accounts. When exercised, the stock options may cause social security costs for the Group. In addition to the options that have been allotted or will be allotted to employees, options on 833,250 shares have been issued to one of the Group's subsidiaries to cover the liquidity effect that could arise due to social security costs. Of the allotted options, 500,000 have been received by the CEO, while 17 other executives each have received between 75,000 and 150,000 options. An annual increase of at least 10 percent in consolidated earnings per share before goodwill amortization is required during the years 2003–2006 for the program's detachable warrants to be fully exercised. This would raise the number of shares outstanding by 3,358,250 and the share capital by SEK 67,165. Because the present value of the strike price exceeds the current market price, the option program has not been taken into consideration in the calculation of earnings per share.

#### **Market and Outlook**

The trend toward increased outsourcing and higher indebtedness is expected to continue, particularly in the *Consumer Collection & Debt Surveillance* service line.

The Intrum Justitia Group's revenues in fiscal year 2004 are expected to be in line with the previous year. The Group's long-term target of 10% organic growth remains unchanged.

#### **The Intrum Justitia Share**

Intrum Justitia's market capitalization as of September 30, 2004 was SEK 3,671 M (2,813). The price of Intrum Justitia's share rose by 14% during the first nine months of the year. During the same period Stockholmsbörsen's All Share Index rose by 9%. During the period 41.3 million shares were traded, corresponding to 49% of the total number of shares outstanding as of September 30.

Since July 1, 2004 the share is traded in Stockholmsbörsen's Attract 40 segment.

The number of shareholders as of September 30 was 3,933 (3,380).

#### **Highlights after the Conclusion of the Report Period**

In October 2004 Intrum Justitia acquired Legal & Trade Collections (Ireland) Limited. The acquisition strengthens its position as the market leader in Ireland. The Irish companies have a combined turnover of around SEK 45 M, and their aggregate collection value doubles to SEK 1.3 billion. The purchase price of SEK 19.5 M gives rise to goodwill of SEK 11.8 M.

#### **Nomination Committee**

The Annual General Meeting on May 5, 2004 decided to assign the Chairman of the Board to form a Nomination Committee annually, at the conclusion of the third quarter, by convening the five largest shareholders in the company. In addition, the Nomination Committee can decide that the Chairman of the Board should be a member of the Committee. The Committee appoints one of the shareholder representatives to serve as chairman.

For the Annual General Meeting 2005, the Nomination Committee consists of Christian Salamon (Industri Kapital), Bo Göransson (Parkerhouse Investment), Christer Gardell (Amaranth Capital), Göran Espelund (Lannebo Funds), Björn Lind (SEB Funds) and Bo Ingemarson (Chairman of Intrum Justitia AB).

One of the five largest shareholders has declined to participate and SEB Funds, as the sixth largest shareholder, has been invited to take part in the work. In total, the Nomination Committee represents approximately 59 percent of the share capital.

The proposal of the Nomination Committee will be presented in the notice of the Annual General Meeting 2005.

Shareholders are welcome to submit their views to the Committee by December 1, 2004 by e-mail to [agm@intrum.com](mailto:agm@intrum.com).

#### **Accounting Principles**

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

From January 1, 2004 the company applies the Swedish Financial Accounting Standards Council's accounting standard RR29 Employee Benefits, which contains, among other things, uniform regulations on the actuarial calculation of provisions for pensions in defined-benefit pension plans. These pensions were previously reported by each Group company in accordance with the local practice in each country. The amended accounting principles have resulted in an increase in provisions for defined-benefit pensions and similar commitments in Norway, France, Italy and Finland totaling SEK 18.6 M through a decrease in shareholders' equity of SEK 7.3 M and a reclassification of other long-term liabilities of SEK 11.3 M. The pension obligations in Sweden according to the so-called ITP plan are still reported as defined-contribution pension solutions since Alecta has stated that it will not be able to supply the information companies need to report them as defined-benefit pension solutions.

As of 2004 the Group reports bad debt losses on its accounts receivable as a portion of sales and marketing expenses, in accordance with Swedish practice. In the previous year they were reported as cost of services sold. Comparative figures have been restated due to this reclassification.

