

## Full-year report 2004

- Earnings per share improved to SEK 2.36 (–2.12).
- Net earnings for the year increased to SEK 200.4 M (–180.2).
- Consolidated revenues for the year amounted to SEK 2,848.8 M (2,864.6).
- Cash flow from operating activities amounted to SEK 481.1 M (301.8).
- The Board of Directors proposes a redemption corresponding to SEK 7 per share and a change in dividend policy.

SEK M unless indicated otherwise	Full-year 2004	Full-year 2003	Oct–Dec 2004	Oct–Dec 2003
<b>Revenues</b>	<b>2,848.8</b>	2,864.6	<b>745.2</b>	742.7
<b>Adjusted EBITA</b>	<b>431.4</b>	428.1	<b>131.8</b>	97.4
<b>Operating earnings (EBITA)</b>	<b>431.4</b>	30.1	<b>131.8</b>	–41.6
<b>Operating earnings (EBIT)</b>	<b>319.3</b>	–93.9	<b>103.9</b>	–72.3
<b>Net earnings</b>	<b>200.4</b>	–180.2	<b>72.1</b>	–151.6
<b>Earnings per share before and after dilution, SEK</b>	<b>2.36</b>	–2.12	<b>0.85</b>	–1.78
<b>Current collection cases (million)</b>	<b>11.6</b>	10.6	<b>11.6</b>	10.6

### January–December: Revenues and Earnings

Consolidated revenues for the period January–December were unchanged in local currency. Continued growth in Finland, Sweden and Switzerland, with rising volumes from clients in the telecom and energy sectors, is being offset mainly by lower revenues in England, Germany and Norway, due to lower inflow of cases.

Operating earnings (EBITA) increased to SEK 431.4 M (30.1). After a re-evaluation of the purchased debt portfolios, the value of the Norwegian portfolios has been written down by SEK 22.1 M. For other portfolios, an estimation of anticipated future cash flow has led to lower amortization, which positively affected revenues and earnings by SEK 18.9 M.

No items affecting comparability were reported in 2004. In total, 2003 was charged with SEK 398 M, of which SEK 356 M related to the accounting problems in England and SEK 42 M to the integration of the German operations and a rationalization package in Belgium and the Netherlands.

Operating earnings (EBIT) increased to SEK 319.3 M (–93.9).

Earnings before tax and minority interests for January–December increased to SEK 282.9 M (–146.8), while net earnings for the period reached SEK 200.4 M (–180.2).

In accordance with the recommendation of Stockholmsbörsen, the effects of the transition to IFRS are reported in separate columns of the consolidated income statement and balance sheet for 2004. In connection with

the adaptation of IFRS, Intrum Justitia has chosen to report purchased debt portfolios according to an effective interest rate method, as a result of which their value increases by SEK 12.4 M. A detailed explanation follows below.

### October–December: Revenues and Earnings

Consolidated revenues during the last quarter of the year amounted to SEK 745.2 M (742.7). The quarter is seasonally strong in Finland, mainly due to tax refund payments, and in Switzerland, which also affects operating earnings positively.

Operating earnings (EBITA) during the fourth quarter 2004 increased to SEK 131.8 M (–41.6). In 2003 earnings were charged with SEK 139.0 M for accounting inaccuracies in England. In addition, lower production costs and improved cost control, contributes to the increased earnings. The accounting reserve of SEK 15 M established for England in the 2003 year-end accounts was utilized during the quarter, which improved the result. The audit of the English company was completed without any remarks.

Finland, Sweden and Switzerland attributed to a continued rise in earnings.

Operating earnings (EBIT) increased to SEK 103.9 M (–72.3).

Earnings before tax and minority interests for the quarter increased to SEK 96.9 M (–80.5), while net earnings for the period reached SEK 72.1 M (–151.6).

## Service Lines

*Consumer Collection & Debt Surveillance:* Quarterly revenues increased to SEK 451.2 M (445.3). New and existing clients in the healthcare, telecom and utility sectors, mainly in Sweden and Switzerland, contributed positively. Denmark and Finland also contributed to organic growth, mainly through higher volumes in *Debt Surveillance*. This business is developing positively as a result of expansion to more of the Group's markets.

Operating earnings (EBITA) for the fourth quarter 2004 increased to SEK 130.2 M (99.2), attributable in significant part to the above-mentioned volume increases. Last year's high costs in England also affected the quarterly comparison positively.

*Commercial & International Collection:* Quarterly revenues fell to SEK 161.4 M (164.1) due to a lower case inflow in Italy, France and Germany. Operating earnings (EBITA) for the quarter increased to SEK 15.8 M (9.5) mainly due to improvements in Finland and Switzerland.

*Purchased Debt:* Service line revenues increased to SEK 81.1 M (57.4) during the fourth quarter. Collections from portfolios in England, Finland, Sweden and Switzerland remained good during the quarter. Operating earnings (EBITA), on the other hand, declined to SEK 18.9 M (22.0) due to lower volumes and higher collection costs in Poland. After a re-evaluation of purchased debt portfolios, the Group wrote down the value of the Norwegian portfolios by SEK 18.9 M. For other portfolios, an estimation of anticipated future cash flow led to lower amortization, which meant an increase of revenues and earnings of SEK 18.9 M. The estimation of future cash flows complies with upcoming IFRS rules.

*Sales Ledger:* Revenues decreased to SEK 30.5 M from SEK 35.6 M in the fourth quarter of 2003. The integration of the EOS unit with the other operations in the Netherlands, has negatively affected service line revenues. The operating deficit for the period amounted to SEK -10.4 M, to be compared with SEK -31.4 M, including restructuring costs in 2003.

*Other Services:* Revenues declined from SEK 64.5 M to SEK 60.2 M and produced operating earnings (EBITA) of SEK 8.6 M (13.9). The decrease in quarterly revenues and earnings is mainly due to lower activity in the Norwegian operation that purchases fresh receivables. For the full-year the write-down of Norwegian portfolios adversely affected earnings by SEK 3.2 M.

## Net Financial Items

Financial expenses were lower than the year-on-year, and amounted to SEK -36.4 M (-52.9), an improvement due to a lower net debt, resulting in lower interest expenses.

## Cash Flow and Investments

Cash flow from operating activities improved to SEK 481.1 M during the year, against SEK 301.8 M in 2003. The change in working capital remained positive during the fourth quarter. The Group's English subsidiary received a repayment of preliminary tax of SEK 27.7 M.

Cash flow during 2004 was charged with SEK 70.4 M for repayments of previously unallocated receipts in England.

Investments in tangible and intangible fixed assets were lower than the corresponding period of 2003. Purchases of written-off receivables during the year amounted to SEK 266.8 M (200.8).

## Financing

The Group's financial position has been strengthened through a reduction in net debt to SEK 456.5 M during the fourth quarter, against SEK 768.6 M at year-end 2003. The net debt/equity ratio improved to 0.32 (0.62).

Shareholders' equity amounted to SEK 1,436.3 M, compared with SEK 1,240.8 M on December 31, 2003. Shareholders' equity was positively affected by SEK 1.7 M from exchange rate fluctuations, which was offset by a negative net effect of SEK 6.6 M after tax for a change in accounting principles for pensions.

As of December 31, 2004 liquid assets totaled SEK 338.3 M, against SEK 243.2 M on December 31, 2003. Unutilized credit facilities amounted to SEK 385.8 M (301.7).

## Minority Interests

Minority interests of SEK -10.3 M in the income statement and SEK 27.6 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 1,401.0 M, against SEK 1,528.1 M at year-end 2003. The change during the year consists of goodwill amortization of SEK -112.1 M, additional acquisition costs of SEK 0.7 M, an adjustment of SEK -6.9 M in the acquisition analysis for the Group's company in Scotland and SEK -8.8 M for the effect of exchange rate fluctuations. An impairment test conducted for all goodwill in the Group has not led to any write-downs.

## Tax

The reported tax expense for the full-year is based on the companies' estimated actual tax expense for the year, in contrast to the year's first three interim reports, where pre-tax earnings were charged with an estimated average tax rate for the entire Group. The resulting tax rate used in the annual accounts is lower than the one estimated previously during the year. The Group has reported no deferred tax receivables for the tax loss carry forwards in England.

## Human Resources

The average number of employees during the year was 2,945 (2,870). The number of employees has increased in Finland, the Netherlands and Poland to handle expanded volume, at the same time that reductions have been made in England and Germany.

## Parent Company

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

The parent company had revenues of SEK 39.0 M (34.3) and a pre-tax deficit of SEK -67.5 M (-16.5). The parent company invested SEK 0.5 M (1.9) in fixed assets during the year and had liquid assets of SEK 7.7 M (0.0) at year-end. The average number of employees was 23 (20).