The joint ventures owned together with Goldman Sachs, SDF 75 AG and SDF 50 AG, are reported in the consolidated financial reports in accordance with the proportional method.

The company has otherwise applied the same accounting principles as in previous years.

### **Harmonization of New Accounting Principles**

From January 1, 2005 Intrum Justitia will report in accordance with International Financial Reporting Standards (IFRS, formerly IAS). Intrum Justitia currently complies with the recommendations of the Swedish Financial Accounting Standards Council. Although the latter have gradually been adapted to IFRS, certain differences remain. Intrum Justitia has appointed a steering committee to monitor developments and harmonize the company's accounts with the new rules. Based on what is now known, the only major differences between the current accounting principles and IFRS regard the reporting of acquisitions and goodwill, as well as financial instruments.

Intrum Justitia will during the fourth quarter provide more detailed information on the effects on the company's reporting.

### **Reporting Dates 2005**

The Full-Year Report for 2004 will be published on February 17, 2005.

The Interim Report for January–March 2005 will be published on April 27, 2005. The Annual General Meeting will be held on the same day, Wednesday, April 27, 2005.

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.

Stockholm, October 27, 2004  
Intrum Justitia AB (publ)

*Jan Roxendal*  
President & Chief Executive Officer

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.*

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

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

The interim report and presentation material are available at [www.intrum.com](http://www.intrum.com) > Investors. Intrum Justitia President & CEO Jan Roxendal and CFO Bo Askvik will comment on the report at a telephone conference today at 10:00 a.m. CET.

To participate by telephone, call +44 207 162 0191. A recorded version will be available by telephone: +44 208 288 4459 using the code 753 992.

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### **The Intrum Justitia Group**

Intrum Justitia is Europe's leading credit management services group. Services include credit information, invoicing and reminder management as well as debt surveillance and collection of written-off receivables. The Group has revenues of SEK 2.9 billion and around 2,900 employees in 21 countries.

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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	July–September		Change %	January–September		Change %	Full-year 2003
	2004	2003		2004	2003		
Revenues	701.5	702.2	–0.1	2,103.6	2,121.9	–0.9	2,864.6
<b>EBITDA (operating earnings before depreciation and amortization)</b>	<b>145.3</b>	<b>16.0</b>	<b>808.1</b>	<b>374.6</b>	<b>142.8</b>	<b>162.3</b>	<b>129.5</b>
Depreciation	–24.3	–25.6	—	–75.0	–71.1	—	–99.4
<b>EBITA (operating earnings before goodwill amortization)</b>	<b>121.0</b>	<b>–9.6</b>	<b>—</b>	<b>299.6</b>	<b>71.7</b>	<b>317.9</b>	<b>30.1</b>
Adjustment for items affecting comparability	0.0	138.0	—	0.0	259.0	—	398.0
<b>Adjusted EBITA</b>	<b>121.0</b>	<b>128.4</b>	<b>–5.8</b>	<b>299.6</b>	<b>330.7</b>	<b>–9.4</b>	<b>428.1</b>
EBITA as above	121.0	–9.6	—	299.6	71.7	317.9	30.1
Goodwill amortization	–27.4	–31.4	—	–84.2	–93.3	—	–124.0
<b>Operating earnings before net financial items and taxes (EBIT)</b>	<b>93.6</b>	<b>–41.0</b>	<b>—</b>	<b>215.4</b>	<b>–21.6</b>	<b>—</b>	<b>–93.9</b>

## Intrum Justitia Group – Business Overview by Quarter 2002–2004

	Quarter 3 2004	Quarter 2 2004	Quarter 1 2004	Quarter 4 2003	Quarter 3 2003	Quarter 2 2003	Quarter 1 2003	Quarter 4 2002*
Revenues, SEK M	701.5	698.4	703.7	742.7	702.2	702.1	717.6	750.8
Adjusted EBITA, SEK M	121.0	81.1	97.5	97.4	128.4	98.3	104.0	143.1
Operating earnings (EBITA), SEK M	121.0	81.1	97.5	–41.6	–9.6	18.3	63.0	143.1
Collection cases in stock, million	11.5	10.8	10.5	10.6	10.5	10.0	10.0	8.2
Gross collection value, SEK billion	80.6	81.3	79.9	79.3	80.2	81.1	81.7	79.9
Average number of employees	2,915	2,916	2,881	2,870	2,904	2,938	2,865	2,661