## Other

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

## The Intrum Justitia Share

Intrum Justitia's market capitalization as of December 30, 2004 was SEK 4,377 M (3,229). The price of Intrum Justitia's share increased by 36 percent in 2004. During the same period Stockholmsbörsen's All Share Index rose by 18 percent. During the year 59.7 million shares were traded, corresponding to 70 percent of the total number of shares outstanding as of December 30.

Since July 1, 2004 the share is traded in Stockholmsbörsen's Attract40 segment.

The number of shareholders as of December 30 was 4,833 (3,458).

### Highlights after Closing Date

#### *Refinancing*

On February 11, 2005 Intrum Justitia AB signed a five-year syndicated loan facility of EUR 210 M with Danske Bank A/S, Nordea Bank AB and Svenska Handelsbanken AB. Each bank's share is EUR 70 M. The facility will be used for general corporate purposes and to refinance the current loan facility of EUR 150 M. The agreement increases the number of banks involved. The Group's strong financial position ensured improved, flexible terms.

#### *Clarification of agreement with related party*

In connection with a previous agreement, Intrum Justitia and Visegrad NV, the minority owner of the Group subsidiary Intrum Justitia Central Europe BV, signed a new agreement in January 2005 that in principle partly governs investments in portfolios of written-off receivables in Poland, the Czech Republic and Hungary and partly specifies the calculation of the variable commission on these portfolios. The variable commission is calculated as the amount exceeding Intrum Justitia's yield requirement on each of the investments in portfolios of written-off receivables in the three aforementioned countries. Visegrad NV's share of the variable commission for 2004 amounts to SEK 2.0 M.

### Proposed Dividend and Redemption of Shares

The Board of Directors proposes that no dividend be paid for fiscal year 2004 (0.00).

With reference to Intrum Justitia's strong financial position and good cash flow situation, the Board proposes that the Annual General Meeting approve a payment to shareholders of approximately SEK 600 M, corresponding to approximately SEK 7 per share, through an offer to redeem shares. Trading in redemption rights is expected to take place on Stockholmsbörsen beginning in May 2005. Payment of redemption proceeds is expected to take place around the end of June 2005. Information on the redemption price, redemption ratio and other details of the offer will be announced in connection with the notice of the Annual General Meeting.

The Board of Directors is confident that following the redemption the company will still have the capacity to expand through organic growth, debt purchases and company acquisitions.

### New Dividend Policy

The Board of Directors has amended the dividend policy, which means an increase of the share of distribution: The aim of Intrum Justitia's Board of Directors is to annually propose that shareholders receive a dividend or corresponding form of distribution that over time averages at least half of net profit for the year after tax. Decisions related to the dividend proposal will take into account the company's future revenues, financial condition, capital requirements and situation in general.

### Annual General Meeting

The Annual General Meeting will be held at 4:00 p.m. (CET) on Wednesday, April 27, 2005 at Södra Paviljongen, Vasagatan 1, Stockholm, Sweden. A notice and other information for the Annual General Meeting will be available at [www.intrum.com](http://www.intrum.com).

The Annual Report is scheduled for publication in early April 2005 and will be distributed my mail to shareholders upon request.

The Annual Report will be available at Intrum Justitia AB's head office and at [www.intrum.com](http://www.intrum.com).

### Accounting Principles

This Full-year 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 totalling SEK 18.6 M through a decrease in shareholders' equity of SEK 6.6 M, a deferred tax receivable of SEK 0.7 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 in accordance with the pronouncement from the Swedish Institute of Authorized Public Accountants.

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 the International Financial Reporting Standards (IFRS, formerly IAS). The Annual Report for 2005 and interim reports will contain comparative figures for 2004 restated according to IFRS, which means that January 1, 2004 will be considered Intrum Justitia's date of transition to IFRS.

The following information on anticipated significant effects of the transition is preliminary and may change if the IFRS recommendations or their interpretation changes during the year.

According to IFRS, new rules apply to acquisition analyses and consolidated accounts. As a result, the Group will no longer amortize goodwill, which improves consolidated operating earnings for 2004 by SEK 112.1 M.

Pursuant to IFRS, the theoretical value of the Group's employee stock option program will be charged as a personnel cost during the period May 2004–December 2006. The value may be adjusted during this period for changes in the conditions for exercising allotted options. The effect of the change in reporting employee stock options is a decrease in operating earnings for 2004 of SEK 5.0 M.

Another effect is that forward currency contracts and other derivatives used in the Group's treasury operations will be valued at fair value on each accounting date. This will not have a significant effect on the Group's accounts for 2004.

For portfolios of purchased debt, amortization will be calculated based on an effective interest rate method, where the book value of each portfolio consists of the present

value of all estimated future cash flows discounted using the effective interest rate determined when the portfolio was originally purchased. Reported revenues are defined as collected amounts less amortization for the period. The effect on operating earnings of the new way to calculate amortization will be positive, SEK 4.2 M.

The estimated overall impact of IFRS on the Group's income statement and balance sheet for 2004, including the effect on deferred tax, is reported in separate columns in the Full-year Report.

Moreover, in connection with the introduction of IFRS the reporting of purchased fresh receivables will be adapted in line with the reporting of purchases of written-off receivables. As a result of this change, reported revenues decrease.

#### **Reporting Dates 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-July 2005 will be published on August 17, 2005.

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

Stockholm, February 17, 2005  
Intrum Justitia AB (publ)

*Jan Roxendal*  
President & Chief Executive Officer

This Full-year Report has not been reviewed by the company's auditors

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

*Denna delårsrapport finns även på svenska.*

#### **Presentation of the Full-year Report**

This Full-year Report and presentation material will be available at [www.intrum.com](http://www.intrum.com) > Investors. President & CEO Jan Roxendal and CFO Bo Askvik will comment on the report at an analysts' meeting and telephone conference held today at 10:00 a.m. CET. Location: Operaterrassen in Stockholm. The presentation can be viewed at [www.financialhearings.com](http://www.financialhearings.com)

To participate by telephone, call +44 207 162 0183. A recorded version will be available through February 24 by telephone +44 207 031 4064, using the code 645 197.

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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	October–December		Change,	Full-year		Change,
	2004	2003	%	2004	2003	%
Revenues	<b>745.2</b>	742.7	0.3	<b>2,848.8</b>	2,864.6	-0.6
<b>EBITDA (operating earnings before depreciation and amortization)</b>	<b>156.1</b>	-13.3	—	<b>530.7</b>	<b>129.5</b>	—
Depreciation	<b>-24.3</b>	-28.3	—	<b>-99.3</b>	-99.4	—
<b>EBITA (operating earnings before goodwill amortization)</b>	<b>131.8</b>	-41.6	—	<b>431.4</b>	<b>30.1</b>	—
Adjustment for items affecting comparability	—	139.0	—	—	398.0	—
<b>Adjusted EBITA</b>	<b>131.8</b>	<b>97.4</b>	<b>35.3</b>	<b>431.4</b>	<b>428.1</b>	<b>0.8</b>
EBITA as above	<b>131.8</b>	-41.6	—	<b>431.4</b>	30.1	—
Goodwill amortization	<b>-27.9</b>	-30.7	—	<b>-112.1</b>	-124.0	—
<b>Operating earnings before net financial items and taxes (EBIT)</b>	<b>103.9</b>	<b>-72.3</b>	—	<b>319.3</b>	<b>-93.9</b>	—

## Intrum Justitia Group – Business Overview by Quarter 2003–2004

	Quarter 4 2004	Quarter 3 2004	Quarter 2 2004	Quarter 1 2004	Quarter 4 2003	Quarter 3 2003	Quarter 2 2003	Quarter 1 2003
Revenues, SEK M	<b>745.2</b>	701.5	698.4	703.7	742.7	702.2	702.1	717.6
Adjusted EBITA, SEK M	<b>131.8</b>	121.0	81.1	97.5	97.4	128.4	98.3	104.0
Operating earnings (EBITA), SEK M	<b>131.8</b>	121.0	81.1	97.5	-41.6	-9.6	18.3	63.0
Collection cases in stock, million	<b>11.6</b>	11.5	10.8	10.5	10.6	10.5	10.0	10.0
Gross collection value, SEK billion	<b>79.4</b>	80.6	81.3	79.9	79.3	80.2	81.1	81.7

## Intrum Justitia Group – Five-Year Overview 2000–2004

	2004	2003	2002*	2001	2000
Revenues (SEK M)	<b>2,848.8</b>	2,864.6	2,774.9	2,320.6	1,694.1
Earnings after financial items, SEK M	<b>282.9</b>	-146.8	238.4	120.1	82.0
Net earnings, SEK M	<b>200.4</b>	-180.2	173.3	67.4	52.8
Earnings per share, SEK	<b>2.36</b>	-2.12	2.61	—	—
Earnings per share, before goodwill amortization, SEK	<b>3.68</b>	-0.66	4.52	—	—
Interest coverage ratio, multiple	<b>6.9</b>	neg.	3.0	—	—
Return on capital employed (excluding goodwill), %	<b>19.4</b>	5.9	19.7	—	—
Return on equity, %	<b>15.0</b>	-13.0	16.8	—	—
Equity/assets ratio, %	<b>40.5</b>	33.7	41.1	—	—
Dividend, SEK	<b>0.00</b>	0.00	1.00	—	—
Average number of employees	<b>2,945</b>	2,870	2,661	2,936	1,803