## Intrum Justitia Group – Five-Year Overview 1999–2003

	2003	2002*	2001	2000	1999
Revenues (SEK M)	2,864.6	2,774.9	2,320.6	1,694.1	1,516.0
Earnings after financial items, SEK M	–146.8	238.4	120.1	82.0	–224.0
Net earnings, SEK M	–180.2	173.3	67.4	52.8	–236.8
Earnings per share, SEK	–2.12	2.61	—	—	—
Earnings per share, before goodwill amortization, SEK	–0.66	4.52	—	—	—
Interest coverage ratio, multiple	neg.	3.0	—	—	—
Return on capital employed (excluding goodwill), %	5.9	19.7	—	—	—
Return on equity, %	–13.0	16.8	—	—	—
Equity/assets ratio, %	33.7	41.1	—	—	—
Dividend, SEK	0	1.00	—	—	—

\* 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	July–September		Change %	January–September		Change %	Full-year
	2004	2003		2004	2003		
Sweden, Norway & Denmark	186.3	185.4	0.5	545.6	542.6	0.6	729.3
United Kingdom & Ireland	100.4	98.6	1.8	281.1	323.9	-13.2	395.5
Netherlands, Belgium & Germany	142.2	147.4	-3.5	437.4	438.8	-0.3	607.6
Switzerland, Austria & Italy	82.5	72.3	14.1	257.2	257.0	0.1	351.3
Finland, Estonia, Latvia & Lithuania	72.8	66.8	9.0	216.8	196.8	10.2	283.8
France, Spain & Portugal	72.2	83.0	-13.0	234.4	232.4	0.9	313.0
Poland, Czech Republic & Hungary	45.1	48.7	-7.4	131.1	130.4	0.5	184.1
<b>Total revenues</b>	<b>701.5</b>	<b>702.2</b>	<b>-0.1</b>	<b>2,103.6</b>	<b>2,121.9</b>	<b>-0.9</b>	<b>2,864.6</b>

## Intrum Justitia Group – Operating Earnings Before Goodwill Amortization (EBITA) by Region

SEK M	July–September		Change %	January–September		Change %	Full-year 2003
	2004	2003		2004	2003		
Sweden, Norway & Denmark	49.6	58.1	-14.6	124.4	141.2	-11.9	166.7
United Kingdom & Ireland	1.9	1.7	—	-13.8	22.2	—	2.4
Netherlands, Belgium & Germany	21.3	31.7	-32.8	60.4	72.9	-17.1	94.9
Switzerland, Austria & Italy	9.9	3.6	175.0	31.4	27.7	13.4	43.8
Finland, Estonia, Latvia & Lithuania	25.2	25.2	0.0	79.5	67.1	18.5	106.7
France, Spain & Portugal	11.1	9.2	20.7	33.1	29.2	13.4	42.3
Poland, Czech Republic & Hungary	13.6	14.9	-8.7	36.7	44.3	-17.2	66.3
Participations in associated cos.	1.2	0.0	—	4.5	0.4	—	0.4
Central expenses	-12.8	-16.0	—	-56.6	-74.3	—	-95.4
Items affecting comparability	0.0	-138.0	—	0.0	-259.0	—	-398.0
<b>Total (EBITA)</b>	<b>121.0</b>	<b>-9.6</b>	<b>—</b>	<b>299.6</b>	<b>71.7</b>	<b>317.9</b>	<b>30.1</b>