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

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**Intrum Justitia Group – Revenues by Region**


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SEK M	October–December		Change, %	Full-year		Change, %
	2004	2003		2004	2003	
Sweden, Norway & Denmark	186.5	186.7	–0.1	732.1	729.3	0.4
United Kingdom & Ireland	80.4	71.6	12.3	361.5	395.5	–8.6
Netherlands, Belgium & Germany	143.7	168.8	–14.9	581.1	607.6	–4.4
Switzerland, Austria & Italy	110.6	94.3	17.3	367.8	351.3	4.7
Finland, Estonia, Latvia & Lithuania	99.7	87.0	14.6	316.5	283.8	11.5
France, Spain & Portugal	83.6	80.6	3.7	318.0	313.0	1.6
Poland, Czech Republic & Hungary	40.7	53.7	–24.2	171.8	184.1	–6.7
<b>Total revenues</b>	<b>745.2</b>	<b>742.7</b>	<b>0.3</b>	<b>2,848.8</b>	<b>2,864.6</b>	<b>–0.6</b>

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


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SEK M	October–December		Change, %	Full-year		Change, %
	2004	2003		2004	2003	
Sweden, Norway & Denmark	23.8	25.5	–6.7	148.2	166.7	–11.1
United Kingdom & Ireland	16.5	–19.8	—	2.7	2.4	—
Netherlands, Belgium & Germany	19.6	22.0	–10.9	80.0	94.9	–15.7
Switzerland, Austria & Italy	30.0	16.1	86.3	61.4	43.8	40.2
Finland, Estonia, Latvia & Lithuania	51.7	39.6	30.6	131.2	106.7	23.0
France, Spain & Portugal	16.9	13.1	29.0	50.0	42.3	18.2
Poland, Czech Republic & Hungary	7.4	22.0	–66.4	44.1	66.3	–33.5
Participations in associated cos.	–1.7	0.0	—	2.8	0.4	—
Central expenses	–32.4	–21.1	—	–89.0	–95.4	—
Items affecting comparability	—	–139.0	—	—	–398.0	—
<b>Total (EBITA)</b>	<b>131.8</b>	<b>–41.6</b>	<b>—</b>	<b>431.4</b>	<b>30.1</b>	<b>—</b>

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


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SEK M	October–December		Change %	Full-year		Change
	2004	2003		2004	2003	
Sweden, Norway & Denmark	18.1	16.2	11.7	114.0	130.0	12.3
United Kingdom & Ireland	12.3	–163.7	—	–14.5	–378.3	—
Netherlands, Belgium & Germany	15.9	16.8	–5.4	64.9	37.3	73.9
Switzerland, Austria & Italy	23.6	12.3	91.9	46.3	28.5	62.5
Finland, Estonia, Latvia & Lithuania	47.5	35.3	34.6	114.4	88.7	29.0
France, Spain & Portugal	14.6	10.7	36.4	40.5	32.8	23.5
Poland, Czech Republic & Hungary	7.4	22.0	–66.4	44.1	66.3	–33.5
Participations in associated cos.	–1.7	0.0	—	2.8	0.4	—
Central expenses	–33.8	–21.9	—	–93.2	–99.6	—
<b>Total (EBIT)</b>	<b>103.9</b>	<b>–72.3</b>	<b>—</b>	<b>319.3</b>	<b>–93.9</b>	<b>—</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	October–December		Change, %	Full-year		Change, %
	2004	2003		2004	2003	
Consumer Collection & Debt Surveillance	451.2	445.3	1.3	1,756.0	1,732.3	1.4
Commercial & International Collection	161.4	164.1	-1.6	640.5	665.3	-3.7
Purchased Debt	81.1	57.4	41.3	244.9	206.6	18.5
Sales Ledger	30.5	35.6	-14.3	129.9	113.9	14.0
Other	60.2	64.5	-6.7	207.8	233.6	-11.0
Elimination of inter-service line revenue	-39.2	-24.2	—	-130.3	-87.1	—
<b>Total revenues</b>	<b>745.2</b>	<b>742.7</b>	<b>0.3</b>	<b>2,848.8</b>	<b>2,864.6</b>	<b>-0.6</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	October–December		Change, %	Full-year		Change, %
	2004	2003		2004	2003	
Consumer Collection & Debt Surveillance	130.2	99.2	31.3	409.5	398.1	2.9
Commercial & International Collection	15.8	9.5	66.3	60.5	56.7	6.7
Purchased Debt	18.9	22.0	-14.1	79.2	85.6	-7.5
Sales Ledger	-10.4	-31.4	—	-32.3	-55.6	—
Other	8.6	13.9	—	-9.4	20.1	—
Participations in associated cos.	-1.7	0.0	—	2.8	0.4	—
Central expenses	-29.6	-15.8	—	-78.9	-77.2	—
Items affecting comparability	—	-139.0	—	—	-398.0	—
<b>Total (EBITA)</b>	<b>131.8</b>	<b>-41.6</b>	<b>—</b>	<b>431.4</b>	<b>30.1</b>	<b>—</b>
Goodwill amortization	-27.9	-30.7	—	-112.1	-124.0	—
<b>Total (EBIT)</b>	<b>103.9</b>	<b>-72.3</b>	<b>—</b>	<b>319.3</b>	<b>-93.9</b>	<b>—</b>