## Intrum Justitia Group – Operating Earnings After Goodwill Amortization (EBIT) by Region

SEK M	July–September		Change %	January–September		Change %	Full-year 2003
	2004	2003		2004	2003		
Sweden, Norway & Denmark	38.2	49.1	-22.2	95.9	113.8	-15.7	130.0
United Kingdom & Ireland	-1.9	-4.1	—	-26.8	3.4	—	-22.8
Netherlands, Belgium & Germany	17.5	27.9	-37.3	49.0	61.5	-20.3	79.8
Switzerland, Austria & Italy	8.9	-0.1	—	22.7	16.2	40.1	28.5
Finland, Estonia, Latvia & Lithuania	21.0	20.6	1.9	66.9	53.4	25.3	88.7
France, Spain & Portugal	8.7	6.0	45.0	25.9	22.1	17.2	32.8
Poland, Czech Republic & Hungary	13.6	14.9	-8.7	36.7	44.3	-17.2	66.3
Participations in associated cos.	1.2	0.0	—	4.5	0.4	—	0.4
Central expenses	-13.6	-17.3	—	-59.4	-77.7	—	-99.6
Items affecting comparability	0.0	-138.0	—	0.0	-259.0	—	-398.0
<b>Total (EBIT)</b>	<b>93.6</b>	<b>-41.0</b>	<b>—</b>	<b>215.4</b>	<b>-21.6</b>	<b>—</b>	<b>-93.9</b>

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

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

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


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SEK M	July–September		Change %	January–September		Change %	Full-year 2003
	2004	2003		2004	2003		
Consumer Collection & Debt Surveillance	<b>442.1</b>	429.7	2.9	<b>1,304.8</b>	1,287.0	1.4	1,732.3
Commercial & International Collection	<b>154.1</b>	163.1	-5.5	<b>479.1</b>	501.2	-4.4	665.3
Purchased Debt	<b>59.8</b>	49.3	21.3	<b>163.8</b>	149.2	9.8	206.6
Sales Ledger	<b>30.7</b>	27.2	12.9	<b>99.4</b>	78.3	26.9	113.9
Other	<b>48.1</b>	52.1	-7.7	<b>147.6</b>	169.1	-12.7	233.6
Elimination of inter-service line revenue	<b>-33.3</b>	-19.2	—	<b>-91.1</b>	-62.9	—	-87.1
<b>Total revenues</b>	<b>701.5</b>	<b>702.2</b>	<b>-0.1</b>	<b>2,103.6</b>	<b>2,121.9</b>	<b>-0.9</b>	<b>2,864.6</b>

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**Intrum Justitia Group – Operating Earnings Before and After Goodwill Amortization  
(EBITA and EBIT) by Service Line**


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SEK M	July–September		Change %	January–September		Change %	Full-year 2003
	2004	2003		2004	2003		
Consumer Collection & Debt Surveillance	<b>110.7</b>	103.3	7.2	<b>279.3</b>	298.9	-6.6	398.1
Commercial & International Collection	<b>13.2</b>	17.9	-26.3	<b>44.7</b>	47.2	-5.3	56.7
Purchased Debt	<b>26.6</b>	19.0	40.0	<b>60.3</b>	63.6	-5.2	85.6
Sales Ledger	<b>-9.1</b>	-7.2	—	<b>-21.9</b>	-24.2	—	-55.6
Other	<b>-10.7</b>	7.5	—	<b>-18.0</b>	6.2	—	20.1
Participations in associated cos.	<b>1.2</b>	0.0	—	<b>4.5</b>	0.4	—	0.4
Central expenses	<b>-10.9</b>	-12.1	—	<b>-49.3</b>	-61.4	—	-77.2
Items affecting comparability	<b>0.0</b>	-138.0	—	<b>0.0</b>	-259.0	—	-398.0
<b>Total (EBITA)</b>	<b>121.0</b>	<b>-9.6</b>	—	<b>299.6</b>	<b>71.7</b>	<b>317.9</b>	<b>30.1</b>
Goodwill amortization	<b>-27.4</b>	-31.4	—	<b>-84.2</b>	<b>-93.3</b>	—	-124.0
<b>Total (EBIT)</b>	<b>93.6</b>	<b>-41.0</b>	—	<b>215.4</b>	<b>-21.6</b>	—	<b>-93.9</b>

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

## Intrum Justitia Group – Consolidated Income Statement

SEK M	July–September		January–September		Full-year 2003
	2004	2003	2004	2003	
Revenues	<b>701.5</b>	702.2	<b>2,103.6</b>	2,121.9	2,864.6
Cost of sales	<b>-428.7</b>	-415.1	<b>-1,278.6</b>	-1,290.8	-1,742.8
<b>Gross earnings</b>	<b>272.8</b>	<b>287.1</b>	<b>825.0</b>	<b>831.1</b>	<b>1,121.8</b>
Sales and marketing expenses	<b>-71.8</b>	-60.4	<b>-231.8</b>	-221.7	-304.7
General and administrative expenses	<b>-81.2</b>	-98.3	<b>-298.1</b>	-279.1	-389.4
Goodwill amortization	<b>-27.4</b>	-31.4	<b>-84.2</b>	-93.3	-124.0
Items affecting comparability	<b>0.0</b>	-138.0	<b>0.0</b>	-259.0	-398.0
Participations in associated companies	<b>1.2</b>	0.0	<b>4.5</b>	0.4	0.4
<b>Operating earnings (EBIT)</b>	<b>93.6</b>	<b>-41.0</b>	<b>215.4</b>	<b>-21.6</b>	<b>-93.9</b>
Net financial income/expenses	<b>-8.5</b>	-11.1	<b>-29.4</b>	-44.7	-52.9
<b>Earnings after financial items</b>	<b>85.1</b>	<b>-52.1</b>	<b>186.0</b>	<b>-66.3</b>	<b>-146.8</b>
Tax on earnings for the period	<b>-28.1</b>	29.5	<b>-51.8</b>	42.3	-21.2
Minority interests	<b>-3.5</b>	-2.9	<b>-5.9</b>	-4.6	-12.2
<b>Net earnings</b>	<b>53.5</b>	<b>-25.5</b>	<b>128.3</b>	<b>-28.6</b>	<b>-180.2</b>

## Intrum Justitia Group – Data per share

SEK	July–September		January–September		Full-year 2003
	2004	2003	2004	2003	
Share price at end of period	<b>43.20</b>	33.10	<b>43.20</b>	33.10	38.00
Basic and diluted earnings per share	<b>0.63</b>	-0.30	<b>1.51</b>	-0.34	-2.12
Earnings per share excluding goodwill amortization	<b>0.95</b>	0.07	<b>2.50</b>	0.76	-0.66
Shareholders' equity	<b>16.10</b>	16.17	<b>16.10</b>	16.17	14.60
Denominator for earnings per share, '000	<b>84,986</b>	84,986	<b>84,986</b>	84,986	84,986
Number of shares outstanding at end of period, '000	<b>84,986</b>	84,986	<b>84,986</b>	84,986	84,986



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**Intrum Justitia Group – Consolidated Balance Sheet**


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SEK M	<b>September 30</b>	September 30	December 31
	<b>2004</b>	2003	2003
<b>ASSETS</b>			
<b>Intangible fixed assets</b>			
Capitalized development expenditure for IT development and other intangibles	103.4	118.7	117.8
Goodwill	1,445.0	1,644.3	1,528.1
<b>Total intangible fixed assets</b>	<b>1,548.4</b>	<b>1,763.0</b>	<b>1,645.9</b>
<b>Tangible fixed assets</b>	<b>88.5</b>	<b>100.6</b>	<b>97.3</b>
<b>Financial fixed assets</b>			
Shares and participations in associated companies and other companies	6.3	4.9	0.8
Purchased debt	373.2	289.0	340.0
Deferred tax receivables	87.2	121.1	107.3
Other long-term receivables	8.4	11.3	10.1
<b>Total financial fixed assets</b>	<b>475.1</b>	<b>426.3</b>	<b>458.2</b>
<b>Total fixed assets</b>	<b>2,112.0</b>	<b>2,289.9</b>	<b>2,201.4</b>
<b>Current assets</b>			
Accounts receivable	368.6	401.7	353.8
Purchased fresh receivables	32.9	38.7	40.6
Client funds	388.0	404.2	475.2
Tax assets	51.2	96.9	29.4
Other receivables	265.8	318.0	263.4
Prepaid expenses and accrued revenue	80.2	51.9	73.6
Cash and cash equivalents	221.0	123.8	243.2
<b>Total current assets</b>	<b>1,407.7</b>	<b>1,435.2</b>	<b>1,479.2</b>
<b>TOTAL ASSETS</b>	<b>3,519.7</b>	<b>3,725.1</b>	<b>3,680.6</b>