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

## Intrum Justitia Group – Consolidated Income Statement

SEK M	October–December		Full-year		Full-year 2004 acc. to IFRS
	2004	2003	2004	2003	
Revenues	745.2	742.7	2,848.8	2,864.6	2,740.5
Cost of sales	-432.0	-452.0	-1,710.6	-1,742.8	-1,598.1
<b>Gross earnings</b>	<b>313.2</b>	<b>290.7</b>	<b>1,138.2</b>	<b>1,121.8</b>	<b>1,142.4</b>
Sales and marketing expenses	-72.3	-83.0	-304.1	-304.7	-304.1
General and administrative expenses	-107.4	-110.3	-405.5	-389.4	-410.5
Goodwill amortization	-27.9	-30.7	-112.1	-124.0	0.0
Items affecting comparability	—	-139.0	—	-398.0	—
Participations in associated companies	-1.7	0.0	2.8	0.4	2.8
<b>Operating earnings (EBIT)</b>	<b>103.9</b>	<b>-72.3</b>	<b>319.3</b>	<b>-93.9</b>	<b>430.6</b>
Net financial income/expenses	-7.0	-8.2	-36.4	-52.9	-36.4
<b>Earnings after financial items</b>	<b>96.9</b>	<b>-80.5</b>	<b>282.9</b>	<b>-146.8</b>	<b>394.2</b>
Tax on earnings for the period	-20.4	-63.5	-72.2	-21.2	-70.8
Minority interests	-4.4	-7.6	-10.3	-12.2	-10.3
<b>Net earnings</b>	<b>72.1</b>	<b>-151.6</b>	<b>200.4</b>	<b>-180.2</b>	<b>313.1</b>

## Intrum Justitia Group – Data per share

SEK	October–December		Full-year	
	2004	2003	2004	2003
Share price at end of period	51.50	38.00	51.50	38.00
Basic and diluted earnings per share	0.85	-1.78	2.36	-2.12
Basic and diluted earnings per share	1.18	-1.42	3.68	-0.66
Earnings per share excluding goodwill amortization	16.90	14.60	16.90	14.60
Shareholders' equity	84,986	84,986	84,986	84,986
Denominator for earnings per share, '000	84,986	84,986	84,986	84,986

Earnings per share has not been affected by dilution from the Group's stock option program as the current strike price exceeds the year's average market price of the share



## Intrum Justitia Group – Consolidated Balance Sheet

SEK M	December 31 2004	December 31 2003	December 31 2004 acc. to IFRS
<b>ASSETS</b>			
<b>Intangible fixed assets</b>			
Capitalized development expenditure for IT development and other intangibles	104.2	117.8	104.2
Goodwill	1,401.0	1,528.1	1,505.8
<b>Total intangible fixed assets</b>	<b>1,505.2</b>	<b>1,645.9</b>	<b>1,610.0</b>
<b>Tangible fixed assets</b>	<b>86.7</b>	<b>97.3</b>	<b>86.7</b>
<b>Financial fixed assets</b>			
Shares and participations in associated companies and other companies	4.5	0.8	4.5
Purchased debt	390.6	340.0	403.0
Deferred tax receivables	84.7	107.3	51.0
Other long-term receivables	7.3	10.1	7.3
<b>Total financial fixed assets</b>	<b>487.1</b>	<b>458.2</b>	<b>465.8</b>
<b>Total fixed assets</b>	<b>2,079.0</b>	<b>2,201.4</b>	<b>2,162.5</b>
<b>Current assets</b>			
Accounts receivable	345.9	353.8	345.9
Purchased fresh receivables	18.8	40.6	18.8
Client funds	397.3	475.2	397.3
Tax assets	3.0	29.4	3.0
Other receivables	287.2	263.4	287.2
Prepaid expenses and accrued revenue	78.0	73.6	78.0
Cash and cash equivalents	338.3	243.2	338.3
<b>Total current assets</b>	<b>1,468.5</b>	<b>1,479.2</b>	<b>1,468.5</b>
<b>TOTAL ASSETS</b>	<b>3,547.5</b>	<b>3,680.6</b>	<b>3,631.0</b>