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## Intrum Justitia Group – Consolidated Balance Sheet

SEK M	September 30 2004	September 30 2003	December 31 2003
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Restricted equity</b>			
Share capital	1.7	1.7	1.7
Restricted reserves	1,042.5	1,412.1	1,519.2
<b>Non-restricted equity</b>			
Non-restricted reserves	195.7	-10.8	-99.9
Net earnings for the period	128.3	-28.6	-180.2
<b>Total equity</b>	<b>1,368.2</b>	<b>1,374.4</b>	<b>1,240.8</b>
<b>Minority interests</b>	<b>21.8</b>	<b>10.0</b>	<b>17.3</b>
<b>Provisions</b>			
Provisions for pensions	31.9	15.3	11.9
Provisions for deferred taxation	14.4	21.8	13.6
Other provisions	17.1	232.8	23.6
<b>Total provisions</b>	<b>63.4</b>	<b>269.9</b>	<b>49.1</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	801.4	838.4	844.1
Other long-term liabilities	8.3	24.2	24.4
<b>Total long-term liabilities</b>	<b>809.7</b>	<b>862.6</b>	<b>868.5</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	60.9	56.8	143.7
Client funds payable	388.0	404.2	475.2
Accounts payable	164.1	156.7	168.4
Income tax liabilities	51.5	60.8	39.2
Advances from customers	28.9	34.0	32.1
Other current liabilities	225.2	145.0	312.7
Accrued expenses and prepaid income	338.0	350.7	333.6
<b>Total current liabilities</b>	<b>1,256.6</b>	<b>1,208.2</b>	<b>1,504.9</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,519.7</b>	<b>3,725.1</b>	<b>3,680.6</b>
Pledged assets	0.0	0.0	0.0
Contingent liabilities	899.6	1 046.0	960.6

In combination with other services sold in Switzerland, the company has issued guarantees for credit card debts totaling SEK 863.9 M (1,018.2). 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 11.9 M (146.5). 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 audit, the Swedish Tax Authority questioned the company's tax deduction of SEK 87.4 M for the period 1999–2000. The company has appealed 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 and Finland. The claim of the tax authorities in Finland is not expected to result in any expenses for the company. Until this point, the tax authorities in Norway and Denmark have only made inquiries; no claims regarding any change to the company's taxation exist.

## Intrum Justitia Group – Cash Flow Statement

SEK M	January–September		Full-year
	2004	2003	2003
<b>Operating activities</b>			
Operating earnings	215.4	-21.6	-93.9
Depreciation/amortization	159.2	164.4	223.4
Write-down of goodwill	0.0	0.0	103.0
Adjustment for expenses not included in cash flow	-4.0	51.7	29.4
Interest received	7.5	4.7	6.7
Interest paid and other financial expenses	-34.9	-41.4	-50.6
Income tax paid	-40.3	-73.4	-81.6
<b>Cash flow from operating activities before changes in working capital</b>	<b>302.9</b>	<b>84.4</b>	<b>136.4</b>
Changes in working capital	3.4	-68.6	-32.8
Repayments in England of non-allocated receipts	-56.3	0.0	0.0
Working capital effect of correction to English operations	0.0	184.0	198.2
<b>Cash flow from operating activities</b>	<b>250.0</b>	<b>199.8</b>	<b>301.8</b>
<b>Investing activities</b>			
Purchases of tangible fixed assets	-26.1	-37.7	-49.7
Purchases of intangible fixed assets	-16.4	-37.2	-48.1
Purchases of debt	-228.8	-129.8	-200.8
Amortization of purchased debt	157.8	123.1	166.3
Purchases of subsidiaries and associated companies	-11.9	-79.1	-79.5
Acquired cash from purchased subsidiaries	0.0	6.0	6.0
Other cash flow from investing activities	1.7	0.3	0.3
<b>Cash flow from investing activities</b>	<b>-123.7</b>	<b>-154.4</b>	<b>-205.5</b>
<b>Financing activities</b>			
Dividends	0.0	-85.0	-85.0
Other cash flow from financing activities	-152.6	49.1	119.0
<b>Cash flow from financing activities</b>	<b>-152.6</b>	<b>-35.9</b>	<b>34.0</b>
<b>Change in liquid assets</b>	<b>-26.3</b>	<b>9.5</b>	<b>130.3</b>
<b>Opening balance of liquid assets</b>	<b>243.2</b>	<b>123.4</b>	<b>123.4</b>
Exchange rate differences in liquid assets	4.1	-9.1	-10.5
<b>Closing balance of liquid assets</b>	<b>221.0</b>	<b>123.8</b>	<b>243.2</b>

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

SEK M	No. of shares outstanding	Share capital	Restricted reserves	Non-restricted reserves	Net earnings for period	Total shareholders' equity
<b>Opening balance, January 1, 2004</b>	<b>84,985,604</b>	<b>1.7</b>	<b>1,519.2</b>	<b>-99.9</b>	<b>-180.2</b>	<b>1,240.8</b>
Change in accounting principle for pensions				-7.3		-7.3
<b>Opening balance in accordance with new accounting principle</b>	<b>84,985,604</b>	<b>1.7</b>	<b>1,519.2</b>	<b>-107.2</b>	<b>-180.2</b>	<b>1,233.5</b>
Appropriation of previous year's earnings				-180.2	180.2	0.0
Reduction in share premium reserve			-500.0	500.0		0.0
Other transfers between non-restricted and restricted equity			23.3	-23.3		0.0
Currency translation differences				6.4		6.4
Net earnings for the period					128.3	128.3
<b>Closing balance, September 30, 2004</b>	<b>84,985,604</b>	<b>1.7</b>	<b>1,042.5</b>	<b>195.7</b>	<b>128.3</b>	<b>1,368.2</b>

## Intrum Justitia Group – Additional Data

Key figures	July–September		January–September		Full-year 2003
	2004	2003	2004	2003	
Adjusted EBITA margin, %	<b>17.2</b>	18.3	14.2	15.6	14.9
EBITA margin, %	<b>17.2</b>	-1.4	14.2	3.4	1.1
Operating margin, %	<b>13.3</b>	-5.8	10.2	-1.0	-3.3
Return on capital employed (excluding goodwill amortization), %	<b>21.3</b>	-1.5	17.9	4.2	5.9
Return on operational capital (excluding goodwill amortization), %	<b>22.9</b>	-1.7	19.4	4.2	6.0
Return on equity, %	<b>15.9</b>	-7.3	13.1	-2.6	-13.0
Net debt, SEK M	<b>650</b>	796	650	796	769
Net debt/equity, %	<b>47.5</b>	57.9	47.5	57.9	62.0
Equity/assets ratio, %	<b>38.9</b>	36.9	38.9	36.9	33.7
Interest coverage ratio, multiple	<b>7.9</b>	neg.	6.0	neg.	neg.
Collection cases in stock, million	<b>11.5</b>	10.5	11.5	10.5	10.6
Total collection value, SEK billion	<b>80.6</b>	80.2	80.6	80.2	79.3
Average number of employees	<b>2,915</b>	2,904	2,915	2,904	2,870

### Definitions

*Adjusted EBITA* is operating earnings before goodwill amortization and adjusted for items affecting comparability.

*EBITA* is operating earnings before goodwill amortization.

*EBITA margin* is EBITA divided by revenues.

*Operating margin* is operating earnings divided by revenues.

*Return on capital employed* is earnings after financial items plus financial expenses, goodwill amortization and write-downs divided by average capital employed. Capital employed is calculated as the total of shareholders' equity, minority interests, provisions for pensions and interest-bearing liabilities. Operational capital is calculated as the total of shareholders' equity, minority interests, provisions for pensions and interest-bearing liabilities less liquid assets and interest-bearing receivables.

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

*Net debt* is interest-bearing loans (the total of long-term liabilities and current liabilities to credit institutions) less liquid assets and interest-bearing receivables.

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

*Interest coverage ratio* is earnings after financial items plus interest expenses, etc. divided by interest expenses, etc.