## Intrum Justitia Group – Consolidated Balance Sheet

SEK M	December 31 2004	December 31 2003	December 31 2004 acc. to IFRS
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Restricted equity</b>			
Share capital	1.7	1.7	1.7
Restricted reserves	961.4	1 519.2	961.4
<b>Non-restricted equity</b>			
Non-restricted reserves	272.8	-99.9	236.4
Net earnings for the period	200.4	-180.2	313.1
<b>Total equity</b>	<b>1,436.3</b>	<b>1,240.8</b>	<b>1,512.6</b>
<b>Minority interests</b>	<b>27.6</b>	<b>17.3</b>	<b>27.6</b>
<b>Provisions</b>			
Provisions for pensions	32.4	11.9	32.4
Provisions for deferred taxation	21.8	13.6	24.0
Other provisions	14.4	23.6	19.4
<b>Total provisions</b>	<b>68.6</b>	<b>49.1</b>	<b>75.8</b>
<b>Long-term liabilities</b>			
Liabilities to credit institutions	731.3	844.1	731.3
Other long-term liabilities	9.6	24.4	9.6
<b>Total long-term liabilities</b>	<b>740.9</b>	<b>868.5</b>	<b>740.9</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	53.9	143.7	53.9
Client funds payable	397.3	475.2	397.3
Accounts payable	195.2	168.4	195.2
Income tax liabilities	37.2	39.2	37.2
Advances from customers	30.1	32.1	30.1
Other current liabilities	223.6	312.7	223.6
Accrued expenses and prepaid income	336.8	333.6	336.8
<b>Total current liabilities</b>	<b>1,274.1</b>	<b>1,504.9</b>	<b>1,274.1</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,547.5</b>	<b>3,680.6</b>	<b>3,631.0</b>
Pledged assets	0.0	0.0	0.0
Contingent liabilities	916.7	960.6	916.7

In combination with other services sold in Switzerland, the company has issued guarantees for credit card debts totaling SEK 833.4 M (942.9). 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 9.8 M (15.2). The company has accounted accrued expenses for its expected losses according to calculations based on historical experience and future expectations. Moreover, some clients are no longer active, and thus do not give Intrum Justitia assignments. Accordingly, the company considers that no guarantee commitment exists with regard to these clients.

On May 22, 2002 Tore Nuland filed a summons application at Nacka District Court against Intrum Justitia AB inter alia. The application relates to claims tried by Norwegian courts in the late 1980s without any possibility for further appeal. Intrum Justitia regards the claims as groundless and accordingly has not accounted any contingent liability.

Subsequent to a tax audits in Sweden, Norway and Finland, each country's tax authority questioned the company's tax deduction of certain costs for the period 1998–2003. The company has appealed and considers that the tax authorities' claims will not result in any expenses for the company. The fiscal effect of the aforementioned deduction has been accounted as a contingent liability totaling SEK 70.3 M. The audit in Denmark is completed and no significant issues remain.

## Intrum Justitia Group – Cash Flow Statement

SEK M	Full-year 2004	Full-year 2003
<b>Operating activities</b>		
Operating earnings	319.3	-93.9
Depreciation/amortization	211.4	223.4
Write-down of goodwill	0.0	103.0
Adjustment for expenses not included in cash flow	11.1	29.4
Interest received	11.1	6.7
Interest paid and other financial expenses	-46.0	-50.6
Income tax paid	-15.3	-81.6
<b>Cash flow from operating activities before changes in working capital</b>	<b>491.6</b>	<b>136.4</b>
Changes in working capital	59.9	-32.8
Repayments in England of non-allocated receipts	-70.4	0.0
Working capital effect of correction to English operations	0.0	198.2
<b>Cash flow from operating activities</b>	<b>481.1</b>	<b>301.8</b>
<b>Investing activities</b>		
Purchases of tangible fixed assets	-37.1	-49.7
Purchases of intangible fixed assets	-34.5	-48.1
Purchases of debt	-266.8	-200.8
Amortization of purchased debt	190.6	166.3
Purchases of subsidiaries and associated companies	-10.4	-79.5
Expenses from cancelled company acquisition	-17.4	0.0
Other cash flow from investing activities	0.0	6.0
<b>Cash flow from investing activities</b>	<b>2.8</b>	<b>0.3</b>
	<b>-172.8</b>	<b>-205.5</b>
<b>Financing activities</b>		
Dividends		
Other cash flow from financing activities	0.0	-85.0
<b>Cash flow from financing activities</b>	<b>-218.5</b>	<b>119.0</b>
	<b>-218.5</b>	<b>34.0</b>
<b>Change in liquid assets</b>	<b>89.8</b>	<b>130.3</b>
<b>Opening balance of liquid assets</b>		
Exchange rate differences in liquid assets	243.2	123.4
<b>Closing balance of liquid assets</b>	<b>5.3</b>	<b>-10.5</b>
<b>Operating activities</b>	<b>338.3</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 sharehold- ers' 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				-6.6		-6.6
<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>-106.5</b>	<b>-180.2</b>	<b>1,234.2</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			-51.6	51.6		0.0
Currency translation differences			-6.2	7.9		1.7
Net earnings for the period					200.4	200.4
<b>Closing balance, December 30, 2004</b>	<b>84,985,604</b>	<b>1.7</b>	<b>961.4</b>	<b>272.8</b>	<b>200.4</b>	<b>1,436.3</b>

## Intrum Justitia Group – Additional Data

Key figures	October–December		Full-year	
	2004	2003	2004	2003
Adjusted EBITA margin, %	17.7	13.1	15.1	14.9
EBITA margin, %	17.7	–5.6	15.1	1.1
Operating margin, %	13.9	–9.7	11.2	–3.3
Return on capital employed (excluding goodwill amortization), %	23.6	11.0	19.4	5.9
Return on operational capital (excluding goodwill amortization), %	26.2	11.6	21.6	6.0
Return on equity, %	20.6	–46.4	15.0	–13.0
Net debt, SEK M	457	769	457	769
Net debt/equity, %	31.8	62.0	31.8	62.0
Equity/assets ratio, %	40.5	33.7	40.5	33.7
Interest coverage ratio, multiple	10.1	neg.	6.9	neg.
Collection cases in stock, million	11.6	10.6	11.6	10.6
Total collection value, SEK billion	79.4	79.3	79.4	79.3
Average number of employees	2,945	2,870	2,945	2,870

### Definitions

*Adjusted EBITA* is operating earnings before goodwill amortization 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. Operating 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. as a percentage of interest expenses, etc.

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## Intrum Justitia Group – Ownership structure

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	<b>Number of shares</b>	<b>Capital and votes, %</b>
Industri Kapital 1997 Fund	21,230,669	25.0
Parkerhouse Investments	15,850,000	18.7
Cevian Capital	7,150,669	8.4
Lannebo funds	3,446,400	4.1
Didner & Gerge equity fund	3,423,400	4.0
SEB funds	1,645,900	1.9
Handelsbanken/SPP funds	1,391,029	1.6
Second Swedish National Pension Fund	1,268,364	1.5
Robur funds	1,153,000	1.4
Fidelity funds	1,030,700	1.2

<b>Holding</b>	<b>Number of shares and votes</b>	<b>%</b>	<b>Number of owners</b>
Between 1 share and 1,000 shares	1,485,488	1.8	3,322
Between 1,001 and 10,000 shares	4,061,032	4.8	1,251
Between 10,001 and 50,000 shares	3,468,641	4.1	150
Between 50,001 and 100,000 shares	2,408,362	2.8	31
Between 100,001 and 500,000 shares	10,408,605	12.2	50
Between 500,001 and 1,000,000 shares	9,662,066	11.4	15
More than 1,000,001 shares	53,491,410	62.9	14
<b>Total</b>	<b>84,985,604</b>	<b>100.00</b>	<b>4,833</b>

Swedish ownership accounted for 55 percent (institutional investors for 30 percent, equity funds for 16 percent and 9 percent).

Table based on shareholder register on December 30, 2004.

Sources: VPC, SIS Aktieägarservice and Intrum Justitia.